

119TH CONGRESS  
1ST SESSION

# H. R. 1

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## AN ACT

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

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

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. TABLE OF CONTENTS.**

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

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**TITLE I—COMMITTEE ON**  
**AGRICULTURE**  
**Subtitle A—Nutrition**

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

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

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

“(2) HOUSEHOLD ADJUSTMENTS.—The Secretary shall make household-size adjustments based on the following ratios of household size as a percentage of the maximum 4-person allotment:

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

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

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

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

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

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

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

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

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

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

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

10 “(3) REEVALUATION OF MARKET BASKETS.—

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

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

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

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

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

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



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

13 **SEC. 10002. ABLE BODIED ADULTS WITHOUT DEPENDENTS**  
 14 **WORK REQUIREMENTS.**

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

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

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

20                   “(B) medically certified as physically or  
 21          mentally unfit for employment;

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

1 “(D) otherwise exempt under subsection  
2 (d)(2);

3 “(E) a pregnant woman;

4 “(F) currently homeless;

5 “(G) a veteran;

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

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

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

19 **SEC. 10003. ABLE BODIED ADULTS WITHOUT DEPENDENTS**  
20 **WAIVERS.**

21 Section 6(o) of the Food and Nutrition Act of 2008  
22 (7 U.S.C. 2015(o)) is amended—

23 (1) by amending paragraph (4)(A) to read as  
24 follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8           “(a) PROGRAM.—

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

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

11          “(2) MATCHING FUNDS REQUIREMENTS.—

12          “(A) IN GENERAL.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (2) in paragraph (2)—

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

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

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

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

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

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

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

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

23 (2) in subclause (II)—

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



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

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

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

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

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

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

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

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

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

21 “(2) either—

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Subtitle B—Investment in Rural America**

### **SEC. 10101. SAFETY NET.**

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

“(19) REFERENCE PRICE.—

“(A) IN GENERAL.—Subject to subparagraphs (B) and (C), the term ‘reference price’, with respect to a covered commodity for a crop year, means the following:

“(i) For wheat, \$6.35 per bushel.

“(ii) For corn, \$4.10 per bushel.

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

“(iv) For barley, \$5.45 per bushel.

“(v) For oats, \$2.65 per bushel.

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

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

“(viii) For soybeans, \$10.00 per bushel.

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

1 “(x) For peanuts, \$630.00 per ton.

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

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

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

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

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

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

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

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

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

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

2 “(e) ADDITIONAL BASE ACRES.—

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

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

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

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

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

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

1 “(4) ELIGIBILITY.—

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

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

12 “(i) the 5-year average of—

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

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

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

3 “(ii) the lesser of—

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

6 “(II) the 5-year average of—

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

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

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



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

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

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

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

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

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

3 “(B) include unassigned crop base.

4 “(6) ALLOCATION OF ACRES.—

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

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

13 “(i) the 5-year average of—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 and

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

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

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

25 (2) in subsection (c)—

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

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

10 (C) in paragraph (2)—

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

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

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

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

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

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

(2) in subsection (c)(1)(B)—

(A) in the subparagraph heading, by striking “2023” and inserting “2031”; and

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

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

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

(e) AGRICULTURE RISK COVERAGE.—Section 1117 of the Agricultural Act of 2014 (7 U.S.C. 9017) is amended—

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

(2) in subsection (c)—

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

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

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

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

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

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

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

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

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

23 (A) in subsection (a)—

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13           (1) in subsection (b)—

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

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

18           (2) in subsection (c)—

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

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

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

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

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

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

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

11 “(4) EXCEPTION FOR CERTAIN OPERATIONS.—

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

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

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

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

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

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

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

18                  (i) MARKETING LOANS.—

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

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

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

3               (A) in subsection (b)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11               “(A) Sunflower seed.

12               “(B) Rapeseed.

13               “(C) Canola.

14               “(D) Safflower.

15               “(E) Flaxseed.

16               “(F) Mustard seed.

17               “(G) Crambe.

18               “(H) Sesame seed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24                         “(B) for corn, \$3.30 per bushel.



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

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

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

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

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

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

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

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

24                   “(B) in the case of storage in—

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

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

5 (4) LOAN DEFICIENCY PAYMENTS.—

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

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

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

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

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

4           (1) in subsection (b)—

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

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

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

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

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

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

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

9           (2) in subsection (c)—

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

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

15                 “(1) the loan rate”; and

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

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

20           (3) in subsection (d)—

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

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

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

7 “(1) IN GENERAL.—For purposes”; and

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

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

15 (4) in subsection (e)—

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

19 (B) in paragraph (2)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (l) SUGAR PROGRAM UPDATES.—

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

4           (A) in subsection (a)—

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

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

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

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

14           (B) in subsection (b)—

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

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

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

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



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

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

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

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

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

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

16 (B) in subsection (b)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 “(c) REALLOCATION.—

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

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

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

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

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

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

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

11      “(d) REFINED SUGAR.—

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

15           “(A) sugar beet producers and processors;

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

18           “(C) refiners of raw cane sugar.

19      “(2) STUDY REQUIRED.—

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

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

4                   “(i) The need for—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

10 (m) DAIRY POLICY UPDATES.—

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

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

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

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

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

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

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

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

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

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

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

1 (3) PREMIUMS FOR DAIRY MARGINS.—

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

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

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

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

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

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

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

21 (i) in paragraph (1)—

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

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

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

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

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

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

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

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

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

7 “(D) \$10,000,000 shall be used to—

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

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

17 (p) LIVESTOCK SAFETY NET UPDATES.—

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

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

23 “(2) PAYMENT RATES.—

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

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

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

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

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

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

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

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

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

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

17 “(i) determined by the Secretary; and

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

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

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

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

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

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

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

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

23 (2) LIVESTOCK FORAGE DISASTER PROGRAM.—

24 Section 1501(c)(3)(D)(ii)(I) of the Agricultural Act



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

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

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

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

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

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

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

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

9           “(B) PAYMENT RATE.—

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

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

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

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

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

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

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

“(ii) 85 percent of the total number of acres of farm-raised fish farms that the eligible producer has in production for the calendar year.”.

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

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

(B) in paragraph (3)—

(i) in subparagraph (A)(i), by striking “15 percent mortality (adjusted for normal mortality)” and inserting “normal mortality”; and

(ii) in subparagraph (B)—

(I) by striking “50” and inserting “65”; and

(II) by striking “15 percent damage or mortality (adjusted for normal

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

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

9 (r) BEGINNING FARMER AND RANCHER BENEFIT.—

10 (1) DEFINITIONS.—

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

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

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

23 “(9) ADDITIONAL SUPPORT.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (B) in subparagraph (C)—

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

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

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

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

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

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

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

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

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

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

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

3           “(10) ADDITIONAL EXPENSES.—

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

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

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

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

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



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

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

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

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

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

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

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

1 “(11) SPECIALTY CROPS.—

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

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

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

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

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

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

9 “(12) A&O INFLATION ADJUSTMENT.—

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

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

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

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

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

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

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

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

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

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

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

12           “(j) POULTRY INSURANCE PILOT PROGRAM.—

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

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

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

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

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

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

16 **SEC. 10102. CONSERVATION.**

17          (a) GRASSROOTS SOURCE WATER PROTECTION PRO-  
 18          GRAM.—Section 1240O(b) of the Food Security Act of  
 19          1985 (16 U.S.C. 3839bb–2(b)) is amended—

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

22                   (2) in paragraph (3)—

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

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

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

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

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

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

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

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

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

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

23 (d) FUNDING.—

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

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

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

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

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

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

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

12       and

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

14       and

15       (B) in paragraph (3)—

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 **SEC. 10104. RESEARCH.**

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

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

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

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

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

8           (1) in subsection (a)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (2) in subsection (a)—

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

9 “(a) IN GENERAL.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

15           (A) in subsection (b)—

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

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

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

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

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

4 (B) in subsection (d)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25                  (2) by striking paragraph (6).

1 (c) TECHNICAL CORRECTIONS.—

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

6 (A) in subsection (c)—

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

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

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

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

19 (d) RESCISSIONS.—

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

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

5 **SEC. 10106. ENERGY.**

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

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

15 **SEC. 10107. HORTICULTURE.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 **SEC. 10108. MISCELLANEOUS.**

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

15                   “(1) MANDATORY FUNDING.—

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

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



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

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

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

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

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

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

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

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

3           (c) MISCELLANEOUS TRUST FUNDS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11          (4) in subsection (a)—

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

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

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

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

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

- 1 (A) by striking “under the pilot programs”  
2 and inserting “under this section”; and  
3 (B) by striking “September 30, 2009” and  
4 inserting “September 30, 2029”.

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

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

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

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

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

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

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

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

1           (7) \$110,000,000 for rolled steel and fabrica-  
2           tion facility for shipbuilding industrial base;

3           (8) \$400,000,000 for expansion of collaborative  
4           campus for naval shipbuilding;

5           (9) \$450,000,000 for application of autonomy  
6           and artificial intelligence to naval shipbuilding;

7           (10) \$500,000,000 for the adoption of advanced  
8           manufacturing techniques in the shipbuilding indus-  
9           trial base;

10          (11) \$500,000,000 for additional dry-dock ca-  
11          pability;

12          (12) \$50,000,000 for the expansion of cold  
13          spray repair technologies;

14          (13) \$450,000,000 for additional maritime in-  
15          dustrial workforce development programs;

16          (14) \$750,000,000 for additional supplier devel-  
17          opment across the naval shipbuilding industrial base;

18          (15) \$250,000,000 for additional advanced  
19          manufacturing processes across the naval ship-  
20          building industrial base;

21          (16) \$4,600,000,000 for a second Virginia-class  
22          submarine in fiscal year 2026;

23          (17) \$5,400,000,000 for two additional Guided  
24          Missile Destroyer (DDG) ships;



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6           (54) \$100,000,000 for accelerated fielding of  
7       Army short-range gun-based air and missile defense  
8       system;

9           (55) \$40,000,000 for development of low-cost  
10      alternatives to air and missile defense interceptors;

11          (56) \$50,000,000 for acceleration of Army  
12      next-generation shoulder-fired air defense system;

13          (57) \$91,000,000 for production of Army next-  
14      generation shoulder-fired air defense system;

15          (58) \$500,000,000 for development, production,  
16      and integration of counter-unmanned aerial systems  
17      programs;

18          (59) \$350,000,000 for development, production,  
19      and integration of non-kinetic counter-unmanned  
20      aerial systems programs;

21          (60) \$250,000,000 for development, production,  
22      and integration of land-based counter-unmanned  
23      aerial systems programs;

1           (61) \$200,000,000 for development, production,  
2           and integration of ship-based counter-unmanned aer-  
3           ial systems programs; and

4           (62)    \$400,000,000    for    acceleration    of  
5           hypersonic strike programs.

6           (b) APPROPRIATIONS.—In addition to amounts other-  
7   wise available, there is appropriated to the Secretary of  
8   Defense, out of any money in the Treasury not otherwise  
9   appropriated, to remain available until September 30,  
10  2029, \$500,000,000 to the “Department of Defense Cred-  
11  it Program Account” to carry out the capital assistance  
12  program, including loans, loan guarantees, and technical  
13  assistance, established under section 149(e) of title 10,  
14  United States Code, for critical minerals and related in-  
15  dustries and projects, including related Covered Tech-  
16  nology Categories: *Provided*, That—

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

22           (2) such amounts are available to cover all costs  
23           and expenditures as provided under section  
24           149(e)(5)(B) of title 10, United States Code.

1 **SEC. 20005. ENHANCEMENT OF DEPARTMENT OF DEFENSE**  
2 **RESOURCES FOR SCALING LOW-COST WEAP-**  
3 **ONS INTO PRODUCTION.**

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

9 (1) \$25,000,000 for the Office of Strategic  
10 Capital Global Technology Scout program;

11 (2) \$1,100,000,000 for the expansion of the  
12 small unmanned aerial system industrial base;

13 (3) \$400,000,000 for the development and de-  
14 ployment of the Joint Fires Network and associated  
15 joint battle management capabilities;

16 (4) \$400,000,000 for the expansion of advanced  
17 command-and-control tools to combatant commands  
18 and military departments;

19 (5) \$100,000,000 for the development of shared  
20 secure facilities for the defense industrial base;

21 (6) \$50,000,000 for the creation of additional  
22 Defense Innovation Unit OnRamp Hubs;

23 (7) \$250,000,000 for the acceleration of Stra-  
24 tegic Capabilities Office programs;

1           (8) \$650,000,000 for the expansion of Mission  
2           Capabilities office joint prototyping and experimen-  
3           tation activities for military innovation;

4           (9) \$500,000,000 for the accelerated develop-  
5           ment and integration of advanced 5G/6G tech-  
6           nologies for military use;

7           (10) \$25,000,000 for testing of simultaneous  
8           transmit and receive technology for military spec-  
9           trum agility;

10          (11) \$50,000,000 for the development, procure-  
11          ment, and integration of high-altitude stratospheric  
12          balloons for military use;

13          (12) \$120,000,000 for the development, pro-  
14          curement, and integration of long-endurance un-  
15          manned aerial systems for surveillance;

16          (13) \$40,000,000 for the development, procure-  
17          ment, and integration of alternative positioning and  
18          navigation technology to enable military operations  
19          in contested electromagnetic environments;

20          (14) \$750,000,000 for the acceleration of inno-  
21          vative military logistics and energy capability devel-  
22          opment and deployment;

23          (15) \$120,000,000 for the acceleration of devel-  
24          opment of small, portable modular nuclear reactors  
25          for military use;

1           (16) \$1,000,000,000 for the expansion of pro-  
2           grams to accelerate the procurement and fielding of  
3           innovative technologies;

4           (17) \$90,000,000 for the development of reus-  
5           able hypersonic technology for military strikes and  
6           intelligence;

7           (18) \$2,000,000,000 for the expansion of De-  
8           fense Innovation Unit scaling of commercial tech-  
9           nology for military use;

10          (19) \$500,000,000 to prevent delays in delivery  
11          of attritable autonomous military capabilities;

12          (20) \$1,000,000,000 for the development, pro-  
13          curement, and integration of low-cost cruise missiles;

14          (21) \$500,000,000 for the development, pro-  
15          curement, and integration of exportable low-cost  
16          cruise missiles;

17          (22) \$124,000,000 for improvements to Test  
18          Resource Management Center artificial intelligence  
19          capabilities;

20          (23) \$145,000,000 for the development of arti-  
21          ficial intelligence to enable one-way attack un-  
22          manned aerial systems and naval systems;

23          (24) \$250,000,000 for the development of the  
24          Test Resource Management Center digital test envi-  
25          ronment;

1           (25) \$250,000,000 for the advancement of the  
2       artificial intelligence ecosystem;

3           (26) \$250,000,000 for the expansion of Cyber  
4       Command artificial intelligence lines of effort;

5           (27) \$250,000,000 for the acceleration of the  
6       Quantum Benchmarking Initiative;

7           (28) \$500,000,000 for the expansion and accel-  
8       eration of qualification activities and technical data  
9       management to enhance competition in defense in-  
10      dustrial base;

11          (29) \$400,000,000 for the expansion of the de-  
12      fense manufacturing technology program; and

13          (30) \$685,000,000 for military cryptographic  
14      modernization activities.

15      (b) APPROPRIATIONS.—In addition to amounts other-  
16   wise available, there are appropriated to the Secretary of  
17   Defense, out of any money in the Treasury not otherwise  
18   appropriated, to remain available until September 30,  
19   2029, \$1,000,000,000 to the “Department of Defense  
20   Credit Program Account” to carry out the capital assist-  
21   ance program, including loans, loan guarantees, and tech-  
22   nical assistance, established under section 149(e) of title  
23   10, United States Code: *Provided*, That—

24          (1) such amounts are available to subsidize  
25      gross obligations for the principal amount of direct



1 loans, and total loan principal, any part of which is  
2 to be guaranteed, not to exceed \$100,000,000,000;  
3 and

4 (2) such amounts are available to cover all costs  
5 and expenditures as provided under section  
6 149(e)(5)(B) of title 10, United States Code.

7 **SEC. 20006. ENHANCEMENT OF DEPARTMENT OF DEFENSE**  
8 **RESOURCES FOR IMPROVING THE EFFI-**  
9 **CIENCY AND CYBERSECURITY OF THE DE-**  
10 **PARTMENT OF DEFENSE.**

11 In addition to amounts otherwise available, there are  
12 appropriated to the Secretary of Defense for fiscal year  
13 2025, out of any money in the Treasury not otherwise ap-  
14 propriated, to remain available until September 30,  
15 2029—

16 (1) \$150,000,000 for business systems replace-  
17 ment to accelerate the audits of the financial state-  
18 ments of the Department of Defense pursuant to  
19 chapter 9A and section 2222 of title 10, United  
20 States Code;

21 (2) \$200,000,000 for the deployment of auto-  
22 mation and artificial intelligence to accelerate the  
23 audits of the financial statements of the Department  
24 of Defense pursuant to chapter 9A and section 2222  
25 of title 10, United States Code;

1           (3) \$10,000,000 for the improvement of the  
2       budgetary and programmatic infrastructure of the  
3       Office of the Secretary of Defense; and

4           (4) \$20,000,000 for defense cybersecurity pro-  
5       grams of the Defense Advanced Research Projects  
6       Agency.

7   **SEC. 20007. ENHANCEMENT OF DEPARTMENT OF DEFENSE**  
8                   **RESOURCES FOR AIR SUPERIORITY.**

9       In addition to amounts otherwise available, there are  
10   appropriated to the Secretary of Defense for fiscal year  
11   2025, out of any money in the Treasury not otherwise ap-  
12   propriated, to remain available until September 30,  
13   2029—

14           (1) \$3,150,000,000 to increase F-15EX air-  
15   craft production;

16           (2) \$361,220,000 to prevent the retirement of  
17   F-22 aircraft;

18           (3) \$127,460,000 to prevent the retirement of  
19   F-15E aircraft;

20           (4) \$50,000,000 to accelerate installation of F-  
21   16 electronic warfare capability;

22           (5) \$116,000,000 for C-17A Mobility Aircraft  
23   Connectivity;

24           (6) \$84,000,000 for KC-135 Mobility Aircraft  
25   Connectivity;

1 (7) \$440,000,000 to increase C-130J produc-  
2 tion;

3 (8) \$474,000,000 to increase EA-37B produc-  
4 tion;

5 (9) \$300,000,000 for Air Force classified pro-  
6 grams;

7 (10) \$678,000,000 to accelerate the Collabo-  
8 rative Combat Aircraft program;

9 (11) \$400,000,000 to accelerate production of  
10 the F-47 aircraft;

11 (12) \$230,000,000 for Navy classified pro-  
12 grams;

13 (13) \$500,000,000 accelerate the FA/XX air-  
14 craft;

15 (14) \$100,000,000 for production of Advanced  
16 Aerial Sensors;

17 (15) \$160,000,000 to accelerate V-22 nacelle  
18 improvement; and

19 (16) \$100,000,000 to accelerate production of  
20 MQ-25 aircraft.

21 **SEC. 20008. ENHANCEMENT OF RESOURCES FOR NUCLEAR**  
22 **FORCES.**

23 (a) DOD APPROPRIATIONS.—In addition to amounts  
24 otherwise available, there are appropriated to the Sec-  
25 retary of Defense for fiscal year 2025, out of any money

1 in the Treasury not otherwise appropriated, to remain  
2 available until September 30, 2029—

3 (1) \$1,500,000,000 for risk reduction activities  
4 for the Sentinel intercontinental ballistic missile pro-  
5 gram;

6 (2) \$4,500,000,000 for acceleration of the B-  
7 21 long-range bomber aircraft;

8 (3) \$500,000,000 for improvements to the Min-  
9 uteman III intercontinental ballistic missile system;

10 (4) \$100,000,000 for capability enhancements  
11 to intercontinental ballistic missile reentry vehicles;

12 (5) \$148,000,000 for the expansion of D5 mis-  
13 sile motor production;

14 (6) \$400,000,000 to accelerate the development  
15 of Trident D5LE2 submarine-launched ballistic mis-  
16 siles;

17 (7) \$2,000,000,000 to accelerate the develop-  
18 ment, procurement, and integration of the nuclear-  
19 armed sea-launched cruise missile;

20 (8) \$62,000,000 to convert Ohio-class sub-  
21 marine tubes to accept additional missiles;

22 (9) \$22,000,000 to enhance nuclear deterrence  
23 through classified programs;

1           (10) \$168,000,000 to accelerate the production  
2           of the Survivable Airborne Operations Center pro-  
3           gram;

4           (11) \$65,000,000 to accelerate the moderniza-  
5           tion of nuclear command, control, and communica-  
6           tions; and

7           (12) \$210,300,000 for the increased production  
8           of MH-139 helicopters.

9           (b) NNSA APPROPRIATIONS.—In addition to  
10          amounts otherwise available, there are appropriated to the  
11          Administrator of the National Nuclear Security Adminis-  
12          tration for fiscal year 2025, out of any money in the  
13          Treasury not otherwise appropriated, to remain available  
14          until September 30, 2029—

15               (1) \$200,000,000 to perform National Nuclear  
16               Security Administration Phase 1 studies pursuant to  
17               section 3211 of the National Nuclear Security Ad-  
18               ministration Act (50 U.S.C. 2401);

19               (2) \$540,000,000 to address deferred mainte-  
20               nance and repair needs of the National Nuclear Se-  
21               curity Administration pursuant to section 3211 of  
22               the National Nuclear Security Administration Act  
23               (50 U.S.C. 2401);

24               (3) \$1,000,000,000 to accelerate the construc-  
25               tion of National Nuclear Security Administration fa-

cilities pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(4) \$400,000,000 to accelerate the development, procurement, and integration of the warhead for the nuclear-armed sea-launched cruise missile pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(5) \$500,000,000 to accelerate primary capability modernization pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(6) \$500,000,000 to accelerate secondary capability modernization pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401); and

(7) \$100,000,000 to accelerate domestic uranium enrichment centrifuge deployment for defense purposes pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401).

**SEC. 20009. ENHANCEMENT OF DEPARTMENT OF DEFENSE  
RESOURCES TO IMPROVE CAPABILITIES OF  
UNITED STATES INDO-PACIFIC COMMAND.**

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year

1 2025, out of any money in the Treasury not otherwise ap-  
2 propriated, to remain available until September 30,  
3 2029—

4 (1) \$365,000,000 for Army exercises and oper-  
5 ations in the Western Pacific area of operations;

6 (2) \$53,000,000 for Special Operations Com-  
7 mand exercises and operations in the Western Pa-  
8 cific area of operations;

9 (3) \$47,000,000 for Marine Corps exercises and  
10 operations in Western Pacific area of operations;

11 (4) \$90,000,000 for Air Force exercises and op-  
12 erations in Western Pacific area of operations;

13 (5) \$532,600,000 for the Pacific Air Force bi-  
14 ennial large-scale exercise;

15 (6) \$19,000,000 for the development of naval  
16 small craft capabilities;

17 (7) \$35,000,000 for military additive manufac-  
18 turing capabilities in the United States Indo-Pacific  
19 Command area of operations west of the inter-  
20 national dateline;

21 (8) \$450,000,000 for the development of air-  
22 fields within the area of operations of United States  
23 Indo-Pacific Command;

1           (9) \$1,100,000,000 for development of infra-  
2           structure within the area of operations of United  
3           States Indo-Pacific Command;

4           (10) \$124,000,000 for mission networks for  
5           United States Indo-Pacific Command;

6           (11) \$100,000,000 for Air Force regionally  
7           based cluster pre-position base kits;

8           (12) \$25,000,000 to explore the revitalization  
9           of existing Arctic naval infrastructure;

10          (13) \$90,000,000 for the accelerated develop-  
11          ment of non-kinetic capabilities;

12          (14) \$20,000,000 for United States Indo-Pa-  
13          cific Command military exercises;

14          (15) \$23,000,000 for anti-submarine sonar ar-  
15          rays;

16          (16) \$30,000,000 for intelligence, surveillance,  
17          and reconnaissance capabilities for United States Af-  
18          rica Command;

19          (17) \$30,000,000 for intelligence, surveillance,  
20          and reconnaissance capabilities for United States  
21          Indo-Pacific Command;

22          (18) \$400,000,000 for the development, coordi-  
23          nation, and deployment of economic competition ef-  
24          fects within the Department of Defense;



- 1           (19) \$10,000,000 for the expansion of Depart-  
2           ment of Defense workforce for economic competition;
- 3           (20) \$1,000,000,000 for offensive cyber oper-  
4           ations;
- 5           (21) \$500,000,000 for personnel and operations  
6           costs associated with forces assigned to United  
7           States Indo-Pacific Command;
- 8           (22) \$300,000,000 for the procurement of mesh  
9           network communications capabilities for Special Op-  
10          erations Command Pacific;
- 11          (23) \$850,000,000 for the replenishment of  
12          military articles;
- 13          (24) \$200,000,000 for acceleration of Guam  
14          Defense System program;
- 15          (25) \$4,029,000,000 for classified military  
16          space superiority programs;
- 17          (26) \$68,000,000 for Space Force facilities im-  
18          provements;
- 19          (27) \$100,000,000 for ground moving target  
20          indicator military satellites; and
- 21          (28) \$528,000,000 for DARC and  
22          SILENTBARKER military space situational aware-  
23          ness programs.

1 **SEC. 20010. ENHANCEMENT OF DEPARTMENT OF DEFENSE**  
2 **RESOURCES FOR IMPROVING THE READI-**  
3 **NESS OF THE ARMED FORCES.**

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

9 (1) \$1,400,000,000 for a pilot program on  
10 OPN-8 maritime spares and repair rotatable pool;

11 (2) \$700,000,000 for a pilot program on OPN-  
12 8 maritime spares and repair rotatable pool for am-  
13 phibious ships;

14 (3) \$2,118,000,000 for spares and repairs to  
15 keep Air Force aircraft mission capable;

16 (4) \$1,500,000,000 for Army depot moderniza-  
17 tion and capacity enhancement;

18 (5) \$2,000,000,000 for Navy depot and ship-  
19 yard modernization and capacity enhancement;

20 (6) \$250,000,000 for Air Force depot mod-  
21 ernization and capacity enhancement;

22 (7) \$1,391,000,000 for the enhancement of  
23 Special Operations Command equipment and readi-  
24 ness;

25 (8) \$500,000,000 for National Guard unit  
26 readiness;

1           (9) \$400,000,000 for Marine Corps readiness  
2           and capabilities;

3           (10) \$20,000,000 for upgrades to Marine Corps  
4           utility helicopters;

5           (11) \$310,000,000 for next-generation vertical  
6           lift, assault, and intra-theater aeromedical evacu-  
7           ation aircraft;

8           (12) \$75,000,000 for the procurement of anti-  
9           lock braking systems for Army wheeled transport ve-  
10          hicles;

11          (13) \$230,000,000 for the procurement of  
12          Army wheeled combat vehicles;

13          (14) \$63,000,000 for the development of ad-  
14          vanced rotary-wing engines;

15          (15) \$241,000,000 for the development, pro-  
16          curement, and integration of Marine Corps amphib-  
17          ious vehicles;

18          (16) \$250,000,000 for the procurement of  
19          Army tracked combat transport vehicles; and

20          (17) \$98,000,000 for additional Army light ro-  
21          tary-wing capabilities.

1 **SEC. 20011. IMPROVING DEPARTMENT OF DEFENSE BOR-**  
2 **DER SUPPORT AND COUNTER-DRUG MIS-**  
3 **SIONS.**

4 In addition to amounts otherwise available, there are  
5 appropriated to the Secretary of Defense for fiscal year  
6 2025, out of any money in the Treasury not otherwise ap-  
7 propriated, to remain available until September 30, 2029,  
8 \$5,000,000,000 for activities in support of border oper-  
9 ations, including deployment of military personnel, oper-  
10 ations and maintenance, counter-narcotics and counter-  
11 transnational criminal organization mission support, the  
12 operation of and construction in national defense areas,  
13 the temporary detention of migrants on Department of  
14 Defense installations.

15 **SEC. 20012. ENHANCEMENT OF MILITARY INTELLIGENCE**  
16 **PROGRAMS.**

17 In addition to amounts otherwise available, there are  
18 appropriated to the Secretary of Defense for fiscal year  
19 2025, out of any money in the Treasury not otherwise ap-  
20 propriated, to remain available until September 30, 2029,  
21 \$2,000,000,000 for the enhancement of military intel-  
22 ligence programs.

23 **SEC. 20013. DEPARTMENT OF DEFENSE OVERSIGHT.**

24 (a) OFFICE OF THE SECRETARY OF DEFENSE.—In  
25 addition to amounts otherwise available, there is appro-  
26 priated to the Inspector General of the Department of De-

1 fense for fiscal year 2025, out of any money in the Treas-  
2 ury not otherwise appropriated, \$10,000,000, to remain  
3 available through September 30, 2029, to carry out this  
4 section.

5 (b) OVERSIGHT OF PROGRAMS.—The Inspector Gen-  
6 eral shall monitor Department of Defense activities for  
7 which funding is appropriated in this title, including—

8 (1) programs with mutual technological depend-  
9 encies;

10 (2) programs with related data management  
11 and data ownership considerations;

12 (3) programs particularly vulnerable to supply  
13 chain disruptions and long lead time components;  
14 and

15 (4) programs involving classified matters.

16 (c) CLASSIFIED MATTERS.—Not later than 30 days  
17 after the date of the enactment of this title, the Chairs  
18 of the Committees on Armed Services of the Senate and  
19 House of Representatives shall jointly transmit to the De-  
20 partment of Defense a classified memorandum regarding  
21 amounts made available in this title related to classified  
22 matters.

1 **SEC. 20014. MILITARY CONSTRUCTION PROJECTS AUTHOR-**  
2 **IZED.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds  
4 are hereby authorized to be appropriated for military con-  
5 struction, land acquisition, and military family housing  
6 functions of each military department (as defined in sec-  
7 tion 101(a) of title 10, United States Code) as specified  
8 in this title.

9 (b) SPENDING PLAN.—Not later than 30 days after  
10 the date of the enactment of this title, the Secretary of  
11 each military department shall submit to the Committees  
12 on Armed Services of the Senate and House of Represent-  
13 atives a detailed spending plan by project for all funds  
14 made available by this title to be expended on military con-  
15 struction projects.

16 **SEC. 20015. PLAN REQUIRED.**

17 (a) IN GENERAL.—Not later than 45 days after the  
18 date of the enactment of this title, the Secretary of De-  
19 fense and the Administrator of the National Nuclear Secu-  
20 rity Agency, as appropriate, shall submit to the Commit-  
21 tees on Armed Services of the Senate and the House of  
22 Representatives a spending, expenditure, or operating plan  
23 for amounts made available pursuant to this title. Such  
24 plan shall include the same level of detail as required for  
25 the report submitted under section 8007 of division A of

1 the Further Consolidated Appropriations Act, 2024 (Public Law 118–47; 138 Stat. 482).

3 (b) EXPENDITURE REPORT.—Not later than one  
4 year after the date of enactment of this title, and annually  
5 thereafter, the Secretary and the Administrator of the National Nuclear Security Agency, as appropriate, shall submit to the Committees on Armed Services of the Senate  
6 and the House of Representative a report that includes  
7 a description of any expenditures made pursuant to the  
8 plan required under subsection (a).

11 **SEC. 20016. LIMITATION ON AVAILABILITY OF FUNDS.**

12 The funds made available under this title may not  
13 be used to enter into any agreement under which any payment of such funds could be outlaid or disbursed after  
14 September 30, 2034.

16 **TITLE III—COMMITTEE ON**  
17 **EDUCATION AND WORKFORCE**  
18 **Subtitle A—Student Eligibility**

19 **SEC. 30001. STUDENT ELIGIBILITY.**

20 (a) IN GENERAL.—Section 484(a)(5) of the Higher  
21 Education Act of 1965 (20 U.S.C. 1091(a)(5)) is amended  
22 to read as follows:

23 “(5) be—

24 “(A) a citizen or national of the United  
25 States;

1           “(B) an alien who is lawfully admitted for  
2 permanent residence under the Immigration  
3 and Nationality Act (8 U.S.C. 1101 et seq.);

4           “(C) an alien who—

5               “(i) is a citizen or national of the Re-  
6 public of Cuba;

7               “(ii) is the beneficiary of an approved  
8 petition under section 203(a) of the Immi-  
9 gration and Nationality Act (8 U.S.C.  
10 1153(a));

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

14              “(iv) is not otherwise inadmissible  
15 under section 212(a) of such Act (8 U.S.C.  
16 1182(a)); and

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



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

5           “(D) an individual who lawfully resides in  
6           the United States in accordance with a Com-  
7           pact of Free Association referred to in section  
8           402(b)(2)(G) of the Personal Responsibility and  
9           Work Opportunity Reconciliation Act of 1996  
10          (8 U.S.C. 1612(b)(2)(G)); and”.

11       (b) EFFECTIVE DATE AND APPLICATION.—The  
12       amendment made by subsection (a) shall take effect on  
13       July 1, 2025, and shall apply with respect to award year  
14       2025–2026 and each subsequent award year, as deter-  
15       mined under the Higher Education Act of 1965 (20  
16       U.S.C. 1001 et seq.).

17       **SEC. 30002. AMOUNT OF NEED; COST OF ATTENDANCE; ME-**  
18       **DIAN COST OF COLLEGE.**

19       (a) AMOUNT OF NEED.—Section 471 of the Higher  
20       Education Act of 1965 (20 U.S.C. 1087kk) is amended  
21       by amending paragraph (1) to read as follows:

22               “(1)(A) for award year 2025–2026, the cost of  
23       attendance of such student; or

1           “(B) for award year 2026–2027, and each sub-  
2           sequent award year, the median cost of college of the  
3           program of study of such student, minus”.

4           (b) COST OF ATTENDANCE OF A PROGRAM OF  
5 STUDY.—

6           (1) DETERMINATION OF COST OF ATTENDANCE  
7           OF A PROGRAM OF STUDY.—

8           (A) IN GENERAL.—Section 472(a) of the  
9           Higher Education Act of 1965 (20 U.S.C.  
10          1087ll(a)) is amended—

11           (i) in paragraph (1), by striking “car-  
12           rying the same academic workload” and in-  
13           serting “enrolled in the same program of  
14           study”;

15           (ii) in paragraph (2), by striking  
16           “same course of study” and inserting  
17           “same program of study”; and

18           (iii) in paragraph (14), by striking  
19           “program” and inserting “program of  
20           study”.

21           (B) EFFECTIVE DATE.—The amendments  
22           made by subparagraph (A) shall take effect on  
23           July 1, 2026, and shall apply with respect to  
24           award year 2026–2027 and each subsequent

1           award year, as determined under the Higher  
2           Education Act of 1965.

3           (2) DISCLOSURE.—Section 472(c) of the High-  
4           er Education Act of 1965 (20 U.S.C. 1087ll(c)) is  
5           amended—

6                   (A) by inserting “of each program of study  
7                   at the institution” after “cost of attendance”;  
8                   and

9                   (B) by striking “of the institution” and in-  
10                  serting “of such programs of study at the insti-  
11                  tution”.

12          (c) DETERMINATION OF MEDIAN COST OF COL-  
13          LEGE.—Part F of title IV of the Higher Education Act  
14          of 1965 (20 U.S.C. 1087kk) is amended by inserting after  
15          section 472 (as so amended), the following:

16          **“SEC. 472A. DETERMINATION OF MEDIAN COST OF COL-**  
17                  **LEGE.**

18               “(a) IN GENERAL.—For the purpose of this title, the  
19               term ‘median cost of college’, when used with respect to  
20               a program of study, offered by one or more institutions  
21               of higher education for an award year, means the median  
22               of the cost of attendance of the program of study (as de-  
23               termined under section 472) across all institutions of high-  
24               er education offering such a program of study for the pre-  
25               ceding award year.

1       “(b) PROGRAM OF STUDY DEFINED.—In this section  
2 and section 472, and part D:

3           “(1) IN GENERAL.—The term ‘program of  
4 study’—

5           “(A) means an eligible program at an in-  
6 stitution of higher education that is classified  
7 by a combination of—

8           “(i) one or more CIP codes; and

9           “(ii) one credential level, determined  
10 by the credential awarded upon completion  
11 of the program; and

12          “(B) does not include a program of study  
13 abroad.

14          “(2) CIP CODE.—The term ‘CIP code’ means  
15 the six-digit taxonomic identification code assigned  
16 by an institution of higher education to a specific  
17 program of study at the institution, determined by  
18 the institution of higher education in accordance  
19 with the Classification of Instructional Programs  
20 published by the National Center for Education Sta-  
21 tistics.

22          “(3) CREDENTIAL LEVEL.—

23          “(A) IN GENERAL.—The term ‘credential  
24 level’ means the level of the degree or other cre-  
25 dential awarded by an institution of higher edu-

1 cation to students who complete a program of  
 2 study of the institution. Each degree or other  
 3 credential awarded by an institution shall be  
 4 categorized by the institution as either under-  
 5 graduate credential level or graduate credential  
 6 level.

7 “(B) UNDERGRADUATE CREDENTIAL.—

8 When used with respect to a credential or cre-  
 9 dential level, the term ‘undergraduate creden-  
 10 tial’ includes credentials such as an under-  
 11 graduate certificate, an associate degree, a  
 12 bachelor’s degree, and a post-baccalaureate cer-  
 13 tificate (including the coursework specified in  
 14 paragraphs (3)(B) and (4)(B) of section  
 15 484(b)).

16 “(C) GRADUATE CREDENTIAL.—When

17 used with respect to a credential or credential  
 18 level, the term ‘graduate credential’ includes  
 19 credentials such as a master’s degree, a doc-  
 20 toral degree, a professional degree, and a post-  
 21 graduate certificate.”.

22 (d) EXEMPTION OF CERTAIN ASSETS.—

23 (1) IN GENERAL.—Section 480(f)(2) of the  
 24 Higher Education Act of 1965 (20 U.S.C.  
 25 1087vv(f)(2)) is amended—

1 (A) by striking “net value of the” and in-  
 2 serting the following: “net value of—

3 “(A) the”;

4 (B) by striking the period at the end and  
 5 inserting a semicolon; and

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

7 “(B) a family farm on which the family re-  
 8 sides; or

9 “(C) a small business with not more than  
 10 100 full-time or full-time equivalent employees  
 11 (or any part of such a small business) that is  
 12 owned and controlled by the family.”.

13 (2) EFFECTIVE DATE.—The amendments made  
 14 by paragraph (1) shall take effect on July 1, 2026,  
 15 and shall apply with respect to award year 2026–  
 16 2027 and each subsequent award year, as deter-  
 17 mined under the Higher Education Act of 1965.

## 18 **Subtitle B—Loan Limits**

### 19 **SEC. 30011. LOAN LIMITS.**

20 (a) TERMINATIONS OF AND RESTRICTIONS ON LOAN  
 21 AUTHORITY.—

22 (1) TERMINATION OF AUTHORITY TO MAKE  
 23 SUBSIDIZED LOANS TO UNDERGRADUATE STU-  
 24 DENTS.—Section 455(a)(3) of the Higher Education

1 Act of 1965 (20 U.S.C. 1087e(a)(3)) is amended by  
2 adding at the end the following:

3 “(C) TERMINATION OF AUTHORITY TO  
4 MAKE SUBSIDIZED LOANS TO UNDERGRADUATE  
5 STUDENTS.—Notwithstanding any provision of  
6 this part or part B, except as provided in para-  
7 graph (4), for any period of instruction begin-  
8 ning on or after July 1, 2026—

9 “(i) an undergraduate student shall  
10 not be eligible to receive a Federal Direct  
11 Stafford loan under this part; and

12 “(ii) the maximum annual amount of  
13 Federal Direct Unsubsidized Stafford  
14 loans such a student may borrow in any  
15 academic year (as defined in section  
16 481(a)(2)) or its equivalent shall be the  
17 maximum annual amount for such student  
18 determined under paragraph (5)).”.

19 (2) TERMINATION OF AUTHORITY TO MAKE  
20 FEDERAL DIRECT PLUS LOANS TO ANY STUDENT  
21 BORROWER.—Section 455(a)(3) of the Higher Edu-  
22 cation Act of 1965 (20 U.S.C. 1087e(a)(3)) is fur-  
23 ther amended by adding at the end the following:

24 “(D) TERMINATION OF AUTHORITY TO  
25 MAKE FEDERAL DIRECT PLUS LOANS TO ANY

1 STUDENT BORROWER.—Notwithstanding any  
 2 provision of this part or part B, except as pro-  
 3 vided in paragraph (4), for any period of in-  
 4 struction beginning on or after July 1, 2026, a  
 5 graduate student or professional student shall  
 6 not be eligible to receive a Federal Direct  
 7 PLUS Loan under this part.”.

8 (3) RESTRICTION ON AUTHORITY TO MAKE  
 9 FEDERAL DIRECT PLUS LOANS TO ANY PARENT BOR-  
 10 ROWER.—Section 455(a)(3) of the Higher Education  
 11 Act of 1965 (20 U.S.C. 1087e(a)(3)) is further  
 12 amended by adding at the end the following:

13 “(E) RESTRICTION ON AUTHORITY TO  
 14 MAKE FEDERAL DIRECT PLUS LOANS TO ANY  
 15 PARENT BORROWER.—

16 “(i) IN GENERAL.—Notwithstanding  
 17 any provision of this part or part B, except  
 18 as provided in clause (ii) and paragraph  
 19 (4), for any period of instruction beginning  
 20 on or after July 1, 2026, a parent, on be-  
 21 half of a dependent student, shall not be  
 22 eligible to receive a Federal Direct PLUS  
 23 Loan under this part.

24 “(ii) EXCEPTION.—A parent may re-  
 25 ceive a Federal Direct PLUS Loan under



1           this part, on behalf of a dependent stu-  
 2           dent, in any academic year (as defined in  
 3           section 481(a)(2)) or its equivalent if—

4                   “(I) such student borrows the  
 5                   maximum annual amount of Federal  
 6                   Direct Unsubsidized Stafford loans  
 7                   such student may borrow in such aca-  
 8                   demic year; and

9                   “(II) such maximum annual  
 10                  amount is less than the cost of at-  
 11                  tendance of the program of study of  
 12                  such student.”.

13           (4) CONFORMING AMENDMENTS.—Section  
 14           455(a)(3) of the Higher Education Act of 1965 (20  
 15           U.S.C. 1087e(a)(3)) is further amended—

16                   (A) in the paragraph heading, by striking  
 17                   “TERMINATION OF AUTHORITY TO MAKE IN-  
 18                   TEREST SUBSIDIZED LOANS TO GRADUATE AND  
 19                   PROFESSIONAL STUDENTS” and inserting  
 20                   “TERMINATIONS OF AND RESTRICTIONS ON  
 21                   LOAN AUTHORITY”;

22                   (B) in subparagraph (A)—

23                           (i) in the heading, by striking “IN  
 24                           GENERAL” and inserting “TERMINATION  
 25                           OF AUTHORITY TO MAKE SUBSIDIZED

1 LOANS TO GRADUATE AND PROFESSIONAL  
2 STUDENTS”;

3 (ii) in the matter preceding clause (i),  
4 by striking “beginning on or after July 1,  
5 2012”;

6 (iii) in clause (i), by striking “a grad-  
7 uate” and inserting “beginning on or after  
8 July 1, 2012, a graduate”; and

9 (iv) in clause (ii), by striking “the  
10 maximum annual amount of Federal” and  
11 inserting “beginning on or after July 1,  
12 2012, and ending June 30, 2026, the max-  
13 imum annual amount of Federal”; and  
14 (C) in subparagraph (B)—

15 (i) in the heading, by striking “EX-  
16 CEPTION” and inserting “EXCEPTION FOR  
17 SUBSIDIZED LOANS TO INDIVIDUALS EN-  
18 ROLLED IN CERTAIN COURSE WORK”.

19 (ii) by striking “Subparagraph (A)”  
20 and inserting “For any period of instruc-  
21 tion beginning on or after July 1, 2012,  
22 and ending June 30, 2026, subparagraph  
23 (A)”.

24 (b) INTERIM RULES FOR ENROLLED BORROWERS.—

25 Section 455(a) of the Higher Education Act of 1965 (20

1 U.S.C. 1087e(a)) is amended by adding at the end the  
2 following:

3 “(4) INTERIM EXCEPTION FOR CERTAIN STU-  
4 DENTS.—

5 “(A) APPLICATION OF PRIOR LIMITS.—  
6 Subparagraphs (C), (D), and (E) of paragraph  
7 (3), and paragraphs (5) and (6), shall not  
8 apply, during the expected time to credential  
9 described in subparagraph (B), with respect to  
10 an individual who, as of June 30, 2026—

11 “(i) is enrolled in a program of study  
12 at an institution of higher education; and

13 “(ii) has received a loan (or on whose  
14 behalf a loan was made) under this part  
15 for such program of study.

16 “(B) EXPECTED TIME TO CREDENTIAL.—  
17 For purposes of this paragraph, the expected  
18 time to credential of an individual shall be  
19 equal to the lesser of—

20 “(i) three academic years; or

21 “(ii) the period determined by calcu-  
22 lating the difference between—

23 “(I) the program length (as de-  
24 fined in section 420W) for the pro-

1                   gram of study in which the individual  
2                   is enrolled; and

3                   “(II) the period of such program  
4                   of study that such individual has com-  
5                   pleted as of the date of the determina-  
6                   tion under this subparagraph.”.

7           (c) LOAN LIMITS FOR UNSUBSIDIZED LOANS AND  
8 CERTAIN FEDERAL DIRECT PLUS LOANS.—

9                   (1) ANNUAL AND AGGREGATE UNSUBSIDIZED  
10 LOAN LIMITS.—Section 455(a) of the Higher Edu-  
11 cation Act of 1965 (20 U.S.C. 1087e(a)) is further  
12 amended by adding at the end the following:

13                   “(5) ANNUAL AND AGGREGATE UNSUBSIDIZED  
14 LOAN LIMITS.—

15                   “(A) UNDERGRADUATE STUDENTS.—

16                   “(i) ANNUAL LOAN LIMITS.—Notwith-  
17 standing any provision of this part or part  
18 B, subject to subparagraph (C) and except  
19 as provided in paragraph (4), beginning on  
20 July 1, 2026, the maximum annual  
21 amount of Federal Direct Unsubsidized  
22 Stafford loans that an undergraduate stu-  
23 dent may borrow in any academic year (as  
24 defined in section 481(a)(2)) or its equiva-  
25 lent shall be the difference between—

1 “(I) the amount of the median  
2 cost of college of the program of study  
3 in which the student is enrolled; and

4 “(II) the amount of the Federal  
5 Pell Grant under section 401 awarded  
6 to the student for such academic year.

7 “(ii) AGGREGATE LIMITS.—Notwith-  
8 standing any provision of this part or part  
9 B, except as provided in paragraph (4), be-  
10 ginning on July 1, 2026, the maximum ag-  
11 gregate amount of Federal Direct Unsub-  
12 sidized Stafford loans that a student may  
13 borrow for programs of study that award  
14 an undergraduate credential upon comple-  
15 tion of such a program shall be \$50,000.

16 “(B) GRADUATE AND PROFESSIONAL STU-  
17 DENTS.—

18 “(i) ANNUAL LIMITS.—Notwith-  
19 standing any provision of this part or part  
20 B, subject to subparagraph (C) and except  
21 as provided in paragraph (4), beginning on  
22 July 1, 2026, the maximum annual  
23 amount of Federal Direct Unsubsidized  
24 Stafford loans that a graduate student or  
25 professional student may borrow in any

1 academic year (as defined in section  
2 481(a)(2)) or its equivalent shall be the  
3 amount of the median cost of college of the  
4 program of study in which the student is  
5 enrolled.

6 “(ii) AGGREGATE LIMITS.—Notwith-  
7 standing any provision of this part or part  
8 B, except as provided in paragraph (4), be-  
9 ginning on July 1, 2026, the maximum ag-  
10 gregate amount of Federal Direct Unsub-  
11 sidized Stafford loans that, in addition to  
12 the maximum aggregate amount described  
13 in subparagraph (A)(ii)—

14 “(I) a graduate student—

15 “(aa) who is not (and has  
16 not been) a professional student,  
17 may borrow for programs of  
18 study described in subparagraph  
19 (D)(i) shall be \$100,000; or

20 “(bb) who is (or has been) a  
21 professional student, may borrow  
22 for programs of study described  
23 in subparagraph (D)(i) shall be  
24 an amount equal to—

25 “(AA) \$150,000, minus

1 “(BB) the amount such  
2 student borrowed for pro-  
3 grams of study described in  
4 subclauses (I) and (II) of  
5 subparagraph (D)(ii); and

6 “(II) a professional student—

7 “(aa) who is not (and has  
8 not been) a graduate student,  
9 may borrow for programs of  
10 study described in subclauses (I)  
11 and (II) of subparagraph (D)(ii)  
12 shall be \$150,000; or

13 “(bb) who is (or has been) a  
14 graduate student, may borrow for  
15 programs of study described in  
16 subclauses (I) and (II) of sub-  
17 paragraph (D)(ii) shall be an  
18 amount equal to—

19 “(AA) \$150,000, minus

20 “(BB) the amount such  
21 student borrowed for pro-  
22 grams of study described in  
23 subparagraph (D)(i).

24 “(C) LESS THAN FULL-TIME ENROLL-  
25 MENT.—In any case where a student is enrolled

1 in an program of study of an institution of  
2 higher education on less than a full-time basis  
3 during any academic year, the amount of a loan  
4 that student may borrow for an academic year  
5 (as defined in section 481(a)(2)) or its equiva-  
6 lent shall be reduced in direct proportion to the  
7 degree to which that student is not so enrolled  
8 on a full-time basis, rounded to the nearest  
9 whole percentage point, as provided in a sched-  
10 ule of reductions published by the Secretary  
11 computed for purposes of this paragraph.

12 “(D) DEFINITION.—For purposes of this  
13 subsection:

14 “(i) GRADUATE STUDENT.—The term  
15 ‘graduate student’ means a student en-  
16 rolled in a program of study that awards  
17 a graduate credential (other than a profes-  
18 sional degree) upon completion of the pro-  
19 gram.

20 “(ii) PROFESSIONAL STUDENT.—The  
21 term ‘professional student’ means a stu-  
22 dent enrolled in a program of study that—

23 “(I) awards a professional degree  
24 upon completion of the program; or



1                   “(II) provides the training de-  
2                   scribed in part 141 of title 14, Code  
3                   of Federal Regulations (or any suc-  
4                   cessor regulations).

5                   “(iii) UNDERGRADUATE STUDENT.—  
6                   The term ‘undergraduate student’ means a  
7                   student enrolled in a program of study  
8                   that awards an undergraduate credential  
9                   upon completion of the program.”.

10                  (2) ANNUAL AND AGGREGATE FEDERAL DIRECT  
11                  PLUS LOANS LIMITS FOR PARENT BORROWERS.—  
12                  Section 455(a) of the Higher Education Act of 1965  
13                  (20 U.S.C. 1087e(a)) is further amended by adding  
14                  at the end the following:

15                  “(6) ANNUAL AND AGGREGATE FEDERAL DI-  
16                  RECT PLUS LOANS LIMITS FOR PARENT BOR-  
17                  ROWERS.—

18                  “(A) ANNUAL LIMITS.—Notwithstanding  
19                  any provision of this part or part B, subject to  
20                  paragraph (3)(E) and except as provided in  
21                  paragraph (4), beginning on July 1, 2026, the  
22                  maximum annual amount of Federal Direct  
23                  PLUS loans that a parent may borrow, on be-  
24                  half of a dependent student, in any academic

year (as defined in section 481(a)(2)) or its  
equivalent shall be the amount equal to—

“(i) the cost of attendance of the pro-  
gram of study of such student; minus

“(ii) the maximum annual amount of  
Federal Direct Unsubsidized Stafford  
loans such student may borrow in such  
academic year.

“(B) LIFETIME MAXIMUM AGGREGATE  
LIMITS.—Notwithstanding any provision of this  
part or part B, subject to paragraph (3)(E) and  
except as provided in paragraph (4), beginning  
on July 1, 2026, the maximum aggregate  
amount of Federal Direct PLUS loans that a  
parent may borrow on behalf of dependent stu-  
dents shall be \$50,000, without regard to—

“(i) the number of dependent students  
on behalf of whom such parent borrows  
such a loan; or

“(ii) any amounts repaid, forgiven,  
canceled, or otherwise discharged on any  
such loan.”.

(3) LIFETIME MAXIMUM AGGREGATE AMOUNT  
FOR ALL STUDENTS.—Section 455(a) of the Higher

1 Education Act of 1965 (20 U.S.C. 1087e(a)) is fur-  
2 ther amended by adding at the end the following:

3 “(7) LIFETIME MAXIMUM AGGREGATE AMOUNT  
4 FOR ALL STUDENTS.—Notwithstanding any provi-  
5 sion of this part or part B, except as provided in  
6 paragraph (4), beginning on July 1, 2026, the max-  
7 imum aggregate amount of loans made, insured, or  
8 guaranteed under this title that a student may bor-  
9 row (other than a Federal Direct PLUS loan, or  
10 loan under section 428B, made to the student as a  
11 parent borrower on behalf of a dependent student)  
12 shall be \$200,000, without regard to any amounts  
13 repaid, forgiven, canceled, or otherwise discharged  
14 on any such loan.”.

15 (4) INSTITUTIONALLY DETERMINED LIMITS.—  
16 Section 455(a) of the Higher Education Act of 1965  
17 (20 U.S.C. 1087e(a)) is further amended by adding  
18 at the end the following:

19 “(8) INSTITUTIONALLY DETERMINED LIMITS.—  
20 Notwithstanding the annual loan limits described in  
21 subparagraphs (A)(i) and (B)(i) of paragraph (5)  
22 and subparagraph (A) of paragraph (6), beginning  
23 on July 1, 2026, an institution of higher education  
24 (at the discretion of a financial aid administrator at  
25 the institution) may limit the total amount of loans

1       made under this part for a program of study for an  
 2       academic year (as defined in section 481(a)(2)) that  
 3       a student may borrow, and that a parent may bor-  
 4       row on behalf of such student, as long as any such  
 5       limit is applied consistently to all students enrolled  
 6       in such program of study.”.

## 7       **Subtitle C—Loan Repayment**

### 8       **SEC. 30021. LOAN REPAYMENT.**

9       (a) TRANSITION TO INCOME-BASED REPAYMENT  
 10      PLANS.—

11           (1) AUTHORITY TO TRANSITION TO INCOME-  
 12      BASED REPAYMENT PLANS.—

13           (A) AUTHORITY TO CARRY OUT TRANSI-  
 14      TION.—Beginning on the date of enactment of  
 15      this title, the Secretary of Education shall take  
 16      such steps as may be necessary to apply the re-  
 17      payment plan under section 493C of the Higher  
 18      Education Act of 1965 (as amended by this  
 19      title) to the loans of each borrower who, on the  
 20      day before such date of enactment, is in a re-  
 21      payment status in accordance with, or an ad-  
 22      ministrative forbearance associated with, an in-  
 23      come-contingent repayment plan authorized  
 24      under section 455(e) of the Higher Education

1 Act of 1965 (as in effect on the day before the  
2 date of enactment of this title).

3 (B) DEADLINE FOR TRANSITION.—The  
4 Secretary shall complete the application of the  
5 repayment plan under section 493C to the loans  
6 described in paragraph (1) as soon as prac-  
7 ticable, but not later than 9 months after the  
8 date of enactment of this title.

9 (2) LIMITATION OF REGULATORY AUTHOR-  
10 ITY.—The Secretary may not establish, promulgate,  
11 issue, or modify any regulations or guidance with re-  
12 spect to any income-based repayment plan under the  
13 Higher Education Act of 1965, except that the Sec-  
14 retary may—

15 (A) during the 270-day period after the  
16 date of enactment of this title, issue an interim  
17 final rule as necessary for the application of the  
18 repayment plan under section 493C of such Act  
19 of 1965 in accordance with paragraph (1);

20 (B) during the 270-day period after the  
21 date of enactment of this title, issue an interim  
22 final rule as necessary to implement the amend-  
23 ments to such section 493C made by subsection  
24 (f) of this title; and

1 (C) during the 18-month period after the  
2 date of enactment of this title, issue an interim  
3 final rule as necessary to implement the in-  
4 come-based Repayment Assistance Program  
5 under section 455(q) of such Act of 1965 (as  
6 added by this title).

7 (3) WAIVER OF NEGOTIATED RULEMAKING.—

8 Any guidance or regulations issued or modified in  
9 accordance with subparagraph (A) or (B) of para-  
10 graph (2) shall not be subject to negotiated rule-  
11 making requirements under section 492 of the High-  
12 er Education Act of 1965 (20 U.S.C. 1098a).

13 (b) REPAYMENT PLANS.—Section 455(d) of the  
14 Higher Education Act of 1965 (20 U.S.C. 1087e(d)) is  
15 amended—

16 (1) in paragraph (1)—

17 (A) in the matter preceding subparagraph  
18 (A), by inserting “before July 1, 2026, who has  
19 not received a loan made under this part on or  
20 after July 1, 2026,” after “made under this  
21 part”;

22 (B) by amending subparagraph (D) to  
23 read as follows:

1 “(D) beginning on July 1, 2026, the in-  
2 come-based Repayment Assistance Plan under  
3 subsection (q), provided that—

4 “(i) the borrower is required to pay  
5 each outstanding loan of the borrower  
6 made under this part under such Repay-  
7 ment Assistance Plan;

8 “(ii) such Plan shall not be available  
9 to borrowers with an excepted loan (as de-  
10 fined in paragraph (7)); and

11 “(iii) the borrower may not change  
12 the borrower’s selection of the Repayment  
13 Assistance Plan except in accordance with  
14 paragraph (7)(C).”; and  
15 (C) in subparagraph (E)—

16 (i) by striking “that enables borrowers  
17 who have a partial financial hardship to  
18 make a lower monthly payment”; and

19 (ii) by striking “a Federal Direct Con-  
20 solidation Loan, if the proceeds of such  
21 loan were used to discharge the liability on  
22 such Federal Direct PLUS Loan or a loan  
23 under section 428B made on behalf of a  
24 dependent student” and inserting “an ex-

1           cepted Consolidation Loan (as defined in  
2           section 493C(a)(2))”;

3           (2) in paragraph (5), by amending subpara-  
4           graph (B) to read as follows:

5           “(B) repay the loan pursuant to an in-  
6           come-based repayment plan under subsection  
7           (q) or section 493C, as applicable.”; and  
8           (3) by adding at the end the following:

9           “(6) TERMINATION AND LIMITATION OF REPAY-  
10          MENT AUTHORITY.—

11          “(A) SUNSET OF REPAYMENT PLANS  
12          AVAILABLE BEFORE JULY 1, 2026.—Paragraphs  
13          (1) through (4) of this subsection shall only  
14          apply to loans made under this part before July  
15          1, 2026.

16          “(B) PROHIBITIONS.—The Secretary may  
17          not, for any loan made under this part on or  
18          after July 1, 2026—

19                 “(i) authorize a borrower of such a  
20                 loan to repay such loan pursuant to a re-  
21                 payment plan that is not described in  
22                 paragraph (7)(A); or

23                 “(ii) carry out or modify a repayment  
24                 plan that is not described in such para-  
25                 graph.



1           “(7) REPAYMENT PLANS FOR LOANS MADE ON  
2           OR AFTER JULY 1, 2026.—

3           “(A) DESIGN AND SELECTION.—Beginning  
4           on July 1, 2026, the Secretary shall offer a bor-  
5           rower of a loan made under this part on or  
6           after such date (including such a borrower who  
7           also has a loan made under this part before  
8           such date) two plans for repayment of the bor-  
9           rower’s loans under this part, including prin-  
10          cipal and interest on such loans. The borrower  
11          shall be entitled to accelerate, without penalty,  
12          repayment on such loans. The borrower may  
13          choose—

14               “(i) a standard repayment plan—  
15               “(I) with a fixed monthly repay-  
16               ment amount paid over a fixed period  
17               of time equal to the applicable period  
18               determined under subclause (II); and

19               “(II) with the applicable period  
20               of time for repayment determined  
21               based on the total outstanding prin-  
22               cipal of all loans of the borrower made  
23               under this part before, on, or after  
24               July 1, 2026, at the time the bor-

1                   rower is entering repayment under  
2                   such plan, as follows—

3                               “(aa) for a borrower with  
4                               total outstanding principal of less  
5                               than \$25,000, a period of 10  
6                               years;

7                               “(bb) for a borrower with  
8                               total outstanding principal of not  
9                               less than \$25,000 and less than  
10                              \$50,000, a period of 15 years;

11                              “(cc) for a borrower with  
12                              total outstanding principal of not  
13                              less than \$50,000 and less than  
14                              \$100,000, a period of 20 years;  
15                              and

16                              “(dd) for a borrower with  
17                              total outstanding principal of  
18                              \$100,000 or more, a period of 25  
19                              years; or

20                              “(ii) the income-based Repayment As-  
21                              sistance Plan under subsection (q).

22                              “(B) SELECTION BY SECRETARY.—If a  
23                              borrower of a loan made under this part on or  
24                              after July 1, 2026, does not select a repayment  
25                              plan described in subparagraph (A), the Sec-

1           retary shall provide the borrower with the  
2           standard repayment plan described in subpara-  
3           graph (A)(i).

4           “(C) SELECTION AVAILABLE FOR EACH  
5           NEW LOAN; SELECTION APPLIES TO ALL OUT-  
6           STANDING LOANS.—Each time a borrower re-  
7           ceives a loan made under this part on or after  
8           July 1, 2026, the borrower may select either  
9           the standard repayment plan under subpara-  
10          graph (A)(i) or the Repayment Assistance Plan  
11          under subparagraph (A)(ii), provided that the  
12          borrower is required to pay each outstanding  
13          loan of the borrower made under this part  
14          under such selected repayment plan.

15          “(D) PERMISSIBLE CHANGES OF REPAY-  
16          MENT PLAN.—

17               “(i) CHANGING FROM STANDARD RE-  
18               PAYMENT PLAN.—A borrower may change  
19               the borrower’s selection of the standard re-  
20               payment plan under subparagraph (A)(i),  
21               or the Secretary’s selection of such plan  
22               for the borrower under subparagraph (C),  
23               as the case may be, to the Repayment As-  
24               sistance Plan under subparagraph (A)(ii)  
25               at any time.

1           “(ii) LIMITED CHANGE FROM REPAY-  
2           MENT ASSISTANCE PLAN.—A borrower  
3           may not change the borrower’s selection of  
4           the Repayment Assistance Plan under sub-  
5           paragraph (A)(ii), except in accordance  
6           with subparagraph (C).

7           “(E) SPECIAL RULE FOR EXCEPTED LOAN  
8           BORROWERS WITH LOANS MADE ON OR AFTER  
9           JULY 1, 2026.—

10           “(i) STANDARD REPAYMENT PLAN RE-  
11           QUIRED.—Notwithstanding subparagraphs  
12           (A) through (D), beginning on July 1,  
13           2026, the Secretary shall require a bor-  
14           rower who has an excepted loan and who  
15           has received a loan made under this part  
16           on or after such date to repay each out-  
17           standing loan of the borrower made under  
18           this part, including principal and interest  
19           on such loans, under the standard repay-  
20           ment plan under subparagraph (A)(i). The  
21           borrower shall be entitled to accelerate,  
22           without penalty, repayment on such loans.

23           “(ii) EXCEPTED LOAN DEFINED.—  
24           For the purposes of this paragraph, the

term ‘excepted loan’ means a loan with an outstanding balance that is—

“(I) a Federal Direct PLUS Loan that is made on behalf of a dependent student; or

“(II) a Federal Direct Consolidation Loan, if the proceeds of such loan were used to discharge the liability on—

“(aa) an excepted PLUS loan, as defined in section 493C(a)(1); or

“(bb) an excepted consolidation loan (as such term is defined in section 493C(a)(2)(A), notwithstanding subparagraph (B) of such section).

“(F) TREATMENT OF BORROWERS WITHOUT LOANS MADE ON OR AFTER JULY 1, 2026.—  
A borrower who has an outstanding loan (including an excepted loan) made under this part before July 1, 2026, and who has not received a loan made under this part on or after July 1, 2026, shall not be eligible to change the borrower’s selection of a repayment plan to the

1           standard repayment plan under subparagraph  
2           (A)(i).”.

3           (c) ELIMINATION OF AUTHORITY TO PROVIDE IN-  
4 COME CONTINGENT REPAYMENT PLANS.—

5           (1) REPEAL.—Subsection (e) of section 455 the  
6           Higher Education Act of 1965 (20 U.S.C. 1087e(e))  
7           is repealed.

8           (2) FURTHER AMENDMENTS TO ELIMINATE IN-  
9 COME CONTINGENT REPAYMENT.—

10           (A) Section 428 of the Higher Education  
11           Act of 1965 (20 U.S.C. 1078) is amended—

12                   (i) in subsection (b)(1)(D), by striking  
13                   “be subject to income contingent repay-  
14                   ment in accordance with subsection (m)”  
15                   and inserting “be subject to income-based  
16                   repayment in accordance with subsection  
17                   (m)”; and

18                   (ii) in subsection (m)—

19                           (I) in the subsection heading, by  
20                           striking “INCOME CONTINGENT AND”;

21                           (II) by amending paragraph (1)  
22                           to read as follows:

23                           “(1) AUTHORITY OF SECRETARY TO RE-  
24                           QUIRE.—The Secretary may require borrowers who  
25                           have defaulted on loans made under this part that

1 are assigned to the Secretary under subsection  
2 (c)(8) to repay those loans pursuant to an income-  
3 based repayment plan under section 455(q) or sec-  
4 tion 493C, as applicable.”; and

5 (III) in the heading of paragraph  
6 (2), by striking “INCOME CONTINGENT  
7 OR”.

8 (B) Section 428C of the Higher Education  
9 Act of 1965 (20 U.S.C. 1078–3) is amended—

10 (i) in subsection (a)(3)(B)(i)(V)(aa),  
11 by striking “for the purposes of obtaining  
12 income contingent repayment or income-  
13 based repayment” and inserting “for the  
14 purposes of qualifying for an income-based  
15 repayment plan under section 455(q) or  
16 section 493C, as applicable”;

17 (ii) in subsection (b)(5), by striking  
18 “be repaid either pursuant to income con-  
19 tingent repayment under part D of this  
20 title, pursuant to income-based repayment  
21 under section 493C, or pursuant to any  
22 other repayment provision under this sec-  
23 tion” and inserting “be repaid pursuant to  
24 an income-based repayment plan under

1 section 493C or any other repayment pro-  
2 vision under this section”; and

3 (iii) in subsection (c)—

4 (I) in paragraph (2)(A), by strik-  
5 ing “or by the terms of repayment  
6 pursuant to income contingent repay-  
7 ment offered by the Secretary under  
8 subsection (b)(5)” and inserting “or  
9 by the terms of repayment pursuant  
10 to an income-based repayment plan  
11 under section 493C”; and

12 (II) in paragraph (3)(B), by  
13 striking “except as required by the  
14 terms of repayment pursuant to in-  
15 come contingent repayment offered by  
16 the Secretary under subsection  
17 (b)(5)” and inserting “except as re-  
18 quired by the terms of repayment pur-  
19 suant to an income-based repayment  
20 plan under section 493C”.

21 (C) Section 485(d)(1) of the Higher Edu-  
22 cation Act of 1965 (20 U.S.C. 1092(d)(1)) is  
23 amended by striking “income-contingent and”.



1 (D) Section 494(a)(2) of the Higher Edu-  
 2 cation Act of 1965 (20 U.S.C. 1098h(a)(2)) is  
 3 amended—

4 (i) in the paragraph heading, by strik-  
 5 ing “INCOME-CONTINGENT AND INCOME-  
 6 BASED” and inserting “INCOME-BASED”;

7 (ii) in subparagraph (A)—

8 (I) in the matter preceding clause  
 9 (i), by striking “income-contingent  
 10 or”; and

11 (II) in clause (ii)(I), by inserting  
 12 “(as in effect on the day before the  
 13 date of repeal of subsection (e) of sec-  
 14 tion 455)” after “section 455(e)(8)”.

15 (d) REPAYMENT ASSISTANCE PLAN.—Section 455 of  
 16 the Higher Education Act of 1965 (20 U.S.C. 1087e) is  
 17 amended by adding at the end the following new sub-  
 18 section:

19 “(q) REPAYMENT ASSISTANCE PLAN.—

20 “(1) IN GENERAL.—Notwithstanding any other  
 21 provision of this Act, beginning on July 1, 2026, the  
 22 Secretary shall carry out an income-based repayment  
 23 plan (to be known as the ‘Repayment Assistance  
 24 Plan’), that shall have the following terms and con-  
 25 ditions:

1           “(A) The total monthly repayment amount  
2           owed by a borrower for all of the loans of the  
3           borrower that are repaid pursuant to the Re-  
4           payment Assistance Plan shall be equal to the  
5           applicable monthly payment of a borrower cal-  
6           culated under paragraph (3)(B), except that the  
7           borrower may not be precluded from repaying  
8           an amount that exceeds such amount for any  
9           month.

10           “(B) The Secretary shall apply the bor-  
11           rower’s applicable monthly payment under this  
12           paragraph first toward interest due on each  
13           such loan, next toward any fees due on each  
14           loan, and then toward the principal of each  
15           loan.

16           “(C) Any principal due and not paid under  
17           subparagraph (B) or paragraph (2)(B) shall be  
18           deferred.

19           “(D) A borrower who is not in a period of  
20           deferment or forbearance shall make an appli-  
21           cable monthly payment for each month until the  
22           earlier of—

23                   “(i) the date on which the outstanding  
24                   balance of principal and interest due on all  
25                   of the loans of the borrower that are re-

1           paid pursuant to the Repayment Assist-  
2           ance Plan is \$0; or

3           “(ii) the date on which the borrower  
4           has made 360 qualifying monthly pay-  
5           ments.

6           “(E) The Secretary shall repay or cancel  
7           any outstanding balance of principal and inter-  
8           est due on a loan made under this part to a  
9           borrower—

10           “(i) who, for any period of time, par-  
11           ticipated in the Repayment Assistance  
12           Plan under this subsection;

13           “(ii) whose most recent payment for  
14           such loan prior to the loan cancellation  
15           under this subparagraph was made under  
16           such Repayment Assistance Plan; and

17           “(iii) who has made 360 qualifying  
18           monthly payments on such loan.

19           “(F) For the purposes of this subsection,  
20           the term ‘qualifying monthly payment’ means  
21           any of the following:

22           “(i) An on-time applicable monthly  
23           payment under this subsection.

24           “(ii) An on-time monthly payment  
25           under the standard repayment plan under

1 subsection (d)(7)(A)(i) of not less than the  
2 monthly payment required under such  
3 plan.

4 “(iii) A monthly payment under any  
5 repayment plan of not less than the  
6 monthly payment that would be required  
7 under a standard repayment plan under  
8 section 455(d)(1)(A) with a repayment pe-  
9 riod of 10 years.

10 “(iv) A monthly payment under sec-  
11 tion 493C of not less than the monthly  
12 payment required under such section, in-  
13 cluding a monthly payment equal to the  
14 minimum payment amount permitted  
15 under such section.

16 “(v) A monthly payment made before  
17 the date of enactment of this subsection  
18 under an income-contingent repayment  
19 plan carried out under section  
20 455(d)(1)(D) (or under an alternative re-  
21 payment plan in lieu of repayment under  
22 such an income-contingent repayment plan,  
23 if placed in such an alternative repayment  
24 plan by the Secretary) of not less than the  
25 monthly payment required under such a

1 plan, including a monthly payment equal  
2 to the minimum payment amount per-  
3 mitted under such a plan.

4 “(vi) A month when the borrower did  
5 not make a payment because the borrower  
6 was in deferment due to an economic hard-  
7 ship described in section 435(o).

8 “(vii) A month that ended before the  
9 date of enactment of this subsection when  
10 the borrower did not make a payment be-  
11 cause the borrower was in a period  
12 deferment or forbearance described in sec-  
13 tion 685.209(k)(4)(iv) of title 34, Code of  
14 Federal Regulations (as in effect on the  
15 date of enactment of this subsection).

16 “(G) With respect to carrying out section  
17 494(a)(2) for the Repayment Assistance Plan,  
18 an individual may elect to opt out of the disclo-  
19 sures required under section 494(a)(2)(A)(ii) in  
20 accordance with the procedures established  
21 under section 493C(c)(2)(B).

22 “(2) BALANCE ASSISTANCE FOR DISTRESSED  
23 BORROWERS.—

24 “(A) INTEREST SUBSIDY.—With respect to  
25 a borrower of a loan made under this part, for

1 each month for which such a borrower makes  
2 an on-time applicable monthly payment re-  
3 quired under paragraph (1)(A) and such  
4 monthly payment is insufficient to pay the total  
5 amount of interest that accrues for the month  
6 on all loans of the borrower repaid pursuant to  
7 the Repayment Assistance Plan under this sub-  
8 section, the amount of interest accrued and not  
9 paid for the month shall not be charged to the  
10 borrower.

11 “(B) MATCHING PRINCIPAL PAYMENT.—

12 With respect to a borrower of a loan made  
13 under this part and not in a period of  
14 deferment or forbearance, for each month for  
15 which a borrower makes an on-time applicable  
16 monthly payment required under paragraph  
17 (1)(A) and such monthly payment reduces the  
18 total outstanding principal balance of all loans  
19 of the borrower repaid pursuant to the Repay-  
20 ment Assistance Plan under this subsection by  
21 less than \$50, the Secretary shall reduce such  
22 total outstanding principal balance of the bor-  
23 rower by an amount that is equal to—

24 “(i) the amount that is the lesser of—

25 “(I) \$50; or

1                   “(II) the total amount paid by  
2                   the borrower for such month pursuant  
3                   to paragraph (1)(A), minus

4                   “(ii) the total amount paid by the bor-  
5                   rower for such month pursuant to para-  
6                   graph (1)(A) that is applied to such total  
7                   outstanding principal balance.

8                   “(3) DEFINITIONS.—In this paragraph:

9                   “(A) ADJUSTED GROSS INCOME.—The  
10                  term ‘adjusted gross income’, when used with  
11                  respect to a borrower, means the adjusted gross  
12                  income (as such term is defined in section 62  
13                  of the Internal Revenue Code of 1986) of the  
14                  borrower (and the borrower’s spouse, as appli-  
15                  cable) for the most recent taxable year, except  
16                  that, in the case of a married borrower who  
17                  files a separate Federal income tax return, the  
18                  term does not include the adjusted gross income  
19                  of the borrower’s spouse.

20                  “(B) APPLICABLE MONTHLY PAYMENT.—

21                  “(i) IN GENERAL.—Except as pro-  
22                  vided in clause (ii), (iii), or (vi), the term  
23                  ‘applicable monthly payment’ means, when  
24                  used with respect to a borrower, the  
25                  amount equal to—

1                   “(I) the applicable base payment  
2                   of the borrower, divided by 12; minus

3                   “(II) \$50 for each dependent  
4                   child of the borrower.

5                   “(ii) MINIMUM AMOUNT.—In the case  
6                   of a borrower with an applicable monthly  
7                   payment amount calculated under clause  
8                   (i) that is less than \$10, the applicable  
9                   monthly payment of the borrower shall be  
10                  \$10.

11                  “(iii) FINAL PAYMENT.—In the case  
12                  of a borrower whose total outstanding bal-  
13                  ance of principal and interest on all of the  
14                  loans of the borrower that are repaid pur-  
15                  suant to the Repayment Assistance Plan is  
16                  less than the applicable monthly payment  
17                  calculated pursuant to clause (i) or (ii), as  
18                  applicable, then the applicable monthly  
19                  payment of the borrower shall be the total  
20                  outstanding balance of principal and inter-  
21                  est on all such loans.

22                  “(iv) BASE PAYMENT.—The amount  
23                  of the applicable base payment for a bor-  
24                  rower with an adjusted gross income of—



1                   “(I) not more than \$10,000, is  
2                   \$120;

3                   “(II) more than \$10,000 and not  
4                   more than \$20,000, is 1 percent of  
5                   such adjusted gross income;

6                   “(III) more than \$20,000 and  
7                   not more than \$30,000, is 2 percent  
8                   of such adjusted gross income;

9                   “(IV) more than \$30,000 and  
10                  not more than \$40,000, is 3 percent  
11                  of such adjusted gross income;

12                  “(V) more than \$40,000 and not  
13                  more than \$50,000, is 4 percent of  
14                  such adjusted gross income;

15                  “(VI) more than \$50,000 and  
16                  not more than \$60,000, is 5 percent  
17                  of such adjusted gross income;

18                  “(VII) more than \$60,000 and  
19                  not more than \$70,000, is 6 percent  
20                  of such adjusted gross income;

21                  “(VIII) more than \$70,000 and  
22                  not more than \$80,000, is 7 percent  
23                  of such adjusted gross income;

1                   “(IX) more than \$80,000 and  
2                   not more than \$90,000, is 8 percent  
3                   of such adjusted gross income;

4                   “(X) more than \$90,000 and not  
5                   more than \$100,000, is 9 percent of  
6                   such adjusted gross income; and

7                   “(XI) more than \$100,000, is 10  
8                   percent of such adjusted gross in-  
9                   come.

10                  “(v) DEPENDENT CHILD OF THE BOR-  
11                  ROWER.—For the purposes of this para-  
12                  graph, the term ‘dependent child of the  
13                  borrower’ means an individual who—

14                         “(I) is under 17 years of age;  
15                         and

16                         “(II) is the borrower’s dependent  
17                         child or another person who lives with  
18                         and receives more than one-half of  
19                         their support from the borrower.

20                  “(vi) SPECIAL RULE.—In the case of  
21                  a borrower who is required by the Sec-  
22                  retary to provide information to the Sec-  
23                  retary to determine the applicable monthly  
24                  payment of the borrower under this sub-  
25                  paragraph, and who does not comply with

1           such requirement, the applicable monthly  
2           payment of the borrower shall be—

3                   “(I) the sum of the monthly pay-  
4                   ment amounts the borrower would  
5                   have paid for each of the borrower’s  
6                   loans made under this part under a  
7                   standard repayment plan with a fixed  
8                   monthly repayment amount, paid over  
9                   a period of 10 years, based on the  
10                  outstanding principal due on such  
11                  loan when such loan entered repay-  
12                  ment; and

13                  “(II) determined pursuant to this  
14                  clause until the date on which the bor-  
15                  rower provides such information to  
16                  the Secretary.”.

17       (e) FEDERAL CONSOLIDATION LOANS.—Section  
18 455(g) of the Higher Education Act of 1965 (20 U.S.C.  
19 1087e(g)) is amended by adding at the end the following  
20 new paragraph:

21           “(3) CONSOLIDATION LOANS MADE ON OR  
22       AFTER JULY 1, 2026.—Notwithstanding subsections  
23       (b)(5), (c)(2), and (c)(3)(A) and (B) of section  
24       428C, a Federal Direct Consolidation Loan offered  
25       to a borrower under this part on or after July 1,

2026, may only be repaid pursuant to a repayment plan described in subsection (d)(7)(A)(i) or (ii) of this section, as applicable, and the repayment schedule of such a Consolidation Loan shall be determined in accordance with such repayment plan.”.

(f) INCOME-BASED REPAYMENT.—

(1) AMENDMENTS.—

(A) EXCEPTED CONSOLIDATION LOAN DEFINED.—Section 493C(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1098e(a)(2)) is amended to read as follows:

“(2) EXCEPTED CONSOLIDATION LOAN.—

“(A) IN GENERAL.—The term ‘excepted consolidation loan’ means—

“(i) a consolidation loan under section 428C, or a Federal Direct Consolidation Loan, if the proceeds of such loan were used to the discharge the liability on an excepted PLUS loan; or

“(ii) a consolidation loan under section 428C, or a Federal Direct Consolidation Loan, if the proceeds of such loan were used to discharge the liability on a consolidation loan under section 428C or a

1 Federal Direct Consolidation Loan de-  
2 scribed in clause (i).

3 “(B) EXCLUSION.—The term ‘excepted  
4 consolidation loan’ does not include a Federal  
5 Direct Consolidation Loan described in sub-  
6 paragraph (A) that (on the day before the date  
7 of enactment of this subparagraph) was being  
8 repaid pursuant to the Income-Contingent Re-  
9 payment (ICR) plan in accordance with section  
10 685.209(a) of title 34, Code of Federal Regula-  
11 tions (as in effect on June 30, 2023).”.

12 (B) TERMS OF INCOME-BASED REPAY-  
13 MENT.—Section 493C(b) of the Higher Edu-  
14 cation Act of 1965 (20 U.S.C. 1098e(b)) is  
15 amended—

16 (i) by amending paragraph (1) to read  
17 as follows:

18 “(1) a borrower of any loan made, insured, or  
19 guaranteed under part B or D (other than an ex-  
20 cepted PLUS loan or excepted consolidation loan),  
21 may elect to have the borrower’s aggregate monthly  
22 payment for all such loans not exceed the result de-  
23 scribed in subsection (a)(3)(B) divided by 12;”;

24 (ii) in paragraph (3)—

25 (I) in subparagraph (B)—

1 (aa) in clause (i)—

2 (AA) by striking sub-  
3 clause (II); and

4 (BB) by striking “the  
5 borrower” and all the fol-  
6 lows through “ends” and in-  
7 serting “the borrower ends”;  
8 and

9 (bb) in clause (ii)—

10 (AA) by striking sub-  
11 clause (II);

12 (BB) by striking “the  
13 borrower” and all the fol-  
14 lows through “ends” and in-  
15 serting “the borrower ends”;  
16 and

17 (CC) by striking “or”  
18 at the end;

19 (iii) by repealing paragraph (6);

20 (iv) in paragraph (7)(B)—

21 (I) in the matter preceding clause  
22 (i), by striking “for a period of time  
23 prescribed by the Secretary, not to ex-  
24 ceed 25 years” and inserting the fol-  
25 lowing: “for 25 years (in the case of

1 a borrower who is repaying at least  
2 one loan for a program of study for  
3 which a graduate credential (as de-  
4 fined in section 472A)) is awarded, or,  
5 for 20 years (in the case of a bor-  
6 rower who is not repaying at least one  
7 such loan)”;

8 (II) in clause (i), by inserting  
9 “(as such paragraph was in effect on  
10 the day before the date of the repeal  
11 of paragraph (6))” after “paragraph  
12 (6)”; and

13 (III) in clause (iv), by inserting  
14 “(as such section was in effect on the  
15 day before the date of the repeal of  
16 paragraph (6))” after “section  
17 455(d)(1)(D)”; and

18 (v) in paragraph (8), by striking  
19 “standard repayment plan” and inserting  
20 “standard repayment plan under section  
21 428(b)(9)(A)(i) or 455(d)(1)(A), or the  
22 Repayment Assistance Program under sec-  
23 tion 455(q)”.

24 (C) ELIGIBILITY DETERMINATIONS.—Sec-  
25 tion 493C(c)(2) of the Higher Education Act of

1           1965 (20 U.S.C. 1098e(c)(2)) is further amend-  
2           ed—

3                   (i) in subparagraph (A), by inserting  
4                   “(as in effect on the day before the date of  
5                   repeal of subsection (e) of section 455)”  
6                   after “section 455(e)(1)”; and

7                   (ii) in subparagraph (B), by inserting  
8                   “(as in effect on the day before the date of  
9                   repeal of subsection (e) of section 455)”  
10                  after “section 455(e)(8)”.

11               (D) TERMINATION OF SPECIAL TERMS FOR  
12               NEW BORROWERS ON AND AFTER JULY 1,  
13               2014.—Section 493C of the Higher Education  
14               Act of 1965 (20 U.S.C. 1098e(e)) is further  
15               amended by striking subsection (e).

16               (2) EFFECTIVE DATE AND APPLICATION.—The  
17               amendments made by this subsection shall take ef-  
18               fect on the date of enactment of this title, and shall  
19               apply with respect to any borrower who is in repay-  
20               ment before, on, or after the date of enactment of  
21               this title.

22   **SEC. 30022. DEFERMENT; FORBEARANCE.**

23               (a) HEADING AMENDMENT.—Section 455(f) of the  
24               Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is



1 amended by striking the subsection heading and inserting  
 2 the following: “DEFERMENT; FORBEARANCE”.

3 (b) SUNSET OF ECONOMIC HARDSHIP AND UNEM-  
 4 PLOYMENT DEFERMENTS.—Section 455(f) of the Higher  
 5 Education Act of 1965 (20 U.S.C.1087e(f)) is amended—

6 (1) in paragraph (2)—

7 (A) in subparagraph (B), by striking “not  
 8 in” and inserting “subject to paragraph (7), not  
 9 in”; and

10 (B) in subparagraph (D), by striking “not  
 11 in” and inserting “subject to paragraph (7), not  
 12 in”; and

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

14 “(7) SUNSET OF UNEMPLOYMENT AND ECO-  
 15 NOMIC HARDSHIP DEFERMENTS.—A borrower who  
 16 receives a loan made under this part on or after  
 17 July 1, 2025, shall not be eligible to defer such loan  
 18 under subparagraph (B) or (D) of paragraph (2).”.

19 (c) FORBEARANCE ON LOANS MADE UNDER THIS  
 20 PART ON OR AFTER JULY 1, 2025.—Section 455(f) of the  
 21 Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is  
 22 amended by adding at the end the following:

23 “(8) FORBEARANCE ON LOANS MADE UNDER  
 24 THIS PART ON OR AFTER JULY 1, 2025.—A borrower

1 who receives a loan made under this part on or after  
 2 July 1, 2025—

3 “(A) may only be eligible for a forbearance  
 4 on such loan pursuant to section 428(c)(3)(B)  
 5 that does not exceed 9 months during any 24-  
 6 month period; and

7 “(B) in the case of a borrower who is serv-  
 8 ing in a medical or dental internship or resi-  
 9 dency program (as such program is described in  
 10 section 428(c)(3)(A)(i)(I)), may be eligible for a  
 11 forbearance on such loan pursuant to  
 12 428(c)(3)(A)(i)(I), during which—

13 “(i) for the first 4 12-month intervals,  
 14 interest shall not accrue; and

15 “(ii) for any subsequent 12-month in-  
 16 terval, interest shall accrue.”.

17 **SEC. 30023. LOAN REHABILITATION.**

18 (a) UPDATING LOAN REHABILITATION LIMITS.—

19 (1) FFEL AND DIRECT LOANS.—Section  
 20 428F(a)(5) of the Higher Education Act of 1965  
 21 (20 U.S.C. 1078–6(a)(5)) is amended by striking  
 22 “one time” and inserting “two times”.

23 (2) PERKINS LOANS.—Section 464(h)(1)(D) of  
 24 the Higher Education Act of 1965 (20 U.S.C.

1       1087dd(h)(1)(D)) is amended by striking “once”  
2       and inserting “twice”.

3           (3) EFFECTIVE DATE.—The amendments made  
4       by this subsection shall take effect on the date of en-  
5       actment of this Act, and shall apply with respect to  
6       any loan made, insured, or guaranteed under title IV  
7       of the Higher Education Act of 1965 (20 U.S.C.  
8       1070 et seq.).

9           (b) MINIMUM MONTHLY PAYMENT AMOUNT.—Sec-  
10      tion 428F(a)(1)(B) of the Higher Education Act of 1965  
11      (20 U.S.C. 1078–6(a)(1)(B)) is amended by adding at the  
12      end the following: “With respect a loan made under part  
13      D on or after July 1, 2025, a monthly payment amount  
14      described in subparagraph (A) may not be less than \$10.”.

15      **SEC. 30024. PUBLIC SERVICE LOAN FORGIVENESS.**

16           (a) REPAYMENT ASSISTANCE PLAN.—Section  
17      455(m)(1)(A) of the Higher Education Act of 1965 (20  
18      U.S.C. 1087e(m)(1)(A)) is amended—

19           (1) in clause (iii), by striking “; or” and insert-  
20      ing a semicolon;

21           (2) in clause (iv), by striking “; and” and in-  
22      serting “(as in effect on the day before the date of  
23      the repeal of subsection (e) of this section); or”; and

24           (3) by adding at the end the following new  
25      clause:

1 “(v) on-time payments under the Re-  
2 payment Assistance Plan under section  
3 455(q); and”.

4 (b) PUBLIC SERVICE JOB.—Section 455(m)(3)(B) of  
5 the Higher Education Act of 1965 (20 U.S.C.  
6 1087e(m)(3)(B)) is amended—

7 (1) by redesignating clauses (i) and (ii) as sub-  
8 clauses (I) and (II), respectively, and adjusting the  
9 margins accordingly;

10 (2) by striking “The term” and inserting the  
11 following:

12 “(i) IN GENERAL.—The term”; and

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

14 “(ii) EXCLUSION.—The term ‘public  
15 service job’ does not include time served in  
16 a medical or dental internship or residency  
17 program (as such program is described in  
18 section 428(c)(3)(A)(i)(I)) by an individual  
19 who, as of June 30, 2025, has not bor-  
20 rowed a Federal Direct PLUS Loan or a  
21 Federal Direct Unsubsidized Stafford  
22 Loan for a program of study that awards  
23 a graduate credential upon completion of  
24 such program.”.

1 **SEC. 30025. STUDENT LOAN SERVICING.**

2 Paragraph (1) of section 458(a) of the Higher Edu-  
3 cation Act of 1965 (20 U.S.C. 1087h(a)(1)) is amended  
4 to read as follows:

5 “(1) ADDITIONAL MANDATORY FUNDS FOR FIS-  
6 CAL YEARS 2025 AND 2026.—For each of the fiscal  
7 years 2025 and 2026 there shall be available to the  
8 Secretary (in addition to any other amounts appro-  
9 priated under any appropriations Act for administra-  
10 tive costs under this part and part B and out of any  
11 money in the Treasury not otherwise appropriated)  
12 funds to be obligated for administrative costs under  
13 this part and part B, including the costs of the di-  
14 rect student loan programs under this part, not to  
15 exceed \$500,000,000 in each such fiscal year.”.

16 **Subtitle D—Pell Grants**

17 **SEC. 30031. ELIGIBILITY.**

18 (a) FOREIGN INCOME AND FEDERAL PELL GRANT  
19 ELIGIBILITY.—

20 (1) ADJUSTED GROSS INCOME DEFINED.—Sec-  
21 tion 401(a)(2)(A) of the Higher Education Act of  
22 1965 (20 U.S.C. 1070a(a)(2)(A)) is amended to  
23 read as follows:

24 “(A) the term ‘adjusted gross income’  
25 means—

1 “(i) in the case of a dependent stu-  
2 dent, for the second tax year preceding the  
3 academic year—

4 “(I) the adjusted gross income  
5 (as defined in section 62 of the Inter-  
6 nal Revenue Code of 1986) of the stu-  
7 dent’s parents; plus

8 “(II) the foreign income (as de-  
9 scribed in section 480(b)(5)) of the  
10 student’s parents; and

11 “(ii) in the case of an independent  
12 student, for the second tax year preceding  
13 the academic year—

14 “(I) the adjusted gross income  
15 (as defined in section 62 of the Inter-  
16 nal Revenue Code of 1986) of the stu-  
17 dent (and the student’s spouse, if ap-  
18 plicable); plus

19 “(II) the foreign income (as de-  
20 scribed in section 480(b)(5)) of the  
21 student (and the student’s spouse, if  
22 applicable);”.

23 (2) SUNSET.—Section 401(b)(1)(D) of the  
24 Higher Education Act of 1965 (20 U.S.C.  
25 1070a(b)(1)(D)) is amended by striking “A student”

1 and inserting “For each academic year beginning be-  
2 fore July 1, 2026, a student”.

3 (3) CONFORMING AMENDMENT.—Section  
4 479A(b)(1)(B) of the Higher Education Act of 1965  
5 (20 U.S.C. 1087tt(b)(1)(B)) is amended—

6 (A) by striking clause (v); and

7 (B) by redesignating clauses (vi) and (vii)  
8 as clauses (v) and (vi), respectively.

9 (b) DEFINITION OF FULL TIME ENROLLMENT FOR  
10 FEDERAL PELL GRANT ELIGIBILITY.—Section 401(a)(2)  
11 of the Higher Education Act of 1965 (20 U.S.C.  
12 1070a(a)(2)) is further amended—

13 (1) in subparagraph (E), by striking “and”  
14 after the semicolon;

15 (2) in subparagraph (F), by striking the period  
16 and inserting “; and”; and

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

19 “(G) notwithstanding section  
20 481(a)(2)(A)(iii), the terms ‘full time’ and ‘full-  
21 time’ (except with respect to subsection (d)(4)  
22 when used as part of the term ‘normal full-time  
23 workload’) mean, with respect to a student en-  
24 rolled in an undergraduate course of study, the  
25 student is expected to complete at least 30 se-

1 mester or trimester hours or 45 quarter credit  
2 hours (or the clock hour equivalent) in each  
3 award year a student is enrolled in the course  
4 of study.”.

5 (c) FEDERAL PELL GRANT INELIGIBILITY DUE TO  
6 A HIGH STUDENT AID INDEX.—Section 401(b)(1) of the  
7 Higher Education Act of 1965 (20 U.S.C. 1070a–1(b)(1))  
8 is amended by adding at the end the following:

9 “(F) INELIGIBILITY OF STUDENTS WITH A  
10 HIGH STUDENT AID INDEX.—Notwithstanding  
11 subparagraphs (A) through (E), a student shall  
12 not be eligible for a Federal Pell Grant under  
13 this subsection for an academic year in which  
14 the student has a student aid index that equals  
15 or exceeds twice the amount of the total max-  
16 imum Federal Pell Grant for such academic  
17 year.”.

18 (d) NO FEDERAL PELL GRANT ELIGIBILITY FOR  
19 STUDENTS ENROLLED LESS THAN HALF TIME.—Section  
20 401 of the Higher Education Act of 1965 (20 U.S.C.  
21 1070a) is further amended—

22 (1) in subsection (b)—

23 (A) by striking “(2) LESS” and inserting  
24 “(2)(A) LESS”; and



1 (B) by inserting after subparagraph (A)  
2 (as so designated by subparagraph (A) of this  
3 subsection) the following new subparagraph:

4 “(B) LESS THAN HALF-TIME ENROLLMENT.—  
5 Notwithstanding subparagraph (A), a student who  
6 first receives a Federal Pell Grant on or after July  
7 1, 2026, shall not be eligible for an award under this  
8 subsection for any award year beginning after such  
9 date in which the student is enrolled in an eligible  
10 program of an institution of higher education on less  
11 than a half-time basis. The Secretary shall update  
12 the schedule of reductions described in subparagraph  
13 (A) in accordance with this subparagraph, including  
14 for students receiving the minimum Federal Pell  
15 Grant.”;

16 (2) in subsection (c)(6)(A), by inserting “, and  
17 the eligibility requirement of enrollment on at least  
18 a half-time basis under subsection (b)(2),” after  
19 “(b)(1)”; and

20 (3) in subsection (d)(5)(A), by inserting “(and  
21 at least half time, in the case of a student who first  
22 receives a Federal Pell Grant under subsection (b)  
23 on or after July 1, 2026)” after “full time”.

24 (e) EFFECTIVE DATE AND APPLICATION.—The  
25 amendments made by this section shall take effect on July

1 1, 2026, and shall apply with respect to award year 2026–  
2 2027 and each subsequent award year.

3 **SEC. 30032. WORKFORCE PELL GRANTS.**

4 (a) IN GENERAL.—Section 401 of the Higher Edu-  
5 cation Act of 1965 (20 U.S.C. 1070a) is amended by add-  
6 ing at the end the following:—

7 “(k) WORKFORCE PELL GRANT PROGRAM.—

8 “(1) IN GENERAL.—For the award year begin-  
9 ning on July 1, 2026, and each subsequent award  
10 year, the Secretary shall award grants (to be known  
11 as ‘Workforce Pell Grants’) to eligible students  
12 under paragraph (2) in accordance with this sub-  
13 section.

14 “(2) ELIGIBLE STUDENTS.—To be eligible to  
15 receive a Workforce Pell Grant under this subsection  
16 for any period of enrollment, a student shall meet  
17 the eligibility requirements for a Federal Pell Grant  
18 under this section, except that the student—

19 “(A) shall be enrolled, or accepted for en-  
20 rollment, in an eligible program under section  
21 481(b)(3) (hereinafter referred to as an ‘eligible  
22 workforce program’); and

23 “(B) may not—

1 “(i) be enrolled, or accepted for enroll-  
2 ment, in a program of study that leads to  
3 a graduate credential; or

4 “(ii) have attained such a credential.

5 “(3) TERMS AND CONDITIONS OF AWARDS.—

6 The Secretary shall award Workforce Pell Grants  
7 under this subsection in the same manner and with  
8 the same terms and conditions as the Secretary  
9 awards Federal Pell Grants under this section, ex-  
10 cept that—

11 “(A) each use of the term ‘eligible pro-  
12 gram’ (except in subsections (b)(9)(A) and  
13 (d)(2)) shall be substituted by ‘eligible work-  
14 force program under section 481(b)(3)’; and

15 “(B) a student who is eligible for a grant  
16 equal to less than the amount of the minimum  
17 Federal Pell Grant because the eligible work-  
18 force program in which the student is enrolled  
19 or accepted for enrollment is less than an aca-  
20 demic year (in hours of instruction or weeks of  
21 duration) may still be eligible for a Workforce  
22 Pell Grant in an amount that is prorated based  
23 on the length of the program.

24 “(4) PREVENTION OF DOUBLE BENEFITS.—No  
25 eligible student described in paragraph (2) may con-

1 currently receive a grant under both this subsection  
2 and—

3 “(A) subsection (b); or

4 “(B) subsection (c).

5 “(5) DURATION LIMIT.—Any period of study  
6 covered by a Workforce Pell Grant awarded under  
7 this subsection shall be included in determining a  
8 student’s duration limit under subsection (d)(5).”.

9 (b) PROGRAM ELIGIBILITY FOR WORKFORCE PELL  
10 GRANTS.—Section 481(b) of the Higher Education Act of  
11 1965 (20 U.S.C. 1088(b)) is amended—

12 (1) by redesignating paragraphs (3) and (4) as  
13 paragraphs (4) and (5), respectively; and

14 (2) by inserting after paragraph (2) the fol-  
15 lowing:

16 “(3)(A) A program is an eligible program for pur-  
17 poses of the Workforce Pell Grant program under section  
18 401(k) only if—

19 “(i) it is a program of at least 150 clock hours  
20 of instruction, but less than 600 clock hours of in-  
21 struction, or an equivalent number of credit hours,  
22 offered by an eligible institution during a minimum  
23 of 8 weeks, but less than 15 weeks;

24 “(ii) it is not offered as a correspondence  
25 course, as defined in 600.2 of title 34, Code of Fed-

1       eral Regulations (as in effect on September 20,  
2       2020);

3           “(iii) the Governor of a State, after consulta-  
4       tion with the State board, determines that the pro-  
5       gram—

6           “(I) provides an education aligned with the  
7       requirements of high-skill, high-wage (as identi-  
8       fied by the State pursuant to section 122 of the  
9       Carl D. Perkins Career and Technical Edu-  
10      cation Act (20 U.S.C. 2342)), or in-demand in-  
11      dustry sectors or occupations;

12          “(II) meets the hiring requirements of po-  
13      tential employers in the sectors or occupations  
14      described in subclause (I);

15          “(III) either—

16           “(aa) leads to a recognized postsec-  
17      ondary credential that is stackable and  
18      portable across more than one employer; or

19           “(bb) with respect to students en-  
20      rolled in the program—

21           “(AA) prepares such students for  
22      employment in an occupation for  
23      which there is only one recognized  
24      postsecondary credential; and

1                   “(BB) provides such students  
2                   with such a credential upon comple-  
3                   tion of such program; and

4                   “(IV) prepares students to pursue 1 or  
5                   more certificate or degree programs at 1 or  
6                   more institutions of higher education (which  
7                   may include the eligible institution providing  
8                   the program), including by ensuring—

9                   “(aa) that a student, upon completion  
10                  of the program and enrollment in such a  
11                  related certificate or degree program, will  
12                  receive academic credit for the Workforce  
13                  Pell program that will be accepted toward  
14                  meeting such certificate or degree program  
15                  requirements; and

16                  “(bb) the acceptability of such credit  
17                  toward meeting such certificate or degree  
18                  program requirements; and

19                  “(iv) after the Governor of such State makes  
20                  the determination that the program meets the re-  
21                  quirements under clause (iii), the Secretary deter-  
22                  mines that—

23                  “(I) the program has been offered by the  
24                  eligible institution for not less than 1 year prior

1 to the date on which the Secretary makes a de-  
2 termination under this clause;

3 “(II) for each award year, the program has  
4 a verified completion rate of at least 70 percent,  
5 within 150 percent of the normal time for com-  
6 pletion;

7 “(III) for each award year, the program  
8 has a verified job placement rate of at least 70  
9 percent, measured 180 days after completion;  
10 and

11 “(IV) for each award year, the median  
12 value-added earnings (as defined in section  
13 420W) of students who completed such pro-  
14 gram for the most recent year for which data  
15 is available exceeds the median total price (as  
16 defined in section 454(d)(3)(D)) charged to stu-  
17 dents in such award year.

18 “(B) In this paragraph:

19 “(i) The term ‘eligible institution’ means  
20 an institution of higher education (as defined in  
21 section 102), or any other entity that has en-  
22 tered into a program participation agreement  
23 with the Secretary under section 487(a) (with-  
24 out regard to whether that entity is accredited  
25 by a national recognized accrediting agency or

1 association), which has not been subject, during  
2 any of the preceding 3 years, to—

3 “(I) any suspension, emergency ac-  
4 tion, or termination under this title;

5 “(II) in the case of an institution of  
6 higher education, any adverse action by the  
7 institution’s accrediting agency or associa-  
8 tion that revokes or denies accreditation  
9 for the institution; or

10 “(III) any final action by the State in  
11 which the institution or other entity holds  
12 its legal domicile, authorization, or accredi-  
13 tation that revokes the institution’s or enti-  
14 ty’s license or other authority to operate in  
15 such State.

16 “(ii) The term ‘Governor’ means the chief  
17 executive of a State.

18 “(iii) The terms ‘industry or sector part-  
19 nership’, ‘in-demand industry sector or occupa-  
20 tion’, ‘recognized postsecondary credential’, and  
21 ‘State board’ have the meanings given such  
22 terms in section 3 of the Workforce Innovation  
23 and Opportunity Act.”.

24 (c) STUDENT ELIGIBILITY.—Section 484(a)(1) of the  
25 Higher Education Act of 1965 (20 U.S.C. 1091(a)(1)) is



1 amended by inserting “or, for purposes of section 401(k),  
 2 at an entity (other than an institution of higher education)  
 3 that meets the requirements of section 481(b)(3)(B)(i)”  
 4 after “section 487”.

5 (d) EFFECTIVE DATE; APPLICABILITY.—The amend-  
 6 ments made by this section shall take effect on July 1,  
 7 2026, and shall apply with respect to award year 2026–  
 8 2027 and each succeeding award year.

9 **SEC. 30033. PELL SHORTFALL.**

10 Section 401(b)(7)(A) of the Higher Education Act of  
 11 1965 (20 U.S.C. 1070a(b)(7)(A)) is amended—

12 (1) in clause (iii)—

13 (A) by striking “\$2,170,000,000” and in-  
 14 serting “\$5,351,000,000”; and

15 (B) by striking “and” at the end;

16 (2) in clause (iv)—

17 (A) by striking “\$1,236,000,000” and in-  
 18 serting “\$6,058,000,000”; and

19 (B) by striking “ and each succeeding fis-  
 20 cal year.” and inserting a semicolon; and

21 (3) by adding at the end the following:

22 “(v) \$3,743,000,000 for fiscal year  
 23 2028; and

24 “(vi) \$1,236,000,000 for each suc-  
 25 ceeding fiscal year.”.

## 1           **Subtitle E—Accountability**

### 2   **SEC. 30041. AGREEMENTS WITH INSTITUTIONS.**

3           Section 454 of the Higher Education Act of 1965 (20  
4   U.S.C. 1087d) is amended—

5           (1) in subsection (a)—

6                 (A) in paragraph (5), by striking “and”  
7                 after the semicolon;

8                 (B) by redesignating paragraph (6) as  
9                 paragraph (7); and

10                (C) by inserting after paragraph (5) the  
11                following new paragraph:

12                “(6) provide annual reimbursements to the Sec-  
13                retary in accordance with the requirements under  
14                subsection (d); and”; and

15                (2) by adding at the end the following new sub-  
16                section:

17                “(d) REIMBURSEMENT REQUIREMENTS.—

18                “(1) ANNUAL REIMBURSEMENTS REQUIRED.—

19                Beginning in award year 2028–2029, each institu-  
20                tion of higher education participating in the direct  
21                student loan program under this part shall, for  
22                qualifying student loans, remit to the Secretary, at  
23                such time as the Secretary may specify, an annual  
24                reimbursement for each student cohort of the insti-  
25                tution, based on the non-repayment balance of such

1 cohort and calculated in accordance with paragraph  
2 (3).

3 “(2) STUDENT COHORTS.—

4 “(A) COHORTS ESTABLISHED.—For each  
5 institution of higher education participating in  
6 the direct student loan program under this  
7 part, the Secretary shall establish student co-  
8 horts, beginning with award year 2027–2028,  
9 as follows:

10 “(i) COMPLETING STUDENT CO-  
11 HORT.—For each program of study at  
12 such institution, a student cohort com-  
13 prised of all students who received Federal  
14 financial assistance under this title and  
15 who completed such program during such  
16 award year.

17 “(ii) UNDERGRADUATE NON-COM-  
18 PLETING STUDENT COHORT.—For such in-  
19 stitution, a student cohort comprised of all  
20 students who received Federal financial as-  
21 sistance under this title, who were enrolled  
22 in the institution during the previous  
23 award year in a program of study leading  
24 to an undergraduate credential, and who at  
25 the time the cohort is established—

1                   “(I) have not completed such  
2                   program of study; and

3                   “(II) are not enrolled at the in-  
4                   stitution in any program of study  
5                   leading to an undergraduate creden-  
6                   tial.

7                   “(iii) GRADUATE NON-COMPLETING  
8                   STUDENT COHORT.—For each program of  
9                   study leading to a graduate credential at  
10                  such institution, a student cohort com-  
11                  prised of all students who received Federal  
12                  financial assistance under this title, who  
13                  were enrolled in such program during the  
14                  previous award year, and who at the time  
15                  the cohort is established—

16                  “(I) have not completed such  
17                  program of study; and

18                  “(II) are not enrolled in such  
19                  program.

20                  “(B) QUALIFYING STUDENT LOAN.—For  
21                  the purposes of this subsection, the term ‘quali-  
22                  fying student loan’ means a loan made under  
23                  this part on or after July 1, 2027, that—

1 “(i) was made to a student included  
2 in a student cohort of an institution or to  
3 a parent on behalf of such a student;

4 “(ii) except in the case of a loan de-  
5 scribed in clause (i) or (ii) of subparagraph  
6 (C), is not included in any other student  
7 cohort of any institution of higher edu-  
8 cation;

9 “(iii) is not in—

10 “(I) a medical or dental intern-  
11 ship or residency forbearance de-  
12 scribed in section 428(c)(3)(A)(i)(I),  
13 section 428B(a)(2), section 428H(a),  
14 or section 685.205(a)(3) of title 34,  
15 Code of Federal Regulations;

16 “(II) a graduate fellowship  
17 deferment described in section  
18 455(f)(2)(A)(ii);

19 “(III) rehabilitation training pro-  
20 gram deferment described under sec-  
21 tion 455(f)(2)(A)(ii);

22 “(IV) an in-school deferment de-  
23 scribed under section 455(f)(2)(A)(i);

24 “(V) a cancer deferment de-  
25 scribed under section 455(f)(3);

1                   “(VI) a military service  
2                   deferment described under section  
3                   455(f)(2)(C); or

4                   “(VII) a post-active duty student  
5                   deferment described under section  
6                   493D; and

7                   “(iv) is not in default.

8                   “(C) SPECIAL CIRCUMSTANCES.—

9                   “(i) MULTIPLE CREDENTIALS.—In  
10                  the case of a student who completes two or  
11                  more programs of study during the same  
12                  award year, each qualifying student loan of  
13                  the student shall be included in the student  
14                  cohort for each of such program of study  
15                  for such award year.

16                  “(ii) TREATMENT OF CERTAIN CON-  
17                  SOLIDATION LOANS.—A Federal Direct  
18                  Consolidation loan made under this title  
19                  shall not be considered a qualifying stu-  
20                  dent loan for a student cohort for an  
21                  award year if all of the loans included in  
22                  such consolidation loan are attributable to  
23                  another student cohort.

24                  “(iii) CONSOLIDATION AFTER INCLU-  
25                  SION IN A STUDENT COHORT.—If a quali-

1           fying student loan is consolidated into a  
2           consolidation loan under this title after  
3           such qualifying student loan has been in-  
4           cluded in a student cohort, the percentage  
5           of the consolidation loan that was attrib-  
6           utable to such student cohort at the time  
7           of consolidation shall remain attributable  
8           to the student cohort for the life of the  
9           consolidation loan.

10       “(3) CALCULATION OF REIMBURSEMENT.—

11           “(A) REIMBURSEMENT PAYMENT FOR-  
12       MULA.—For each student cohort of an institu-  
13       tion of higher education established under this  
14       subsection, the annual reimbursement for such  
15       cohort shall be equal to—

16           “(i) the reimbursement percentage for  
17           the cohort, determined in accordance with  
18           subparagraph (B); multiplied by

19           “(ii) the non-repayment balance for  
20           the cohort for the award year, determined  
21           in accordance with subparagraph (C).

22       “(B) REIMBURSEMENT PERCENTAGE.—

23       The reimbursement percentage of a student co-  
24       hort of an institution shall be determined by the  
25       Secretary when the cohort is established, shall

1 remain constant for the life of the student co-  
2 hort, and shall be determined as follows:

3 “(i) COMPLETING STUDENT CO-  
4 HORTS.—The reimbursement percentage of  
5 a completing student cohort shall be equal  
6 to the percentage determined by—

7 “(I) subtracting from one the  
8 quotient of—

9 “(aa) the median value-  
10 added earnings of students who  
11 completed such program of study  
12 in the most recent award year for  
13 which such earnings data is  
14 available; divided by

15 “(bb) the median total price  
16 charged to students included in  
17 such cohort; and

18 “(II) multiplying the difference  
19 determined under subclause (I) by  
20 100.

21 “(ii) SPECIAL CIRCUMSTANCES FOR  
22 COMPLETING STUDENT COHORTS.—

23 “(I) HIGH-RISK COHORTS.—Not-  
24 withstanding clause (i), if the median  
25 value-added earnings of a completing



1 student cohort under clause (i)(I)(aa)  
2 is negative, the reimbursement per-  
3 centage of the student cohort shall be  
4 100 percent.

5 “(II) LOW-RISK COHORTS.—Not-  
6 withstanding clause (i), if the median  
7 value-added earnings of a completing  
8 student cohort under clause (i)(I)(aa)  
9 exceeds the median total price of such  
10 cohort under clause (i)(I)(bb), the re-  
11 imbursement percentage of the stu-  
12 dent cohort shall be 0 percent.

13 “(iii) NON-COMPLETING STUDENT CO-  
14 HORTS.—The reimbursement percentage of  
15 a non-completing student cohort shall be  
16 determined based on the most recent data  
17 available in the award year in which the  
18 cohort is established, and—

19 “(I) for an undergraduate non-  
20 completing student cohort, shall be  
21 equal to the percentage of under-  
22 graduate students who received Fed-  
23 eral financial assistance under this  
24 title at such institution who—

1           “(aa) did not complete an  
2           undergraduate program of study  
3           at the institution within 150 per-  
4           cent of the program length of  
5           such program; or

6           “(bb) only in the case of a  
7           two-year institution, did not,  
8           within 6 years after first enroll-  
9           ing at the two-year institution,  
10          complete a program of study at a  
11          four-year institution for which a  
12          bachelor’s degree (or substan-  
13          tially similar credential) is  
14          awarded; and

15          “(II) for a graduate non-com-  
16          pleting student cohort, shall be equal  
17          to the percentage of students who re-  
18          ceived Federal financial assistance  
19          under this title at the institution for  
20          the applicable graduate program of  
21          study and who did not complete such  
22          program of study within 150 percent  
23          of the program length.

24          “(C) NON-REPAYMENT LOAN BALANCE.—

1           “(i) IN GENERAL.—For each award  
2           year, the Secretary shall determine the  
3           non-repayment loan balance for such  
4           award year for each student cohort of an  
5           institution of higher education by calcu-  
6           lating the sum of—

7                   “(I) for loans in such cohort, the  
8                   difference between the total amount of  
9                   payments due from all borrowers on  
10                  such loans during such year and the  
11                  total amount of payments made by all  
12                  such borrowers on such loans during  
13                  such year; plus

14                  “(II) the total amount of interest  
15                  waived, paid, or otherwise not charged  
16                  by the Secretary during such year  
17                  under the income-based repayment  
18                  plan described in section 455(q); plus

19                  “(III) the total amount of prin-  
20                  cipal and interest forgiven, cancelled,  
21                  waived, discharged, repaid, or other-  
22                  wise reduced by the Secretary under  
23                  any act during such year that is not  
24                  included in subclause (II) and was not

1 discharged or forgiven under section  
2 437(a), 428J, or section 455(m).

3 “(ii) SPECIAL CIRCUMSTANCES.—For  
4 the purpose of calculating the non-repay-  
5 ment loan balance of student cohorts under  
6 this paragraph, the Secretary shall—

7 “(I) for each qualifying student  
8 loan in a student cohort that is in-  
9 cluded in another student cohort be-  
10 cause the student who borrowed such  
11 loan completed two or more programs  
12 of study during the same award year,  
13 the sum of the amounts described in  
14 subclauses (I) through (III) of clause  
15 (i) for such qualifying student loan  
16 shall be divided equally among each of  
17 the student cohorts in which such loan  
18 is included; and

19 “(II) for each consolidation loan  
20 in a student cohort—

21 “(aa) determine the percent-  
22 age of the outstanding principal  
23 balance of the consolidation loan  
24 attributable to such student co-  
25 hort—

1                   “(AA) at the time of  
2                   that loan was included in  
3                   such cohort, in the case of a  
4                   loan consolidated before in-  
5                   clusion in such cohort; or

6                   “(BB) at the time of  
7                   consolidation, in the case of  
8                   a loan consolidated after in-  
9                   clusion in such cohort; and

10                  “(bb) include in the calcula-  
11                  tions under clause (i) for such  
12                  student cohort only the percent-  
13                  age of the sum of the amounts  
14                  described in subclauses (I)  
15                  through (III) of clause (i) for the  
16                  consolidation loan for such year  
17                  that is equal to the percentage of  
18                  the consolidation loan determined  
19                  under item (aa).

20                  “(D) TOTAL PRICE.—With respect to a  
21                  student who received Federal financial assist-  
22                  ance under this title and who completes a pro-  
23                  gram of study, the term ‘total price’ means the  
24                  total amount, before Federal financial assist-  
25                  ance under this title was applied, a student was

1 required to pay to complete the program of  
2 study. A student's total price shall be calculated  
3 by the Secretary as the difference between—

4 “(i) the total amount of tuition and  
5 fees that were charged to such student be-  
6 fore the application of any Federal finan-  
7 cial assistance provided under this title;  
8 minus

9 “(ii) the total amount of grants and  
10 scholarships described in section 480(i)  
11 awarded to such student from non-Federal  
12 sources for such program of study.

13 “(4) NOTIFICATION AND REMITTANCE.—Begin-  
14 ning with the first award year for which reimburse-  
15 ments are required under this subsection, and for  
16 each succeeding award year, the Secretary shall—

17 “(A) notify each institution of higher edu-  
18 cation of the amounts and due dates of each  
19 annual reimbursement calculated under para-  
20 graph (3) for each student cohort of the institu-  
21 tion within 30 days of calculating such  
22 amounts; and

23 “(B) require the institution to remit such  
24 payments within 90 days of such notification.

25 “(5) PENALTY FOR LATE PAYMENTS.—

1           “(A) THREE-MONTH DELINQUENCY.—If  
2           an institution fails to remit to the Secretary a  
3           reimbursement for a student cohort as required  
4           under this subsection within 90 days of receiv-  
5           ing notification from the Secretary in accord-  
6           ance with paragraph (4), the institution shall  
7           pay to the Secretary, in addition to such reim-  
8           bursement, interest on such reimbursement  
9           payment, at a rate that is the average rate ap-  
10          plicable to the loans in such student cohort.

11          “(B) TWELVE-MONTH DELINQUENCY.—If  
12          an institution fails to remit to the Secretary a  
13          reimbursement for a student cohort as required  
14          under this subsection, plus interest owed in  
15          under subparagraph (A), within 12 months of  
16          receiving notification from the Secretary in ac-  
17          cordance with paragraph (4), the institution  
18          shall be ineligible to make direct loans to any  
19          student enrolled in the program of study for  
20          which the institution has failed to make the re-  
21          imbursement payments until such payment is  
22          made.

23          “(C) EIGHTEEN-MONTH DELINQUENCY.—  
24          If an institution fails to remit to the Secretary  
25          a reimbursement for a student cohort as re-

1           quired under this subsection, plus interest owed  
2           under subparagraph (A), within 18 months of  
3           receiving notification from the Secretary in ac-  
4           cordance with paragraph (4), the institution  
5           shall be ineligible to make direct loans or award  
6           Federal Pell Grants under section 401 to any  
7           student enrolled in the institution until such  
8           payment is made.

9           “(D) TWO-YEAR DELINQUENCY.—If an in-  
10          stitution fails to remit to the Secretary a reim-  
11          bursement for a student cohort as required  
12          under this subsection, plus interest owed under  
13          subparagraph (A), within 2 years of receiving  
14          notification from the Secretary in accordance  
15          with paragraph (4), the institution shall be in-  
16          eligible to participate in any program under this  
17          title for a period of not less than 10 years.

18          “(6) RELIEF FOR VOLUNTARY CESSATION OF  
19          FEDERAL DIRECT LOANS FOR A PROGRAM OF  
20          STUDY.—The Secretary shall, upon the request of an  
21          institution that voluntarily ceases to make Federal  
22          Direct loans to students enrolled in a specific pro-  
23          gram of study, reduce the amount of the annual re-  
24          imbursement owed by the institution for each stu-  
25          dent cohort associated with such program by 50 per-



1 cent if the institution assures the Secretary that the  
 2 institution will not make Federal Direct loans to any  
 3 student enrolled in such program of study (or any  
 4 substantially similar program of study, as deter-  
 5 mined by the Secretary) for a period of not less than  
 6 10 award years, beginning with the first award year  
 7 that begins after the date on which the Secretary re-  
 8 duces such reimbursement.

9 “(7) RESERVATION OF FUNDS FOR PROMISE  
 10 GRANTS.—Notwithstanding any other provision of  
 11 this Act, the Secretary shall reserve the funds remit-  
 12 ted to the Secretary as reimbursements in accord-  
 13 ance with this subsection, and such funds shall be  
 14 made available to the Secretary only for the purpose  
 15 of awarding PROMISE grants in accordance with  
 16 subpart 11 of part A of this title.”.

17 **SEC. 30042. CAMPUS-BASED AID PROGRAMS.**

18 (a) PROMISE GRANTS.—Part A of title IV of the  
 19 Higher Education Act of 1965 (20 U.S.C. 1070c et seq.)  
 20 is amended by adding at the end the following:

21 **“Subpart 11—Promoting Real Opportunities to**  
 22 **Maximize Investments and Savings in Education**

23 **“SEC. 420S. PROMISE GRANTS.**

24 “For award year 2028–2029 and each succeeding  
 25 award year, from reserved funds remitted to the Secretary

1 in accordance with section 454(d) and additional funds  
2 made available under section 420V, as necessary, the Sec-  
3 retary shall award PROMISE grants to eligible institu-  
4 tions to carry out the activities described in section  
5 420U(c). PROMISE grants awarded under this subpart  
6 shall be awarded on a noncompetitive basis to each eligible  
7 institution that submits a satisfactory application under  
8 section 420T for a 6-year period in an amount that is de-  
9 termined in accordance with section 420U.

10 **“SEC. 420T. ELIGIBLE INSTITUTIONS; APPLICATION.**

11 “(a) ELIGIBLE INSTITUTION.—To be eligible for a  
12 PROMISE grant under this subpart, an institution  
13 shall—

14 “(1) be an institution of higher education under  
15 section 102, except that an institution described in  
16 section 102(a)(1)(C) shall not be an eligible institu-  
17 tion under this subpart; and

18 “(2) meet the maximum total price guarantee  
19 requirements under subsection (c).

20 “(b) APPLICATION.—An eligible institution seeking a  
21 PROMISE grant under this subpart (including a renewal  
22 of such a grant) shall submit to the Secretary an applica-  
23 tion, at such time as the Secretary may require, containing  
24 the information required under this subsection. Such ap-  
25 plication shall—

1 “(1) demonstrate that the institution—

2 “(A) meets the maximum total price guar-  
3 antee requirements under subsection (c); and

4 “(B) will continue to meet the maximum  
5 total price guarantee requirements for each  
6 award year during the grant period with respect  
7 to students first enrolling at the institution for  
8 each such award year;

9 “(2) describe how grant funds awarded under  
10 this subpart will be used by the institution to carry  
11 out activities related to—

12 “(A) increasing postsecondary afford-  
13 ability, including—

14 “(i) the expansion and continuation of  
15 the maximum total price guarantee re-  
16 quirements under subsection (c); and

17 “(ii) any other activities to be carried  
18 out by the institution to increase postsec-  
19 ondary affordability and minimize the max-  
20 imum total price for completion paid by  
21 students receiving need-based student aid;

22 “(B) increasing postsecondary access,  
23 which may include—

24 “(i) the activities described in section  
25 485E of this Act; and

1                   “(ii) any other activities to be carried  
2                   out by the institution to increase postsec-  
3                   ondary access and expand opportunities for  
4                   low- and middle-income students; and

5                   “(C) increasing postsecondary student suc-  
6                   cess, which may include—

7                   “(i) activities to improve completion  
8                   rates and reduce time to credential;

9                   “(ii) activities to align programs of  
10                  study with the needs of employers, includ-  
11                  ing with respect to in-demand industry sec-  
12                  tors or occupations (as defined in section 3  
13                  of the Workforce Innovation and Oppor-  
14                  tunity Act (29 U.S.C. 3102)); and

15                  “(iii) any other activities to be carried  
16                  out by the institution to increase value-  
17                  added earnings and postsecondary student  
18                  success;

19                  “(3) describe—

20                  “(A) how the institution will evaluate the  
21                  effectiveness of the institution’s use of grant  
22                  funds awarded under this subpart; and

23                  “(B) how the institution will collect and  
24                  disseminate information on promising practices  
25                  developed with the use of such grant funds; and

1           “(4) in the case of an institution that has pre-  
2           viously received a grant under this subpart, contain  
3           the evaluation required under paragraph (3) for  
4           each previous grant.

5           “(c) MAXIMUM TOTAL PRICE GUARANTEE REQUIRE-  
6           MENTS.—As a condition of eligibility for a PROMISE  
7           grant under this subpart, an institution shall—

8           “(1) for each award year beginning after the  
9           date of enactment of this subpart, not later than 1  
10          year before the start of each such award year (ex-  
11          cept that, for the first award year beginning after  
12          such date of enactment, the institution shall meet  
13          these requirements as soon as practicable after such  
14          date of enactment), determine the maximum total  
15          price for completion, in accordance with subsection  
16          (e), for each program of study at the institution ap-  
17          plicable to students in each income category and stu-  
18          dent aid index category (as determined by the Sec-  
19          retary) and publish such information on the institu-  
20          tion’s website and in the institution’s catalog, mar-  
21          keting materials, or other official publications;

22          “(2) for the award year for which the institu-  
23          tion is applying for a PROMISE grant, and at least  
24          1 award year preceding such award year, provide to  
25          each student who first enrolls, or plans to enroll, in

1 the institution during the award year and who re-  
2 ceives Federal financial aid under this title a max-  
3 imum total price guarantee, in accordance with this  
4 section, for the minimum guarantee period applica-  
5 ble to the student; and

6 “(3) provide to the Secretary an assurance that  
7 the institution will continue to meet each of the  
8 maximum total price guarantee requirements under  
9 this subsection for students who first enroll, or plan  
10 to enroll, in the institution during each award year  
11 included in the grant period.

12 “(d) DURATION OF MINIMUM GUARANTEE PE-  
13 RIOD.—

14 “(1) IN GENERAL.—The minimum period dur-  
15 ing which a student shall be provided a guarantee  
16 under subsection (c) with respect to the maximum  
17 total price for completion of a program of study at  
18 an institution shall be the average, for the 3 most  
19 recent award years for which data are available, of  
20 the median time to credential of students who com-  
21 pleted any undergraduate program of study at the  
22 institution during each such award year, except that  
23 such minimum guarantee period shall not be less  
24 than the program length of the program of study in  
25 which the student is enrolled.

1           “(2) LIMITATION.—An institution shall not be  
2           required to provide a maximum total price guarantee  
3           under subsection (c) to a student after the conclu-  
4           sion of the 6-year period beginning on the first day  
5           on which the student enrolled at such institution.

6           “(e) DETERMINATION OF MAXIMUM TOTAL PRICE  
7           FOR COMPLETION.—

8           “(1) IN GENERAL.—For the purposes of sub-  
9           section (c), an institution shall determine, prior to  
10          the first award year in which a student enrolls at  
11          the institution, the maximum total price that may be  
12          charged to the student for completion of a program  
13          of study at the institution for the minimum guar-  
14          antee period applicable to a student, before applica-  
15          tion of any Federal Pell Grants or other Federal fi-  
16          nancial aid under this title. Such a maximum total  
17          price for completion shall be determined for students  
18          in each income category and student aid index cat-  
19          egory (as determined by the Secretary). In deter-  
20          mining the maximum total price for completion to be  
21          charged to each such category of students, the insti-  
22          tution may consider the ability of a category of stu-  
23          dents to pay tuition and fees, but may not include  
24          in such consideration any Federal Pell Grants or  
25          other Federal financial aid awards that may be

1 available to such category of students under this  
2 title.

3 “(2) MULTIPLE MAXIMUM TOTAL PRICE GUAR-  
4 ANTEES.—In the event that a student receives more  
5 than 1 maximum total price guarantee because the  
6 student is included in more than 1 category of stu-  
7 dents for which the institution determines a max-  
8 imum total price guarantee amount for the purposes  
9 of subsection (c), the maximum total price guarantee  
10 applicable to such student for the purposes of this  
11 section shall be equal to the lowest such guarantee  
12 amount.

13 **“SEC. 420U. GRANT AMOUNTS; FLEXIBLE USE OF FUNDS.**

14 “(a) GRANT AMOUNT FORMULA.—

15 “(1) FORMULA.—Subject to subsection (b) and  
16 section 420V(b), the amount of a PROMISE grant  
17 for an eligible institution for each year of the grant  
18 period shall be calculated by the Secretary annually  
19 and shall be equal to the amount determined by  
20 multiplying—

21 “(A) the lesser of—

22 “(i) the difference determined by sub-  
23 tracting one from the quotient of—

24 “(I) the average, for the 3 most  
25 recent award years for which data are



1 available, of the median value-added  
2 earnings for each such award year of  
3 students who completed any program  
4 of study of the institution; divided by  
5 “(II) the average, for the 3 most  
6 recent award years for which data are  
7 available, of the maximum total price  
8 for completion determined under sec-  
9 tion 420T(e) applicable for each such  
10 award year to students enrolled in the  
11 institution in any program of study  
12 who received financial aid under this  
13 title; or  
14 “(ii) the number two;  
15 “(B) the average, for the 3 most recent  
16 award years for which data are available, of the  
17 total dollar amount of Federal Pell Grants  
18 awarded to students enrolled in the institution  
19 in each such award year; and  
20 “(C) the average, for the 3 most recent  
21 award years for which data are available, of the  
22 percentage of low-income students who received  
23 Federal financial assistance under this title who  
24 were enrolled in the institution in each such  
25 award year who—

1 “(i) completed a program of study at  
2 the institution within 100 percent of the  
3 program length of such program; or

4 “(ii) only in the case of a two-year in-  
5 stitution or a less than two-year institu-  
6 tion—

7 “(I) transfer to a four-year insti-  
8 tution; and

9 “(II) within 4 years after first  
10 enrolling at the two-year or less than  
11 two-year institution, complete a pro-  
12 gram of study at the four-year institu-  
13 tion for which a bachelor’s degree (or  
14 substantially similar credential) is  
15 awarded.

16 “(2) DEFINITION OF LOW-INCOME.—In this  
17 section, the term ‘low-income’, when used with re-  
18 spect to a student, means that the student’s family  
19 income does not exceed the maximum income in the  
20 lowest income category (as determined by the Sec-  
21 retary).

22 “(b) MAXIMUM GRANT AMOUNT.—Notwithstanding  
23 subsection (a), the maximum amount an eligible institu-  
24 tion may receive annually for a grant under this subpart  
25 shall be the amount equal to—

1           “(1) the average, for the 3 most recent award  
2       years, of the number of students enrolled in the in-  
3       stitution in an award year who receive Federal fi-  
4       nancial aid under this title; multiplied by

5           “(2) \$5,000.

6       “(c) FLEXIBLE USE OF FUNDS.—A PROMISE  
7       grant awarded under this subpart shall be used by an eli-  
8       gible institution to—

9           “(1) carry out activities included in the institu-  
10      tion’s application for such grant related to postsec-  
11      ondary affordability, access, and student success;

12          “(2) evaluate the effectiveness of the activities  
13      carried out with such grant in accordance with sec-  
14      tion 420T(b)(3)(A); and

15          “(3) collect and disseminate promising practices  
16      related to the activities carried out with such grant,  
17      in accordance with section 420T(b)(3)(B).

18   **“SEC. 420V. AVAILABILITY OF FUNDS.**

19          “(a) USED OF RESERVED FUNDS.—

20          “(1) PRIMARY FUNDS.—To carry out this sub-  
21      part, there shall be available to the Secretary any  
22      funds remitted to the Secretary as reimbursements  
23      in accordance with section 454(d) for any award  
24      year.

1           “(2) SECONDARY FUNDS.—Beginning award  
2       year 2028–2029, if the amounts made available to  
3       the Secretary under paragraph (1) to carry out this  
4       subpart in any award year are insufficient to fully  
5       fund the PROMISE grants awarded under this sub-  
6       part in such award year, there shall be available to  
7       the Secretary, in addition to such amounts, any  
8       funds returned to the Secretary under section 484B  
9       in the previous award year.

10       “(b) REDUCTION OF GRANT AMOUNT IN CASE OF IN-  
11       SUFFICIENT FUNDS.—

12           “(1) IN GENERAL.—If the amounts made avail-  
13       able to the Secretary under subsection (a) to carry  
14       out this subpart for an award year are not sufficient  
15       to provide grants to each eligible institution in the  
16       amount determined under section 420U for such  
17       award year, the Secretary shall reduce each such  
18       grant amount by the applicable percentage described  
19       in paragraph (2).

20           “(2) APPLICABLE PERCENTAGE.—The applica-  
21       ble percentage described in this paragraph is the  
22       percentage determined by dividing—

23           “(A) the amounts made available under  
24       subsection (a) for the award year described in  
25       paragraph (1); by

1           “(B) the total amount that would be nec-  
 2           essary to provide grants to all eligible institu-  
 3           tions in the amounts determined under section  
 4           420U for such award year.

5   **“SEC. 420W. DEFINITIONS.**

6           “In this title:

7           “(1) VALUE-ADDED EARNINGS.—

8           “(A) IN GENERAL.—With respect to a stu-  
 9           dent who received Federal financial aid under  
 10          this title and who completed a program of study  
 11          offered by an institution of higher education,  
 12          the term ‘value-added earnings’ means—

13           “(i) the annual earnings of such stu-  
 14           dent measured during the applicable earn-  
 15           ings measurement period for such program  
 16           (as determined under subparagraph (C));  
 17           minus

18           “(ii) in the case of a student who  
 19           completed a program of study that  
 20           awards—

21           “(I) an undergraduate credential,  
 22           150 percent of the poverty line appli-  
 23           cable to a single individual as deter-  
 24           mined under section 673(2) of the

1 Community Services Block Grant Act  
2 (42 U.S.C. 9902(2)) for such year; or

3 “(II) a graduate credential, 300  
4 percent of the poverty line applicable  
5 to a single individual as determined  
6 under section 673(2) of the Commu-  
7 nity Services Block Grant Act (42  
8 U.S.C. 9902(2)) for such year.

9 “(B) GEOGRAPHIC ADJUSTMENT.—

10 “(i) IN GENERAL.—Except as pro-  
11 vided in clause (ii), the Secretary shall use  
12 the geographic location of the institution at  
13 which a student completed a program of  
14 study to adjust the value-added earnings of  
15 the student calculated under subparagraph  
16 (A) by dividing—

17 “(I) the difference between  
18 clauses (i) and (ii) of such subpara-  
19 graph; by

20 “(II) the most recent regional  
21 price parity index of the Bureau of  
22 Economics Analysis for the State or,  
23 as applicable, metropolitan area in  
24 which such institution is located.

1           “(ii) EXCEPTION.—The value-added  
2 earnings of a student calculated under sub-  
3 paragraph (A) shall not be adjusted based  
4 on geographic location in accordance with  
5 clause (i) if such student attended prin-  
6 cipally through distance education.

7           “(C) EARNINGS MEASUREMENT PERIOD.—

8           “(i) IN GENERAL.—For the purpose  
9 of calculating the value-added earnings of  
10 a student, except as provided in clause (ii),  
11 the annual earnings of a student shall be  
12 measured—

13           “(I) in the case of a program of  
14 study that awards an undergraduate  
15 certificate, post baccalaureate certifi-  
16 cate, or graduate certificate, 1 year  
17 after the student completes such pro-  
18 gram;

19           “(II) in the case of a program of  
20 study that awards an associate’s de-  
21 gree or master’s degree, 2 years after  
22 the student completes such program;  
23 and

24           “(III) in the case of a program of  
25 study that awards a bachelor’s degree,

1           doctoral degree, or professional de-  
2           gree, 4 years after the student com-  
3           pletes such program.

4           “(ii) EXCEPTION.—The Secretary  
5           may, as the Secretary determines appro-  
6           priate based on the characteristics of a  
7           program of study, extend an earnings  
8           measurement period described in clause (i)  
9           for a program of study that—

10                   “(I) requires completion of an  
11                   additional educational program (such  
12                   as a residency or fellowship) after  
13                   completion of the program of study in  
14                   order to obtain licensure or board cer-  
15                   tification associated with the creden-  
16                   tial awarded for such program of  
17                   study; and

18                   “(II) when combined with the  
19                   program length of such additional  
20                   educational program for licensure or  
21                   board certification, has a total pro-  
22                   gram length that exceeds the relevant  
23                   earnings measurement period pre-  
24                   scribed for such program of study  
25                   under clause (i),



1                   except that in no case shall the annual  
2                   earnings of a student be measured more  
3                   than 1 year after the student completes  
4                   such additional educational program.

5                   “(2) PROGRAM LENGTH.—The term ‘program  
6                   length’ means the minimum amount of time in  
7                   weeks, months, or years that is specified in the cata-  
8                   log, marketing materials, or other official publica-  
9                   tions of an institution of higher education for a full-  
10                  time student to complete the requirements for a spe-  
11                  cific program of study.”.

12                  (b) INSTITUTIONAL REFUNDS.—Section 484B of the  
13                  Higher Education Act of 1965 (20 U.S.C. 1091b) is  
14                  amended by adding at the end the following:

15                  “(f) RESERVATION OF FUNDS FOR PROMISE  
16                  GRANTS.—Notwithstanding any other provision of this  
17                  Act, the Secretary shall reserve the funds returned to the  
18                  Secretary under this section for 1 year after the return  
19                  of such funds for the purpose of awarding PROMISE  
20                  grants in accordance with subpart 4 of part A of this  
21                  title.”.

## 22                  **Subtitle F—Regulatory Relief**

### 23                  **SEC. 30051. REGULATORY RELIEF.**

24                  (a) 90/10 RULE.—Section 487 of the Higher Edu-  
25                  cation Act of 1965 (20 U.S.C. 1094) is amended—

1           (1) in subsection (a), by repealing paragraph  
2           (24); and

3           (2) by repealing subsection (d).

4           (b) GAINFUL EMPLOYMENT.—The Higher Education  
5 Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

6           (1) in section 101(b)(1), by striking “gainful  
7           employment in”;

8           (2) in section 102—

9                (A) in subsection (b)(1)(A)(i), by striking  
10           “gainful employment in”; and

11               (B) in subsection (c)(1)(A), by striking  
12           “gainful employment in”; and

13           (3) in section 481(b)(1)(A)(i), by striking  
14           “gainful employment in”.

15           (c) OTHER REPEALS.—The following regulations (in-  
16 cluding any supplement or revision to such regulations)  
17 are repealed and shall have no legal effect:

18           (1) CLOSED SCHOOL DISCHARGES.—Sections  
19           674.33(g), 682.402(d), and 685.214 of title 34,  
20           Code of Federal Regulations (relating to closed  
21           school discharges), as added or amended by the final  
22           regulations published by the Department of Edu-  
23           cation in the Federal Register on November 1, 2022  
24           (87 Fed. Reg. 65904 et seq.).

1 (2) BORROWER DEFENSE TO REPAYMENT.—

2 Subpart D of part 685 of title 34, Code of Federal  
3 Regulations (relating to borrower defense to repay-  
4 ment), as added or amended by the final regulations  
5 published by the Department of Education in the  
6 Federal Register on November 1, 2022 (87 Fed.  
7 Reg. 65904 et seq.).

8 (d) EFFECT OF REPEALS.—Any regulations relating  
9 to closed school discharges or borrower defense to repay-  
10 ment that took effect on July 1, 2020, are restored and  
11 revived as such regulations were in effect on such date.

12 (e) PROHIBITION.—The Secretary of Education may  
13 not implement any rule, regulation, policy, or executive ac-  
14 tion specified in this section (or a substantially similar  
15 rule, regulation, policy, or executive action) unless author-  
16 ity for such implementation is explicitly provided in an Act  
17 of Congress.

## 18 **Subtitle G—Limitation on** 19 **Authority**

20 **SEC. 30061. LIMITATION ON AUTHORITY OF THE SEC-**  
21 **RETARY TO PROPOSE OR ISSUE REGULA-**  
22 **TIONS AND EXECUTIVE ACTIONS.**

23 Part G of title IV of the Higher Education Act of  
24 1965 (20 U.S.C. 1088 et seq.) is amended by inserting  
25 after section 492 the following:

1 **“SEC. 492A. LIMITATION ON AUTHORITY OF THE SEC-**  
2 **RETARY TO PROPOSE OR ISSUE REGULA-**  
3 **TIONS AND EXECUTIVE ACTIONS.**

4 “(a) DRAFT REGULATIONS.—Beginning on the date  
5 of enactment of this section, a draft regulation imple-  
6 menting this title (as described in section 492(b)(1)) that  
7 is determined by the Secretary to be economically signifi-  
8 cant shall be subject to the following requirements (re-  
9 gardless of whether negotiated rulemaking occurs):

10 “(1) The Secretary shall determine whether the  
11 draft regulation, if implemented, would result in an  
12 increase in a subsidy cost.

13 “(2) If the Secretary determines under para-  
14 graph (1) that the draft regulation would result in  
15 an increase in a subsidy cost, then the Secretary  
16 may not take any further action with respect to such  
17 regulation.

18 “(b) PROPOSED OR FINAL REGULATIONS AND EXEC-  
19 UTIVE ACTIONS.—Beginning on the date of enactment of  
20 this section, the Secretary may not issue a proposed rule,  
21 final regulation, or executive action implementing this title  
22 if the Secretary determines that the rule, regulation, or  
23 executive action—

24 “(1) is economically significant; and

25 “(2) would result in an increase in a subsidy  
26 cost.

1       “(c) RELATIONSHIP TO OTHER REQUIREMENTS.—

2   The analyses required under subsections (a) and (b) shall  
3   be in addition to any other cost analysis required under  
4   law for a regulation implementing this title, including any  
5   cost analysis that may be required pursuant to Executive  
6   Order 12866 (58 Fed. Reg. 51735; relating to regulatory  
7   planning and review), Executive Order 13563 (76 Fed.  
8   Reg. 3821; relating to improving regulation and regu-  
9   latory review), or any related or successor orders.

10       “(d) DEFINITION.—In this section, the term ‘eco-  
11   nomically significant’, when used with respect to a draft,  
12   proposed, or final regulation or executive action, means  
13   that the regulation or executive action is likely, as deter-  
14   mined by the Secretary—

15               “(1) to have an annual effect on the economy  
16       of \$100,000,000 or more; or

17               “(2) to adversely affect in a material way the  
18       economy, a sector of the economy, productivity, com-  
19       petition, jobs, the environment, public health or safe-  
20       ty, or State, local, or tribal governments or commu-  
21       nities.”.

# **TITLE IV—ENERGY AND COMMERCE**

## **Subtitle A—Energy**

### **SEC. 41001. RESCISSIONS RELATING TO CERTAIN INFLATION REDUCTION ACT PROGRAMS.**

(a) STATE-BASED HOME ENERGY EFFICIENCY CONTRACTOR TRAINING GRANTS.—The unobligated balance of any amounts made available under subsection (a) of section 50123 of Public Law 117–169 (42 U.S.C. 18795b) is rescinded.

(b) FUNDING FOR DEPARTMENT OF ENERGY LOAN PROGRAMS OFFICE.—The unobligated balance of any amounts made available under subsection (b) of section 50141 of Public Law 117–169 (136 Stat. 2042) is rescinded.

(c) ADVANCED TECHNOLOGY VEHICLE MANUFACTURING.—The unobligated balance of any amounts made available under subsection (a) of section 50142 of Public Law 117–169 (136 Stat. 2044) is rescinded.

(d) ENERGY INFRASTRUCTURE REINVESTMENT FINANCING.—The unobligated balance of any amounts made available under subsection (a) of section 50144 of Public Law 117–169 (136 Stat. 2044) is rescinded.

(e) TRIBAL ENERGY LOAN GUARANTEE PROGRAM.—The unobligated balance of any amounts made available

1 under subsection (a) of section 50145 of Public Law 117–  
2 169 (136 Stat. 2045) is rescinded.

3 (f) TRANSMISSION FACILITY FINANCING.—The un-  
4 obligated balance of any amounts made available under  
5 subsection (a) of section 50151 of Public Law 117–169  
6 (42 U.S.C. 18715) is rescinded.

7 (g) GRANTS TO FACILITATE THE SITING OF INTER-  
8 STATE ELECTRICITY TRANSMISSION LINES.—The unobli-  
9 gated balance of any amounts made available under sub-  
10 section (a) of section 50152 of Public Law 117–169 (42  
11 U.S.C. 18715a) is rescinded.

12 (h) INTERREGIONAL AND OFFSHORE WIND ELEC-  
13 TRICITY TRANSMISSION PLANNING, MODELING, AND  
14 ANALYSIS.—The unobligated balance of any amounts  
15 made available under subsection (a) of section 50153 of  
16 Public Law 117–169 (42 U.S.C. 18715b) is rescinded.

17 (i) ADVANCED INDUSTRIAL FACILITIES DEPLOY-  
18 MENT PROGRAM.—The unobligated balance of any  
19 amounts made available under subsection (a) of section  
20 50161 of Public Law 117–169 (42 U.S.C. 17113a) is re-  
21 scinded.

22 **SEC. 41002. NATURAL GAS EXPORTS AND IMPORTS.**

23 Section 3 of the Natural Gas Act (15 U.S.C. 717b)  
24 is amended by adding at the end the following:

1       “(g) CHARGE FOR EXPORTATION OR IMPORTATION  
2 OF NATURAL GAS.—The Secretary of Energy shall, by  
3 rule, impose and collect, for each application to export nat-  
4 ural gas from the United States to a foreign country with  
5 which there is not in effect a free trade agreement requir-  
6 ing national treatment for trade in natural gas, or to im-  
7 port natural gas from such a foreign country, a non-  
8 refundable charge of \$1,000,000, and, for purposes of sub-  
9 section (a), the importation or exportation of natural gas  
10 that is proposed in an application for which such a non-  
11 refundable charge was imposed and collected shall be  
12 deemed to be in the public interest, and such an applica-  
13 tion shall be granted without modification or delay.”.

14 **SEC. 41003. FUNDING FOR DEPARTMENT OF ENERGY LOAN**  
15 **GUARANTEE EXPENSES.**

16       In addition to amounts otherwise available, there is  
17 appropriated to the Secretary of Energy, out of any money  
18 in the Treasury not otherwise appropriated, \$5,000,000,  
19 to remain available for a period of five years for adminis-  
20 trative expenses associated with carrying out section 116  
21 of the Alaska Natural Gas Pipeline Act (15 U.S.C. 720n).

22 **SEC. 41004. EXPEDITED PERMITTING.**

23       The Natural Gas Act is amended by adding after sec-  
24 tion 15 (15 U.S.C. 717n) the following:



1 **“SEC. 15A. EXPEDITED PERMITTING.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) COVERED APPLICATION.—The term ‘cov-  
4 ered application’ means an application for an au-  
5 thorization under section 3 or a certificate of public  
6 convenience and necessity under section 7, as appli-  
7 cable, for activities that include construction.

8 “(2) FEDERAL AUTHORIZATION.—The term  
9 ‘Federal authorization’ has the meaning given such  
10 term in section 15(a).

11 “(b) EXPEDITED REVIEW.—

12 “(1) NOTIFICATION OF ELECTION AND PAY-  
13 MENT OF FEE.—Prior to submitting a covered appli-  
14 cation, an applicant may elect to obtain an expedited  
15 review of authorizations pursuant to Sections 3 and  
16 7 of the Natural Gas Act for the approval of such  
17 covered application by—

18 “(A) submitting to the Commission a writ-  
19 ten notification—

20 “(i) of the election; and

21 “(ii) that identifies each Federal au-  
22 thorization required for the approval of the  
23 covered application and each Federal,  
24 State, or interstate agency that will con-  
25 sider an aspect of each such Federal au-  
26 thorization; and

1 “(B) making a payment to the Secretary  
2 of the Treasury in an amount that is the lesser  
3 of—

4 “(i) one percent of the expected cost  
5 of the applicable construction, as deter-  
6 mined by the applicant; or

7 “(ii) \$10,000,000 (adjusted for infla-  
8 tion, as the Secretary of the Treasury de-  
9 termines necessary).

10 “(2) SUBMISSION AND REVIEW OF APPLICA-  
11 TIONS.—

12 “(A) APPLICATION.—Not later than 60  
13 days after the date on which an applicant elects  
14 to obtain an expedited review under paragraph  
15 (1), the applicant shall submit to the Commis-  
16 sion the covered application for which such elec-  
17 tion for an expedited review was made, which  
18 shall include—

19 “(i) the scope of the applicable activi-  
20 ties, including capital investment, siting,  
21 temporary construction, and final work-  
22 force numbers;

23 “(ii) the industrial sector of the appli-  
24 cant, as classified by the North American  
25 Industry Classification System; and

1 “(iii) a list of the statutes and regula-  
2 tions that are relevant to the covered appli-  
3 cation.

4 “(B) APPROVAL.—

5 “(i) STANDARD DEADLINE.—Except  
6 as provided in clause (ii), not later than  
7 one year after the date on which an appli-  
8 cant submits a covered application pursu-  
9 ant to subparagraph (A)—

10 “(I) each Federal, State, or  
11 interstate agency identified under  
12 paragraph (1)(A)(ii) shall—

13 “(aa) review the relevant  
14 Natural Gas Act sections 3 or 7  
15 authorization identified under  
16 such paragraph; and

17 “(bb) subject to any condi-  
18 tions determined by such agency  
19 to be necessary to comply with  
20 the requirements of the Federal  
21 law under which such approval is  
22 required, approve such Federal  
23 authorization; and

24 “(II) the Commission shall—

1                   “(aa) review the covered ap-  
2                   plication; and

3                   “(bb) subject to any condi-  
4                   tions determined by the Commis-  
5                   sion to be necessary to comply  
6                   with the requirements of this  
7                   Act, approve the covered applica-  
8                   tion.

9                   “(ii) EXTENDED DEADLINE.—

10                  “(I) EXTENSION.—With respect  
11                  to a covered application submitted  
12                  pursuant to subparagraph (A), the  
13                  Commission may approve a request by  
14                  an agency identified under paragraph  
15                  (1)(A)(ii) for an extension of the one-  
16                  year deadline imposed by clause (i) of  
17                  this subparagraph for a period of 6  
18                  months if the Commission receives  
19                  consent from the relevant applicant.

20                  “(II) APPLICABILITY.—If the  
21                  Commission approves a request for an  
22                  extension under subclause (I), such  
23                  extension shall apply to the applicable  
24                  covered application and the Federal

1 authorization for which the extension  
2 was requested.

3 “(C) EFFECT OF FAILURE TO MEET DEAD-  
4 LINE.—

5 “(i) DEEMED APPROVAL.—Any cov-  
6 ered application submitted pursuant to  
7 subparagraph (A), or Federal authoriza-  
8 tion that is required with respect to such  
9 covered application, that is not approved  
10 by the applicable deadline under subpara-  
11 graph (B) shall be deemed approved in  
12 perpetuity.

13 “(ii) COMPLIANCE.—A person car-  
14 rying out activities under a covered appli-  
15 cation or Federal authorization that has  
16 been deemed approved under clause (i)  
17 shall comply with the requirements of the  
18 Natural Gas Act.

19 “(c) JUDICIAL REVIEW.—

20 “(1) REVIEWABLE CLAIMS.—

21 “(A) IN GENERAL.—No court shall have  
22 jurisdiction to review a claim with respect to  
23 the approval of a covered application or Federal  
24 authorization under subparagraph (B) or (C)(i)  
25 of subsection (b)(2), except for a claim under

chapter 7 of title 5, United States Code, filed not later than 180 days after the date of such approval by—

“(i) the applicant; or

“(ii) a person who has suffered, or likely and imminently will suffer, direct and irreparable economic harm from the approval.

“(B) CLAIMS BY CERTAIN NON-APPLICANTS.—An association may only bring a claim on behalf of one or more of its members pursuant to subparagraph (A)(ii) if each member of the association has suffered, or likely and imminently will suffer, the harm described in subparagraph (A)(ii).

“(2) STANDARD OF REVIEW.—If an applicant or other person brings a claim described in paragraph (1) with respect to the approval of a covered application or Federal authorization under subsection (b)(2)(B), the court shall hold unlawful and set aside any agency actions, findings, and conclusions in accordance with section 706(2) of title 5, United States Code, except that, for purposes of the application of subparagraph (E) of such section, the court shall apply such subparagraph by substituting

1       ‘clear and convincing evidence’ for ‘substantial evi-  
2       dence’.

3               “(3) EXCLUSIVE JURISDICTION.—The United  
4       States Court of Appeals for the District of Columbia  
5       Circuit shall have original and exclusive jurisdiction  
6       over any claim—

7               “(A) alleging the invalidity of subsection  
8       (b); or

9               “(B) that an agency action relating to a  
10       covered application or Federal authorization  
11       under subsection (b) is beyond the scope of au-  
12       thority conferred by the Federal law under  
13       which such agency action is made.”.

14   **SEC. 41005. DE-RISKING COMPENSATION PROGRAM.**

15       (a) APPROPRIATION.—In addition to amounts other-  
16       wise available, there is appropriated to the Secretary for  
17       fiscal year 2025, out of any money in the Treasury not  
18       otherwise appropriated, \$10,000,000, to remain available  
19       through September 30, 2034, to carry out this section:  
20       *Provided*, That no disbursements may be made under this  
21       section after September 30, 2034.

22       (b) DE-RISKING COMPENSATION PROGRAM.—

23               (1) ESTABLISHMENT.—There is established in  
24       the Department of Energy a program, to be known  
25       as the De-Risking Compensation Program, to pro-

1       vide compensation to sponsors, with respect to cov-  
2       ered energy projects, that suffer unrecoverable losses  
3       due to qualifying Federal actions.

4           (2) ELIGIBILITY.—A sponsor may enroll in the  
5       program with respect to a covered energy project  
6       if—

7           (A) all approvals or permits required or  
8       authorized under Federal law for the covered  
9       energy project have been received, regardless of  
10      whether a court order subsequently remands or  
11      vacates such approvals or permits;

12          (B) the sponsor commenced construction of  
13      the covered energy project or made capital ex-  
14      penditures with respect to the covered energy  
15      project in reliance on such approvals or per-  
16      mits; and

17          (C) at the time of enrollment, no quali-  
18      fying Federal action has been issued or taken  
19      that has an effect described in subsection  
20      (g)(4)(B) on the covered energy project.

21          (3) APPLICATION.—A sponsor may apply to en-  
22      roll with respect to a covered energy project in the  
23      program by submitting to the Secretary an applica-  
24      tion containing such information as the Secretary  
25      may require.



1           (4) ENROLLMENT.—Not later than 90 days  
2       after the date on which the Secretary receives an ap-  
3       plication submitted under paragraph (3), the Sec-  
4       retary shall enroll the sponsor in the program for  
5       the covered energy project with respect to which the  
6       application was submitted if the Secretary deter-  
7       mines that the sponsor meets the requirements of  
8       paragraph (2) with respect to the covered energy  
9       project.

10       (c) FEES AND PREMIUMS.—

11           (1) ENROLLMENT FEE.—Not later than 60  
12       days after the date on which a sponsor is enrolled  
13       in the program under subsection (b)(4), the sponsor  
14       shall pay to the Secretary a one-time enrollment fee  
15       equal to 5 percent of the sponsor capital contribu-  
16       tion for the applicable covered energy project.

17           (2) ANNUAL PREMIUMS.—

18           (A) IN GENERAL.—The Secretary shall es-  
19       tablish and annually collect a premium from  
20       each sponsor enrolled in the program for each  
21       covered energy project with respect to which the  
22       sponsor is enrolled.

23           (B) REQUIREMENTS.—A premium estab-  
24       lished and collected from a sponsor under sub-  
25       paragraph (A) shall—

1 (i) be equal to 1.5 percent of the  
2 sponsor capital contribution for the appli-  
3 cable covered energy project; and

4 (ii) be paid beginning with the year of  
5 enrollment and continuing until the earlier  
6 of—

7 (I) fiscal year 2033; or

8 (II) the year in which the spon-  
9 sor withdraws from the program with  
10 respect to the applicable covered en-  
11 ergy project.

12 (C) ADJUSTMENT.—The Secretary may  
13 adjust the percentage required by subparagraph  
14 (B)(i) once every two fiscal years to ensure  
15 Fund solvency, except that—

16 (i) the Secretary may not vary such  
17 percentage between sponsors or projects;  
18 and

19 (ii) such percentage may not exceed 5  
20 percent.

21 (D) PUBLICATION.—The Secretary shall  
22 publish in the Federal Register not later than  
23 60 days prior to the start of each fiscal year a  
24 list of each premium to be collected for the fis-  
25 cal year.

1 (d) COMPENSATION.—

2 (1) IN GENERAL.—Using amounts available in  
3 the Fund, and subject to paragraph (5), the Sec-  
4 retary shall provide compensation to a sponsor en-  
5 rolled in the program with respect to a covered en-  
6 ergy project if—

7 (A) the sponsor paid the enrollment fee  
8 and the premium for each year the sponsor was  
9 enrolled in the program with respect to the cov-  
10 ered energy project; and

11 (B) the sponsor demonstrates, in a request  
12 submitted to the Secretary, that a qualifying  
13 Federal action has been issued or taken that  
14 has an effect described in subsection (g)(4)(B)  
15 on the covered energy project.

16 (2) REQUEST FOR COMPENSATION.—A request  
17 under paragraph (1) shall contain the following:

18 (A) Information on each Federal approval  
19 or permit relating to the covered energy project,  
20 including the date on which such approval or  
21 permit was issued.

22 (B) A certified accounting of capital ex-  
23 penditures made in reliance on each such Fed-  
24 eral approval or permit.

1 (C) A description of, and, if applicable, a  
2 citation to, the applicable qualifying Federal ac-  
3 tion.

4 (D) A causal statement showing how the  
5 qualifying Federal action directly resulted in  
6 unrecoverable losses or cessation of the covered  
7 energy project and that absent the qualifying  
8 Federal action the project would have otherwise  
9 been viable.

10 (E) Any supporting economic analysis  
11 demonstrating the financial effects of the cov-  
12 ered energy project being rendered unviable.

13 (3) APPROVAL.—The Secretary shall approve a  
14 request submitted under paragraph (1) and, subject  
15 to paragraph (5), provide compensation to the appli-  
16 cable sponsor if the Secretary determines that such  
17 request is complete and in compliance with the re-  
18 quirements of this section.

19 (4) LIMITATIONS ON DENIALS.—The Secretary  
20 may not deny a request submitted under paragraph  
21 (1) based on—

22 (A) the merit of the applicable covered en-  
23 ergy project, as determined by the Secretary; or

24 (B) the type of technology used in the ap-  
25 plicable covered energy project.

1           (5)     LIMITATIONS     ON     COMPENSATION  
2     AMOUNT.—

3           (A) SPONSORS.—The amount of compensa-  
4     tion provided to a sponsor under this subsection  
5     with respect to a covered energy project shall  
6     not exceed the sponsor capital contribution for  
7     the covered energy project.

8           (B) AVAILABLE FUNDS.—In determining  
9     the amount of compensation to be provided to  
10    a sponsor under this subsection—

11           (i) such amount may be any amount,  
12           including zero, that is less than or equal to  
13           the amount of the sponsor capital con-  
14           tribution for the covered energy project, re-  
15           gardless of the amount of capital expendi-  
16           tures made by the sponsor (as certified  
17           and included in the request pursuant to  
18           paragraph (2)(B)); and

19           (ii) the Secretary shall determine such  
20           amount in a manner that ensures no funds  
21           will be obligated or expended in amounts  
22           that exceed the amounts in the Fund at  
23           the time of approval of the applicable re-  
24           quest submitted under paragraph (1).

25     (e) DE-RISKING COMPENSATION FUND.—

1           (1) ESTABLISHMENT.—There is established a  
2           fund, to be known as the De-Risking Compensation  
3           Fund, consisting of such amounts as are deposited  
4           in the Fund under this subsection or credited to the  
5           Fund under subsection (f).

6           (2) USE OF FUNDS.—Amounts in the Fund—

7                   (A) shall remain available until September  
8           30, 2034; and

9                   (B) may be used, without further appro-  
10          priation—

11                   (i) to make compensation payments to  
12                   sponsors under this section; and

13                   (ii) to administer the program.

14           (3) LIMITATION ON ADMINISTRATIVE EX-  
15          PENSES.—Not more than 3 percent of amounts in  
16          the Fund may be used to administer the program.

17           (4) DEPOSITS.—The Secretary shall deposit the  
18          fees and premiums received under subsection (c)  
19          into the Fund.

20          (f) FUND MANAGEMENT AND INVESTMENT.—The  
21          Fund shall be managed and invested as follows:

22                   (1) The Fund shall be maintained and adminis-  
23                   tered by the Secretary.

24                   (2) Amounts in the Fund shall be invested in  
25                   obligations of the United States in accordance with

1 the requirements of section 9702 of title 31, United  
2 States Code.

3 (3) The interest on such investments shall be  
4 credited to the Fund.

5 (g) DEFINITIONS.—For purposes of this section:

6 (1) COVERED ENERGY PROJECT.—The term  
7 “covered energy project” means a project located in  
8 the United States for the development, extraction,  
9 processing, transportation, or use of coal, coal by-  
10 products, critical minerals, oil, natural gas, or nu-  
11 clear energy with a total projected capital expendi-  
12 ture of not less than \$30,000,000, as certified by the  
13 Secretary.

14 (2) FUND.—The term “Fund” means the De-  
15 Risking Compensation Fund established in sub-  
16 section (e)(1).

17 (3) PROGRAM.—The term “program” means  
18 the De-Risking Compensation Program established  
19 in subsection (b)(1).

20 (4) QUALIFYING FEDERAL ACTION.—The term  
21 “qualifying Federal action” means a regulation, ad-  
22 ministrative decision, or executive action—

23 (A) issued or taken after a sponsor re-  
24 ceived a Federal approval or permit for a cov-  
25 ered energy project; and

1 (B) that revokes such approval or permit  
2 or cancels, delays, or renders unviable the cov-  
3 ered energy project regardless of whether the  
4 regulation, administrative decision, or executive  
5 action is responsive to a court order.

6 (5) SECRETARY.—The term “Secretary” means  
7 the Secretary of Energy.

8 (6) SPONSOR.—The term “sponsor” means an  
9 entity incorporated and headquartered in the United  
10 States with an ownership or development interest in  
11 a covered energy project.

12 (7) SPONSOR CAPITAL CONTRIBUTION.—The  
13 term “sponsor capital contribution” means the pro-  
14 jected capital expenditure of a sponsor for a covered  
15 energy project, as certified by the Secretary at the  
16 time of enrollment in the program, which shall in-  
17 clude verifiable development, construction, permit-  
18 ting, and financing costs directly related to the cov-  
19 ered energy project.

20 **SEC. 41006. STRATEGIC PETROLEUM RESERVE.**

21 (a) APPROPRIATIONS.—In addition to amounts other-  
22 wise available, there is appropriated to the Department  
23 of Energy for fiscal year 2025, out of any money in the  
24 Treasury not otherwise appropriated, to remain available  
25 until September 30, 2029—



1           (1) \$218,000,000 for maintenance of, including  
2       repairs to, storage facilities and related facilities (as  
3       such terms are defined in section 152 of the Energy  
4       Policy and Conservation Act (42 U.S.C. 6232)) of  
5       the Strategic Petroleum Reserve; and

6           (2) \$1,321,000,000 to acquire, by purchase, pe-  
7       troleum products for storage in the Strategic Petro-  
8       leum Reserve.

9       (b) REPEAL OF STRATEGIC PETROLEUM RESERVE  
10     DRAWDOWN AND SALE MANDATE.—Section 20003 of  
11     Public Law 115–97 (42 U.S.C. 6241 note) is repealed.

## 12           **Subtitle B—Environment**

### 13           **PART 1—REPEALS AND RESCISSIONS**

14     **SEC. 42101. REPEAL AND RESCISSION RELATING TO CLEAN**  
15           **HEAVY-DUTY VEHICLES.**

16       (a) REPEAL.—Section 132 of the Clean Air Act (42  
17     U.S.C. 7432) is repealed.

18       (b) RESCISSION.—The unobligated balance of any  
19     amounts made available under section 132 of the Clean  
20     Air Act (42 U.S.C. 7432) (as in effect on the day before  
21     the date of enactment of this Act) is rescinded.

1 **SEC. 42102. REPEAL AND RESCISSION RELATING TO**  
2 **GRANTS TO REDUCE AIR POLLUTION AT**  
3 **PORTS.**

4 (a) REPEAL.—Section 133 of the Clean Air Act (42  
5 U.S.C. 7433) is repealed.

6 (b) RESCISSION.—The unobligated balance of any  
7 amounts made available under section 133 of the Clean  
8 Air Act (42 U.S.C. 7433) (as in effect on the day before  
9 the date of enactment of this Act) is rescinded.

10 **SEC. 42103. REPEAL AND RESCISSION RELATING TO**  
11 **GREENHOUSE GAS REDUCTION FUND.**

12 (a) REPEAL.—Section 134 of the Clean Air Act (42  
13 U.S.C. 7434) is repealed.

14 (b) RESCISSION.—The unobligated balance of any  
15 amounts made available under section 134 of the Clean  
16 Air Act (42 U.S.C. 7434) (as in effect on the day before  
17 the date of enactment of this Act) is rescinded.

18 **SEC. 42104. REPEAL AND RESCISSION RELATING TO DIESEL**  
19 **EMISSIONS REDUCTIONS.**

20 (a) REPEAL.—Section 60104 of Public Law 117–169  
21 is repealed.

22 (b) RESCISSION.—The unobligated balance of any  
23 amounts made available under section 60104 of Public  
24 Law 117–169 (as in effect on the day before the date of  
25 enactment of this Act) is rescinded.

1 **SEC. 42105. REPEAL AND RESCISSION RELATING TO FUND-**  
2 **ING TO ADDRESS AIR POLLUTION.**

3 (a) REPEAL.—Section 60105 of Public Law 117–169  
4 is repealed.

5 (b) RESCISSION.—The unobligated balance of any  
6 amounts made available under section 60105 of Public  
7 Law 117–169 (as in effect on the day before the date of  
8 enactment of this Act) is rescinded.

9 **SEC. 42106. REPEAL AND RESCISSION RELATING TO FUND-**  
10 **ING TO ADDRESS AIR POLLUTION AT**  
11 **SCHOOLS.**

12 (a) REPEAL.—Section 60106 of Public Law 117–169  
13 is repealed.

14 (b) RESCISSION.—The unobligated balance of any  
15 amounts made available under section 60106 of Public  
16 Law 117–169 (as in effect on the day before the date of  
17 enactment of this Act) is rescinded.

18 **SEC. 42107. REPEAL AND RESCISSION RELATING TO LOW**  
19 **EMISSIONS ELECTRICITY PROGRAM.**

20 (a) REPEAL.—Section 135 of the Clean Air Act (42  
21 U.S.C. 7435) is repealed.

22 (b) RESCISSION.—The unobligated balance of any  
23 amounts made available under section 135 of the Clean  
24 Air Act (42 U.S.C. 7435) (as in effect on the day before  
25 the date of enactment of this Act) is rescinded.

1 **SEC. 42108. REPEAL AND RESCISSION RELATING TO FUND-**  
2 **ING FOR SECTION 211(o) OF THE CLEAN AIR**  
3 **ACT.**

4 (a) REPEAL.—Section 60108 of Public Law 117–169  
5 is repealed.

6 (b) RESCISSION.—The unobligated balance of any  
7 amounts made available under section 60108 of Public  
8 Law 117–169 (as in effect on the day before the date of  
9 enactment of this Act) is rescinded.

10 **SEC. 42109. REPEAL AND RESCISSION RELATING TO FUND-**  
11 **ING FOR IMPLEMENTATION OF THE AMER-**  
12 **ICAN INNOVATION AND MANUFACTURING**  
13 **ACT.**

14 (a) REPEAL.—Section 60109 of Public Law 117–169  
15 is repealed.

16 (b) RESCISSION.—The unobligated balance of any  
17 amounts made available under section 60109 of Public  
18 Law 117–169 (as in effect on the day before the date of  
19 enactment of this Act) is rescinded.

20 **SEC. 42110. REPEAL AND RESCISSION RELATING TO FUND-**  
21 **ING FOR ENFORCEMENT TECHNOLOGY AND**  
22 **PUBLIC INFORMATION.**

23 (a) REPEAL.—Section 60110 of Public Law 117–169  
24 is repealed.

25 (b) RESCISSION.—The unobligated balance of any  
26 amounts made available under section 60110 of Public

1 Law 117–169 (as in effect on the day before the date of  
2 enactment of this Act) is rescinded.

3 **SEC. 42111. REPEAL AND RESCISSION RELATING TO**  
4 **GREENHOUSE GAS CORPORATE REPORTING.**

5 (a) REPEAL.—Section 60111 of Public Law 117–169  
6 is repealed.

7 (b) RESCISSION.—The unobligated balance of any  
8 amounts made available under section 60111 of Public  
9 Law 117–169 (as in effect on the day before the date of  
10 enactment of this Act) is rescinded.

11 **SEC. 42112. REPEAL AND RESCISSION RELATING TO ENVI-**  
12 **RONMENTAL PRODUCT DECLARATION AS-**  
13 **SISTANCE.**

14 (a) REPEAL.—Section 60112 of Public Law 117–169  
15 (42 U.S.C. 4321 note) is repealed.

16 (b) RESCISSION.—The unobligated balance of any  
17 amounts made available under section 60112 of Public  
18 Law 117–169 (42 U.S.C. 4321 note) (as in effect on the  
19 day before the date of enactment of this Act) is rescinded.

20 **SEC. 42113. REPEAL OF FUNDING FOR METHANE EMIS-**  
21 **SIONS AND WASTE REDUCTION INCENTIVE**  
22 **PROGRAM FOR PETROLEUM AND NATURAL**  
23 **GAS SYSTEMS.**

24 (a) REPEAL AND RESCISSION.—Subsections (a) and  
25 (b) of section 136 of the Clean Air Act (42 U.S.C. 7436)

1 are repealed and the unobligated balances of amounts  
2 made available under those subsections (as in effect on  
3 the day before the date of enactment of this Act) are re-  
4 scinded.

5 (b) CONFORMING AMENDMENTS.—Section 136 of the  
6 Clean Air Act (42 U.S.C. 7436) is amended—

7 (1) by redesignating subsections (c) through (i)  
8 as subsections (a) through (g), respectively;

9 (2) by striking “subsection (c)” each place it  
10 appears and inserting “subsection (a)”;

11 (3) by striking “subsection (d)” each place it  
12 appears and inserting “subsection (b)”;

13 (4) by striking “subsection (f)” each place it  
14 appears and inserting “subsection (d)”;

15 (5) in subsection (e) (as so redesignated), by  
16 striking “calendar year 2024” and inserting “cal-  
17 endar year 2034”; and

18 (6) in subsection (f) (as so redesignated)—

19 (A) by striking “subsections (e) and (f)”  
20 and inserting “subsections (c) and (d)”;

21 (B) by striking “including data collected  
22 pursuant to subsection (a)(4),”.

1 **SEC. 42114. REPEAL AND RESCISSION RELATING TO**  
2 **GREENHOUSE GAS AIR POLLUTION PLANS**  
3 **AND IMPLEMENTATION GRANTS.**

4 (a) REPEAL.—Section 137 of the Clean Air Act (42  
5 U.S.C. 7437) is repealed.

6 (b) RESCISSION.—The unobligated balance of any  
7 amounts made available under section 137 of the Clean  
8 Air Act (42 U.S.C. 7437) (as in effect on the day before  
9 the date of enactment of this Act) is rescinded.

10 **SEC. 42115. REPEAL AND RESCISSION RELATING TO ENVI-**  
11 **RONMENTAL PROTECTION AGENCY EFFI-**  
12 **CIENT, ACCURATE, AND TIMELY REVIEWS.**

13 (a) REPEAL.—Section 60115 of Public Law 117–169  
14 is repealed.

15 (b) RESCISSION.—The unobligated balance of any  
16 amounts made available under section 60115 of Public  
17 Law 117–169 (as in effect on the day before the date of  
18 enactment of this Act) is rescinded.

19 **SEC. 42116. REPEAL AND RESCISSION RELATING TO LOW-**  
20 **EMBODIED CARBON LABELING FOR CON-**  
21 **STRUCTION MATERIALS.**

22 (a) REPEAL.—Section 60116 of Public Law 117–169  
23 (42 U.S.C. 4321 note) is repealed.

24 (b) RESCISSION.—The unobligated balance of any  
25 amounts made available under section 60116 of Public

1 Law 117–169 (42 U.S.C. 4321 note) (as in effect on the  
2 day before the date of enactment of this Act) is rescinded.

3 **SEC. 42117. REPEAL AND RESCISSION RELATING TO ENVI-**  
4 **RONMENTAL AND CLIMATE JUSTICE BLOCK**  
5 **GRANTS.**

6 (a) REPEAL.—Section 138 of the Clean Air Act (42  
7 U.S.C. 7438) is repealed.

8 (b) RESCISSION.—The unobligated balance of any  
9 amounts made available under section 138 of the Clean  
10 Air Act (42 U.S.C. 7438) (as in effect on the day before  
11 the date of enactment of this Act) is rescinded.

12 **PART 2—REPEAL OF EPA RULES RELATING TO**  
13 **GREENHOUSE GAS AND MULTI-POLLUTANT**  
14 **EMISSIONS STANDARDS**

15 **SEC. 42201. REPEAL OF EPA RULES RELATING TO GREEN-**  
16 **HOUSE GAS AND MULTI-POLLUTANT EMIS-**  
17 **SIONS STANDARDS.**

18 The final rules issued by the Environmental Protec-  
19 tion Agency relating to “Revised 2023 and Later Model  
20 Year Light-Duty Vehicle Greenhouse Gas Emissions  
21 Standards” (86 Fed. Reg. 74434 (December 30, 2021))  
22 and “Multi-Pollutant Emissions Standards for Model  
23 Years 2027 and Later Light-Duty and Medium-Duty Ve-  
24 hicles” (89 Fed. Reg. 27842 (April 18, 2024)) shall have  
25 no force or effect.



1 **PART 3—REPEAL OF NHTSA RULES RELATING TO**  
 2 **CAFE STANDARDS**

3 **SEC. 42301. REPEAL OF NHTSA RULES RELATING TO CAFE**  
 4 **STANDARDS.**

5 The final rules issued by the National Highway Traf-  
 6 fic Safety Administration relating to “Corporate Average  
 7 Fuel Economy Standards for Model Years 2024–2026  
 8 Passenger Cars and Light Trucks” (87 Fed. Reg. 25710  
 9 (May 2, 2022)) and “Corporate Average Fuel Economy  
 10 Standards for Passenger Cars and Light Trucks for Model  
 11 Years 2027 and Beyond and Fuel Efficiency Standards  
 12 for Heavy-Duty Pickup Trucks and Vans for Model Years  
 13 2030 and Beyond” (89 Fed. Reg. 52540 (June 24, 2024))  
 14 shall have no force or effect.

15 **Subtitle C—Communications**

16 **PART 1—SPECTRUM AUCTIONS**

17 **SEC. 43101. IDENTIFICATION AND AUCTION OF SPECTRUM.**

18 (a) IDENTIFICATION.—

19 (1) IN GENERAL.—Not later than 2 years after  
 20 the date of the enactment of this Act, the Assistant  
 21 Secretary and the Commission shall identify, from  
 22 spectrum in the covered band that is allocated for  
 23 Federal use, non-Federal use, or shared Federal and  
 24 non-Federal use, a total of not less than 600 mega-  
 25 hertz of spectrum for reallocation for non-Federal  
 26 use on an exclusive, licensed basis for mobile

1 broadband services, fixed broadband services, mobile  
2 and fixed broadband services, or a combination  
3 thereof.

4 (2) WITHDRAWAL OR MODIFICATION OF FED-  
5 ERAL GOVERNMENT ASSIGNMENTS.—The President,  
6 acting through the Assistant Secretary, shall—

7 (A) withdraw or modify the assignments to  
8 Federal Government stations of spectrum iden-  
9 tified under paragraph (1) as necessary for the  
10 Commission to comply with subsection (b); and

11 (B) not later than 30 days after com-  
12 pleting any necessary withdrawal or modifica-  
13 tion under subparagraph (A), notify the Com-  
14 mission that the withdrawal or modification is  
15 complete.

16 (3) RULE OF CONSTRUCTION.—Nothing in this  
17 subsection may be construed to change the respec-  
18 tive authorities of the Assistant Secretary and the  
19 Commission with respect to spectrum allocated for  
20 Federal use, non-Federal use, or shared Federal and  
21 non-Federal use.

22 (b) AUCTION.—

23 (1) IN GENERAL.—The Commission shall,  
24 through 1 or more systems of competitive bidding  
25 under section 309(j) of the Communications Act of

1       1934 (47 U.S.C. 309(j)), grant licenses for the use  
2       of the spectrum identified under subsection (a) on  
3       an exclusive, licensed basis for mobile broadband  
4       services, fixed broadband services, mobile and fixed  
5       broadband services, or a combination thereof.

6           (2) SCHEDULE.—Notwithstanding paragraph  
7       (15)(A) of section 309(j) of the Communications Act  
8       of 1934 (47 U.S.C. 309(j)), the Commission shall  
9       auction spectrum under paragraph (1) of this sub-  
10      section according to the following schedule:

11           (A) Not later than 3 years after the date  
12           of the enactment of this Act, the Commission  
13           shall complete 1 or more systems of competitive  
14           bidding for not less than 200 megahertz of such  
15           spectrum.

16           (B) Not later than 6 years after the date  
17           of the enactment of this Act, the Commission  
18           shall complete 1 or more systems of competitive  
19           bidding for any remaining spectrum required to  
20           be auctioned under paragraph (1) after compli-  
21           ance with subparagraph (A) of this paragraph.

22       (c) AUCTION PROCEEDS TO COVER 110 PERCENT OF  
23      FEDERAL RELOCATION OR SHARING COSTS.—Nothing in  
24      this section may be construed to relieve the Commission

1 from the requirements of section 309(j)(16)(B) of the  
2 Communications Act of 1934 (47 U.S.C. 309(j)(16)(B)).

3 (d) AUCTION AUTHORITY.—Section 309(j)(11) of the  
4 Communications Act of 1934 (47 U.S.C. 309(j)(11)) is  
5 amended by striking “grant a license or permit under this  
6 subsection shall expire March 9, 2023” and all that fol-  
7 lows and inserting “complete a system of competitive bid-  
8 ding under this subsection shall expire September 30,  
9 2034.”.

10 (e) DEFINITIONS.—In this section:

11 (1) ASSISTANT SECRETARY.—The term “Assist-  
12 ant Secretary” means the Assistant Secretary of  
13 Commerce for Communications and Information.

14 (2) COMMISSION.—The term “Commission”  
15 means the Federal Communications Commission.

16 (3) COVERED BAND.—

17 (A) IN GENERAL.—The term “covered  
18 band” means the band of frequencies between  
19 1.3 gigahertz and 10 gigahertz, inclusive.

20 (B) EXCLUSION.—The term “covered  
21 band” does not include the following:

22 (i) The band of frequencies between  
23 3.1 gigahertz and 3.45 gigahertz, inclusive.

1 (ii) The band of frequencies between  
2 5.925 gigahertz and 7.125 gigahertz, inclu-  
3 sive.

4 **PART 2—ARTIFICIAL INTELLIGENCE AND**  
5 **INFORMATION TECHNOLOGY MODERNIZATION**  
6 **SEC. 43201. ARTIFICIAL INTELLIGENCE AND INFORMATION**  
7 **TECHNOLOGY MODERNIZATION INITIATIVE.**

8 (a) APPROPRIATION OF FUNDS.—There is hereby ap-  
9 propriated to the Department of Commerce for fiscal year  
10 2025, out of any funds in the Treasury not otherwise ap-  
11 propriated, \$500,000,000, to remain available until Sep-  
12 tember 30, 2034, to modernize and secure Federal infor-  
13 mation technology systems through the deployment of  
14 commercial artificial intelligence, the deployment of auto-  
15 mation technologies, and the replacement of antiquated  
16 business systems in accordance with subsection (b).

17 (b) AUTHORIZED USES.—The Secretary of Com-  
18 merce shall use the funds appropriated under subsection  
19 (a) for the following:

20 (1) To replace or modernize, within the Depart-  
21 ment of Commerce, legacy business systems with  
22 state-of-the-art commercial artificial intelligence sys-  
23 tems and automated decision systems.

24 (2) To facilitate, within the Department of  
25 Commerce, the adoption of artificial intelligence

1 models that increase operational efficiency and serv-  
2 ice delivery.

3 (3) To improve, within the Department of Com-  
4 merce, the cybersecurity posture of Federal informa-  
5 tion technology systems through modernized archi-  
6 tecture, automated threat detection, and integrated  
7 artificial intelligence solutions.

8 (c) MORATORIUM.—

9 (1) IN GENERAL.—Except as provided in para-  
10 graph (2), no State or political subdivision thereof  
11 may enforce, during the 10-year period beginning on  
12 the date of the enactment of this Act, any law or  
13 regulation of that State or a political subdivision  
14 thereof limiting, restricting, or otherwise regulating  
15 artificial intelligence models, artificial intelligence  
16 systems, or automated decision systems entered into  
17 interstate commerce.

18 (2) RULE OF CONSTRUCTION.—Paragraph (1)  
19 may not be construed to prohibit the enforcement  
20 of—

21 (A) any law or regulation that—

22 (i) the primary purpose and effect of  
23 which is to—

24 (I) remove legal impediments to,  
25 or facilitate the deployment or oper-

1           ation of, an artificial intelligence  
2           model, artificial intelligence system, or  
3           automated decision system; or

4                   (II) streamline licensing, permit-  
5           ting, routing, zoning, procurement, or  
6           reporting procedures in a manner that  
7           facilitates the adoption of artificial in-  
8           telligence models, artificial intelligence  
9           systems, or automated decision sys-  
10          tems;

11           (ii) does not impose any substantive  
12          design, performance, data-handling, docu-  
13          mentation, civil liability, taxation, fee, or  
14          other requirement on artificial intelligence  
15          models, artificial intelligence systems, or  
16          automated decision systems unless such re-  
17          quirement—

18                   (I) is imposed under Federal law;

19                   or

20                   (II) in the case of a requirement  
21          imposed under a generally applicable  
22          law, is imposed in the same manner  
23          on models and systems, other than ar-  
24          tificial intelligence models, artificial  
25          intelligence systems, and automated

1 decision systems, that provide com-  
2 parable functions to artificial intel-  
3 ligence models, artificial intelligence  
4 systems, or automated decision sys-  
5 tems; and

6 (iii) does not impose a fee or bond un-  
7 less—

8 (I) such fee or bond is reasonable  
9 and cost-based; and

10 (II) under such fee or bond, arti-  
11 ficial intelligence models, artificial in-  
12 telligence systems, and automated de-  
13 cision systems are treated in the same  
14 manner as other models and systems  
15 that perform comparable functions; or

16 (B) any provision of a law or regulation to  
17 the extent that the violation of such provision  
18 carries a criminal penalty.

19 (d) DEFINITIONS.—In this section:

20 (1) ARTIFICIAL INTELLIGENCE.—The term “ar-  
21 tificial intelligence” has the meaning given such  
22 term in section 5002 of the National Artificial Intel-  
23 ligence Initiative Act of 2020 (15 U.S.C. 9401).

24 (2) ARTIFICIAL INTELLIGENCE MODEL.—The  
25 term “artificial intelligence model” means a software



1 component of an information system that imple-  
2 ments artificial intelligence technology and uses  
3 computational, statistical, or machine-learning tech-  
4 niques to produce outputs from a defined set of in-  
5 puts.

6 (3) ARTIFICIAL INTELLIGENCE SYSTEM.—The  
7 term “artificial intelligence system” means any data  
8 system, hardware, tool, or utility that operates, in  
9 whole or in part, using artificial intelligence.

10 (4) AUTOMATED DECISION SYSTEM.—The term  
11 “automated decision system” means any computa-  
12 tional process derived from machine learning, statis-  
13 tical modeling, data analytics, or artificial intel-  
14 ligence that issues a simplified output, including a  
15 score, classification, or recommendation, to materi-  
16 ally influence or replace human decision making.

## 17 **Subtitle D—Health**

### 18 **PART 1—MEDICAID**

#### 19 **Subpart A—Reducing Fraud and Improving** 20 **Enrollment Processes**

#### 21 **SEC. 44101. MORATORIUM ON IMPLEMENTATION OF RULE** 22 **RELATING TO ELIGIBILITY AND ENROLL-** 23 **MENT IN MEDICARE SAVINGS PROGRAMS.**

24 The Secretary of Health and Human Services shall  
25 not, during the period beginning on the date of the enact-

1 ment of this section and ending January 1, 2035, imple-  
2 ment, administer, or enforce the provisions of the final  
3 rule published by the Centers for Medicare & Medicaid  
4 Services on September 21, 2023, and titled “Streamlining  
5 Medicaid; Medicare Savings Program Eligibility Deter-  
6 mination and Enrollment” (88 Fed. Reg. 65230).

7 **SEC. 44102. MORATORIUM ON IMPLEMENTATION OF RULE**  
8 **RELATING TO ELIGIBILITY AND ENROLL-**  
9 **MENT FOR MEDICAID, CHIP, AND THE BASIC**  
10 **HEALTH PROGRAM.**

11 The Secretary of Health and Human Services shall  
12 not, during the period beginning on the date of the enact-  
13 ment of this section and ending January 1, 2035, imple-  
14 ment, administer, or enforce the provisions of the final  
15 rule published by the Centers for Medicare & Medicaid  
16 Services on April 2, 2024, and titled “Medicaid Program;  
17 Streamlining the Medicaid, Children’s Health Insurance  
18 Program, and Basic Health Program Application, Eligi-  
19 bility Determination, Enrollment, and Renewal Processes”  
20 (89 Fed. Reg. 22780).

21 **SEC. 44103. ENSURING APPROPRIATE ADDRESS**  
22 **VERIFICATION UNDER THE MEDICAID AND**  
23 **CHIP PROGRAMS.**

24 (a) MEDICAID.—

1           (1) IN GENERAL.—Section 1902 of the Social  
2       Security Act (42 U.S.C. 1396a) is amended—

3           (A) in subsection (a)—

4               (i) in paragraph (86), by striking  
5       “and” at the end;

6               (ii) in paragraph (87), by striking the  
7       period and inserting “; and”; and

8               (iii) by inserting after paragraph (87)  
9       the following new paragraph:

10       “(88) provide—

11           “(A) beginning not later than January 1,  
12       2027, in the case of 1 of the 50 States and the  
13       District of Columbia, for a process to regularly  
14       obtain address information for individuals en-  
15       rolled under such plan (or a waiver of such  
16       plan) in accordance with subsection (vv); and

17           “(B) beginning not later than October 1,  
18       2029—

19               “(i) for the State to submit to the sys-  
20       tem established by the Secretary under  
21       subsection (uu), with respect to an indi-  
22       vidual enrolled or seeking to enroll under  
23       such plan, not less frequently than once  
24       each month and during each determination  
25       or redetermination of the eligibility of such

1 individual for medical assistance under  
2 such plan (or waiver of such plan)—

3 “(I) the social security number of  
4 such individual, if such individual has  
5 a social security number and is re-  
6 quired to provide such number to en-  
7 roll under such plan (or waiver); and

8 “(II) such other information with  
9 respect to such individual as deter-  
10 mined necessary by the Secretary for  
11 purposes of preventing individuals  
12 from simultaneously being enrolled  
13 under State plans (or waivers of such  
14 plans) of multiple States;

15 “(ii) for the use of such system to  
16 prevent such simultaneous enrollment; and

17 “(iii) in the case that such system in-  
18 dicates that an individual enrolled or seek-  
19 ing to enroll under such plan (or wavier of  
20 such plan) is enrolled under a State plan  
21 (or waiver of such a plan) of another  
22 State, for the taking of appropriate action  
23 (as determined by the Secretary) to iden-  
24 tify whether such an individual resides in  
25 the State and disenroll an individual from

1           the State plan of such State if such indi-  
2           vidual does not reside in such State (unless  
3           such individual meets such an exception as  
4           the Secretary may specify).”; and

5           (B) by adding at the end the following new  
6           subsections:

7           “(uu) PREVENTION OF ENROLLMENT UNDER MUL-  
8           TIPLE STATE PLANS.—

9           “(1) IN GENERAL.—Not later than October 1,  
10          2029, the Secretary shall establish a system to be  
11          utilized by the Secretary and States to prevent an  
12          individual from being simultaneously enrolled under  
13          the State plans (or waivers of such plans) of mul-  
14          tiple States. Such system shall—

15               “(A) provide for the receipt of information  
16               submitted by a State under subsection  
17               (a)(88)(B)(i); and

18               “(B) not less than once each month, notify  
19               or transmit information to a State (or allow the  
20               Secretary to notify or transmit information to a  
21               State) regarding whether an individual enrolled  
22               or seeking to enroll under the State plan of  
23               such State (or waiver of such plan) is enrolled  
24               under the State plan (or waiver of such plan)  
25               of another State.

1           “(2) STANDARDS.—The Secretary shall estab-  
2           lish such standards as determined necessary by the  
3           Secretary to limit and protect information submitted  
4           under such system and ensure the privacy of such  
5           information, consistent with subsection (a)(7).

6           “(3) IMPLEMENTATION FUNDING.—There are  
7           appropriated to the Secretary, out of amounts in the  
8           Treasury not otherwise appropriated, in addition to  
9           amounts otherwise available—

10                 “(A) for fiscal year 2026, \$10,000,000 for  
11                 purposes of establishing the system required  
12                 under this subsection, to remain available until  
13                 expended; and

14                 “(B) for fiscal year 2029, \$20,000,000 for  
15                 purposes of maintaining such system, to remain  
16                 available until expended.

17           “(vv) PROCESS TO OBTAIN ENROLLEE ADDRESS IN-  
18           FORMATION.—

19                 “(1) IN GENERAL.—For purposes of subsection  
20                 (a)(88)(A), a process to regularly obtain address in-  
21                 formation for individuals enrolled under a State plan  
22                 (or a waiver of such plan) shall obtain address infor-  
23                 mation from reliable data sources described in para-  
24                 graph (2) and take such actions as the Secretary

1 shall specify with respect to any changes to such ad-  
2 dress based on such information.

3 “(2) RELIABLE DATA SOURCES DESCRIBED.—  
4 For purposes of paragraph (1), the reliable data  
5 sources described in this paragraph are the fol-  
6 lowing:

7 “(A) Mail returned to the State by the  
8 United States Postal Service with a forwarding  
9 address.

10 “(B) The National Change of Address  
11 Database maintained by the United States  
12 Postal Service.

13 “(C) A managed care entity (as defined in  
14 section 1932(a)(1)(B)) or prepaid inpatient  
15 health plan or prepaid ambulatory health plan  
16 (as such terms are defined in section  
17 1903(m)(9)(D)) that has a contract under the  
18 State plan if the address information is pro-  
19 vided to such entity or plan directly from, or  
20 verified by such entity or plan directly with,  
21 such individual.

22 “(D) Other data sources as identified by  
23 the State and approved by the Secretary.”.

24 (2) CONFORMING AMENDMENTS.—

1 (A) PARIS.—Section 1903(r)(3) of the  
2 Social Security Act (42 U.S.C. 1396b(r)(3)) is  
3 amended—

4 (i) by striking “In order” and insert-  
5 ing “(A) In order”;

6 (ii) by striking “through the Public”  
7 and inserting “through—  
8 “(i) the Public”;

9 (iii) by striking the period at the end  
10 and inserting “; and

11 “(ii) beginning October 1, 2029, the sys-  
12 tem established by the Secretary under section  
13 1902(uu).”; and

14 (iv) by adding at the end the following  
15 new subparagraph:

16 “(B) Beginning October 1, 2029, the Secretary  
17 may determine that a State is not required to have  
18 in operation an eligibility determination system  
19 which provides for data matching through the sys-  
20 tem described in subparagraph (A)(i) to meet the re-  
21 quirements of this paragraph.”.

22 (B) MANAGED CARE.—Section 1932 of the  
23 Social Security Act (42 U.S.C. 1396u–2) is  
24 amended by adding at the end the following  
25 new subsection:



1       “(j) TRANSMISSION OF ADDRESS INFORMATION.—  
 2   Beginning January 1, 2027, each contract under a State  
 3   plan with a managed care entity (as defined in section  
 4   1932(a)(1)(B)) or with a prepaid inpatient health plan or  
 5   prepaid ambulatory health plan (as such terms are defined  
 6   in section 1903(m)(9)(D)), shall provide that such entity  
 7   or plan shall promptly transmit to the State any address  
 8   information for an individual enrolled with such entity or  
 9   plan that is provided to such entity or plan directly from,  
 10   or verified by such entity or plan directly with, such indi-  
 11   vidual.”.

12       (b) CHIP.—

13           (1) IN GENERAL.—Section 2107(e)(1) of the  
 14   Social Security Act (42 U.S.C. 1397gg(e)(1)) is  
 15   amended—

16           (A) by redesignating subparagraphs (H)  
 17           through (U) as subparagraphs (I) through (V),  
 18           respectively; and

19           (B) by inserting after subparagraph (G)  
 20           the following new subparagraph:

21           “(H) Section 1902(a)(88) (relating to ad-  
 22           dress information for enrollees and prevention  
 23           of simultaneous enrollments).”.

24           (2) MANAGED CARE.—Section 2103(f)(3) of the  
 25   Social Security Act (42 U.S.C. 1397cc(f)(3)) is

1       amended by striking “and (e)” and inserting “(e),  
2       and (j)”.

3   **SEC. 44104. MODIFYING CERTAIN STATE REQUIREMENTS**  
4                   **FOR ENSURING DECEASED INDIVIDUALS DO**  
5                   **NOT REMAIN ENROLLED.**

6       Section 1902 of the Social Security Act (42 U.S.C.  
7   1396a), as amended by section 44103, is further amend-  
8   ed—

9               (1) in subsection (a)—

10               (A) in paragraph (87), by striking “; and”  
11               and inserting a semicolon;

12               (B) in paragraph (88), by striking the pe-  
13               riod at the end and inserting “; and”; and

14               (C) by inserting after paragraph (88) the  
15               following new paragraph:

16               “(89) provide that the State shall comply with  
17               the eligibility verification requirements under sub-  
18               section (ww), except that this paragraph shall apply  
19               only in the case of the 50 States and the District  
20               of Columbia.”; and

21               (2) by adding at the end the following new sub-  
22               section:

23               “(ww) VERIFICATION OF CERTAIN ELIGIBILITY CRI-  
24   TERIA.—

1           “(1) IN GENERAL.—For purposes of subsection  
2           (a)(89), the eligibility verification requirements, be-  
3           ginning January 1, 2028, are as follows:

4                   “(A) QUARTERLY SCREENING TO VERIFY  
5           ENROLLEE STATUS.—The State shall, not less  
6           frequently than quarterly, review the Death  
7           Master File (as such term is defined in section  
8           203(d) of the Bipartisan Budget Act of 2013)  
9           to determine whether any individuals enrolled  
10          for medical assistance under the State plan (or  
11          waiver of such plan) are deceased.

12                   “(B) DISENROLLMENT UNDER STATE  
13          PLAN.—If the State determines, based on infor-  
14          mation obtained from the Death Master File,  
15          that an individual enrolled for medical assist-  
16          ance under the State plan (or waiver of such  
17          plan) is deceased, the State shall—

18                           “(i) treat such information as factual  
19                           information confirming the death of a ben-  
20                           eficiary for purposes of section 431.213(a)  
21                           of title 42, Code of Federal Regulations;

22                           “(ii) disenroll such individual from the  
23                           State plan (or waiver of such plan); and

24                           “(iii) discontinue any payments for  
25                           medical assistance under this title made on

1           behalf of such individual (other than pay-  
2           ments for any items or services furnished  
3           to such individual prior to the death of  
4           such individual).

5           “(C) REINSTATEMENT OF COVERAGE IN  
6           THE EVENT OF ERROR.—If a State determines  
7           that an individual was misidentified as deceased  
8           based on information obtained from the Death  
9           Master File and was erroneously disenrolled  
10          from medical assistance under the State plan  
11          (or waiver of such plan) based on such  
12          misidentification, the State shall immediately  
13          re-enroll such individual under the State plan  
14          (or waiver of such plan), retroactive to the date  
15          of such disenrollment.

16          “(2) RULE OF CONSTRUCTION.—Nothing under  
17          this subsection shall be construed to preclude the  
18          ability of a State to use other electronic data sources  
19          to timely identify potentially deceased beneficiaries,  
20          so long as the State is also in compliance with the  
21          requirements of this subsection (and all other re-  
22          quirements under this title relating to Medicaid eli-  
23          gibility determination and redetermination).”.

1 **SEC. 44105. MEDICAID PROVIDER SCREENING REQUIRE-**  
2 **MENTS.**

3 Section 1902(kk)(1) of the Social Security Act (42  
4 U.S.C. 1396a(kk)(1)) is amended—

5 (1) by striking “The State” and inserting:

6 “(A) IN GENERAL.—The State”; and

7 (2) by adding at the end the following new sub-  
8 paragraph:

9 “(B) ADDITIONAL PROVIDER SCREEN-  
10 ING.—Beginning January 1, 2028, as part of  
11 the enrollment (or reenrollment or revalidation  
12 of enrollment) of a provider or supplier under  
13 this title, and not less frequently than monthly  
14 during the period that such provider or supplier  
15 is so enrolled, the State conducts a check of any  
16 database or similar system developed pursuant  
17 to section 6401(b)(2) of the Patient Protection  
18 and Affordable Care Act to determine whether  
19 the Secretary has terminated the participation  
20 of such provider or supplier under title XVIII,  
21 or whether any other State has terminated the  
22 participation of such provider or supplier under  
23 such other State’s State plan under this title  
24 (or waiver of the plan), or such other State’s  
25 State child health plan under title XXI (or  
26 waiver of the plan).”.

1 **SEC. 44106. ADDITIONAL MEDICAID PROVIDER SCREENING**  
2 **REQUIREMENTS.**

3 Section 1902(kk)(1) of the Social Security Act (42  
4 U.S.C. 1396a(kk)(1)), as amended by section 44105, is  
5 further amended by adding at the end the following new  
6 subparagraph:

7 “(C) PROVIDER SCREENING AGAINST  
8 DEATH MASTER FILE.—Beginning January 1,  
9 2028, as part of the enrollment (or reenroll-  
10 ment or revalidation of enrollment) of a pro-  
11 vider or supplier under this title, and not less  
12 frequently than quarterly during the period that  
13 such provider or supplier is so enrolled, the  
14 State conducts a check of the Death Master  
15 File (as such term is defined in section 203(d)  
16 of the Bipartisan Budget Act of 2013) to deter-  
17 mine whether such provider or supplier is de-  
18 ceased.”.

19 **SEC. 44107. REMOVING GOOD FAITH WAIVER FOR PAYMENT**  
20 **REDUCTION RELATED TO CERTAIN ERRO-**  
21 **NEOUS EXCESS PAYMENTS UNDER MEDICAID.**

22 (a) IN GENERAL.—Section 1903(u)(1) of the Social  
23 Security Act (42 U.S.C. 1396b(u)(1)) is amended—

24 (1) in subparagraph (B)—

1 (A) by striking “The Secretary” and in-  
2 serting “(i) Subject to clause (ii), the Sec-  
3 retary”; and

4 (B) by adding at the end the following new  
5 clause:

6 “(ii) The amount waived under clause (i) for a  
7 fiscal year may not exceed an amount equal to the  
8 difference between—

9 “(I) the amount of the reduction required  
10 under subparagraph (A) for such fiscal year  
11 (without application of this subparagraph); and

12 “(II) the sum of the erroneous excess pay-  
13 ments for medical assistance described in sub-  
14 clauses (I) and (III) of subparagraph (D)(i)  
15 made for such fiscal year.”;

16 (2) in subparagraph (C), by striking “he” in  
17 each place it appears and inserting “the Secretary”  
18 in each such place; and

19 (3) in subparagraph (D)—

20 (A) in clause (i)—

21 (i) in subclause (I), by striking “and”  
22 at the end;

23 (ii) in subclause (II), by striking the  
24 period at the end and inserting “, and”;  
25 and

1 (iii) by adding at the end the fol-  
2 lowing new subclause:

3 “(III) payments (other than payments de-  
4 scribed in subclause (I)) for items and services fur-  
5 nished to an eligible individual who is not eligible for  
6 medical assistance under the State plan (or a waiver  
7 of such plan) with respect to such items and serv-  
8 ices.”; and

9 (B) by adding at the end the following new  
10 clause:

11 “(vi) In determining the amount of erroneous excess  
12 payments for medical assistance under clause (i), the Sec-  
13 retary shall include any payments described in such clause  
14 that are identified under the payment error rate measure-  
15 ment (PERM) program, the Medicaid Eligibility Quality  
16 Control (MEQC) program, an audit conducted by the In-  
17 spector General of the Department of Health and Human  
18 Services, or any other independent audit made by the Sec-  
19 retary.”.

20 (b) EFFECTIVE DATE.—The amendments made by  
21 subsection (a) shall apply beginning with respect to fiscal  
22 year 2030.



1 **SEC. 44108. INCREASING FREQUENCY OF ELIGIBILITY RE-**  
2 **DETERMINATIONS FOR CERTAIN INDIVID-**  
3 **UALS.**

4 Section 1902(e)(14) of the Social Security Act (42  
5 U.S.C. 1396a(e)(14)) is amended by adding at the end  
6 the following new subparagraph:

7 “(L) FREQUENCY OF ELIGIBILITY REDE-  
8 TERMINATIONS FOR CERTAIN INDIVIDUALS.—

9 With respect to redeterminations of eligibility  
10 for medical assistance under a State plan (or  
11 waiver of such plan) scheduled on or after De-  
12 cember 31, 2026, a State shall make such a re-  
13 determination once every 6 months for the fol-  
14 lowing individuals:

15 “(i) Individuals enrolled under sub-  
16 section (a)(10)(A)(i)(VIII).

17 “(ii) Individuals described in such  
18 subsection who are otherwise enrolled  
19 under a waiver of such plan that provides  
20 coverage that is equivalent to minimum es-  
21 sential coverage (as described in section  
22 5000A(f)(1)(A) of the Internal Revenue  
23 Code of 1986 and determined in accord-  
24 ance with standards prescribed by the Sec-  
25 retary in regulations) to all individuals de-  
26 scribed in subsection (a)(10)(A)(i)(VIII).”.

1 **SEC. 44109. REVISING HOME EQUITY LIMIT FOR DETER-**  
2 **MINING ELIGIBILITY FOR LONG-TERM CARE**  
3 **SERVICES UNDER THE MEDICAID PROGRAM.**

4 (a) REVISING HOME EQUITY LIMIT.—Section  
5 1917(f)(1) of the Social Security Act (42 U.S.C.  
6 1396p(f)(1)) is amended—

7 (1) in subparagraph (B)—

8 (A) by striking “A State” and inserting  
9 “(i) A State”;

10 (B) in clause (i), as inserted by subpara-  
11 graph (A)—

12 (i) by striking “\$500,000’” and in-  
13 serting “the amount specified in subpara-  
14 graph (A)”;

15 (ii) by inserting “, in the case of an  
16 individual’s home that is located on a lot  
17 that is zoned for agricultural use,” after  
18 “apply subparagraph (A)”;

19 (C) by adding at the end the following new  
20 clause:

21 “(ii) A State may elect, without regard to the  
22 requirements of section 1902(a)(1) (relating to  
23 statewideness) and section 1902(a)(10)(B) (relating  
24 to comparability), to apply subparagraph (A), in the  
25 case of an individual’s home that is not described in  
26 clause (i), by substituting for the amount specified

1 in such subparagraph, an amount that exceeds such  
2 amount, but does not exceed \$1,000,000.”; and

3 (2) in subparagraph (C)—

4 (A) by inserting “(other than the amount  
5 specified in subparagraph (B)(ii) (relating to  
6 certain non-agricultural homes))” after “speci-  
7 fied in this paragraph”; and

8 (B) by adding at the end the following new  
9 sentence: “In the case that application of the  
10 preceding sentence would result in a dollar  
11 amount (other than the amount specified in  
12 subparagraph (B)(i) (relating to certain agricul-  
13 tural homes)) exceeding \$1,000,000, such  
14 amount shall be deemed to be equal to  
15 \$1,000,000.”.

16 (b) CLARIFICATION.—Section 1902 of the Social Se-  
17 curity Act (42 U.S.C. 1396a) is amended—

18 (1) in subsection (r)(2), by adding at the end  
19 the following new subparagraph:

20 “(C) This paragraph shall not be construed as per-  
21 mitting a State to determine the eligibility of an individual  
22 for medical assistance with respect to nursing facility serv-  
23 ices or other long-term care services without application  
24 of the limit under section 1917(f)(1).”; and

25 (2) in subsection (e)(14)(D)(iv)—

1 (A) by striking “Subparagraphs” and in-  
 2 serting

3 “(I) IN GENERAL.—Subpara-  
 4 graphs”; and

5 (B) by adding at the end the following new  
 6 subclause:

7 “(II) APPLICATION OF HOME EQ-  
 8 UITY INTEREST LIMIT.—Section  
 9 1917(f) shall apply for purposes of de-  
 10 termining the eligibility of an indi-  
 11 vidual for medical assistance with re-  
 12 spect to nursing facility services or  
 13 other long-term care services.”.

14 (c) EFFECTIVE DATE.—The amendments made by  
 15 subsection (a) shall apply beginning on January 1, 2028.

16 **SEC. 44110. PROHIBITING FEDERAL FINANCIAL PARTICIPA-**  
 17 **TION UNDER MEDICAID AND CHIP FOR INDIV-**  
 18 **VIDUALS WITHOUT VERIFIED CITIZENSHIP,**  
 19 **NATIONALITY, OR SATISFACTORY IMMIGRA-**  
 20 **TION STATUS.**

21 (a) IN GENERAL.—

22 (1) MEDICAID.—Section 1903(i)(22) of the So-  
 23 cial Security Act (42 U.S.C. 1396b(i)(22)) is amend-  
 24 ed—

25 (A) by adding “and” at the end;

1 (B) by striking “to amounts” and inserting

2 “to—

3 “(A) amounts”; and

4 (C) by adding at the end the following new  
5 subparagraph:

6 “(B) in the case that the State elects  
7 under section 1902(a)(46)(C) to provide for  
8 making medical assistance available to an indi-  
9 vidual during—

10 “(i) the period in which the individual  
11 is provided the reasonable opportunity to  
12 present satisfactory documentary evidence  
13 of citizenship or nationality under section  
14 1902(ee)(2)(C) or subsection (x)(4);

15 “(ii) the 90-day period described in  
16 section 1902(ee)(1)(B)(ii)(II); or

17 “(iii) the period in which the indi-  
18 vidual is provided the reasonable oppor-  
19 tunity to submit evidence indicating a sat-  
20 isfactory immigration status under section  
21 1137(d)(4),

22 amounts expended for such medical assistance,  
23 unless the citizenship or nationality of such in-  
24 dividual or the satisfactory immigration status

1 of such individual (as applicable) is verified by  
2 the end of such period;”.

3 (2) CHIP.—Section 2107(e)(1)(N) of the So-  
4 cial Security Act (42 U.S.C. 1397gg(e)(1)(N)) is  
5 amended by striking “and (17)” and inserting  
6 “(17), and (22)”.

7 (b) ELIMINATING STATE REQUIREMENT TO PROVIDE  
8 MEDICAL ASSISTANCE DURING REASONABLE OPPOR-  
9 TUNITY PERIOD.—

10 (1) DOCUMENTARY EVIDENCE OF CITIZENSHIP  
11 OR NATIONALITY.—Section 1903(x)(4) of the Social  
12 Security Act (42 U.S.C. 1396b(x)) is amended—

13 (A) by striking “under clauses (i) and (ii)  
14 of section 1137(d)(4)(A)” and inserting “under  
15 section 1137(d)(4)”;

16 (B) by inserting “, except that the State  
17 shall not be required to make medical assist-  
18 ance available to such individual during the pe-  
19 riod in which such individual is provided such  
20 reasonable opportunity if the State has not  
21 elected the option under section  
22 1902(a)(46)(C)” before the period at the end.

23 (2) SOCIAL SECURITY DATA MATCH.—Section  
24 1902(ee) of the Social Security Act (42 U.S.C.  
25 1396a(ee)) is amended—

1 (A) in paragraph (1)(B)(ii)—

2 (i) in subclause (II), by striking “(and  
3 continues to provide the individual with  
4 medical assistance during such 90-day pe-  
5 riod)” and inserting “and, if the State has  
6 elected the option under subsection  
7 (a)(46)(C), continues to provide the indi-  
8 vidual with medical assistance during such  
9 90-day period”; and

10 (ii) in subclause (III), by inserting “,  
11 or denies eligibility for medical assistance  
12 under this title for such individual, as ap-  
13 plicable” after “under this title”; and

14 (B) in paragraph (2)(C)—

15 (i) by striking “under clauses (i) and  
16 (ii) of section 1137(d)(4)(A)” and insert-  
17 ing “under section 1137(d)(4)”; and

18 (ii) by inserting “, except that the  
19 State shall not be required to make med-  
20 ical assistance available to such individual  
21 during the period in which such individual  
22 is provided such reasonable opportunity if  
23 the State has not elected the option under  
24 section 1902(a)(46)(C)” before the period  
25 at the end.

1           (3) INDIVIDUALS WITH SATISFACTORY IMMI-  
2 GRATION STATUS.—Section 1137(d)(4) of the Social  
3 Security Act (42 U.S.C. 1320b–7(d)(4)) is amend-  
4 ed—

5           (A) in subparagraph (A)(ii), by inserting  
6 “(except that such prohibition on delay, denial,  
7 reduction, or termination of eligibility for bene-  
8 fits under the Medicaid program under title  
9 XIX shall apply only if the State has elected  
10 the option under section 1902(a)(46)(C))” after  
11 “has been provided”; and

12          (B) in subparagraph (B)(ii), by inserting  
13 “(except that such prohibition on delay, denial,  
14 reduction, or termination of eligibility for bene-  
15 fits under the Medicaid program under title  
16 XIX shall apply only if the State has elected  
17 the option under section 1902(a)(46)(C))” after  
18 “status”.

19          (c) OPTION TO CONTINUE PROVIDING MEDICAL AS-  
20 SISTANCE DURING REASONABLE OPPORTUNITY PE-  
21 RIOD.—

22          (1) MEDICAID.—Section 1902(a)(46) of the So-  
23 cial Security Act (42 U.S.C. 1396a(a)(46)) is  
24 amended—



1 (A) in subparagraph (A), by striking  
2 “and” at the end;

3 (B) in subparagraph (B)(ii), by adding  
4 “and” at the end; and

5 (C) by inserting after subparagraph (B)(ii)  
6 the following new subparagraph:

7 “(C) provide, at the option of the State, for  
8 making medical assistance available—

9 “(i) to an individual described in subpara-  
10 graph (B) during the period in which such indi-  
11 vidual is provided the reasonable opportunity to  
12 present satisfactory documentary evidence of  
13 citizenship or nationality under subsection  
14 (ee)(2)(C) or section 1903(x)(4), or during the  
15 90-day period described in subsection  
16 (ee)(1)(B)(ii)(II); or

17 “(ii) to an individual who is not a citizen  
18 or national of the United States during the pe-  
19 riod in which such individual is provided the  
20 reasonable opportunity to submit evidence indi-  
21 cating a satisfactory immigration status under  
22 section 1137(d)(4);”.

23 (2) CHIP.—Section 2105(c)(9) of the Social  
24 Security Act (42 U.S.C. 1397ee(c)(9)) is amended

1 by adding at the end the following new subpara-  
2 graph:

3 “(C) OPTION TO CONTINUE PROVIDING  
4 CHILD HEALTH ASSISTANCE DURING REASON-  
5 ABLE OPPORTUNITY PERIOD.—Section  
6 1902(a)(46)(C) shall apply to States under this  
7 title in the same manner as it applies to a State  
8 under title XIX.”.

9 (d) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply beginning October 1, 2026.

11 **SEC. 44111. REDUCING EXPANSION FMAP FOR CERTAIN**  
12 **STATES PROVIDING PAYMENTS FOR HEALTH**  
13 **CARE FURNISHED TO CERTAIN INDIVIDUALS.**

14 Section 1905 of the Social Security Act (42 U.S.C.  
15 1395d) is amended—

16 (1) in subsection (y)—

17 (A) in paragraph (1)(E), by inserting “(or,  
18 for calendar quarters beginning on or after Oc-  
19 tober 1, 2027, in the case such State is a speci-  
20 fied State with respect to such calendar quar-  
21 ter, 80 percent)” after “thereafter”; and

22 (B) in paragraph (2), by adding at the end  
23 the following new subparagraph:

1           “(C) SPECIFIED STATE.—The term ‘speci-  
2           fied State’ means, with respect to a quarter, a  
3           State that—

4                   “(i) provides any form of financial as-  
5                   sistance during such quarter, in whole or  
6                   in part, whether or not made under a  
7                   State plan (or waiver of such plan) under  
8                   this title or under another program estab-  
9                   lished by the State, and regardless of the  
10                  source of funding for such assistance, to or  
11                  on behalf of an alien who is not a qualified  
12                  alien and is not a child or pregnant woman  
13                  who is lawfully residing in the United  
14                  States and receiving medical assistance  
15                  pursuant to section 1903(v)(4), for the  
16                  purchasing of health insurance coverage  
17                  (as defined in section 2791(b)(1) of the  
18                  Public Health Service Act) for an alien  
19                  who is not a qualified alien and is not such  
20                  a child or pregnant woman; or

21                   “(ii) provides any form of comprehen-  
22                   sive health benefits coverage during such  
23                   quarter, whether or not under a State plan  
24                   (or wavier of such plan) under this title or  
25                   under another program established by the

1 State, and regardless of the source of  
2 funding for such coverage, to an alien who  
3 is not a qualified alien and is not such a  
4 child or pregnant woman.

5 “(D) IMMIGRATION TERMS.—

6 “(i) ALIEN.—The term ‘alien’ has the  
7 meaning given such term in section 101(a)  
8 of the Immigration and Nationality Act.

9 “(ii) QUALIFIED ALIEN.—The term  
10 ‘qualified alien’ has the meaning given  
11 such term in section 431 of the Personal  
12 Responsibility and Work Opportunity Rec-  
13 onciliation Act of 1996, except that—

14 “(I) such term does not include  
15 an alien described in subsection (b)(4)  
16 of such section (other than a qualified  
17 alien under section 402(b)(2) of such  
18 Act);

19 “(II) the reference to ‘at the time  
20 the alien applies for, receives, or at-  
21 tempts to receive a Federal public  
22 benefit’ in subsection (b) of such sec-  
23 tion 431 shall be treated as a ref-  
24 erence to ‘at the time the alien is pro-  
25 vided comprehensive health benefits

1 coverage described in clause (ii) of  
2 section 1905(y)(C) of the Social Secu-  
3 rity Act or is provided with financial  
4 assistance described in clause (i) of  
5 such section, as applicable'; and

6 “(III) the references to ‘(in the  
7 opinion of the agency providing such  
8 benefits)’ in subsection (c) of such  
9 section 431 shall be treated as ref-  
10 erences to ‘(in the opinion of the  
11 State in which such comprehensive  
12 health benefits coverage or such finan-  
13 cial assistance is provided, as applica-  
14 ble)’.”; and

15 (2) in subsection (z)(2)—

16 (A) in subparagraph (A), by striking “for  
17 such year” and inserting “for such quarter”;  
18 and

19 (B) in subparagraph (B)(i)—

20 (i) in the matter preceding subclause  
21 (I), by striking “for a year” and inserting  
22 “for a calendar quarter in a year”; and

23 (ii) in subclause (II), by striking “for  
24 the year” and inserting “for the quarter  
25 for the State”.

**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.**

The Secretary of Health and Human Services shall not, during the period beginning on the date of the enactment of this section and ending January 1, 2035, implement, administer, or enforce the provisions of the final rule published by the Centers for Medicare & Medicaid Services on May 10, 2024, and titled “Medicare and Medicaid Programs; Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting” (89 Fed. Reg. 40876).

**SEC. 44122. MODIFYING RETROACTIVE COVERAGE UNDER  
THE MEDICAID AND CHIP PROGRAMS.**

(a) IN GENERAL.—Section 1902(a)(34) of the Social Security Act (42 U.S.C. 1396a(a)(34)) is amended—

(1) by striking “him” and inserting “the individual”;

(2) by striking “the third month” and inserting “the month”;

(3) by striking “he” and inserting “the individual”; and

(4) by striking “his” and inserting “the individual’s”.

1 (b) DEFINITION OF MEDICAL ASSISTANCE.—Section  
2 1905(a) of the Social Security Act (42 U.S.C. 1396d(a))  
3 is amended by striking “in or after the third month before  
4 the month in which the recipient makes application for  
5 assistance” and inserting “in or after the month before  
6 the month in which the recipient makes application for  
7 assistance”.

8 (c) CHIP.—Section 2102(b)(1)(B) of the Social Se-  
9 curity Act (42 U.S.C. 1397bb(b)(1)(B)) is amended—

10 (1) in clause (iv), by striking “and” at the end;

11 (2) in clause (v), by striking the period and in-  
12 serting “; and”; and

13 (3) by adding at the end the following new  
14 clause:

15 “(vi) shall, in the case that the State  
16 elects to provide child health or pregnancy-  
17 related assistance to an individual for any  
18 period prior to the month in which the in-  
19 dividual made application for such assist-  
20 ance (or application was made on behalf of  
21 the individual), provide that such assist-  
22 ance is not made available to such indi-  
23 vidual for items and services included  
24 under the State child health plan (or waiv-  
25 er of such plan) that are furnished before

1 the month preceding the month in which  
2 such individual made application (or appli-  
3 cation was made on behalf of such indi-  
4 vidual) for such assistance.”.

5 (d) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to medical assistance and child  
7 health assistance, and pregnancy-related assistance with  
8 respect to individuals whose eligibility for such medical as-  
9 sistance, child health assistance, or pregnancy-related as-  
10 sistance is based on an application made on or after De-  
11 cember 31, 2026.

12 **SEC. 44123. ENSURING ACCURATE PAYMENTS TO PHAR-**  
13 **MACIES UNDER MEDICAID.**

14 (a) IN GENERAL.—Section 1927(f) of the Social Se-  
15 curity Act (42 U.S.C. 1396r–8(f)) is amended—

16 (1) in paragraph (1)(A)—

17 (A) by redesignating clause (ii) as clause  
18 (iii); and

19 (B) by striking “and” after the semicolon  
20 at the end of clause (i) and all that precedes it  
21 through “(1)” and inserting the following:

22 “(1) DETERMINING PHARMACY ACTUAL ACQUI-  
23 SITION COSTS.—The Secretary shall conduct a sur-  
24 vey of retail community pharmacy drug prices and  
25 applicable non-retail pharmacy drug prices to deter-



1 mine national average drug acquisition cost bench-  
2 marks (as such term is defined by the Secretary) as  
3 follows:

4 “(A) USE OF VENDOR.—The Secretary  
5 may contract services for—

6 “(i) with respect to retail community  
7 pharmacies, the determination of retail  
8 survey prices of the national average drug  
9 acquisition cost for covered outpatient  
10 drugs that represent a nationwide average  
11 of consumer purchase prices for such  
12 drugs, net of all discounts, rebates, and  
13 other price concessions (to the extent any  
14 information with respect to such discounts,  
15 rebates, and other price concessions is  
16 available) based on a monthly survey of  
17 such pharmacies;

18 “(ii) with respect to applicable non-re-  
19 tail pharmacies—

20 “(I) the determination of survey  
21 prices, separate from the survey prices  
22 described in clause (i), of the non-re-  
23 tail national average drug acquisition  
24 cost for covered outpatient drugs that  
25 represent a nationwide average of con-

1           sumer purchase prices for such drugs,  
2           net of all discounts, rebates, and other  
3           price concessions (to the extent any  
4           information with respect to such dis-  
5           counts, rebates, and other price con-  
6           cessions is available) based on a  
7           monthly survey of such pharmacies;  
8           and

9                       “(II) at the discretion of the Sec-  
10           retary, for each type of applicable  
11           non-retail pharmacy, the determina-  
12           tion of survey prices, separate from  
13           the survey prices described in clause  
14           (i) or subclause (I) of this clause, of  
15           the national average drug acquisition  
16           cost for such type of pharmacy for  
17           covered outpatient drugs that rep-  
18           resent a nationwide average of con-  
19           sumer purchase prices for such drugs,  
20           net of all discounts, rebates, and other  
21           price concessions (to the extent any  
22           information with respect to such dis-  
23           counts, rebates, and other price con-  
24           cessions is available) based on a

1                   monthly survey of such pharmacies;  
2                   and”;

3           (2) in subparagraph (B) of paragraph (1), by  
4   striking “subparagraph (A)(ii)” and inserting “sub-  
5   paragraph (A)(iii)”;

6           (3) in subparagraph (D) of paragraph (1), by  
7   striking clauses (ii) and (iii) and inserting the fol-  
8   lowing:

9                   “(ii) The vendor must update the Sec-  
10                   retary no less often than monthly on the  
11                   survey prices for covered outpatient drugs.

12                   “(iii) The vendor must differentiate,  
13                   in collecting and reporting survey data, for  
14                   all cost information collected, whether a  
15                   pharmacy is a retail community pharmacy  
16                   or an applicable non-retail pharmacy, in-  
17                   cluding whether such pharmacy is an affil-  
18                   iate (as defined in subsection (k)(14)),  
19                   and, in the case of an applicable non-retail  
20                   pharmacy, which type of applicable non-re-  
21                   tail pharmacy it is using the relevant phar-  
22                   macy type indicators included in the guid-  
23                   ance required by subsection (d)(2) of sec-  
24                   tion 44123 of the Act titled ‘An Act to

1           provide for reconciliation pursuant to title  
2           II of H. Con. Res. 14’.”;

3           (4) by adding at the end of paragraph (1) the  
4       following:

5           “(F) SURVEY REPORTING.—In order to  
6           meet the requirement of section 1902(a)(54), a  
7           State shall require that any retail community  
8           pharmacy or applicable non-retail pharmacy in  
9           the State that receives any payment, reimburse-  
10          ment, administrative fee, discount, rebate, or  
11          other price concession related to the dispensing  
12          of covered outpatient drugs to individuals re-  
13          ceiving benefits under this title, regardless of  
14          whether such payment, reimbursement, admin-  
15          istrative fee, discount, rebate, or other price  
16          concession is received from the State or a man-  
17          aged care entity or other specified entity (as  
18          such terms are defined in section  
19          1903(m)(9)(D)) directly or from a pharmacy  
20          benefit manager or another entity that has a  
21          contract with the State or a managed care enti-  
22          ty or other specified entity (as so defined), shall  
23          respond to surveys conducted under this para-  
24          graph.

1           “(G) SURVEY INFORMATION.—Information  
2           on national drug acquisition prices obtained  
3           under this paragraph shall be made publicly  
4           available in a form and manner to be deter-  
5           mined by the Secretary and shall include at  
6           least the following:

7                   “(i) The monthly response rate to the  
8                   survey including a list of pharmacies not in  
9                   compliance with subparagraph (F).

10                  “(ii) The sampling methodology and  
11                  number of pharmacies sampled monthly.

12                  “(iii) Information on price concessions  
13                  to pharmacies, including discounts, re-  
14                  bates, and other price concessions, to the  
15                  extent that such information may be pub-  
16                  licly released and has been collected by the  
17                  Secretary as part of the survey.

18           “(H) PENALTIES.—

19                   “(i) IN GENERAL.—Subject to clauses  
20                   (ii), (iii), and (iv), the Secretary shall en-  
21                   force the provisions of this paragraph with  
22                   respect to a pharmacy through the estab-  
23                   lishment of civil money penalties applicable  
24                   to a retail community pharmacy or an ap-  
25                   plicable non-retail pharmacy.

1           “(ii) BASIS FOR PENALTIES.—The  
2           Secretary shall impose a civil money pen-  
3           alty established under this subparagraph  
4           on a retail community pharmacy or appli-  
5           cable non-retail pharmacy if—

6                       “(I) the retail pharmacy or appli-  
7                       cable non-retail pharmacy refuses or  
8                       otherwise fails to respond to a request  
9                       for information about prices in con-  
10                      nection with a survey under this sub-  
11                      section;

12                     “(II) knowingly provides false in-  
13                     formation in response to such a sur-  
14                     vey; or

15                     “(III) otherwise fails to comply  
16                     with the requirements established  
17                     under this paragraph.

18           “(iii) PARAMETERS FOR PEN-  
19           ALTIES.—

20                       “(I) IN GENERAL.—A civil money  
21                       penalty established under this sub-  
22                       paragraph may be assessed with re-  
23                       spect to each violation, and with re-  
24                       spect to each non-compliant retail  
25                       community pharmacy (including a

1 pharmacy that is part of a chain) or  
2 non-compliant applicable non-retail  
3 pharmacy (including a pharmacy that  
4 is part of a chain), in an amount not  
5 to exceed \$100,000 for each such vio-  
6 lation.

7 “(II) CONSIDERATIONS.—In de-  
8 termining the amount of a civil money  
9 penalty imposed under this subpara-  
10 graph, the Secretary may consider the  
11 size, business structure, and type of  
12 pharmacy involved, as well as the type  
13 of violation and other relevant factors,  
14 as determined appropriate by the Sec-  
15 retary.

16 “(iv) RULE OF APPLICATION.—The  
17 provisions of section 1128A (other than  
18 subsections (a) and (b)) shall apply to a  
19 civil money penalty under this subpara-  
20 graph in the same manner as such provi-  
21 sions apply to a civil money penalty or pro-  
22 ceeding under section 1128A(a).

23 “(I) LIMITATION ON USE OF APPLICABLE  
24 NON-RETAIL PHARMACY PRICING INFORMA-  
25 TION.—No State shall use pricing information

1 reported by applicable non-retail pharmacies  
2 under subparagraph (A)(ii) to develop or inform  
3 payment methodologies for retail community  
4 pharmacies.”;

5 (5) in paragraph (2)—

6 (A) in subparagraph (A), by inserting “,  
7 including payment rates and methodologies for  
8 determining ingredient cost reimbursement  
9 under managed care entities or other specified  
10 entities (as such terms are defined in section  
11 1903(m)(9)(D)),” after “under this title”; and

12 (B) in subparagraph (B), by inserting  
13 “and the basis for such dispensing fees” before  
14 the semicolon;

15 (6) by redesignating paragraph (4) as para-  
16 graph (5);

17 (7) by inserting after paragraph (3) the fol-  
18 lowing new paragraph:

19 “(4) OVERSIGHT.—

20 “(A) IN GENERAL.—The Inspector General  
21 of the Department of Health and Human Serv-  
22 ices shall conduct periodic studies of the survey  
23 data reported under this subsection, as appro-  
24 priate, including with respect to substantial  
25 variations in acquisition costs or other applica-



1           ble costs, as well as with respect to how internal  
2           transfer prices and related party transactions  
3           may influence the costs reported by pharmacies  
4           that are affiliates (as defined in subsection  
5           (k)(13)) or are owned by, controlled by, or re-  
6           lated under a common ownership structure with  
7           a wholesaler, distributor, or other entity that  
8           acquires covered outpatient drugs relative to  
9           costs reported by pharmacies not affiliated with  
10          such entities. The Inspector General shall pro-  
11          vide periodic updates to Congress on the results  
12          of such studies, as appropriate, in a manner  
13          that does not disclose trade secrets or other  
14          proprietary information.

15               “(B) APPROPRIATION.—There is appro-  
16          priated to the Inspector General of the Depart-  
17          ment of Health and Human Services, out of  
18          any money in the Treasury not otherwise ap-  
19          propriated, \$5,000,000 for fiscal year 2026, to  
20          remain available until expended, to carry out  
21          this paragraph.”; and

22          (8) in paragraph (5), as so redesignated—

23                (A) by inserting “, and \$8,000,000 for  
24          each of fiscal years 2026 through 2033,” after  
25          “2010”; and

1 (B) by inserting “Funds appropriated  
2 under this paragraph for each of fiscal years  
3 2026 through 2033 shall remain available until  
4 expended.” after the period.

5 (b) DEFINITIONS.—Section 1927(k) of the Social Se-  
6 curity Act (42 U.S.C. 1396r–8(k)) is amended—

7 (1) in the matter preceding paragraph (1), by  
8 striking “In the section” and inserting “In this sec-  
9 tion”; and

10 (2) by adding at the end the following new  
11 paragraphs:

12 “(12) APPLICABLE NON-RETAIL PHARMACY.—  
13 The term ‘applicable non-retail pharmacy’ means a  
14 pharmacy that is licensed as a pharmacy by the  
15 State and that is not a retail community pharmacy,  
16 including a pharmacy that dispenses prescription  
17 medications to patients primarily through mail and  
18 specialty pharmacies. Such term does not include  
19 nursing home pharmacies, long-term care facility  
20 pharmacies, hospital pharmacies, clinics, charitable  
21 or not-for-profit pharmacies, government phar-  
22 macies, or low dispensing pharmacies (as defined by  
23 the Secretary).

24 “(13) AFFILIATE.—The term ‘affiliate’ means  
25 any entity that is owned by, controlled by, or related

1 under a common ownership structure with a phar-  
2 macy benefit manager or a managed care entity or  
3 other specified entity (as such terms are defined in  
4 section 1903(m)(9)(D)).”.

5 (c) EFFECTIVE DATE.—

6 (1) IN GENERAL.—Subject to paragraph (2),  
7 the amendments made by this section shall apply be-  
8 ginning on the first day of the first quarter that be-  
9 gins on or after the date that is 6 months after the  
10 date of enactment of this section.

11 (2) DELAYED APPLICATION TO APPLICABLE  
12 NON-RETAIL PHARMACIES.—The pharmacy survey  
13 requirements established by the amendments to sec-  
14 tion 1927(f) of the Social Security Act (42 U.S.C.  
15 1396r–8(f)) made by this section shall apply to re-  
16 tail community pharmacies beginning on the effec-  
17 tive date described in paragraph (1), but shall not  
18 apply to applicable non-retail pharmacies until the  
19 first day of the first quarter that begins on or after  
20 the date that is 18 months after the date of enact-  
21 ment of this section.

22 (d) IDENTIFICATION OF APPLICABLE NON-RETAIL  
23 PHARMACIES.—

24 (1) IN GENERAL.—Not later than January 1,  
25 2027, the Secretary of Health and Human Services

1 shall publish guidance specifying pharmacies that  
2 meet the definition of applicable non-retail phar-  
3 macies (as such term is defined in subsection  
4 (k)(12) of section 1927 of the Social Security Act  
5 (42 U.S.C. 1396r–8), as added by subsection (b)),  
6 and that will be subject to the survey requirements  
7 under subsection (f)(1) of such section, as amended  
8 by subsection (a).

9 (2) INCLUSION OF PHARMACY TYPE INDICA-  
10 TORS.—The guidance published under paragraph (1)  
11 shall include pharmacy type indicators to distinguish  
12 between different types of applicable non-retail phar-  
13 macies, such as pharmacies that dispense prescrip-  
14 tions primarily through the mail and pharmacies  
15 that dispense prescriptions that require special han-  
16 dling or distribution. An applicable non-retail phar-  
17 macy may be identified through multiple pharmacy  
18 type indicators.

19 (e) IMPLEMENTATION.—Implementation of the  
20 amendments made by this section shall be exempt from  
21 the requirements of section 553 of title 5, United States  
22 Code.

23 (f) NONAPPLICATION OF PAPERWORK REDUCTION  
24 ACT.—Chapter 35 of title 44, United States Code, shall  
25 not apply to any data collection undertaken by the Sec-

1 retary of Health and Human Services under section  
2 1927(f) of the Social Security Act (42 U.S.C. 1396r–8(f)),  
3 as amended by this section.

4 **SEC. 44124. PREVENTING THE USE OF ABUSIVE SPREAD**  
5 **PRICING IN MEDICAID.**

6 (a) IN GENERAL.—Section 1927 of the Social Secu-  
7 rity Act (42 U.S.C. 1396r–8) is amended—

8 (1) in subsection (e), by adding at the end the  
9 following new paragraph:

10 “(6) TRANSPARENT PRESCRIPTION DRUG PASS-  
11 THROUGH PRICING REQUIRED.—

12 “(A) IN GENERAL.—A contract between  
13 the State and a pharmacy benefit manager (re-  
14 ferred to in this paragraph as a ‘PBM’), or a  
15 contract between the State and a managed care  
16 entity or other specified entity (as such terms  
17 are defined in section 1903(m)(9)(D) and col-  
18 lectively referred to in this paragraph as the  
19 ‘entity’) that includes provisions making the en-  
20 tity responsible for coverage of covered out-  
21 patient drugs dispensed to individuals enrolled  
22 with the entity, shall require that payment for  
23 such drugs and related administrative services  
24 (as applicable), including payments made by a  
25 PBM on behalf of the State or entity, is based

1 on a transparent prescription drug pass-  
2 through pricing model under which—

3 “(i) any payment made by the entity  
4 or the PBM (as applicable) for such a  
5 drug—

6 “(I) is limited to—

7 “(aa) ingredient cost; and

8 “(bb) a professional dis-  
9 pensing fee that is not less than  
10 the professional dispensing fee  
11 that the State would pay if the  
12 State were making the payment  
13 directly in accordance with the  
14 State plan;

15 “(II) is passed through in its en-  
16 tirety (except as reduced under Fed-  
17 eral or State laws and regulations in  
18 response to instances of waste, fraud,  
19 or abuse) by the entity or PBM to the  
20 pharmacy or provider that dispenses  
21 the drug; and

22 “(III) is made in a manner that  
23 is consistent with sections 447.502,  
24 447.512, 447.514, and 447.518 of  
25 title 42, Code of Federal Regulations

1 (or any successor regulation) as if  
2 such requirements applied directly to  
3 the entity or the PBM, except that  
4 any payment by the entity or the  
5 PBM for the ingredient cost of such  
6 drug purchased by a covered entity  
7 (as defined in subsection (a)(5)(B))  
8 may exceed the actual acquisition cost  
9 (as defined in 447.502 of title 42,  
10 Code of Federal Regulations, or any  
11 successor regulation) for such drug  
12 if—

13 “(aa) such drug was subject  
14 to an agreement under section  
15 340B of the Public Health Serv-  
16 ice Act;

17 “(bb) such payment for the  
18 ingredient cost of such drug does  
19 not exceed the maximum pay-  
20 ment that would have been made  
21 by the entity or the PBM for the  
22 ingredient cost of such drug if  
23 such drug had not been pur-  
24 chased by such covered entity;  
25 and

1                   “(cc) such covered entity re-  
2                   ports to the Secretary (in a form  
3                   and manner specified by the Sec-  
4                   retary), on an annual basis and  
5                   with respect to payments for the  
6                   ingredient costs of such drugs so  
7                   purchased by such covered entity  
8                   that are in excess of the actual  
9                   acquisition costs for such drugs,  
10                  the aggregate amount of such ex-  
11                  cess;

12               “(ii) payment to the entity or the  
13               PBM (as applicable) for administrative  
14               services performed by the entity or PBM is  
15               limited to an administrative fee that re-  
16               flects the fair market value (as defined by  
17               the Secretary) of such services;

18               “(iii) the entity or the PBM (as appli-  
19               cable) makes available to the State, and  
20               the Secretary upon request in a form and  
21               manner specified by the Secretary, all costs  
22               and payments related to covered outpatient  
23               drugs and accompanying administrative  
24               services (as described in clause (ii)) in-  
25               curred, received, or made by the entity or



1 the PBM, broken down (as specified by the  
2 Secretary), to the extent such costs and  
3 payments are attributable to an individual  
4 covered outpatient drug, by each such  
5 drug, including any ingredient costs, pro-  
6 fessional dispensing fees, administrative  
7 fees (as described in clause (ii)), post-sale  
8 and post-invoice fees, discounts, or related  
9 adjustments such as direct and indirect re-  
10 munerations fees, and any and all other re-  
11 munerations, as defined by the Secretary;  
12 and

13 “(iv) any form of spread pricing  
14 whereby any amount charged or claimed by  
15 the entity or the PBM (as applicable) that  
16 exceeds the amount paid to the pharmacies  
17 or providers on behalf of the State or enti-  
18 ty, including any post-sale or post-invoice  
19 fees, discounts, or related adjustments  
20 such as direct and indirect remuneration  
21 fees or assessments, as defined by the Sec-  
22 retary, (after allowing for an administra-  
23 tive fee as described in clause (ii)) is not  
24 allowable for purposes of claiming Federal  
25 matching payments under this title.

1           “(B) PUBLICATION OF INFORMATION.—  
2           The Secretary shall publish, not less frequently  
3           than on an annual basis and in a manner that  
4           does not disclose the identity of a particular  
5           covered entity or organization, information re-  
6           ceived by the Secretary pursuant to subpara-  
7           graph (A)(iii)(III) that is broken out by State  
8           and by each of the following categories of cov-  
9           ered entity within each such State:

10                   “(i) Covered entities described in sub-  
11                   paragraph (A) of section 340B(a)(4) of the  
12                   Public Health Service Act.

13                   “(ii) Covered entities described in sub-  
14                   paragraphs (B) through (K) of such sec-  
15                   tion.

16                   “(iii) Covered entities described in  
17                   subparagraph (L) of such section.

18                   “(iv) Covered entities described in  
19                   subparagraph (M) of such section.

20                   “(v) Covered entities described in sub-  
21                   paragraph (N) of such section.

22                   “(vi) Covered entities described in  
23                   subparagraph (O) of such section.”; and

(2) in subsection (k), as previously amended by this subtitle, by adding at the end the following new paragraph:

“(14) PHARMACY BENEFIT MANAGER.—The term ‘pharmacy benefit manager’ means any person or entity that, either directly or through an intermediary, acts as a price negotiator or group purchaser on behalf of a State, managed care entity (as defined in section 1903(m)(9)(D)), or other specified entity (as so defined), or manages the prescription drug benefits provided by a State, managed care entity, or other specified entity, including the processing and payment of claims for prescription drugs, the performance of drug utilization review, the processing of drug prior authorization requests, the managing of appeals or grievances related to the prescription drug benefits, contracting with pharmacies, controlling the cost of covered outpatient drugs, or the provision of services related thereto. Such term includes any person or entity that acts as a price negotiator (with regard to payment amounts to pharmacies and providers for a covered outpatient drug or the net cost of the drug) or group purchaser on behalf of a State, managed care entity, or other specified entity or that carries out 1 or more of the

1       other activities described in the preceding sentence,  
2       irrespective of whether such person or entity calls  
3       itself a pharmacy benefit manager.”.

4       (b) CONFORMING AMENDMENTS.—Section 1903(m)  
5 of such Act (42 U.S.C. 1396b(m)) is amended—

6               (1) in paragraph (2)(A)(xiii)—

7                       (A) by striking “and (III)” and inserting  
8                       “(III)”;

9                       (B) by inserting before the period at the  
10                      end the following: “, and (IV) if the contract in-  
11                      cludes provisions making the entity responsible  
12                      for coverage of covered outpatient drugs, the  
13                      entity shall comply with the requirements of  
14                      section 1927(e)(6)”;

15                     (C) by moving the left margin 2 ems to the  
16                     left; and

17               (2) by adding at the end the following new  
18       paragraph:

19               “(10) No payment shall be made under this  
20       title to a State with respect to expenditures incurred  
21       by the State for payment for services provided by an  
22       other specified entity (as defined in paragraph  
23       (9)(D)(iii)) unless such services are provided in ac-  
24       cordance with a contract between the State and such

1       entity which satisfies the requirements of paragraph  
2       (2)(A)(xiii).”.

3       (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to contracts between States and  
5 managed care entities, other specified entities, or phar-  
6 macy benefit managers that have an effective date begin-  
7 ning on or after the date that is 18 months after the date  
8 of enactment of this section.

9       (d) IMPLEMENTATION.—Implementation of the  
10 amendments made by this section shall be exempt from  
11 the requirements of section 553 of title 5, United States  
12 Code.

13       (e) NONAPPLICATION OF PAPERWORK REDUCTION  
14 ACT.—Chapter 35 of title 44, United States Code, shall  
15 not apply to any data collection undertaken by the Sec-  
16 retary of Health and Human Services under section  
17 1927(e) of the Social Security Act (42 U.S.C. 1396r-  
18 8(e)), as amended by this section.

19 **SEC. 44125. PROHIBITING FEDERAL MEDICAID AND CHIP**  
20 **FUNDING FOR GENDER TRANSITION PROCE-**  
21 **DURES.**

22       (a) MEDICAID.—Section 1903(i) of the Social Secu-  
23 rity Act (42 U.S.C. 1396b(i)) is amended—

24               (1) in paragraph (26), by striking “; or” and  
25       inserting a semicolon;

1           (2) in paragraph (27), by striking the period at  
2           the end and inserting “; or”;

3           (3) by inserting after paragraph (27) the fol-  
4           lowing new paragraph:

5           “(28) with respect to any amount expended for  
6           specified gender transition procedures (as defined in  
7           section 1905(kk)) furnished to an individual enrolled  
8           in a State plan (or waiver of such plan).”; and

9           (4) in the flush left matter at the end, by strik-  
10          ing “and (18),” and inserting “(18), and (28)”.

11          (b) CHIP.—Section 2107(e)(1)(N) of the Social Se-  
12          curity Act (42 U.S.C. 1397gg(e)(1)(N)) is amended by  
13          striking “and (17)” and inserting “(17), and (28)”.

14          (c) SPECIFIED GENDER TRANSITION PROCEDURES  
15          DEFINED.—Section 1905 of the Social Security Act (42  
16          U.S.C. 1396d) is amended by adding at the end the fol-  
17          lowing new subsection:

18          “(kk) SPECIFIED GENDER TRANSITION PROCE-  
19          DURES.—

20                 “(1) IN GENERAL.—For purposes of section  
21                 1903(i)(28), except as provided in paragraph (2),  
22                 the term ‘specified gender transition procedure’  
23                 means, with respect to an individual, any of the fol-  
24                 lowing when performed for the purpose of inten-  
25                 tionally changing the body of such individual (in-

cluding by disrupting the body’s development, inhib-  
iting its natural functions, or modifying its appear-  
ance) to no longer correspond to the individual’s sex:

“(A) Performing any surgery, including—

“(i) castration;

“(ii) sterilization;

“(iii) orchiectomy;

“(iv) scrotoplasty;

“(v) vasectomy;

“(vi) tubal ligation;

“(vii) hysterectomy;

“(viii) oophorectomy;

“(ix) ovariectomy;

“(x) metoidioplasty;

“(xi) clitoroplasty;

“(xii) reconstruction of the fixed part  
of the urethra with or without a  
metoidioplasty or a phalloplasty;

“(xiii) penectomy;

“(xiv) phalloplasty;

“(xv) vaginoplasty;

“(xvi) vaginectomy;

“(xvii) vulvoplasty;

“(xviii) reduction thyrochondroplasty;

“(xix) chondrolaryngoplasty;

1 “(xx) mastectomy; and

2 “(xxi) any plastic, cosmetic, or aes-  
3 thetic surgery that feminizes or  
4 masculinizes the facial or other body fea-  
5 tures of an individual.

6 “(B) Any placement of chest implants to  
7 create feminine breasts or any placement of  
8 erection or testicular prostheses.

9 “(C) Any placement of fat or artificial im-  
10 plants in the gluteal region.

11 “(D) Administering, prescribing, or dis-  
12 pensing to an individual medications, includ-  
13 ing—

14 “(i) gonadotropin-releasing hormone  
15 (GnRH) analogues or other puberty-block-  
16 ing drugs to stop or delay normal puberty;  
17 and

18 “(ii) testosterone, estrogen, or other  
19 androgens to an individual at doses that  
20 are supraphysiologic than would normally  
21 be produced endogenously in a healthy in-  
22 dividual of the same age and sex.

23 “(2) EXCEPTION.—Paragraph (1) shall not  
24 apply to the following when furnished to an indi-



vidual by a health care provider with the consent of such individual's parent or legal guardian:

“(A) Puberty suppression or blocking prescription drugs for the purpose of normalizing puberty for an individual experiencing precocious puberty.

“(B) Medically necessary procedures or treatments to correct for—

“(i) a medically verifiable disorder of sex development, including—

“(I) 46,XX chromosomes with virilization;

“(II) 46,XY chromosomes with undervirilization; and

“(III) both ovarian and testicular tissue;

“(ii) sex chromosome structure, sex steroid hormone production, or sex hormone action, if determined to be abnormal by a physician through genetic or biochemical testing;

“(iii) infection, disease, injury, or disorder caused or exacerbated by a previous procedure described in paragraph (1), or a physical disorder, physical injury, or phys-

1            ical illness that would, as certified by a  
2            physician, place the individual in imminent  
3            danger of death or impairment of a major  
4            bodily function unless the procedure is per-  
5            formed, not including procedures per-  
6            formed for the alleviation of mental dis-  
7            tress; or

8            “(iv) procedures to restore or recon-  
9            struct the body of the individual in order  
10           to correspond to the individual’s sex after  
11           one or more previous procedures described  
12           in paragraph (1), which may include the  
13           removal of a pseudo phallus or breast aug-  
14           mentation.

15           “(3) SEX.—For purposes of paragraph (1), the  
16           term ‘sex’ means either male or female, as bio-  
17           logically determined and defined in paragraphs (4)  
18           and (5), respectively.

19           “(4) FEMALE.—For purposes of paragraph (3),  
20           the term ‘female’ means an individual who naturally  
21           has, had, will have, or would have, but for a develop-  
22           mental or genetic anomaly or historical accident, the  
23           reproductive system that at some point produces,  
24           transports, and utilizes eggs for fertilization.

1           “(5) MALE.—For purposes of paragraph (3),  
 2           the term ‘male’ means an individual who naturally  
 3           has, had, will have, or would have, but for a develop-  
 4           mental or genetic anomaly or historical accident, the  
 5           reproductive system that at some point produces,  
 6           transports, and utilizes sperm for fertilization.”.

7   **SEC. 44126. FEDERAL PAYMENTS TO PROHIBITED ENTI-**  
 8                           **TIES.**

9           (a) IN GENERAL.—No Federal funds that are consid-  
 10          ered direct spending and provided to carry out a State  
 11          plan under title XIX of the Social Security Act or a waiver  
 12          of such a plan shall be used to make payments to a prohib-  
 13          ited entity for items and services furnished during the 10-  
 14          year period beginning on the date of the enactment of this  
 15          Act, including any payments made directly to the prohib-  
 16          ited entity or under a contract or other arrangement be-  
 17          tween a State and a covered organization.

18          (b) DEFINITIONS.—In this section:

19                  (1) PROHIBITED ENTITY.—The term “prohib-  
 20          ited entity” means an entity, including its affiliates,  
 21          subsidiaries, successors, and clinics—

22                          (A) that, as of the date of enactment of  
 23          this Act—

24                                  (i) is an organization described in sec-  
 25          tion 501(c)(3) of the Internal Revenue

1 Code of 1986 and exempt from tax under  
2 section 501(a) of such Code;

3 (ii) is an essential community provider  
4 described in section 156.235 of title 45,  
5 Code of Federal Regulations (as in effect  
6 on the date of enactment of this Act), that  
7 is primarily engaged in family planning  
8 services, reproductive health, and related  
9 medical care; and

10 (iii) provides for abortions, other than  
11 an abortion—

12 (I) if the pregnancy is the result  
13 of an act of rape or incest; or

14 (II) in the case where a woman  
15 suffers from a physical disorder, phys-  
16 ical injury, or physical illness, includ-  
17 ing a life-endangering physical condi-  
18 tion caused by or arising from the  
19 pregnancy itself, that would, as cer-  
20 tified by a physician, place the woman  
21 in danger of death unless an abortion  
22 is performed; and

23 (B) for which the total amount of Federal  
24 and State expenditures under the Medicaid pro-  
25 gram under title XIX of the Social Security Act

1 in fiscal year 2024 made directly, or by a cov-  
2 ered organization, to the entity or to any affili-  
3 ates, subsidiaries, successors, or clinics of the  
4 entity, or made to the entity or to any affiliates,  
5 subsidiaries, successors, or clinics of the entity  
6 as part of a nationwide health care provider  
7 network, exceeded \$1,000,000.

8 (2) DIRECT SPENDING.—The term “direct  
9 spending” has the meaning given that term under  
10 section 250(c) of the Balanced Budget and Emer-  
11 gency Deficit Control Act of 1985 (2 U.S.C. 900(c)).

12 (3) COVERED ORGANIZATION.—The term “cov-  
13 ered organization” means a managed care entity (as  
14 defined in section 1932(a)(1)(B) of the Social Secu-  
15 rity Act (42 U.S.C. 1396u–2(a)(1)(B))) or a prepaid  
16 inpatient health plan or prepaid ambulatory health  
17 plan (as such terms are defined in section  
18 1903(m)(9)(D) of such Act (42 U.S.C.  
19 1396b(m)(9)(D))).

20 (4) STATE.—The term “State” has the mean-  
21 ing given such term in section 1101 of the Social Se-  
22 curity Act (42 U.S.C. 1301).

1     **Subpart C—Stopping Abusive Financing Practices**

2     **SEC. 44131. SUNSETTING ELIGIBILITY FOR INCREASED**  
3             **FMAP FOR NEW EXPANSION STATES.**

4             Section 1905(ii)(3) of the Social Security Act (42  
5     U.S.C. 1396d(ii)(3)) is amended—

6                 (1) by striking “which has not” and inserting  
7             the following: “which—

8                         “(A) has not”;

9                 (2) in subparagraph (A), as so inserted, by  
10             striking the period at the end and inserting “; and”;  
11             and

12                 (3) by adding at the end the following new sub-  
13             paragraph:

14                         “(B) begins to expend amounts for all such  
15             individuals prior to January 1, 2026.”.

16     **SEC. 44132. MORATORIUM ON NEW OR INCREASED PRO-**  
17             **VIDER TAXES.**

18             Section 1903(w)(1)(A)(iii) of the Social Security Act  
19     (42 U.S.C. 1396b(w)(1)(A)(iii)) is amended—

20                 (1) by striking “or” at the end;

21                 (2) by striking “if there” and inserting “if—

22                         “(I) there”; and

23                 (3) by adding at the end the following new sub-  
24             clauses:

25                         “(II) the tax is first imposed by the State  
26             (or by a unit of local government in the State)

1 on or after the date of the enactment of this  
2 subclause (other than such a tax for which the  
3 legislation or regulations providing for the im-  
4 position of such tax were enacted or adopted  
5 prior to such date of enactment); or

6 “(III) on or after the date of the enact-  
7 ment of this subclause, the State (or unit of  
8 local government) increases the amount or rate  
9 of tax imposed with respect to a class of health  
10 care items or services (or with respect to a type  
11 of provider or activity within such a class), or  
12 increases the base of the tax such that the tax  
13 is imposed with respect to a class of items or  
14 services (or with respect to a type of provider  
15 or activity within such a class) to which the tax  
16 did not previously apply, but only to the extent  
17 that such revenues are attributable to such in-  
18 crease and only if such increase was not pro-  
19 vided for in legislation or regulations enacted or  
20 adopted prior to such date of enactment; or”.

21 **SEC. 44133. REVISING PAYMENTS FOR CERTAIN STATE DI-**  
22 **RECTED PAYMENTS.**

23 (a) IN GENERAL.—Subject to subsection (b), the Sec-  
24 retary of Health and Human Services (in this section re-  
25 ferred to as the Secretary) shall revise section

1 438.6(c)(2)(iii) of title 42, Code of Federal Regulations  
2 (or a successor regulation) such that, with respect to a  
3 payment described in such section made for a service fur-  
4 nished during a rating period beginning on or after the  
5 date of the enactment of this Act, the total payment rate  
6 for such service is limited to—

7           (1) in the case of a State that provides coverage  
8       to     all     individuals     described     in     section  
9       1902(a)(10)(A)(i)(VIII) of the Social Security Act  
10      (42 U.S.C. 1396a(a)(10)(A)(i)(VIII)) that is equiva-  
11      lent to minimum essential coverage (as described in  
12      section 5000A(f)(1)(A) of the Internal Revenue  
13      Code of 1986 and determined in accordance with  
14      standards prescribed by the Secretary in regula-  
15      tions) under the State plan (or waiver of such plan)  
16      of such State under title XIX of such Act, 100 per-  
17      cent of the specified total published Medicare pay-  
18      ment rate (or, in the absence of a specified total  
19      published Medicare payment rate, an equivalent  
20      Medicare payment rate); or

21           (2) in the case of a State other than a State  
22      described in paragraph (1), 110 percent of the speci-  
23      fied total published Medicare payment rate (or, in  
24      the absence of a specified total published Medicare



1        payment rate, an equivalent Medicare payment  
2        rate).

3        (b) GRANDFATHERING CERTAIN PAYMENTS.—In the  
4        case of a payment described in section 438.6(c)(2)(iii) of  
5        title 42, Code of Federal Regulations (or a successor regu-  
6        lation) for which written prior approval was made before  
7        the date of the enactment of this Act for the rating period  
8        occurring as of such date of enactment, or a payment so  
9        described for such rating period for which a preprint was  
10       submitted to the Secretary prior to such date of enact-  
11       ment, the revisions described in subsection (a) shall not  
12       apply to such payment for such rating period and for any  
13       subsequent rating period if the amount of such payment  
14       does not exceed the amount of such payment so approved.

15       (c) TREATMENT OF EXPANSION STATES.—The revi-  
16       sions described in subsection (a) shall provide that, with  
17       respect to a State that begins providing the coverage de-  
18       scribed in paragraph (1) of such subsection on or after  
19       the date of the enactment of this Act, the limitation de-  
20       scribed in such paragraph shall apply to such State with  
21       respect to a payment described in section 438.6(c)(2)(iii)  
22       of title 42, Code of Federal Regulations (or a successor  
23       regulation) for a service furnished during a rating period  
24       beginning on or after the date on which such State begins  
25       providing such coverage, including with respect to a pay-

1 ment so described for which written prior approval was  
2 made before such date.

3 (d) DEFINITIONS.—In this section:

4 (1) EQUIVALENT MEDICARE PAYMENT RATE.—

5 The term “equivalent Medicare payment rate”  
6 means amounts calculated as payment for specific  
7 services comparable to the service furnished that  
8 have been developed under part A or part B of title  
9 XVIII of the Social Security Act (42 U.S.C. 1396 et  
10 seq.).

11 (2) RATING PERIOD.—The term “rating pe-  
12 riod” has the meaning given such term in section  
13 438.2 of title 42, Code of Federal Regulations (or a  
14 successor regulation).

15 (3) TOTAL PUBLISHED MEDICARE PAYMENT  
16 RATE.—The term “total published Medicare pay-  
17 ment rate” means amounts calculated as payment  
18 for specific services including the service furnished  
19 that have been developed under part A or part B of  
20 title XVIII of the Social Security Act (42 U.S.C.  
21 1395 et seq.).

22 (4) WRITTEN PRIOR APPROVAL.—The term  
23 “written prior approval” has the meaning given such  
24 term in section 438.6(c)(2)(i) of title 42, Code of  
25 Federal Regulations (or a successor regulation).

1 (e) FUNDING.—There are appropriated out of any  
2 monies in the Treasury not otherwise appropriated  
3 \$7,000,000 for each of fiscal years 2026 through 2033  
4 for purposes of carrying out this section.

5 **SEC. 44134. REQUIREMENTS REGARDING WAIVER OF UNI-**  
6 **FORM TAX REQUIREMENT FOR MEDICAID**  
7 **PROVIDER TAX.**

8 (a) IN GENERAL.—Section 1903(w) of the Social Se-  
9 curity Act (42 U.S.C. 1396b(w)) is amended—

10 (1) in paragraph (3)(E), by inserting after  
11 clause (ii)(II) the following new clause:

12 “(iii) For purposes of clause (ii)(I), a tax is not con-  
13 sidered to be generally redistributive if any of the following  
14 conditions apply:

15 “(I) Within a permissible class, the tax rate im-  
16 posed on any taxpayer or tax rate group (as defined  
17 in paragraph (7)(J)) explicitly defined by its rel-  
18 atively lower volume or percentage of Medicaid tax-  
19 able units (as defined in paragraph (7)(H)) is lower  
20 than the tax rate imposed on any other taxpayer or  
21 tax rate group explicitly defined by its relatively  
22 higher volume or percentage of Medicaid taxable  
23 units.

24 “(II) Within a permissible class, the tax rate  
25 imposed on any taxpayer or tax rate group (as so

1 defined) based upon its Medicaid taxable units (as  
2 so defined) is higher than the tax rate imposed on  
3 any taxpayer or tax rate group based upon its non-  
4 Medicaid taxable unit (as defined in paragraph  
5 (7)(I)).

6 “(III) The tax excludes or imposes a lower tax  
7 rate on a taxpayer or tax rate group (as so defined)  
8 based on or defined by any description that results  
9 in the same effect as described in subclause (I) or  
10 (II) for a taxpayer or tax rate group. Characteristics  
11 that may indicate such type of exclusion include the  
12 use of terminology to establish a tax rate group—

13 “(aa) based on payments or expenditures  
14 made under the program under this title with-  
15 out mentioning the term ‘Medicaid’ (or any  
16 similar term) to accomplish the same effect as  
17 described in subclause (I) or (II); or

18 “(bb) that closely approximates a taxpayer  
19 or tax rate group under the program under this  
20 title, to the same effect as described in sub-  
21 clause (I) or (II).”; and

22 (2) in paragraph (7), by adding at the end the  
23 following new subparagraphs:

24 “(H) The term ‘Medicaid taxable unit’ means a  
25 unit that is being taxed within a health care related

1 tax that is applicable to the program under this title.  
2 Such term includes a unit that is used as the basis  
3 for—

4 “(i) payment under the program under this  
5 title (such as Medicaid bed days);

6 “(ii) Medicaid revenue;

7 “(iii) costs associated with the program  
8 under this title (such as Medicaid charges,  
9 claims, or expenditures); and

10 “(iv) other units associated with the pro-  
11 gram under this title, as determined by the Sec-  
12 retary.

13 “(I) The term ‘non-Medicaid taxable unit’  
14 means a unit that is being taxed within a health  
15 care related tax that is not applicable to the pro-  
16 gram under this title. Such term includes a unit that  
17 is used as the basis for—

18 “(i) payment by non-Medicaid payers (such  
19 as non-Medicaid bed days);

20 “(ii) non-Medicaid revenue;

21 “(iii) costs that are not associated with the  
22 program under this title (such as non-Medicaid  
23 charges, non-Medicaid claims, or non-Medicaid  
24 expenditures); and

1           “(iv) other units not associated with the  
2           program under this title, as determined by the  
3           Secretary.

4           “(J) The term ‘tax rate group’ means a group  
5           of entities contained within a permissible class of a  
6           health care related tax that are taxed at the same  
7           rate.”.

8           (b) EFFECTIVE DATE.—The amendments made by  
9           this section shall take effect upon the date of enactment  
10          of this Act, subject to any applicable transition period de-  
11          termined appropriate by the Secretary of Health and  
12          Human Services, not to exceed 3 fiscal years.

13   **SEC. 44135. REQUIRING BUDGET NEUTRALITY FOR MED-**  
14                   **ICAID DEMONSTRATION PROJECTS UNDER**  
15                   **SECTION 1115.**

16          Section 1115 of the Social Security Act (42 U.S.C.  
17   1315) is amended by adding at the end the following new  
18   subsection:

19          “(g) REQUIREMENT OF BUDGET NEUTRALITY FOR  
20   MEDICAID DEMONSTRATION PROJECTS.—

21               “(1) IN GENERAL.—Beginning on the date of  
22           the enactment of this subsection, the Secretary may  
23           not approve an application for (or renewal or  
24           amendment of) an experimental, pilot, or demonstra-  
25           tion project undertaken under subsection (a) to pro-

1       mote the objectives of title XIX in a State (in this  
2       subsection referred to as a ‘Medicaid demonstration  
3       project’) unless the Secretary certifies that such  
4       project is not expected to result in an increase in the  
5       amount of expenditures compared to the amount  
6       that such expenditures would otherwise be in the ab-  
7       sence of such project.

8               “(2) TREATMENT OF SAVINGS.—In the event  
9       that expenditures with respect to a State under a  
10      Medicaid demonstration project are, during an ap-  
11      proval period for such project, less than the amount  
12      of such expenditures that would have otherwise been  
13      made in the absence of such project, the Secretary  
14      shall specify the methodology to be used with respect  
15      to any subsequent approval period for such project  
16      for purposes of taking the difference between such  
17      expenditures into account.”.

18       **Subpart D—Increasing Personal Accountability**

19       **SEC. 44141. REQUIREMENT FOR STATES TO ESTABLISH**  
20               **MEDICAID COMMUNITY ENGAGEMENT RE-**  
21               **QUIREMENTS FOR CERTAIN INDIVIDUALS.**

22       (a) IN GENERAL.—Section 1902 of the Social Secu-  
23      rity Act (42 U.S.C. 1396a), as amended by sections 44103  
24      and 44104, is further amended by adding at the end the  
25      following new subsection:

1       “(xx) COMMUNITY ENGAGEMENT REQUIREMENT FOR  
2 APPLICABLE INDIVIDUALS.—

3           “(1) IN GENERAL.—Beginning not later than  
4 December 31, 2026, or, at the option of the State,  
5 such earlier date as the State may specify, subject  
6 to the succeeding provisions of this subsection, a  
7 State shall provide, as a condition of eligibility for  
8 medical assistance for an applicable individual, that  
9 such individual is required to demonstrate commu-  
10 nity engagement under paragraph (2)—

11           “(A) in the case of an applicable individual  
12 who has filed an application for medical assist-  
13 ance under a State plan (or a waiver of such  
14 plan) under this title, for 1 or more (as speci-  
15 fied by the State) consecutive months imme-  
16 diately preceding the month during which such  
17 individual applies for such medical assistance;  
18 and

19           “(B) in the case of an applicable individual  
20 enrolled and receiving medical assistance under  
21 a State plan (or under a waiver of such plan)  
22 under this title, for 1 or more (as specified by  
23 the State) months, whether or not consecu-  
24 tive—



1 “(i) during the period between such  
2 individual’s most recent determination (or  
3 redetermination, as applicable) of eligibility  
4 and such individual’s next regularly sched-  
5 uled redetermination of eligibility (as  
6 verified by the State as part of such regu-  
7 larly scheduled redetermination of eligi-  
8 bility); or

9 “(ii) in the case of a State that has  
10 elected under paragraph (4) to conduct  
11 more frequent verifications of compliance  
12 with the requirement to demonstrate com-  
13 munity engagement, during the period be-  
14 tween the most recent and next such  
15 verification with respect to such individual.

16 “(2) COMMUNITY ENGAGEMENT COMPLIANCE  
17 DESCRIBED.—Subject to paragraph (3), an applica-  
18 ble individual demonstrates community engagement  
19 under this paragraph for a month if such individual  
20 meets 1 or more of the following conditions with re-  
21 spect to such month, as determined in accordance  
22 with criteria established by the Secretary through  
23 regulation:

24 “(A) The individual works not less than 80  
25 hours.

1           “(B) The individual completes not less  
2 than 80 hours of community service.

3           “(C) The individual participates in a work  
4 program for not less than 80 hours.

5           “(D) The individual is enrolled in an edu-  
6 cational program at least half-time.

7           “(E) The individual engages in any com-  
8 bination of the activities described in subpara-  
9 graphs (A) through (D), for a total of not less  
10 than 80 hours.

11           “(F) The individual has a monthly income  
12 that is not less than the applicable minimum  
13 wage requirement under section 6 of the Fair  
14 Labor Standards Act of 1938, multiplied by 80  
15 hours.

16           “(3) EXCEPTIONS.—

17           “(A) MANDATORY EXCEPTION FOR CER-  
18 TAIN INDIVIDUALS.—The State shall deem an  
19 applicable individual to have demonstrated com-  
20 munity engagement under paragraph (2) for a  
21 month if—

22                   “(i) for part or all of such month, the  
23 individual—

1 “(I) was a specified excluded in-  
2 dividual (as defined in paragraph  
3 (9)(A)(ii)); or

4 “(II) was—

5 “(aa) under the age of 19;

6 “(bb) pregnant or entitled to  
7 postpartum medical assistance  
8 under paragraph (5) or (16) of  
9 subsection (e);

10 “(cc) entitled to, or enrolled  
11 for, benefits under part A of title  
12 XVIII, or enrolled for benefits  
13 under part B of title XVIII; or

14 “(dd) described in any of  
15 subclauses (I) through (VII) of  
16 subsection (a)(10)(A)(i); or

17 “(ii) at any point during the 3-month  
18 period ending on the first day of such  
19 month, the individual was an inmate of a  
20 public institution.

21 “(B) OPTIONAL EXCEPTION FOR SHORT-  
22 TERM HARDSHIP EVENTS.—

23 “(i) IN GENERAL.—The State plan (or  
24 waiver of such plan) may provide, in the  
25 case of an applicable individual who experi-

1 ences a short-term hardship event during a  
2 month, that the State shall, upon the re-  
3 quest of such individual under procedures  
4 established by the State (in accordance  
5 with standards specified by the Secretary),  
6 deem such individual to have demonstrated  
7 community engagement under paragraph  
8 (2) for such month.

9 “(ii) SHORT-TERM HARDSHIP EVENT  
10 DEFINED.—For purposes of this subpara-  
11 graph, an applicable individual experiences  
12 a short-term hardship event during a  
13 month if, for part or all of such month—

14 “(I) such individual receives in-  
15 patient hospital services, nursing facil-  
16 ity services, services in an inter-  
17 mediate care facility for individuals  
18 with intellectual disabilities, inpatient  
19 psychiatric hospital services, or such  
20 other services of similar acuity (in-  
21 cluding outpatient care relating to  
22 other services specified in this sub-  
23 clause) as the Secretary determines  
24 appropriate; or

1 “(II) such individual resides in a  
2 county (or equivalent unit of local  
3 government)—

4 “(aa) in which there exists  
5 an emergency or disaster de-  
6 clared by the President pursuant  
7 to the National Emergencies Act  
8 or the Robert T. Stafford Dis-  
9 aster Relief and Emergency As-  
10 sistance Act; or

11 “(bb) that, subject to a re-  
12 quest from the State to the Sec-  
13 retary, made in such form, at  
14 such time, and containing such  
15 information as the Secretary may  
16 require, has an unemployment  
17 rate that is at or above the lesser  
18 of—

19 “(AA) 8 percent; or

20 “(BB) 1.5 times the  
21 national unemployment rate.

22 “(4) OPTION TO CONDUCT MORE FREQUENT  
23 COMPLIANCE VERIFICATIONS.—With respect to an  
24 applicable individual enrolled and receiving medical  
25 assistance under a State plan (or a waiver of such

1 plan) under this title, the State shall verify (in ac-  
2 cordance with procedures specified by the Secretary)  
3 that each such individual has met the requirement  
4 to demonstrate community engagement under para-  
5 graph (1) during each such individual's regularly  
6 scheduled redetermination of eligibility, except that a  
7 State may provide for such verifications more fre-  
8 quently.

9 “(5) EX PARTE VERIFICATIONS.—For purposes  
10 of verifying that an applicable individual has met the  
11 requirement to demonstrate community engagement  
12 under paragraph (1), the State shall, in accordance  
13 with standards established by the Secretary, estab-  
14 lish processes and use reliable information available  
15 to the State (such as payroll data) without requir-  
16 ing, where possible, the applicable individual to sub-  
17 mit additional information.

18 “(6) PROCEDURE IN THE CASE OF NONCOMPLI-  
19 ANCE.—

20 “(A) IN GENERAL.—If a State is unable to  
21 verify that an applicable individual has met the  
22 requirement to demonstrate community engage-  
23 ment under paragraph (1) (including, if appli-  
24 cable, by verifying that such individual was  
25 deemed to have demonstrated community en-

1           gagement under paragraph (3)) the State shall  
2           (in accordance with standards specified by the  
3           Secretary)—

4                   “(i) provide such individual with the  
5                   notice of noncompliance described in sub-  
6                   paragraph (B);

7                   “(ii) (I) provide such individual with a  
8                   period of 30 calendar days, beginning on  
9                   the date on which such notice of non-  
10                  compliance is received by the individual,  
11                  to—

12                           “(aa) make a satisfactory show-  
13                           ing to the State of compliance with  
14                           such requirement (including, if appli-  
15                           cable, by showing that such individual  
16                           was deemed to have demonstrated  
17                           community engagement under para-  
18                           graph (3)); or

19                           “(bb) make a satisfactory show-  
20                           ing to the State that such require-  
21                           ment does not apply to such indi-  
22                           vidual on the basis that such indi-  
23                           vidual does not meet the definition of  
24                           applicable individual under paragraph  
25                           (9)(A); and

1 “(II) if such individual is enrolled  
2 under the State plan (or a waiver of such  
3 plan) under this title, continue to provide  
4 such individual with medical assistance  
5 during such 30-calendar-day period; and

6 “(iii) if no such satisfactory showing  
7 is made and the individual is not a speci-  
8 fied excluded individual described in para-  
9 graph (9)(A)(ii), deny such individual’s ap-  
10 plication for medical assistance under the  
11 State plan (or waiver of such plan) or, as  
12 applicable, disenroll such individual from  
13 the plan (or waiver of such plan) not later  
14 than the end of the month following the  
15 month in which such 30-calendar-day pe-  
16 riod ends, provided that—

17 “(I) the State first determines  
18 whether, with respect to the indi-  
19 vidual, there is any other basis for eli-  
20 gibility for medical assistance under  
21 the State plan (or waiver of such  
22 plan) or for another insurance afford-  
23 ability program; and

24 “(II) the individual is provided  
25 written notice and granted an oppor-



1                   tunity for a fair hearing in accordance  
2                   with subsection (a)(3).

3                   “(B) NOTICE.—The notice of noncompli-  
4                   ance provided to an applicable individual under  
5                   subparagraph (A)(i) shall include information  
6                   (in accordance with standards specified by the  
7                   Secretary) on—

8                   “(i) how such individual may make a  
9                   satisfactory showing of compliance with  
10                  such requirement (as described in subpara-  
11                  graph (A)(ii)) or make a satisfactory show-  
12                  ing that such requirement does not apply  
13                  to such individual on the basis that such  
14                  individual does not meet the definition of  
15                  applicable individual under paragraph  
16                  (9)(A); and

17                  “(ii) how such individual may reapply  
18                  for medical assistance under the State plan  
19                  (or a waiver of such plan) under this title  
20                  in the case that such individuals’ applica-  
21                  tion is denied or, as applicable, in the case  
22                  that such individual is disenrolled from the  
23                  plan (or waiver).

1           “(7) TREATMENT OF NONCOMPLIANT INDIVID-  
2           UALS IN RELATION TO CERTAIN OTHER PROVI-  
3           SIONS.—

4           “(A) CERTAIN FMAP INCREASES.—A State  
5           shall not be treated as not providing medical as-  
6           sistance to all individuals described in section  
7           1902(a)(10)(A)(i)(VIII), or as not expending  
8           amounts for all such individuals under the  
9           State plan (or waiver of such plan), solely be-  
10          cause such an individual is determined ineligible  
11          for medical assistance under the State plan (or  
12          waiver) on the basis of a failure to meet the re-  
13          quirement to demonstrate community engage-  
14          ment under paragraph (1).

15          “(B) OTHER PROVISIONS.—For purposes  
16          of section 36B(c)(2)(B) of the Internal Revenue  
17          Code of 1986, an individual shall be deemed to  
18          be eligible for minimum essential coverage de-  
19          scribed in section 5000A(f)(1)(A)(ii) of such  
20          Code for a month if such individual would have  
21          been eligible for medical assistance under a  
22          State plan (or a waiver of such plan) under this  
23          title but for a failure to meet the requirement  
24          to demonstrate community engagement under  
25          paragraph (1).

1 “(8) OUTREACH.—

2 “(A) IN GENERAL.—In accordance with  
3 standards specified by the Secretary, beginning  
4 not later than the date that precedes December  
5 31, 2026 (or, if the State elects under para-  
6 graph (1) to specify an earlier date, such earlier  
7 date) by the number of months specified by the  
8 State under paragraph (1)(A) plus 3 months,  
9 and periodically thereafter, the State shall no-  
10 tify applicable individuals enrolled under a  
11 State plan (or waiver) under this title of the re-  
12 quirement to demonstrate community engage-  
13 ment under this subsection. Such notice shall  
14 include information on—

15 “(i) how to comply with such require-  
16 ment, including an explanation of the ex-  
17 ceptions to such requirement under para-  
18 graph (3) and the definition of the term  
19 ‘applicable individual’ under paragraph  
20 (9)(A);

21 “(ii) the consequences of noncompli-  
22 ance with such requirement; and

23 “(iii) how to report to the State any  
24 change in the individual’s status that could  
25 result in—

1 “(I) the applicability of an excep-  
2 tion under paragraph (3) (or the end  
3 of the applicability of such an excep-  
4 tion); or

5 “(II) the individual qualifying as  
6 a specified excluded individual under  
7 paragraph (9)(A)(ii).

8 “(B) FORM OF OUTREACH NOTICE.—A no-  
9 tice required under subparagraph (A) shall be  
10 delivered—

11 “(i) by regular mail (or, if elected by  
12 the individual, in an electronic format);  
13 and

14 “(ii) in 1 or more additional forms,  
15 which may include telephone, text message,  
16 an internet website, other commonly avail-  
17 able electronic means, and such other  
18 forms as the Secretary determines appro-  
19 priate.

20 “(9) DEFINITIONS.—In this subsection:

21 “(A) APPLICABLE INDIVIDUAL.—

22 “(i) IN GENERAL.—The term ‘applica-  
23 ble individual’ means an individual (other  
24 than a specified excluded individual (as de-  
25 fined in clause (ii)))—

1 “(I) who is eligible to enroll (or  
2 is enrolled) under the State plan  
3 under subsection (a)(10)(A)(i)(VIII);  
4 or

5 “(II) who—

6 “(aa) is otherwise eligible to  
7 enroll (or is enrolled) under a  
8 waiver of such plan that provides  
9 coverage that is equivalent to  
10 minimum essential coverage (as  
11 described in section  
12 5000A(f)(1)(A) of the Internal  
13 Revenue Code of 1986 and as de-  
14 termined in accordance with  
15 standards prescribed by the Sec-  
16 retary in regulations); and

17 “(bb) has attained the age  
18 of 19 and is under 65 years of  
19 age, is not pregnant, is not enti-  
20 tled to, or enrolled for, benefits  
21 under part A of title XVIII, or  
22 enrolled for benefits under part  
23 B of title XVIII, and is not oth-  
24 erwise eligible to enroll under  
25 such plan.

1                   “(ii) SPECIFIED EXCLUDED INDI-  
2 VIDUAL.—For purposes of clause (i), the  
3 term ‘specified excluded individual’ means  
4 an individual, as determined by the State  
5 (in accordance with standards specified by  
6 the Secretary)—

7                   “(I) who is described in sub-  
8 section (a)(10)(A)(i)(IX);

9                   “(II) who—

10                   “(aa) is an Indian or an  
11 Urban Indian (as such terms are  
12 defined in paragraphs (13) and  
13 (28) of section 4 of the Indian  
14 Health Care Improvement Act);

15                   “(bb) is a California Indian  
16 described in section 809(a) of  
17 such Act; or

18                   “(cc) has otherwise been de-  
19 termined eligible as an Indian for  
20 the Indian Health Service under  
21 regulations promulgated by the  
22 Secretary;

23                   “(III) who is the parent, guard-  
24 ian, or caretaker relative of a disabled  
25 individual or a dependent child;

1 “(IV) who is a veteran with a  
2 disability rated as total under section  
3 1155 of title 38, United States Code;

4 “(V) who is medically frail or  
5 otherwise has special medical needs  
6 (as defined by the Secretary), includ-  
7 ing an individual—

8 “(aa) who is blind or dis-  
9 abled (as defined in section  
10 1614);

11 “(bb) with a substance use  
12 disorder;

13 “(cc) with a disabling men-  
14 tal disorder;

15 “(dd) with a physical, intel-  
16 lectual or developmental dis-  
17 ability that significantly impairs  
18 their ability to perform 1 or more  
19 activities of daily living; or

20 “(ee) with a serious or com-  
21 plex medical condition;

22 “(VI) who—

23 “(aa) is in compliance with  
24 any requirements imposed by the  
25 State pursuant to section 407; or

1                   “(bb) is a member of a  
2                   household that receives supple-  
3                   mental nutrition assistance pro-  
4                   gram benefits under the Food  
5                   and Nutrition Act of 2008 and is  
6                   not exempt from a work require-  
7                   ment under such Act;

8                   “(VII) who is participating in a  
9                   drug addiction or alcoholic treatment  
10                  and rehabilitation program (as defined  
11                  in section 3(h) of the Food and Nutri-  
12                  tion Act of 2008); or

13                  “(VIII) who is an inmate of a  
14                  public institution.

15                  “(B) EDUCATIONAL PROGRAM.—The term  
16                  ‘educational program’ includes—

17                         “(i) an institution of higher education  
18                         (as defined in section 101 of the Higher  
19                         Education Act of 1965); and

20                         “(ii) a program of career and tech-  
21                         nical education (as defined in section 3 of  
22                         the Carl D. Perkins Career and Technical  
23                         Education Act of 2006).

24                  “(C) STATE.—The term ‘State’ means 1 of  
25                  the 50 States or the District of Columbia.



1                   “(D) WORK PROGRAM.—The term ‘work  
2                   program’ has the meaning given such term in  
3                   section 6(o)(1) of the Food and Nutrition Act  
4                   of 2008.

5                   “(10) PROHIBITING WAIVER OF COMMUNITY  
6                   ENGAGEMENT REQUIREMENTS.—Notwithstanding  
7                   section 1115(a), the provisions of this subsection  
8                   may not be waived.”.

9                   (b) CONFORMING AMENDMENT.—Section  
10                  1902(a)(10)(A)(i)(VIII) of the Social Security Act (42  
11                  U.S.C. 1396a(a)(10)(A)(i)(VIII)) is amended by striking  
12                  “subject to subsection (k)” and inserting “subject to sub-  
13                  sections (k) and (xx)”.

14                  (c) GUIDANCE.—Not later than December 31, 2025,  
15                  the Secretary of Health and Human Services shall issue  
16                  guidance relating to the initial implementation of the  
17                  amendments made by this section.

18                  (d) DEVELOPMENT OF GOVERNMENT EFFICIENCY  
19                  GRANTS TO STATES.—

20                         (1) IN GENERAL.—The Secretary of Health and  
21                         Human Services shall, out of amounts appropriated  
22                         under paragraph (3), award to each State a grant  
23                         equal to the amount specified in paragraph (2) for  
24                         such State for purposes of establishing systems nec-

1       essary to carry out the provisions of, and amend-  
2       ments made by, this section.

3           (2) AMOUNT SPECIFIED.—For purposes of  
4       paragraph (2), the amount specified in this para-  
5       graph is an amount that bears the same ratio to the  
6       amount appropriated under paragraph (3) as the  
7       number of applicable individuals (as defined in sec-  
8       tion 1902(xx) of the Social Security Act, as added  
9       by subsection (a)) residing in such State bears to  
10      the total number of such individuals residing in all  
11      States.

12          (3) FUNDING.—There are appropriated, out of  
13      any monies in the Treasury not otherwise appro-  
14      priated, \$100,000,000 for fiscal year 2026 for pur-  
15      poses of awarding grants under paragraph (1).

16          (4) DEFINITION.—In this subsection, the term  
17      “State” means 1 of the 50 States and the District  
18      of Columbia.

19          (e) IMPLEMENTATION FUNDING.—For the purposes  
20      of carrying out the provisions of, and the amendments  
21      made by, this section, there are appropriated, out of any  
22      monies in the Treasury not otherwise appropriated, to the  
23      Secretary of Health and Human Services, \$50,000,000 for  
24      fiscal year 2026, to remain available until expended.

1 **SEC. 44142. MODIFYING COST SHARING REQUIREMENTS**  
2 **FOR CERTAIN EXPANSION INDIVIDUALS**  
3 **UNDER THE MEDICAID PROGRAM.**

4 (a) IN GENERAL.—Section 1916 of the Social Secu-  
5 rity Act (42 U.S.C. 1396o) is amended—

6 (1) in subsection (a), in the matter preceding  
7 paragraph (1), by inserting “(other than, beginning  
8 October 1, 2028, specified individuals (as defined in  
9 subsection (k)(3)))” after “individuals”; and

10 (2) by adding at the end the following new sub-  
11 section:

12 “(k) SPECIAL RULES FOR CERTAIN EXPANSION IN-  
13 DIVIDUALS.—

14 “(1) PREMIUMS.—Beginning October 1, 2028,  
15 the State plan shall provide that in the case of a  
16 specified individual (as defined in paragraph (3))  
17 who is eligible under the plan, no enrollment fee,  
18 premium, or similar charge will be imposed under  
19 the plan.

20 “(2) REQUIRED IMPOSITION OF COST SHAR-  
21 ING.—

22 “(A) IN GENERAL.—Subject to subpara-  
23 graph (B) and subsection (j), in the case of a  
24 specified individual, the State plan shall, begin-  
25 ning October 1, 2028, provide for the imposi-  
26 tion of such deductions, cost sharing, or similar

1 charges determined appropriate by the State (in  
2 an amount greater than \$0) with respect to  
3 medical assistance furnished to such an indi-  
4 vidual.

5 “(B) LIMITATIONS.—

6 “(i) EXCLUSION OF CERTAIN SERV-  
7 ICES.—In no case may a deduction, cost  
8 sharing, or similar charge be imposed  
9 under the State plan with respect to serv-  
10 ices described in any of subparagraphs (B)  
11 through (J) of subsection (a)(2), or any  
12 primary care services, mental health care  
13 services, or substance use disorder services,  
14 furnished to a specified individual.

15 “(ii) ITEM AND SERVICE LIMITA-  
16 TION.—

17 “(I) IN GENERAL.—Except as  
18 provided in subclause (II), in no case  
19 may a deduction, cost sharing, or  
20 similar charge imposed under the  
21 State plan with respect to an item or  
22 service furnished to a specified indi-  
23 vidual exceed \$35.

24 “(II) SPECIAL RULES FOR PRE-  
25 SCRIPTIION DRUGS.—In no case may a

1           deduction, cost sharing, or similar  
2           charge imposed under the State plan  
3           with respect to a prescription drug  
4           furnished to a specified individual ex-  
5           ceed the limit that would be applicable  
6           under paragraph (2)(A)(i) or (2)(B)  
7           of section 1916A(c) with respect to  
8           such drug and individual if such drug  
9           so furnished were subject to cost shar-  
10          ing under such section.

11          “(iii) MAXIMUM LIMIT ON COST SHAR-  
12          ING.—The total aggregate amount of de-  
13          ductions, cost sharing, or similar charges  
14          imposed under the State plan for all indi-  
15          viduals in the family may not exceed 5 per-  
16          cent of the family income of the family in-  
17          volved, as applied on a quarterly or month-  
18          ly basis (as specified by the State).

19          “(C) CASES OF NONPAYMENT.—Notwith-  
20          standing subsection (e), a State may permit a  
21          provider participating under the State plan to  
22          require, as a condition for the provision of care,  
23          items, or services to a specified individual enti-  
24          tled to medical assistance under this title for  
25          such care, items, or services, the payment of

1 any deductions, cost sharing, or similar charges  
2 authorized to be imposed with respect to such  
3 care, items, or services. Nothing in this sub-  
4 paragraph shall be construed as preventing a  
5 provider from reducing or waiving the applica-  
6 tion of such deductions, cost sharing, or similar  
7 charges on a case-by-case basis.

8 “(3) SPECIFIED INDIVIDUAL DEFINED.—For  
9 purposes of this subsection, the term ‘specified indi-  
10 vidual’ means an individual who has a family income  
11 (as determined in accordance with section  
12 1902(e)(14)) that exceeds the poverty line (as de-  
13 fined in section 2110(c)(5)) applicable to a family of  
14 the size involved and—

15 “(A) is enrolled under section  
16 1902(a)(10)(A)(i)(VIII); or

17 “(B) is described in such subsection and  
18 otherwise enrolled under a waiver of such plan  
19 that provides coverage that is equivalent to  
20 minimum essential coverage (as described in  
21 section 5000A(f)(1)(A) of the Internal Revenue  
22 Code of 1986 and determined in accordance  
23 with standards prescribed by the Secretary in  
24 regulations) to all individuals described in sec-  
25 tion 1902(a)(10)(A)(i)(VIII).”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) REQUIRED APPLICATION.—Section  
3 1902(a)(14) of the Social Security Act (42 U.S.C.  
4 1396a(a)(14)) is amended by inserting “and provide  
5 for imposition of such deductions, cost sharing, or  
6 similar charges for medical assistance furnished to  
7 specified individuals (as defined in paragraph (3) of  
8 section 1916(k)) in accordance with paragraph (2)  
9 of such section” after “section 1916”.

10 (2) NONAPPLICABILITY OF ALTERNATIVE COST  
11 SHARING.—Section 1916A(a)(1) of the Social Secu-  
12 rity Act (42 U.S.C. 1396o–1(a)(1)) is amended, in  
13 the second sentence, by striking “or (j)” and insert-  
14 ing “(j), or (k)”.

15 **PART 2—AFFORDABLE CARE ACT**

16 **SEC. 44201. ADDRESSING WASTE, FRAUD, AND ABUSE IN**  
17 **THE ACA EXCHANGES.**

18 (a) CHANGES TO ENROLLMENT PERIODS FOR EN-  
19 ROLLING IN EXCHANGES.—Section 1311 of the Patient  
20 Protection and Affordable Care Act (42 U.S.C. 18031) is  
21 amended—

22 (1) in subsection (c)(6)—

23 (A) by striking subparagraph (A);

24 (B) by striking “The Secretary” and in-  
25 serting the following:

1 “(A) IN GENERAL.—The Secretary”;

2 (C) by redesignating subparagraphs (B)  
3 through (D) as clauses (i) through (iii), respec-  
4 tively, and adjusting the margins accordingly;

5 (D) in clause (i), as so redesignated, by  
6 striking “periods, as determined by the Sec-  
7 retary for calendar years after the initial enroll-  
8 ment period;” and inserting the following: “pe-  
9 riods for plans offered in the individual mar-  
10 ket—

11 “(I) for enrollment for plan years  
12 beginning before January 1, 2026, as  
13 determined by the Secretary; and

14 “(II) for enrollment for plan  
15 years beginning on or after January  
16 1, 2026, beginning on November 1  
17 and ending on December 15 of the  
18 preceding calendar year;”;

19 (E) in clause (ii), as so redesignated, by  
20 inserting “subject to subparagraph (B),” before  
21 “special enrollment periods specified”; and

22 (F) by adding at the end the following new  
23 subparagraph:

24 “(B) PROHIBITED SPECIAL ENROLLMENT  
25 PERIOD.—With respect to plan years beginning



1 on or after January 1, 2026, the Secretary may  
2 not require an Exchange to provide for a spe-  
3 cial enrollment period for an individual on the  
4 basis of the relationship of the income of such  
5 individual to the poverty line, other than a spe-  
6 cial enrollment period based on a change in cir-  
7 cumstances or the occurrence of a specific  
8 event.”; and

9 (2) in subsection (d), by adding at the end the  
10 following new paragraphs:

11 “(8) PROHIBITED ENROLLMENT PERIODS.—An  
12 Exchange may not provide for, with respect to en-  
13 rollment for plan years beginning on or after Janu-  
14 ary 1, 2026—

15 “(A) an annual open enrollment period  
16 other than the period described in subpara-  
17 graph (A)(i) of subsection (c)(6); or

18 “(B) a special enrollment period described  
19 in subparagraph (B) of such subsection.

20 “(9) VERIFICATION OF ELIGIBILITY FOR SPE-  
21 CIAL ENROLLMENT PERIODS.—

22 “(A) IN GENERAL.—With respect to enroll-  
23 ment for plan years beginning on or after Janu-  
24 ary 1, 2026, an Exchange shall verify that each  
25 individual seeking to enroll in a qualified health

1 plan offered by the Exchange during a special  
2 enrollment period selected under subparagraph  
3 (B) is eligible to enroll during such special en-  
4rollment period prior to enrolling such indi-  
5vidual in such plan.

6 “(B) SELECTED SPECIAL ENROLLMENT  
7 PERIODS.—For purposes of subparagraph (A),  
8 an Exchange shall select one or more special  
9 enrollment periods for a plan year with respect  
10 to which such Exchange shall conduct the  
11 verification required under subparagraph (A)  
12 such that the Exchange conducts such  
13 verification for not less than 75 percent of all  
14 individuals enrolling in a qualified health plan  
15 offered by the Exchange during any special en-  
16rollment period with respect to such plan  
17 year.”.

18 (b) VERIFYING INCOME FOR INDIVIDUALS ENROLL-  
19ING IN A QUALIFIED HEALTH PLAN THROUGH AN EX-  
20CHANGE.—

21 (1) IN GENERAL.—Section 1411(e)(4) of the  
22 Patient Protection and Affordable Care Act (42  
23 U.S.C. 18081(e)(4)) is amended—

24 (A) by redesignating subparagraph (C) as  
25 subparagraph (E); and

(B) by inserting after subparagraph (B) the following new subparagraphs:

“(C) REQUIRING VERIFICATION OF INCOME AND FAMILY SIZE WHEN TAX DATA IS UNAVAILABLE.—For plan years beginning on or after January 1, 2026, for purposes of subparagraph (A), in the case that the Exchange requests data from the Secretary of the Treasury regarding an individual’s household income and the Secretary of the Treasury does not return such data, such information may not be verified solely on the basis of the attestation of such individual with respect to such household income, and the Exchange shall take the actions described in subparagraph (A).

“(D) REQUIRING VERIFICATION OF INCOME IN THE CASE OF CERTAIN INCOME DISCREPANCIES.—

“(i) IN GENERAL.—Subject to clause (iii), for plan years beginning on or after January 1, 2026, for purposes of subparagraph (A), in the case that a specified income discrepancy described in clause (ii) of this subparagraph exists with respect to the information provided by an applicant

1 under subsection (b)(3), the household in-  
2 come of such individual shall be treated as  
3 inconsistent with information in the  
4 records maintained by persons under sub-  
5 section (c), or as not verified under sub-  
6 section (d), and the Exchange shall take  
7 the actions described in such subparagraph  
8 (A).

9 “(ii) SPECIFIED INCOME DISCREP-  
10 ANCY.—For purposes of clause (i), a speci-  
11 fied income discrepancy exists with respect  
12 to the information provided by an appli-  
13 cant under subsection (b)(3) if—

14 “(I) the applicant attests to a  
15 projected annual household income  
16 that would qualify such applicant to  
17 be an applicable taxpayer under sec-  
18 tion 36B(c)(1)(A) of the Internal Rev-  
19 enue Code of 1986 with respect to the  
20 taxable year involved;

21 “(II) the Exchange receives data  
22 from the Secretary of the Treasury or  
23 other reliable, third party data, that  
24 indicates that the household income of  
25 such applicant is less than the house-

1 hold income that would qualify such  
2 applicant to be an applicable taxpayer  
3 under such section 36B(c)(1)(A) with  
4 respect to the taxable year involved;

5 “(III) such attested projected an-  
6 nual household income exceeds the in-  
7 come reflected in the data described in  
8 subclause (II) by a reasonable thresh-  
9 old established by the Exchange and  
10 approved by the Secretary (which  
11 shall be not less than 10 percent, and  
12 may also be a dollar amount); and

13 “(IV) the Exchange has not as-  
14 sessed or determined based on the  
15 data described in subclause (II) that  
16 the household income of the applicant  
17 meets the applicable income-based eli-  
18 gibility standard for the Medicaid pro-  
19 gram under title XIX of the Social  
20 Security Act or the State children’s  
21 health insurance program under title  
22 XXI of such Act.

23 “(iii) EXCLUSION OF CERTAIN 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 protheses.
- 23 “(C) Any placement of fat or artificial im-  
24 plants in the gluteal region.



1           “(D) Administering, prescribing, or dis-  
2           pensing to an individual medications, includ-  
3           ing—

4                   “(i) gonadotropin-releasing hormone  
5                   (GnRH) analogues or other puberty-block-  
6                   ing drugs to stop or delay normal puberty;  
7                   and

8                   “(ii) testosterone, estrogen, or other  
9                   androgens to an individual at doses that  
10                  are supraphysiologic than would normally  
11                  be produced endogenously in a healthy in-  
12                  dividual of the same age and sex.

13           “(2) EXCEPTION.—Paragraph (1) shall not  
14           apply to the following:

15                   “(A) Puberty suppression or blocking pre-  
16                   scription drugs for the purpose of normalizing  
17                   puberty for an individual experiencing pre-  
18                   cocious puberty.

19                   “(B) Medically necessary procedures or  
20                   treatments to correct for—

21                           “(i) a medically verifiable disorder of  
22                           sex development, including—

23                                   “(I) 46,XX chromosomes with  
24                                   virilization;

1                   “(II) 46,XY chromosomes with  
2                   undervirilization; and

3                   “(III) both ovarian and testicular  
4                   tissue;

5                   “(ii) sex chromosome structure, sex  
6                   steroid hormone production, or sex hor-  
7                   mone action, if determined to be abnormal  
8                   by a physician through genetic or bio-  
9                   chemical testing;

10                  “(iii) infection, disease, injury, or dis-  
11                  order caused or exacerbated by a previous  
12                  procedure described in paragraph (1), or a  
13                  physical disorder, physical injury, or phys-  
14                  ical illness that would, as certified by a  
15                  physician, place the individual in imminent  
16                  danger of death or impairment of a major  
17                  bodily function unless the procedure is per-  
18                  formed, not including procedures per-  
19                  formed for the alleviation of mental dis-  
20                  tress; or

21                  “(iv) procedures to restore or recon-  
22                  struct the body of the individual in order  
23                  to correspond to the individual’s sex after  
24                  one or more previous procedures described  
25                  in paragraph (1), which may include the

1 removal of a pseudo phallus or breast aug-  
2 mentation.

3 “(3) SEX.—For purposes of this subsection, the  
4 term ‘sex’ means either male or female, as bio-  
5 logically determined and defined by subparagraph  
6 (A) and subparagraph (B).

7 “(A) FEMALE.—The term ‘female’ means  
8 an individual who naturally has, had, will have,  
9 or would have, but for a developmental or ge-  
10 netic anomaly or historical accident, the repro-  
11 ductive system that at some point produces,  
12 transports, and utilizes eggs for fertilization.

13 “(B) MALE.—The term ‘male’ means an  
14 individual who naturally has, had, will have, or  
15 would have, but for a developmental or genetic  
16 anomaly or historical accident, the reproductive  
17 system that at some point produces, transports,  
18 and utilizes sperm for fertilization.”.

19 (i) CLARIFYING LAWFUL PRESENCE FOR PURPOSES  
20 OF THE EXCHANGES.—

21 (1) IN GENERAL.—Section 1312(f) of the Pa-  
22 tient Protection and Affordable Care Act (42 U.S.C.  
23 18032(f)) is amended by adding at the end the fol-  
24 lowing new paragraph:

1           “(4) CLARIFICATION OF LAWFUL PRESENCE.—

2           In this title, the term ‘alien lawfully present in the  
3           United States’ does not include an alien granted de-  
4           ferred action under the Deferred Action for Child-  
5           hood Arrivals process pursuant to the memorandum  
6           of the Department of Homeland Security entitled  
7           ‘Exercising Prosecutorial Discretion with Respect to  
8           Individuals Who Came to the United States as Chil-  
9           dren’ issued on June 15, 2012.”.

10           (2) COST-SHARING REDUCTIONS.—Section  
11           1402(e)(2) of the Patient Protection and Affordable  
12           Care Act (42 U.S.C. 18071(e)(2)) is amended by  
13           adding at the end the following new sentence: “For  
14           purposes of this section, an individual shall not be  
15           treated as lawfully present if the individual is an  
16           alien granted deferred action under the Deferred Ac-  
17           tion for Childhood Arrivals process pursuant to the  
18           memorandum of the Department of Homeland Secu-  
19           rity entitled ‘Exercising Prosecutorial Discretion  
20           with Respect to Individuals Who Came to the United  
21           States as Children’ issued on June 15, 2012.”.

22           (3) PAYMENT PROHIBITION.—Section 1412(d)  
23           of the Patient Protection and Affordable Care Act  
24           (42 U.S.C. 18082(d)) is amended by adding at the  
25           end the following new sentence: “For purposes of

1 the previous sentence, an individual shall not be  
2 treated as lawfully present if the individual is an  
3 alien granted deferred action under the Deferred Ac-  
4 tion for Childhood Arrivals process pursuant to the  
5 memorandum of the Department of Homeland Secu-  
6 rity entitled ‘Exercising Prosecutorial Discretion  
7 with Respect to Individuals Who Came to the United  
8 States as Children’ issued on June 15, 2012.”.

9 (4) EFFECTIVE DATE.—The amendments made  
10 by this section shall apply with respect to plan years  
11 beginning on or after January 1, 2026.

12 (j) ENSURING APPROPRIATE APPLICATION OF GUAR-  
13 ANTEED ISSUE REQUIREMENTS IN CASE OF NON-  
14 PAYMENT OF PAST PREMIUMS.—

15 (1) IN GENERAL.—Section 2702 of the Public  
16 Health Service Act (42 U.S.C. 300gg–1) is amended  
17 by adding at the end the following new subsection:  
18 “(e) NONPAYMENT OF PAST PREMIUMS.—

19 “(1) IN GENERAL.—A health insurance issuer  
20 offering individual health insurance coverage may, to  
21 the extent allowed under State law, deny such cov-  
22 erage in the case of an individual who owes any  
23 amount for premiums for individual health insurance  
24 coverage offered by such issuer (or by a health in-  
25 surance issuer in the same controlled group (as de-

1        fined in paragraph (3)) as such issuer) in which  
2        such individual was previously enrolled.

3            “(2) 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 **SEC. 44202. FUNDING COST SHARING REDUCTION PAY-**  
2 **MENTS.**

3 Section 1402 of the Patient Protection and Afford-  
4 able Care Act (42 U.S.C. 18071) is amended by adding  
5 at the end the following new subsection:

6 “(h) FUNDING.—

7 “(1) IN GENERAL.—There are appropriated out  
8 of any monies in the Treasury not otherwise appro-  
9 priated such sums as may be necessary for purposes  
10 of making payments under this section for plan  
11 years beginning on or after January 1, 2026.

12 “(2) LIMITATION.—

13 “(A) IN GENERAL.—The amounts appro-  
14 priated under paragraph (1) may not be used  
15 for purposes of making payments under this  
16 section for a qualified health plan that provides  
17 health benefit coverage that includes coverage  
18 of abortion.

19 “(B) EXCEPTION.—Subparagraph (A)  
20 shall not apply to payments for a qualified  
21 health plan that provides coverage of abortion  
22 only if necessary to save the life of the mother  
23 or if the pregnancy is a result of an act of rape  
24 or incest.”.

1     **PART 3—IMPROVING AMERICANS’ ACCESS TO**  
2                                     **CARE**

3     **SEC. 44301. EXPANDING AND CLARIFYING THE EXCLUSION**  
4                                     **FOR ORPHAN DRUGS UNDER THE DRUG**  
5                                     **PRICE NEGOTIATION PROGRAM.**

6             (a) IN GENERAL.—Section 1192(e) of the Social Se-  
7     curity Act (42 U.S.C. 1320f–1(e)) is amended—

8                 (1) in paragraph (1), in the matter preceding  
9             subparagraph (A), by striking “and (3)” and insert-  
10            ing “through (4)”;

11                (2) in paragraph (3)(A)—

12                         (A) by striking “only one rare disease or  
13             condition” and inserting “one or more rare dis-  
14             eases or conditions”; and

15                        (B) by striking “such disease or condition”  
16             and inserting “one or more rare diseases or  
17             conditions (as such term is defined in section  
18             526(a)(2) of the Federal Food, Drug, and Cos-  
19             metic Act)”; and

20                (3) by adding at the end the following new  
21     paragraph:

22                        “(4) TREATMENT OF FORMER ORPHAN  
23     DRUGS.—In the case of a drug or biological product  
24     that, as of the date of the approval or licensure of  
25     such drug or biological product, is a drug or biologi-  
26     cal product described in paragraph (3)(A), para-



graph (1)(A)(ii) or (1)(B)(ii) (as applicable) shall apply as if the reference to ‘the date of such approval’ or ‘the date of such licensure’, respectively, were instead a reference to ‘the first day after the date of such approval for which such drug is not a drug described in paragraph (3)(A)’ or ‘the first day after the date of such licensure for which such biological product is not a biological product described in paragraph (3)(A)’, respectively.”.

(b) APPLICATION.—The amendments made by subsection (a) shall apply with respect to initial price applicability years (as defined in section 1191(b) of the Social Security Act (42 U.S.C. 1320f(b))) beginning on or after January 1, 2028.

**SEC. 44302. STREAMLINED ENROLLMENT PROCESS FOR ELIGIBLE OUT-OF-STATE PROVIDERS UNDER MEDICAID AND CHIP.**

(a) IN GENERAL.—Section 1902(kk) of the Social Security Act (42 U.S.C. 1396a(kk)) is amended by adding at the end the following new paragraph:

“(10) STREAMLINED ENROLLMENT PROCESS FOR ELIGIBLE OUT-OF-STATE PROVIDERS.—

“(A) IN GENERAL.—The State—

“(i) adopts and implements a process to allow an eligible out-of-State provider to

1 enroll under the State plan (or a waiver of  
2 such plan) to furnish items and services to,  
3 or order, prescribe, refer, or certify eligi-  
4 bility for items and services for, qualifying  
5 individuals without the imposition of  
6 screening or enrollment requirements by  
7 such State that exceed the minimum nec-  
8 essary for such State to provide payment  
9 to an eligible out-of-State provider under  
10 such State plan (or a waiver of such plan),  
11 such as the provider’s name and National  
12 Provider Identifier (and such other infor-  
13 mation specified by the Secretary); and

14 “(ii) provides that an eligible out-of-  
15 State provider that enrolls as a partici-  
16 pating provider in the State plan (or a  
17 waiver of such plan) through such process  
18 shall be so enrolled for a 5-year period, un-  
19 less the provider is terminated or excluded  
20 from participation during such period.

21 “(B) DEFINITIONS.—In this paragraph:

22 “(i) ELIGIBLE OUT-OF-STATE PRO-  
23 VIDER.—The term ‘eligible out-of-State  
24 provider’ means, with respect to a State, a  
25 provider—

1 “(I) that is located in any other  
2 State;

3 “(II) that—

4 “(aa) was determined by the  
5 Secretary to have a limited risk  
6 of fraud, waste, and abuse for  
7 purposes of determining the level  
8 of screening to be conducted  
9 under section 1866(j)(2), has  
10 been so screened under such sec-  
11 tion 1866(j)(2), and is enrolled in  
12 the Medicare program under title  
13 XVIII; or

14 “(bb) was determined by the  
15 State agency administering or su-  
16 pervising the administration of  
17 the State plan (or a waiver of  
18 such plan) of such other State to  
19 have a limited risk of fraud,  
20 waste, and abuse for purposes of  
21 determining the level of screening  
22 to be conducted under paragraph  
23 (1) of this subsection, has been  
24 so screened under such para-  
25 graph (1), and is enrolled under

1 such State plan (or a waiver of  
2 such plan); and

3 “(III) that has not been—

4 “(aa) excluded from partici-  
5 pation in any Federal health care  
6 program pursuant to section  
7 1128 or 1128A;

8 “(bb) excluded from partici-  
9 pation in the State plan (or a  
10 waiver of such plan) pursuant to  
11 part 1002 of title 42, Code of  
12 Federal Regulations (or any suc-  
13 cessor regulation), or State law;  
14 or

15 “(cc) terminated from par-  
16 ticipating in a Federal health  
17 care program or the State plan  
18 (or a waiver of such plan) for a  
19 reason described in paragraph  
20 (8)(A).

21 “(ii) QUALIFYING INDIVIDUAL.—The  
22 term ‘qualifying individual’ means an indi-  
23 vidual under 21 years of age who is en-  
24 rolled under the State plan (or waiver of  
25 such plan).

1                   “(iii) STATE.—The term ‘State’  
2                   means 1 of the 50 States or the District  
3                   of Columbia.”.

4           (b) CONFORMING AMENDMENTS.—

5               (1) Section 1902(a)(77) of the Social Security  
6               Act (42 U.S.C. 1396a(a)(77)) is amended by insert-  
7               ing “enrollment,” after “screening,”.

8               (2) The subsection heading for section  
9               1902(kk) of such Act (42 U.S.C. 1396a(kk)) is  
10              amended by inserting “ENROLLMENT,” after  
11              “SCREENING,”.

12              (3) Section 2107(e)(1)(G) of such Act (42  
13              U.S.C. 1397gg(e)(1)(G)) is amended by inserting  
14              “enrollment,” after “screening,”.

15           (c) EFFECTIVE DATE.—The amendments made by  
16           this section shall apply beginning on the date that is 4  
17           years after the date of enactment of this Act.

18   **SEC. 44303. DELAYING DSH REDUCTIONS.**

19           (a) IN GENERAL.—Section 1923(f) of the Social Se-  
20           curity Act (42 U.S.C. 1396r-4(f)) is amended—

21               (1) in paragraph (7)(A)—

22                   (A) in clause (i)—

23                       (i) in the matter preceding subclause  
24                       (I), by striking “2026 through 2028” and  
25                       inserting “2029 through 2031”; and

1 (ii) in subclause (II), by striking “or  
2 period”; and

3 (B) in clause (ii), by striking “2026  
4 through 2028” and inserting “2029 through  
5 2031”; and

6 (2) in paragraph (8), by striking “2027” and  
7 inserting “2031”.

8 (b) TENNESSEE DSH ALLOTMENT.—Section  
9 1923(f)(6)(A)(vi) of the Social Security Act (42 U.S.C.  
10 1396r–4(f)(6)(A)(vi)) is amended—

11 (1) in the header, by striking “2025” and insert-  
12 ing “2028”; and

13 (2) by striking “fiscal year 2025” and inserting  
14 “fiscal year 2028”.

15 **SEC. 44304. MODIFYING UPDATE TO THE CONVERSION FAC-**  
16 **TOR UNDER THE PHYSICIAN FEE SCHEDULE**  
17 **UNDER THE MEDICARE PROGRAM.**

18 Section 1848(d) of the Social Security Act (42 U.S.C.  
19 1395w–4(d)) is amended—

20 (1) in paragraph (1)—

21 (A) in subparagraph (A)—

22 (i) in the first sentence, by striking  
23 “and ending with 2025”; and

24 (ii) by striking the second sentence;  
25 and

1 (B) in subparagraph (D), by striking “(or,  
 2 beginning with 2026, applicable conversion fac-  
 3 tor)”; and

4 (2) by amending paragraph (20) to read as fol-  
 5 lows:

6 “(20) UPDATE FOR 2026 AND SUBSEQUENT  
 7 YEARS.—The update to the single conversion factor  
 8 established in paragraph (1)(A)—

9 “(A) for 2026 is 75 percent of the Sec-  
 10 retary’s estimate of the percentage increase in  
 11 the MEI (as defined in section 1842(i)(3)) for  
 12 the year; and

13 “(B) for 2027 and each subsequent year is  
 14 10 percent of the Secretary’s estimate of the  
 15 percentage increase in the MEI for the year.”.

16 **SEC. 44305. MODERNIZING AND ENSURING PBM ACCOUNT-**  
 17 **ABILITY.**

18 (a) IN GENERAL.—

19 (1) PRESCRIPTION DRUG PLANS.—Section  
 20 1860D–12 of the Social Security Act (42 U.S.C.  
 21 1395w–112) is amended by adding at the end the  
 22 following new subsection:

23 “(h) REQUIREMENTS RELATING TO PHARMACY BEN-  
 24 EFIT MANAGERS.—For plan years beginning on or after  
 25 January 1, 2028:

1           “(1) AGREEMENTS WITH PHARMACY BENEFIT  
2           MANAGERS.—Each contract entered into with a  
3           PDP sponsor under this part with respect to a pre-  
4           scription drug plan offered by such sponsor shall  
5           provide that any pharmacy benefit manager acting  
6           on behalf of such sponsor has a written agreement  
7           with the PDP sponsor under which the pharmacy  
8           benefit manager, and any affiliates of such phar-  
9           macy benefit manager, as applicable, agree to meet  
10          the following requirements:

11                   “(A) NO INCOME OTHER THAN BONA FIDE  
12                   SERVICE FEES.—

13                           “(i) IN GENERAL.—The pharmacy  
14                           benefit manager and any affiliate of such  
15                           pharmacy benefit manager shall not derive  
16                           any remuneration with respect to any serv-  
17                           ices provided on behalf of any entity or in-  
18                           dividual, in connection with the utilization  
19                           of covered part D drugs, from any such en-  
20                           tity or individual other than bona fide serv-  
21                           ice fees, subject to clauses (ii) and (iii).

22                           “(ii) INCENTIVE PAYMENTS.—For the  
23                           purposes of this subsection, an incentive  
24                           payment (as determined by the Secretary)  
25                           paid by a PDP sponsor to a pharmacy



benefit manager (or an affiliate of such pharmacy benefit manager) that is performing services on behalf of such sponsor shall be deemed a ‘bona fide service fee’ (even if such payment does not otherwise meet the definition of such term under paragraph (7)(B)) if such payment is a flat dollar amount, is consistent with fair market value (as specified by the Secretary), is related to services actually performed by the pharmacy benefit manager or affiliate of such pharmacy benefit manager, on behalf of the PDP sponsor making such payment, in connection with the utilization of covered part D drugs, and meets additional requirements, if any, as determined appropriate by the Secretary.

“(iii) CLARIFICATION ON REBATES AND DISCOUNTS USED TO LOWER COSTS FOR COVERED PART D DRUGS.—Rebates, discounts, and other price concessions received by a pharmacy benefit manager or an affiliate of a pharmacy benefit manager from manufacturers, even if such price concessions are calculated as a percentage

1 of a drug's price, shall not be considered a  
2 violation of the requirements of clause (i)  
3 if they are fully passed through to a PDP  
4 sponsor and are compliant with all regu-  
5 latory and subregulatory requirements re-  
6 lated to direct and indirect remuneration  
7 for manufacturer rebates under this part,  
8 including in cases where a PDP sponsor is  
9 acting as a pharmacy benefit manager on  
10 behalf of a prescription drug plan offered  
11 by such PDP sponsor.

12 “(iv) EVALUATION OF REMUNERATION  
13 ARRANGEMENTS.—Components of subsets  
14 of remuneration arrangements (such as  
15 fees or other forms of compensation paid  
16 to or retained by the pharmacy benefit  
17 manager or affiliate of such pharmacy ben-  
18 efit manager), as determined appropriate  
19 by the Secretary, between pharmacy ben-  
20 efit managers or affiliates of such phar-  
21 macy benefit managers, as applicable, and  
22 other entities involved in the dispensing or  
23 utilization of covered part D drugs (includ-  
24 ing PDP sponsors, manufacturers, and  
25 pharmacies) shall be subject to review by

1 the Secretary, in consultation with the Of-  
2 fice of the Inspector General of the De-  
3 partment of Health and Human Services,  
4 as determined appropriate by the Sec-  
5 retary. The Secretary, in consultation with  
6 the Office of the Inspector General, shall  
7 review whether remuneration under such  
8 arrangements is consistent with fair mar-  
9 ket value (as specified by the Secretary)  
10 through reviews and assessments of such  
11 remuneration, as determined appropriate.

12 “(v) DISGORGEMENT.—The pharmacy  
13 benefit manager shall disgorge any remu-  
14 nation paid to such pharmacy benefit  
15 manager or an affiliate of such pharmacy  
16 benefit manager in violation of this sub-  
17 paragraph to the PDP sponsor.

18 “(vi) ADDITIONAL REQUIREMENTS.—  
19 The pharmacy benefit manager shall—

20 “(I) enter into a written agree-  
21 ment with any affiliate of such phar-  
22 macy benefit manager, under which  
23 the affiliate shall identify and disgorge  
24 any remuneration described in clause

1 (v) to the pharmacy benefit manager;  
2 and

3 “(II) attest, subject to any re-  
4 quirements determined appropriate by  
5 the Secretary, that the pharmacy ben-  
6 efit manager has entered into a writ-  
7 ten agreement described in subclause  
8 (I) with any relevant affiliate of the  
9 pharmacy benefit manager.

10 “(B) TRANSPARENCY REGARDING GUARAN-  
11 TEES AND COST PERFORMANCE EVALUA-  
12 TIONS.—The pharmacy benefit manager shall—

13 “(i) define, interpret, and apply, in a  
14 fully transparent and consistent manner  
15 for purposes of calculating or otherwise  
16 evaluating pharmacy benefit manager per-  
17 formance against pricing guarantees or  
18 similar cost performance measurements re-  
19 lated to rebates, discounts, price conces-  
20 sions, or net costs, terms such as—

21 “(I) ‘generic drug’, in a manner  
22 consistent with the definition of the  
23 term under section 423.4 of title 42,  
24 Code of Federal Regulations, or a suc-  
25 cessor regulation;

1 “(II) ‘brand name drug’, in a  
2 manner consistent with the definition  
3 of the term under section 423.4 of  
4 title 42, Code of Federal Regulations,  
5 or a successor regulation;

6 “(III) ‘specialty drug’;

7 “(IV) ‘rebate’; and

8 “(V) ‘discount’;

9 “(ii) identify any drugs, claims, or  
10 price concessions excluded from any pric-  
11 ing guarantee or other cost performance  
12 measure in a clear and consistent manner;  
13 and

14 “(iii) where a pricing guarantee or  
15 other cost performance measure is based  
16 on a pricing benchmark other than the  
17 wholesale acquisition cost (as defined in  
18 section 1847A(c)(6)(B)) of a drug, cal-  
19 culate and provide a wholesale acquisition  
20 cost-based equivalent to the pricing guar-  
21 antee or other cost performance measure.

22 “(C) PROVISION OF INFORMATION.—

23 “(i) IN GENERAL.—Not later than  
24 July 1 of each year, beginning in 2028, the  
25 pharmacy benefit manager shall submit to

1 the PDP sponsor, and to the Secretary, a  
2 report, in accordance with this subpara-  
3 graph, and shall make such report avail-  
4 able to such sponsor at no cost to such  
5 sponsor in a format specified by the Sec-  
6 retary under paragraph (5). Each such re-  
7 port shall include, with respect to such  
8 PDP sponsor and each plan offered by  
9 such sponsor, the following information  
10 with respect to the previous plan year:

11 “(I) A list of all drugs covered by  
12 the plan that were dispensed includ-  
13 ing, with respect to each such drug—

14 “(aa) the brand name, ge-  
15 neric or non-proprietary name,  
16 and National Drug Code;

17 “(bb) the number of plan  
18 enrollees for whom the drug was  
19 dispensed, the total number of  
20 prescription claims for the drug  
21 (including original prescriptions  
22 and refills, counted as separate  
23 claims), and the total number of  
24 dosage units of the drug dis-  
25 pensed;

1           “(cc) the number of pre-  
2           scription claims described in item  
3           (bb) by each type of dispensing  
4           channel through which the drug  
5           was dispensed, including retail,  
6           mail order, specialty pharmacy,  
7           long term care pharmacy, home  
8           infusion pharmacy, or other types  
9           of pharmacies or providers;

10           “(dd) the average wholesale  
11           acquisition cost, listed as cost per  
12           day’s supply, cost per dosage  
13           unit, and cost per typical course  
14           of treatment (as applicable);

15           “(ee) the average wholesale  
16           price for the drug, listed as price  
17           per day’s supply, price per dos-  
18           age unit, and price per typical  
19           course of treatment (as applica-  
20           ble);

21           “(ff) the total out-of-pocket  
22           spending by plan enrollees on  
23           such drug after application of  
24           any benefits under the plan, in-  
25           cluding plan enrollee spending

1 through copayments, coinsurance,  
2 and deductibles;

3 “(gg) total rebates paid by  
4 the manufacturer on the drug as  
5 reported under the Detailed DIR  
6 Report (or any successor report)  
7 submitted by such sponsor to the  
8 Centers for Medicare & Medicaid  
9 Services;

10 “(hh) all other direct or in-  
11 direct remuneration on the drug  
12 as reported under the Detailed  
13 DIR Report (or any successor re-  
14 port) submitted by such sponsor  
15 to the Centers for Medicare &  
16 Medicaid Services;

17 “(ii) the average pharmacy  
18 reimbursement amount paid by  
19 the plan for the drug in the ag-  
20 gregate and disaggregated by dis-  
21 pensing channel identified in item  
22 (cc);

23 “(jj) the average National  
24 Average Drug Acquisition Cost  
25 (NADAC); and



1                   “(kk) total manufacturer-de-  
2                   rived revenue, inclusive of bona  
3                   fide service fees, attributable to  
4                   the drug and retained by the  
5                   pharmacy benefit manager and  
6                   any affiliate of such pharmacy  
7                   benefit manager.

8                   “(II) In the case of a pharmacy  
9                   benefit manager that has an affiliate  
10                  that is a retail, mail order, or spe-  
11                  cialty pharmacy, with respect to drugs  
12                  covered by such plan that were dis-  
13                  pensed, the following information:

14                  “(aa) The percentage of  
15                  total prescriptions that were dis-  
16                  pensed by pharmacies that are an  
17                  affiliate of the pharmacy benefit  
18                  manager for each drug.

19                  “(bb) The interquartile  
20                  range of the total combined costs  
21                  paid by the plan and plan enroll-  
22                  ees, per dosage unit, per course  
23                  of treatment, per 30-day supply,  
24                  and per 90-day supply for each  
25                  drug dispensed by pharmacies

1 that are not an affiliate of the  
2 pharmacy benefit manager and  
3 that are included in the phar-  
4 macy network of such plan.

5 “(cc) The interquartile  
6 range of the total combined costs  
7 paid by the plan and plan enroll-  
8 ees, per dosage unit, per course  
9 of treatment, per 30-day supply,  
10 and per 90-day supply for each  
11 drug dispensed by pharmacies  
12 that are an affiliate of the phar-  
13 macy benefit manager and that  
14 are included in the pharmacy  
15 network of such plan.

16 “(dd) The lowest total com-  
17 bined cost paid by the plan and  
18 plan enrollees, per dosage unit,  
19 per course of treatment, per 30-  
20 day supply, and per 90-day sup-  
21 ply, for each drug that is avail-  
22 able from any pharmacy included  
23 in the pharmacy network of such  
24 plan.

1           “(ee) The difference between  
2           the average acquisition cost of  
3           the affiliate, such as a pharmacy  
4           or other entity that acquires pre-  
5           scription drugs, that initially ac-  
6           quires the drug and the amount  
7           reported under subclause (I)(jj)  
8           for each drug.

9           “(ff) A list inclusive of the  
10          brand name, generic or non-pro-  
11          prietary name, and National  
12          Drug Code of covered part D  
13          drugs subject to an agreement  
14          with a covered entity under sec-  
15          tion 340B of the Public Health  
16          Service Act for which the phar-  
17          macy benefit manager or an affil-  
18          iate of the pharmacy benefit  
19          manager had a contract or other  
20          arrangement with such a covered  
21          entity in the service area of such  
22          plan.

23          “(III) Where a drug approved  
24          under section 505(c) of the Federal  
25          Food, Drug, and Cosmetic Act (re-

1           ferred to in this subclause as the ‘list-  
2           ed drug’) is covered by the plan, the  
3           following information:

4                   “(aa) A list of currently  
5                   marketed generic drugs approved  
6                   under section 505(j) of the Fed-  
7                   eral Food, Drug, and Cosmetic  
8                   Act pursuant to an application  
9                   that references such listed drug  
10                  that are not covered by the plan,  
11                  are covered on the same for-  
12                  mulary tier or a formulary tier  
13                  typically associated with higher  
14                  cost-sharing than the listed drug,  
15                  or are subject to utilization man-  
16                  agement that the listed drug is  
17                  not subject to.

18                  “(bb) The estimated average  
19                  beneficiary cost-sharing under  
20                  the plan for a 30-day supply of  
21                  the listed drug.

22                  “(cc) Where a generic drug  
23                  listed under item (aa) is on a for-  
24                  mulary tier typically associated  
25                  with higher cost-sharing than the

1 listed drug, the estimated aver-  
2 age cost-sharing that a bene-  
3 ficiary would have paid for a 30-  
4 day supply of each of the generic  
5 drugs described in item (aa), had  
6 the plan provided coverage for  
7 such drugs on the same for-  
8 mulary tier as the listed drug.

9 “(dd) A written justification  
10 for providing more favorable cov-  
11 erage of the listed drug than the  
12 generic drugs described in item  
13 (aa).

14 “(ee) The number of cur-  
15 rently marketed generic drugs  
16 approved under section 505(j) of  
17 the Federal Food, Drug, and  
18 Cosmetic Act pursuant to an ap-  
19 plication that references such  
20 listed drug.

21 “(IV) Where a reference product  
22 (as defined in section 351(i) of the  
23 Public Health Service Act) is covered  
24 by the plan, the following information:

1           “(aa) A list of currently  
2 marketed biosimilar biological  
3 products licensed under section  
4 351(k) of the Public Health  
5 Service Act pursuant to an appli-  
6 cation that refers to such ref-  
7 erence product that are not cov-  
8 ered by the plan, are covered on  
9 the same formulary tier or a for-  
10 mulary tier typically associated  
11 with higher cost-sharing than the  
12 reference product, or are subject  
13 to utilization management that  
14 the reference product is not sub-  
15 ject to.

16           “(bb) The estimated average  
17 beneficiary cost-sharing under  
18 the plan for a 30-day supply of  
19 the reference product.

20           “(cc) Where a biosimilar bi-  
21 ological product listed under item  
22 (aa) is on a formulary tier typi-  
23 cally associated with higher cost-  
24 sharing than the reference prod-  
25 uct, the estimated average cost-

1 sharing that a beneficiary would  
2 have paid for a 30-day supply of  
3 each of the biosimilar biological  
4 products described in item (aa),  
5 had the plan provided coverage  
6 for such products on the same  
7 formulary tier as the reference  
8 product.

9 “(dd) A written justification  
10 for providing more favorable cov-  
11 erage of the reference product  
12 than the biosimilar biological  
13 product described in item (aa).

14 “(ee) The number of cur-  
15 rently marketed biosimilar bio-  
16 logical products licensed under  
17 section 351(k) of the Public  
18 Health Service Act, pursuant to  
19 an application that refers to such  
20 reference product.

21 “(V) Total gross spending on  
22 covered part D drugs by the plan, not  
23 net of rebates, fees, discounts, or  
24 other direct or indirect remuneration.

1                   “(VI) The total amount retained  
2                   by the pharmacy benefit manager or  
3                   an affiliate of such pharmacy benefit  
4                   manager in revenue related to utiliza-  
5                   tion of covered part D drugs under  
6                   that plan, inclusive of bona fide serv-  
7                   ice fees.

8                   “(VII) The total spending on cov-  
9                   ered part D drugs net of rebates, fees,  
10                  discounts, or other direct and indirect  
11                  remuneration by the plan.

12                  “(VIII) An explanation of any  
13                  benefit design parameters under such  
14                  plan that encourage plan enrollees to  
15                  fill prescriptions at pharmacies that  
16                  are an affiliate of such pharmacy ben-  
17                  efit manager, such as mail and spe-  
18                  cialty home delivery programs, and re-  
19                  tail and mail auto-refill programs.

20                  “(IX) The following information:

21                         “(aa) A list of all brokers,  
22                         consultants, advisors, and audi-  
23                         tors that receive compensation  
24                         from the pharmacy benefit man-  
25                         ager or an affiliate of such phar-



1           macy benefit manager for refer-  
2           rals, consulting, auditing, or  
3           other services offered to PDP  
4           sponsors related to pharmacy  
5           benefit management services.

6           “(bb) The amount of com-  
7           pensation provided by such phar-  
8           macy benefit manager or affiliate  
9           to each such broker, consultant,  
10          advisor, and auditor.

11          “(cc) The methodology for  
12          calculating the amount of com-  
13          pensation provided by such phar-  
14          macy benefit manager or affil-  
15          iate, for each such broker, con-  
16          sultant, advisor, and auditor.

17          “(X) A list of all affiliates of the  
18          pharmacy benefit manager.

19          “(XI) A summary document sub-  
20          mitted in a standardized template de-  
21          veloped by the Secretary that includes  
22          such information described in sub-  
23          clauses (I) through (X).

1 “(ii) WRITTEN EXPLANATION OF CON-  
2 TRACTS OR AGREEMENTS WITH DRUG  
3 MANUFACTURERS.—

4 “(I) IN GENERAL.—The phar-  
5 macy benefit manager shall, not later  
6 than 30 days after the finalization of  
7 any contract or agreement between  
8 such pharmacy benefit manager or an  
9 affiliate of such pharmacy benefit  
10 manager and a drug manufacturer (or  
11 subsidiary, agent, or entity affiliated  
12 with such drug manufacturer) that  
13 makes rebates, discounts, payments,  
14 or other financial incentives related to  
15 one or more covered part D drugs or  
16 other prescription drugs, as applica-  
17 ble, of the manufacturer directly or  
18 indirectly contingent upon coverage,  
19 formulary placement, or utilization  
20 management conditions on any other  
21 covered part D drugs or other pre-  
22 scription drugs, as applicable, submit  
23 to the PDP sponsor a written expla-  
24 nation of such contract or agreement.

1                   “(II) REQUIREMENTS.—A writ-  
2                   ten explanation under subclause (I)  
3                   shall—

4                   “(aa) include the manufac-  
5                   turer subject to the contract or  
6                   agreement, all covered part D  
7                   drugs and other prescription  
8                   drugs, as applicable, subject to  
9                   the contract or agreement and  
10                  the manufacturers of such drugs,  
11                  and a high-level description of  
12                  the terms of such contract or  
13                  agreement and how such terms  
14                  apply to such drugs; and

15                  “(bb) be certified by the  
16                  Chief Executive Officer, Chief Fi-  
17                  nancial Officer, or General Coun-  
18                  sel of such pharmacy benefit  
19                  manager, or affiliate of such  
20                  pharmacy benefit manager, as  
21                  applicable, or an individual dele-  
22                  gated with the authority to sign  
23                  on behalf of one of these officers,  
24                  who reports directly to the offi-  
25                  cer.

1                   “(III) DEFINITION OF OTHER  
2                   PRESCRIPTION DRUGS.—For purposes  
3                   of this clause, the term ‘other pre-  
4                   scription drugs’ means prescription  
5                   drugs covered as supplemental bene-  
6                   fits under this part or prescription  
7                   drugs paid outside of this part.

8                   “(D) AUDIT RIGHTS.—

9                   “(i) IN GENERAL.—Not less than once  
10                  a year, at the request of the PDP sponsor,  
11                  the pharmacy benefit manager shall allow  
12                  for an audit of the pharmacy benefit man-  
13                  ager to ensure compliance with all terms  
14                  and conditions under the written agree-  
15                  ment described in this paragraph and the  
16                  accuracy of information reported under  
17                  subparagraph (C).

18                  “(ii) AUDITOR.—The PDP sponsor  
19                  shall have the right to select an auditor.  
20                  The pharmacy benefit manager shall not  
21                  impose any limitations on the selection of  
22                  such auditor.

23                  “(iii) PROVISION OF INFORMATION.—  
24                  The pharmacy benefit manager shall make  
25                  available to such auditor all records, data,

1 contracts, and other information necessary  
2 to confirm the accuracy of information  
3 provided under subparagraph (C), subject  
4 to reasonable restrictions on how such in-  
5 formation must be reported to prevent re-  
6 disclosure of such information.

7 “(iv) TIMING.—The pharmacy benefit  
8 manager must provide information under  
9 clause (iii) and other information, data,  
10 and records relevant to the audit to such  
11 auditor within 6 months of the initiation of  
12 the audit and respond to requests for addi-  
13 tional information from such auditor with-  
14 in 30 days after the request for additional  
15 information.

16 “(v) INFORMATION FROM AFFILI-  
17 ATES.—The pharmacy benefit manager  
18 shall be responsible for providing to such  
19 auditor information required to be reported  
20 under subparagraph (C) or under clause  
21 (iii) of this subparagraph that is owned or  
22 held by an affiliate of such pharmacy ben-  
23 efit manager.

24 “(2) ENFORCEMENT.—

1           “(A) IN GENERAL.—Each PDP sponsor  
2 shall—

3           “(i) disgorge to the Secretary any  
4 amounts disgorged to the PDP sponsor by  
5 a pharmacy benefit manager under para-  
6 graph (1)(A)(v);

7           “(ii) require, in a written agreement  
8 with any pharmacy benefit manager acting  
9 on behalf of such sponsor or affiliate of  
10 such pharmacy benefit manager, that such  
11 pharmacy benefit manager or affiliate re-  
12 imburse the PDP sponsor for any civil  
13 money penalty imposed on the PDP spon-  
14 sor as a result of the failure of the phar-  
15 macy benefit manager or affiliate to meet  
16 the requirements of paragraph (1) that are  
17 applicable to the pharmacy benefit man-  
18 ager or affiliate under the agreement; and

19           “(iii) require, in a written agreement  
20 with any such pharmacy benefit manager  
21 acting on behalf of such sponsor or affil-  
22 iate of such pharmacy benefit manager,  
23 that such pharmacy benefit manager or af-  
24 filiate be subject to punitive remedies for  
25 breach of contract for failure to comply

1 with the requirements applicable under  
2 paragraph (1).

3 “(B) REPORTING OF ALLEGED VIOLA-  
4 TIONS.—The Secretary shall make available and  
5 maintain a mechanism for manufacturers, PDP  
6 sponsors, pharmacies, and other entities that  
7 have contractual relationships with pharmacy  
8 benefit managers or affiliates of such pharmacy  
9 benefit managers to report, on a confidential  
10 basis, alleged violations of paragraph (1)(A) or  
11 subparagraph (C).

12 “(C) ANTI-RETALIATION AND ANTI-COER-  
13 CION.—Consistent with applicable Federal or  
14 State law, a PDP sponsor shall not—

15 “(i) retaliate against an individual or  
16 entity for reporting an alleged violation  
17 under subparagraph (B); or

18 “(ii) coerce, intimidate, threaten, or  
19 interfere with the ability of an individual  
20 or entity to report any such alleged viola-  
21 tions.

22 “(3) CERTIFICATION OF COMPLIANCE.—

23 “(A) IN GENERAL.—Each PDP sponsor  
24 shall furnish to the Secretary (at a time and in  
25 a manner specified by the Secretary) an annual

1 certification of compliance with this subsection,  
2 as well as such information as the Secretary de-  
3 termines necessary to carry out this subsection.

4 “(B) IMPLEMENTATION.—The Secretary  
5 may implement this paragraph by program in-  
6 struction or otherwise.

7 “(4) RULE OF CONSTRUCTION.—Nothing in  
8 this subsection shall be construed as—

9 “(A) prohibiting flat dispensing fees or re-  
10 imbursement or payment for ingredient costs  
11 (including customary, industry-standard dis-  
12 counts directly related to drug acquisition that  
13 are retained by pharmacies or wholesalers) to  
14 entities that acquire or dispense prescription  
15 drugs; or

16 “(B) modifying regulatory requirements or  
17 sub-regulatory program instruction or guidance  
18 related to pharmacy payment, reimbursement,  
19 or dispensing fees.

20 “(5) STANDARD FORMATS.—

21 “(A) IN GENERAL.—Not later than June  
22 1, 2027, the Secretary shall specify standard,  
23 machine-readable formats for pharmacy benefit  
24 managers to submit annual reports required  
25 under paragraph (1)(C)(i).



1           “(B) IMPLEMENTATION.—The Secretary  
2           may implement this paragraph by program in-  
3           struction or otherwise.

4           “(6) CONFIDENTIALITY.—

5           “(A) IN GENERAL.—Information disclosed  
6           by a pharmacy benefit manager, an affiliate of  
7           a pharmacy benefit manager, a PDP sponsor,  
8           or a pharmacy under this subsection that is not  
9           otherwise publicly available or available for pur-  
10          chase shall not be disclosed by the Secretary or  
11          a PDP sponsor receiving the information, ex-  
12          cept that the Secretary may disclose the infor-  
13          mation for the following purposes:

14               “(i) As the Secretary determines nec-  
15               essary to carry out this part.

16               “(ii) To permit the Comptroller Gen-  
17               eral to review the information provided.

18               “(iii) To permit the Executive Direc-  
19               tor of the Medicare Payment Advisory  
20               Commission to review the information pro-  
21               vided.

22               “(iv) To the Attorney General for the  
23               purposes of conducting oversight and en-  
24               forcement under this title.

1                   “(v) To the Inspector General of the  
2                   Department of Health and Human Serv-  
3                   ices in accordance with its authorities  
4                   under the Inspector General Act of 1978  
5                   (section 406 of title 5, United States  
6                   Code), and other applicable statutes.

7                   “(B) RESTRICTION ON USE OF INFORMA-  
8                   TION.—The Secretary, the Comptroller General,  
9                   and the Executive Director of the Medicare  
10                  Payment Advisory Commission shall not report  
11                  on or disclose information disclosed pursuant to  
12                  subparagraph (A) to the public in a manner  
13                  that would identify—

14                  “(i) a specific pharmacy benefit man-  
15                  ager, affiliate, pharmacy, manufacturer,  
16                  wholesaler, PDP sponsor, or plan; or

17                  “(ii) contract prices, rebates, dis-  
18                  counts, or other remuneration for specific  
19                  drugs in a manner that may allow the  
20                  identification of specific contracting parties  
21                  or of such specific drugs.

22                  “(7) DEFINITIONS.—For purposes of this sub-  
23                  section:

24                  “(A) AFFILIATE.—The term ‘affiliate’  
25                  means, with respect to any pharmacy benefit

1 manager or PDP sponsor, any entity that, di-  
2 rectly or indirectly—

3 “(i) owns or is owned by, controls or  
4 is controlled by, or is otherwise related in  
5 any ownership structure to such pharmacy  
6 benefit manager or PDP sponsor; or

7 “(ii) acts as a contractor, principal, or  
8 agent to such pharmacy benefit manager  
9 or PDP sponsor, insofar as such con-  
10 tractor, principal, or agent performs any of  
11 the functions described under subpara-  
12 graph (C).

13 “(B) BONA FIDE SERVICE FEE.—The term  
14 ‘bona fide service fee’ means a fee that is reflec-  
15 tive of the fair market value (as specified by the  
16 Secretary, through notice and comment rule-  
17 making) for a bona fide, itemized service actu-  
18 ally performed on behalf of an entity, that the  
19 entity would otherwise perform (or contract for)  
20 in the absence of the service arrangement and  
21 that is not passed on in whole or in part to a  
22 client or customer, whether or not the entity  
23 takes title to the drug. Such fee must be a flat  
24 dollar amount and shall not be directly or indi-  
25 rectly based on, or contingent upon—

1 “(i) drug price, such as wholesale ac-  
2 quisition cost or drug benchmark price  
3 (such as average wholesale price);

4 “(ii) the amount of discounts, rebates,  
5 fees, or other direct or indirect remunera-  
6 tion with respect to covered part D drugs  
7 dispensed to enrollees in a prescription  
8 drug plan, except as permitted pursuant to  
9 paragraph (1)(A)(ii);

10 “(iii) coverage or formulary placement  
11 decisions or the volume or value of any re-  
12 ferrals or business generated between the  
13 parties to the arrangement; or

14 “(iv) any other amounts or meth-  
15 odologies prohibited by the Secretary.

16 “(C) PHARMACY BENEFIT MANAGER.—The  
17 term ‘pharmacy benefit manager’ means any  
18 person or entity that, either directly or through  
19 an intermediary, acts as a price negotiator or  
20 group purchaser on behalf of a PDP sponsor or  
21 prescription drug plan, or manages the pre-  
22 scription drug benefits provided by such spon-  
23 sor or plan, including the processing and pay-  
24 ment of claims for prescription drugs, the per-  
25 formance of drug utilization review, the proc-

1           essing of drug prior authorization requests, the  
2           adjudication of appeals or grievances related to  
3           the prescription drug benefit, contracting with  
4           network pharmacies, controlling the cost of cov-  
5           ered part D drugs, or the provision of related  
6           services. Such term includes any person or enti-  
7           ty that carries out one or more of the activities  
8           described in the preceding sentence, irrespective  
9           of whether such person or entity calls itself a  
10          ‘pharmacy benefit manager’.”.

11          (2) MA–PD PLANS.—Section 1857(f)(3) of the  
12          Social Security Act (42 U.S.C. 1395w–27(f)(3)) is  
13          amended by adding at the end the following new  
14          subparagraph:

15                 “(F) REQUIREMENTS RELATING TO PHAR-  
16                 MACY BENEFIT MANAGERS.—For plan years be-  
17                 ginning on or after January 1, 2028, section  
18                 1860D–12(h).”.

19          (3) NONAPPLICATION OF PAPERWORK REDUC-  
20          TION ACT.—Chapter 35 of title 44, United States  
21          Code, shall not apply to the implementation of this  
22          subsection.

23          (4) FUNDING.—

24                 (A) SECRETARY.—In addition to amounts  
25                 otherwise available, there is appropriated to the

Centers for Medicare & Medicaid Services Program Management Account, out of any money in the Treasury not otherwise appropriated, \$113,000,000 for fiscal year 2025, to remain available until expended, to carry out this subsection.

(B) OIG.—In addition to amounts otherwise available, there is appropriated to the Inspector General of the Department of Health and Human Services, out of any money in the Treasury not otherwise appropriated, \$20,000,000 for fiscal year 2025, to remain available until expended, to carry out this subsection.

(b) MEDPAC REPORTS ON AGREEMENTS WITH PHARMACY BENEFIT MANAGERS WITH RESPECT TO PRESCRIPTION DRUG PLANS AND MA-PD PLANS.—

(1) IN GENERAL.—The Medicare Payment Advisory Commission shall submit to Congress the following reports:

(A) INITIAL REPORT.—Not later than the first March 15 occurring after the date that is 2 years after the date on which the Secretary makes the data available to the Commission, a report regarding agreements with pharmacy

benefit managers with respect to prescription drug plans and MA–PD plans. Such report shall include, to the extent practicable—

(i) a description of trends and patterns, including relevant averages, totals, and other figures for the types of information submitted;

(ii) an analysis of any differences in agreements and their effects on plan enrollee out-of-pocket spending and average pharmacy reimbursement, and other impacts; and

(iii) any recommendations the Commission determines appropriate.

(B) FINAL REPORT.—Not later than 2 years after the date on which the Commission submits the initial report under subparagraph (A), a report describing any changes with respect to the information described in subparagraph (A) over time, together with any recommendations the Commission determines appropriate.

(2) FUNDING.—In addition to amounts otherwise available, there is appropriated to the Medicare Payment Advisory Commission, out of any money in

1 the Treasury not otherwise appropriated,  
2 \$1,000,000 for fiscal year 2026, to remain available  
3 until expended, to carry out this subsection.

4 **TITLE V—COMMITTEE ON**  
5 **FINANCIAL SERVICES**

6 **SEC. 50001. GREEN AND RESILIENT RETROFIT PROGRAM**  
7 **FOR MULTIFAMILY FAMILY HOUSING.**

8 The unobligated balance of amounts made available  
9 under section 30002(a) of Public Law 117-169 (commonly  
10 referred to as the “Inflation Reduction Act”; 136 Stat.  
11 2027) are rescinded.

12 **SEC. 50002. PUBLIC COMPANY ACCOUNTING OVERSIGHT**  
13 **BOARD.**

14 (a) During the period beginning on the date of enact-  
15 ment of this Act and ending on the transfer date—

16 (1) all intellectual property retained by the  
17 Public Company Accounting Oversight Board  
18 (“Board”) in support of its programs for registra-  
19 tion, standard-setting, and inspection shall be shared  
20 with the Securities and Exchange Commission  
21 (“Commission”); and

22 (2) pending enforcement and disciplinary ac-  
23 tions of the Board shall be referred to the Commis-  
24 sion or another Federal functional regulator (as de-  
25 fined in section 509 of the Gramm-Leach-Bliley Act



1 (15 U.S.C. 6809)) in accordance with section 105 of  
2 the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7215).

3 (b) Effective on the transfer date—

4 (1) all unobligated fees collected under section  
5 109(d) of the Sarbanes-Oxley Act of 2002 shall be  
6 transferred to the general fund of the Treasury, and  
7 the Commission may not collect fees under such sec-  
8 tion 109(d);

9 (2) the duties and powers of the Board in effect  
10 as of the day before the transfer date, other than  
11 those described in section 107 of the Sarbanes-Oxley  
12 Act of 2002 (15 U.S.C. 7217), shall be transferred  
13 to the Commission;

14 (3) the Commission may not use funds to carry  
15 out section 107 of the Sarbanes-Oxley Act of 2002  
16 (15 U.S.C. 7217) for activities related to overseeing  
17 the Board;

18 (4) the Board shall transfer all intellectual  
19 property described in subsection (a)(1) to the Com-  
20 mission;

21 (5) existing processes and regulations of the  
22 Board, including existing Board auditing standards,  
23 shall continue in effect unless modified through rule  
24 making by the Commission; and

1           (6) in connection with the duties and powers  
2           transferred under paragraph (2), any reference to  
3           the Board in any law implemented by a Federal  
4           functional regulator (as defined in section 509 of the  
5           Gramm-Leach-Bliley Act (15 U.S.C. 6809)), in any  
6           rule or guidance issued by a Federal functional reg-  
7           ulator (as defined in section 509 of the Gramm-  
8           Leach-Bliley Act (15 U.S.C. 6809)), or in any  
9           records or other documents in the possession of a  
10          Federal functional regulator (as defined in section  
11          509 of the Gramm-Leach-Bliley Act (15 U.S.C.  
12          6809)), shall be deemed a reference to the Commis-  
13          sion.

14          (c) Any employee of the Board as of the date of en-  
15          actment of this Act may—

16                (1) be offered equivalent positions on the Com-  
17                mission staff, as determined by the Commission, and  
18                submit to the Commission’s standard employment  
19                policies; and

20                (2) receive pay that is not higher than the high-  
21                est paid employee of similarly situated employees of  
22                the Commission.

23          (d) In this section, the term “transfer date” means  
24          the date established by the Commission for purposes of  
25          this section, except that such date may not be later than

1 the date that is 1 year after the date of enactment of this  
2 Act.

3 **SEC. 50003. BUREAU OF CONSUMER FINANCIAL PROTEC-**  
4 **TION.**

5 Section 1017(a)(2) of the Consumer Financial Pro-  
6 tection Act of 2010 (12 U.S.C. 5497(a)(2)) is amended—

7 (1) in subparagraph (A)(iii)—

8 (A) by striking “12 percent” and inserting  
9 “5 percent”; and

10 (B) by striking “2013” and inserting  
11 “2025”; and

12 (2) by striking subparagraph (C) and inserting  
13 the following:

14 “(C) LIMITATION ON UNOBLIGATED BAL-  
15 ANCES.—With respect to a fiscal year, the  
16 amount of unobligated balances of the Bureau  
17 may not exceed 5 percent of the dollar amount  
18 referred to in subparagraph (A)(iii), as adjusted  
19 under subparagraph (B). The Director shall  
20 transfer any excess amount of such unobligated  
21 balances to the general fund of the Treasury.”.

22 **SEC. 50004. CONSUMER FINANCIAL CIVIL PENALTY FUND.**

23 Section 1017(d) of the Consumer Financial Protec-  
24 tion Act of 2010 (12 U.S.C. 5497(d)) is amended—

25 (1) in paragraph (2)—

1 (A) in the first sentence, by inserting “di-  
2 rect” before “victims”; and

3 (B) by striking the second sentence; and  
4 (2) by adding at the end the following:

5 “(3) TREATMENT OF EXCESS AMOUNTS.—With  
6 respect to a civil penalty described under paragraph  
7 (1), if the Bureau makes payments to all of the di-  
8 rect victims of activities for which that civil penalty  
9 was imposed, the Bureau shall transfer all amounts  
10 that remain in the Civil Penalty Fund with respect  
11 to that civil penalty to the general fund of the  
12 Treasury.”.

13 **SEC. 50005. FINANCIAL RESEARCH FUND.**

14 Section 155 of the Financial Stability Act of 2010  
15 (12 U.S.C. 5345) is amended by adding at the end the  
16 following:

17 “(e) LIMITATION ON ASSESSMENTS AND THE FINAN-  
18 CIAL RESEARCH FUND.—

19 “(1) LIMITATION ON ASSESSMENTS.—Assess-  
20 ments may not be collected under subsection (d) if  
21 the assessments would result in—

22 “(A) the Financial Research Fund exceed-  
23 ing the average annual budget amount; or

1           “(B) the total assessments collected during  
2           a single fiscal year exceeding the average an-  
3           nual budget amount.

4           “(2) TRANSFER OF EXCESS FUNDS.—Any  
5           amounts in the Financial Research Fund exceeding  
6           the average annual budget amount shall be deposited  
7           into the general fund of the Treasury.

8           “(3) AVERAGE ANNUAL BUDGET AMOUNT DE-  
9           FINED.—In this subsection the term ‘average annual  
10          budget amount’ means the annual average, over the  
11          3 most recently completed fiscal years, of the ex-  
12          penses of the Council in carrying out the duties and  
13          responsibilities of the Council that were paid by the  
14          Office using amounts obtained through assessments  
15          under subsection (d).”.

## 16           **TITLE VI—COMMITTEE ON** 17           **HOMELAND SECURITY**

### 18   **SEC. 60001. BORDER BARRIER SYSTEM CONSTRUCTION,** 19           **INVASIVE SPECIES, AND BORDER SECURITY** 20           **FACILITIES IMPROVEMENTS.**

21          In addition to amounts otherwise available, there is  
22          appropriated to the Commissioner of U.S. Customs and  
23          Border Protection for fiscal year 2025, out of any money  
24          in the Treasury not otherwise appropriated, to remain  
25          available until September 30, 2029, the following:

1           (1) \$46,500,000,000 for necessary expenses re-  
2     lating to the following:

3           (A) Construction, installation, or improve-  
4     ment of primary, waterborne, and secondary  
5     barriers.

6           (B) Access roads.

7           (C) Barrier system attributes, including  
8     cameras, lights, sensors, roads, and other detec-  
9     tion technology.

10          (2) \$50,000,000 for necessary expenses relating  
11     to eradication and removal of the carrizo cane plant,  
12     salt cedar, or any other invasive plant species that  
13     impedes border security operations along the Rio  
14     Grande River.

15          (3) \$5,000,000,000 for necessary expenses re-  
16     lating to lease, acquisition, construction, or improve-  
17     ment of U.S. Customs and Border Protection facili-  
18     ties and checkpoints in the vicinity of the southwest,  
19     northern, and maritime borders.

20     **SEC. 60002. U.S. CUSTOMS AND BORDER PROTECTION PER-**  
21                 **SONNEL AND FLEET VEHICLES.**

22          (a) CBP PERSONNEL.—In addition to amounts oth-  
23     erwise available, there is appropriated to the Commis-  
24     sioner of U.S. Customs and Border Protection for fiscal  
25     year 2025, out of any money in the Treasury not otherwise

1 appropriated, \$4,100,000,000, to remain available until  
2 September 30, 2029, to hire and train additional Border  
3 Patrol agents, Office of Field Operations Officers, Air and  
4 Marine agents, rehired annuitants, and U.S. Customs and  
5 Border Protection support personnel.

6 (b) RESTRICTIONS.—None of the funds made avail-  
7 able by subsection (a) may be used to recruit, hire, or train  
8 personnel for the duties of processing coordinators.

9 (c) CBP RETENTION AND HIRING BONUSES.—In ad-  
10 dition to amounts otherwise available, there is appro-  
11 priated to the Commissioner of U.S. Customs and Border  
12 Protection for fiscal year 2025, out of any money in the  
13 Treasury not otherwise appropriated, \$2,052,630,000, to  
14 remain available until September 30, 2029, to provide an-  
15 nual retention bonuses or signing bonuses to eligible Bor-  
16 der Patrol agents, Office of Field Operations Officers, and  
17 Air and Marine agents.

18 (d) CBP VEHICLES.—In addition to amounts other-  
19 wise available, there is appropriated to the Commissioner  
20 of U.S. Customs and Border Protection for fiscal year  
21 2025, out of any money in the Treasury not otherwise ap-  
22 propriated, \$813,000,000, to remain available until Sep-  
23 tember 30, 2029, for the lease or acquisition of additional  
24 marked patrol units.

1 (e) FLETC.—In addition to amounts otherwise avail-  
2 able, there is appropriated to the Director of the Federal  
3 Law Enforcement Training Center for fiscal year 2025,  
4 out of any money in the Treasury not otherwise appro-  
5 priated—

6 (1) \$285,000,000, to remain available until  
7 September 30, 2029, to support the training of  
8 newly hired Federal law enforcement personnel em-  
9 ployed by the Department of Homeland Security;  
10 and

11 (2) \$465,000,000, to remain available until  
12 September 30, 2029, for procurement and construc-  
13 tion, improvements, and related expenses of the Fed-  
14 eral Law Enforcement Training Centers facilities.

15 (f) BORDER SECURITY WORKFORCE RECRUITMENT  
16 AND APPLICANT SOURCING.—In addition to amounts oth-  
17 erwise available, there is appropriated to the Commis-  
18 sioner of U.S. Customs and Border Protection for fiscal  
19 year 2025, out of any money in the Treasury not otherwise  
20 appropriated, \$600,000,000, to remain available until  
21 September 30, 2029, for marketing, recruiting, applicant  
22 sourcing and vetting, and operational mobility programs  
23 for border security personnel.



1 **SEC. 60003. U.S. CUSTOMS AND BORDER PROTECTION**  
2 **TECHNOLOGY, VETTING ACTIVITIES, AND**  
3 **OTHER EFFORTS TO ENHANCE BORDER SE-**  
4 **CURITY.**

5 (a) CBP TECHNOLOGY.—In addition to amounts oth-  
6 erwise available, there is appropriated to the Commis-  
7 sioner of U.S. Customs and Border Protection for fiscal  
8 year 2025, out of any money in the Treasury not otherwise  
9 appropriated, to remain available until September 30,  
10 2029, the following:

11 (1) \$1,076,317,000 for necessary expenses re-  
12 lating to procurement and integration of new non-in-  
13 trusive inspection equipment and associated civil  
14 works, artificial intelligence, integration, and ma-  
15 chine learning, as well as other mission support, to  
16 combat the entry of illicit narcotics along the south-  
17 west, northern, and maritime borders.

18 (2) \$2,766,000,000 for necessary expenses re-  
19 lating to upgrades and procurement of border sur-  
20 veillance technologies along the southwest, northern,  
21 and maritime borders.

22 (3) \$673,000,000 for necessary expenses, in-  
23 cluding the deployment of technology, relating to the  
24 biometric entry and exit system under section 7208  
25 of the Intelligence Reform and Terrorism Prevention  
26 Act of 2004 (8 U.S.C. 1365b).

1       (b) RESTRICTIONS.—None of the funds made avail-  
2     able pursuant to subsection (a)(2) may be used for the  
3     procurement or deployment of surveillance towers that  
4     have not been—

5             (1) tested, and

6             (2) accepted,

7     by the Federal Government to deliver autonomous capa-  
8     bilities.

9       (c) AIR AND MARINE OPERATIONS.—In addition to  
10    amounts otherwise available, there is appropriated to the  
11    Commissioner of U.S. Customs and Border Protection for  
12    fiscal year 2025, out of any money in the Treasury not  
13    otherwise appropriated, \$1,234,000,000, to remain avail-  
14    able until September 30, 2029, for Air and Marine Oper-  
15    ations’ upgrading and procurement of new platforms for  
16    rapid air and marine response capabilities.

17    (d) CBP VETTING ACTIVITIES.—In addition to  
18    amounts otherwise available, there is appropriated to the  
19    Commissioner of U.S. Customs and Border Protection for  
20    fiscal year 2025, out of any money in the Treasury not  
21    otherwise appropriated, \$16,000,000, to remain available  
22    until September 30, 2029, for necessary expenses to sup-  
23    port screening, vetting activities, and expansion of U.S.  
24    Customs and Border Protection’s criminal history data-  
25    bases.

1       (e) OTHER EFFORTS TO COMBAT DRUG TRAF-  
2       FICKING TO ENHANCE BORDER SECURITY.—In addition  
3       to amounts otherwise available, there is appropriated to  
4       the Secretary of Homeland Security for fiscal year 2025,  
5       out of any money in the Treasury not otherwise appro-  
6       priated, \$500,000,000, to remain available until Sep-  
7       tember 30, 2029, for enhancing border security and com-  
8       batting trafficking, including fentanyl and its precursor  
9       chemicals, at the southwest, northern, and maritime bor-  
10      ders.

11       (f) COMMEMORATIONS.—In addition to amounts oth-  
12      erwise available, there is appropriated to the Secretary of  
13      Homeland Security for fiscal year 2025, out of any money  
14      in the Treasury not otherwise appropriated, \$1,000,000,  
15      to remain available until September 30, 2029, for com-  
16      memorating efforts and events related to border security.

17       (g) DEFINITION.—In this section, the term “autono-  
18      mous” means integrated software and hardware systems  
19      that utilize sensors, onboard computing, and artificial in-  
20      telligence to identify items of interest that would otherwise  
21      be manually identified by U.S. Customs and Border Pro-  
22      tection personnel.

23      **SEC. 60004. STATE BORDER SECURITY REIMBURSEMENT.**

24       (a) IN GENERAL.—In addition to amounts otherwise  
25      available, there is appropriated to the Secretary of Home-

1 land Security, for fiscal year 2025, out of any money in  
2 the Treasury not otherwise appropriated,  
3 \$12,000,000,000, to remain available until September 30,  
4 2029, to carry out this section.

5 (b) USE OF FUNDS.—The Secretary of Homeland Se-  
6 curity shall use amounts made available under subsection  
7 (a) to make grants to States for costs associated with ac-  
8 tions taken on or after January 21, 2021, to assist the  
9 Federal border security missions to enforce the immigra-  
10 tion laws, including through detention and removal, and  
11 to combat the unlawful entry of persons and contraband.

12 (c) APPLICATION.—The Secretary of Homeland Se-  
13 curity shall develop a process for States to submit a grant  
14 application, together with satisfactory evidence of costs in-  
15 curred, to seek reimbursement for any expenses described  
16 in subsection (b).

17 (d) PROHIBITION.—The Secretary of Homeland Se-  
18 curity may not make a grant for reimbursement under this  
19 section to a State if such State has received such reim-  
20 bursement under any other grant program of the Depart-  
21 ment of Homeland Security.

22 **SEC. 60005. STATE AND LOCAL LAW ENFORCEMENT PRESI-**  
23 **DENTIAL RESIDENCE PROTECTION.**

24 (a) PRESIDENTIAL RESIDENCE PROTECTION.—In  
25 addition to amounts otherwise available, there is appro-

1 priated to the Administrator of the Federal Emergency  
2 Management Agency, for fiscal year 2025, out of any  
3 money in the Treasury not otherwise appropriated,  
4 \$300,000,000, to remain available until September 30,  
5 2029, for the reimbursement of extraordinary law enforce-  
6 ment personnel costs for protection activities directly and  
7 demonstrably associated with any residence of the Presi-  
8 dent that is designated pursuant to section 3 of the Presi-  
9 dential Protection Assistance Act of 1976 (Public Law  
10 94–524) to be secured by the United States Secret Serv-  
11 ice.

12 (b) AVAILABILITY.—Funds under subsection (a) shall  
13 be available only for costs that a State or local agency—

14 (1) incurred or incurs on or after July 1, 2024;

15 (2) can demonstrate to the Administrator of the  
16 Federal Emergency Management Agency as being—

17 (A) in excess of the costs of normal and  
18 typical law enforcement operations;

19 (B) directly attributable to the provision of  
20 protection described in such subsection; and

21 (C) associated with a non-governmental  
22 property designated pursuant to section 3 of  
23 the Presidential Protection Assistance Act of  
24 1976 (Public Law 94–524) to be secured by the  
25 United States Secret Service; and

1           (3) certifies to the Administrator as being for  
2           protection activities requested by the Director of the  
3           United States Secret Service.

4 **SEC. 60006. STATE HOMELAND SECURITY GRANT PRO-**  
5 **GRAM.**

6           In addition to amounts otherwise available, there is  
7           appropriated to the Administrator of the Federal Emer-  
8           gency Management Agency, for fiscal year 2025, out of  
9           any money in the Treasury, not otherwise appropriated,  
10          to be administered under the State Homeland Security  
11          Grant Program authorized under section 2004 of the  
12          Homeland Security Act of 2002 (6 U.S.C. 605), to en-  
13          hance State, local, and Tribal security through grants,  
14          contracts, cooperative agreements, and other activities, of  
15          which—

16                (1) \$500,000,000, to remain available until  
17                September 30, 2029, for State and local capabilities  
18                to detect, identify, track, or monitor threats from  
19                unmanned aircraft systems (as such term is defined  
20                in section 44801 of title 49, United States Code);

21                (2) \$625,000,000, to remain available until  
22                September 30, 2029, for security, planning, and  
23                other costs related to the 2026 FIFA World Cup;

24                (3) \$1,000,000,000, to remain available until  
25                September 30, 2029, for security, planning, and

1 other costs related to the 2028 Olympic Games and  
2 2028 Paralympic Games; and

3 (4) \$450,000,000, to remain available until  
4 September 30, 2029, for the Operation Stonegarden  
5 Grant Program.

6 **TITLE VII—COMMITTEE ON THE**  
7 **JUDICIARY**

8 **Subtitle A—Immigration Matters**

9 **PART 1—IMMIGRATION FEES**

10 **SEC. 70001. APPLICABILITY OF THE IMMIGRATION LAWS.**

11 (a) **APPLICABILITY.**—Notwithstanding any provision  
12 of the immigration laws (as defined under section 101 of  
13 the Immigration and Nationality Act), the fees under this  
14 subtitle shall apply.

15 (b) **TERMS.**—The terms used under this subtitle shall  
16 have the meanings given such terms in section 101 of the  
17 Immigration and Nationality Act.

18 (c) **REFERENCES TO IMMIGRATION AND NATION-**  
19 **ALITY ACT.**—Except as otherwise expressly provided,  
20 whenever this subtitle references a section or other provi-  
21 sion, the reference shall be considered to be to a section  
22 or other provision of the Immigration and Nationality Act.

23 **SEC. 70002. ASYLUM FEE.**

24 (a) **IN GENERAL.**—In addition to any other fee au-  
25 thorized by law, the Secretary of Homeland Security or

1 the Attorney General, as applicable, shall impose a fee in  
2 the amount specified in this section for a fiscal year on  
3 each alien who files an application for asylum under sec-  
4 tion 208 of the Immigration and Nationality Act at the  
5 time such application is filed.

6 (b) INITIAL AMOUNT.—The amount specified in this  
7 section for fiscal year 2025 shall be such amount as the  
8 Secretary or Attorney General, as applicable, may by rule  
9 provide, but in any event not less than \$1,000.

10 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
11 year 2026 and each fiscal year thereafter, the amount  
12 specified in this section for a fiscal year shall be equal  
13 to the sum of—

14 (1) the amount imposed under this section for  
15 the prior fiscal year; and

16 (2) rounded to the next lowest multiple of \$10,  
17 the amount referred to in paragraph (1), multiplied  
18 by the percentage (if any) by which the Consumer  
19 Price Index for All Urban Consumers for the month  
20 of July preceding the date on which such adjustment  
21 takes effect exceeds the Consumer Price Index for  
22 All Urban Consumers for the same month of the  
23 preceding calendar year.



1 (d) CREDITING CERTAIN FUNDS.—During any fiscal  
2 year, the total amount of fees received under this section  
3 shall be subject to the following:

4 (1) 50 percent of fees received from applica-  
5 tions filed with the Attorney General shall be cred-  
6 ited to the Executive Office for Immigration Review  
7 to retain and spend without further appropriation.

8 (2) 50 percent of fees received from applica-  
9 tions filed with the Secretary of Homeland Security  
10 shall be credited to U.S. Citizenship and Immigra-  
11 tion Services and deposited into the Immigration  
12 Examinations Fee Account established under section  
13 286(m) of the Immigration and Nationality Act (8  
14 U.S.C. 1356(m)) to retain and spend without fur-  
15 ther appropriation.

16 (3) Any amounts not credited to the Executive  
17 Office for Immigration Review or U.S. Citizenship  
18 and Immigration Services shall be deposited into the  
19 general fund of the Treasury.

20 (e) NO WAIVER.—A fee imposed under this section  
21 shall not be waived or reduced.

22 **SEC. 70003. EMPLOYMENT AUTHORIZATION DOCUMENT**  
23 **FEES.**

24 (a) ASYLUM APPLICANTS.—

1           (1) IN GENERAL.—In addition to any other fee  
2           authorized by law, the Secretary of Homeland Secu-  
3           rity shall impose on any alien who files an initial ap-  
4           plication for employment authorization under section  
5           208(d)(2) of the Immigration and Nationality Act a  
6           fee in the amount specified in this subsection at the  
7           time such initial employment authorization applica-  
8           tion is filed. Each initial employment authorization  
9           shall be valid for a period of not more than six  
10          months.

11          (2) INITIAL AMOUNT.— For purposes of this  
12          subsection, the amount specified in this subsection  
13          for fiscal year 2025 shall be such amount as the  
14          Secretary may by rule provide, but in any event not  
15          less than \$550.

16          (3) SUBSEQUENT ADJUSTMENT.—Beginning in  
17          fiscal year 2026 and each fiscal year thereafter, the  
18          amount for a fiscal year shall be equal to the sum  
19          of—

20                (A) the amount imposed under this section  
21                for the prior fiscal year; and

22                (B) rounded to the next lowest multiple of  
23                \$10, the amount referred to in subparagraph  
24                (A), multiplied by the percentage (if any) by  
25                which the Consumer Price Index for All Urban

1 Consumers for the month of July preceding the  
2 date on which such adjustment takes effect ex-  
3 ceeds the Consumer Price Index for All Urban  
4 Consumers for the same month of the preceding  
5 calendar year.

6 (4) CREDITING OF FUNDS.—25 percent of fees  
7 received under this section shall be credited to U.S.  
8 Citizenship and Immigration Services and deposited  
9 into the Immigration Examinations Fee Account es-  
10 tablished under section 286(m) of the Immigration  
11 and Nationality Act (8 U.S.C. 1356(m)) to retain  
12 and spend without further appropriation, of which  
13 50 percent shall be used by U.S. Citizenship and Im-  
14 migration Services to detect and prevent immigra-  
15 tion benefit fraud. Any amounts not credited to U.S.  
16 Citizenship and Immigration Services under this sec-  
17 tion shall be deposited into the general fund of the  
18 Treasury.

19 (5) NO WAIVER.—A fee imposed under this  
20 subsection shall not be waived or reduced.

21 (b) PAROLE.—

22 (1) IN GENERAL.—In addition to any other fee  
23 authorized by law, the Secretary of Homeland Secu-  
24 rity shall impose on any alien paroled into the  
25 United States a fee for any initial application for

1 employment authorization in an amount specified in  
2 this subsection at the time such initial application is  
3 filed. Each initial employment authorization shall be  
4 valid for a period of not more than six months.

5 (2) INITIAL AMOUNT.—For purposes of this  
6 subsection, the amount specified in this subsection  
7 for fiscal year 2025 shall be such amount as the  
8 Secretary may by rule provide, but in any event not  
9 less than \$550.

10 (3) SUBSEQUENT ADJUSTMENT.—Beginning in  
11 fiscal year 2026 and each fiscal year thereafter, the  
12 amount specified in this subsection for a fiscal year  
13 shall be equal to the sum of—

14 (A) the amount imposed under this sub-  
15 section for the prior fiscal year; and

16 (B) rounded to the next lowest multiple of  
17 \$10, the amount referred to in subparagraph  
18 (A), multiplied by the percentage (if any) by  
19 which the Consumer Price Index for All Urban  
20 Consumers for the month of July preceding the  
21 date on which such adjustment takes effect ex-  
22 ceeds the Consumer Price Index for All Urban  
23 Consumers for the same month of the preceding  
24 calendar year.

1           (4) CREDITING OF FUNDS.—The fees received  
2           under this section shall be deposited into the general  
3           fund of the Treasury.

4           (5) NO WAIVER.—A fee imposed under this  
5           subsection shall not be waived or reduced.

6           (c) TEMPORARY PROTECTED STATUS.—

7           (1) IN GENERAL.—In addition to any other fee  
8           authorized by law, for any alien who files an initial  
9           application for employment authorization under sec-  
10          tion 244(a)(1)(B) of the Immigration and Nation-  
11          ality Act, the Secretary of Homeland Security shall  
12          impose a fee in an amount specified in this sub-  
13          section at the time such initial application is filed.  
14          Each initial employment authorization shall be valid  
15          for a period of not more than six months.

16          (2) INITIAL AMOUNT.—For purposes of this  
17          subsection, the amount specified in this subsection  
18          for fiscal year 2025 shall be such amount as the  
19          Secretary may by rule provide, but in any event not  
20          less than \$550.

21          (3) SUBSEQUENT ADJUSTMENT.—Beginning in  
22          fiscal year 2026 and each fiscal year thereafter, the  
23          amount specified in this subsection for a fiscal year  
24          shall be equal to the sum of—

1 (A) the amount imposed under this sub-  
2 section for the prior fiscal year; and

3 (B) rounded to the next lowest multiple of  
4 \$10, the amount referred to in subparagraph  
5 (A), multiplied by the percentage (if any) by  
6 which the Consumer Price Index for All Urban  
7 Consumers for the month of July preceding the  
8 date on which such adjustment takes effect ex-  
9 ceeds the Consumer Price Index for All Urban  
10 Consumers for the same month of the preceding  
11 calendar year.

12 (4) CREDITING OF CERTAIN FUNDS.—The fees  
13 received under this section shall be deposited into  
14 the general fund of the Treasury.

15 (5) NO WAIVER.—A fee imposed under this  
16 subsection shall not be waived or reduced.

17 **SEC. 70004. PAROLE FEE.**

18 (a) IN GENERAL.—In addition to any other fee au-  
19 thorized by law, the Secretary of Homeland Security shall  
20 impose a fee in an amount specified in this section on each  
21 alien who is paroled into the United States, except if, as  
22 established by the alien, the alien is paroled because—

23 (1) the alien has a medical emergency, and—

1           (A) the alien cannot obtain necessary  
2           treatment in the foreign state in which the alien  
3           is residing; or

4           (B) the medical emergency is life-threat-  
5           ening and there is insufficient time for the alien  
6           to be admitted to the United States through the  
7           normal visa process;

8           (2) the alien is the parent or legal guardian of  
9           an alien described in paragraph (1) and the alien de-  
10          scribed in paragraph (1) is a minor;

11          (3) the alien is needed in the United States to  
12          donate an organ or other tissue for transplant and  
13          there is insufficient time for the alien to be admitted  
14          to the United States through the normal visa proc-  
15          ess;

16          (4) the alien has a close family member in the  
17          United States whose death is imminent and the alien  
18          could not arrive in the United States in time to see  
19          such family member alive if the alien were to be ad-  
20          mitted to the United States through the normal visa  
21          process;

22          (5) the alien is seeking to attend the funeral of  
23          a close family member and the alien could not arrive  
24          in the United States in time to attend such funeral

1 if the alien were to be admitted to the United States  
2 through the normal visa process;

3 (6) the alien is an adopted child with an urgent  
4 medical condition who is in the legal custody of the  
5 petitioner for a final adoption-related visa and whose  
6 medical treatment is required before the expected  
7 award of a final adoption-related visa;

8 (7) the alien is a lawful applicant for adjust-  
9 ment of status under section 245 of the Immigration  
10 and Nationality Act and is returning to the United  
11 States after temporary travel abroad;

12 (8) the alien is returned to a contiguous coun-  
13 try under section 235(b)(2)(C) of the Immigration  
14 and Nationality Act and paroled into the United  
15 States to allow the alien to attend the alien's immi-  
16 gration hearing;

17 (9) the alien—

18 (A) is a national of the Republic of Cuba  
19 and is living in the Republic of Cuba;

20 (B) is the beneficiary of an approved peti-  
21 tion under section 203(a) of the Immigration  
22 and Nationality Act;

23 (C) is an alien for whom an immigrant  
24 visa is not immediately available;



1 (D) meets all eligibility requirements for  
2 an immigrant visa;

3 (E) is not otherwise inadmissible; and

4 (F) is receiving a grant of parole in fur-  
5 therance of the commitment of the United  
6 States to the minimum level of annual legal mi-  
7 gration of Cuban nationals to the United States  
8 specified in the U.S.-Cuba Joint Communiqué  
9 on Migration, done at New York September 9,  
10 1994, and reaffirmed in the Cuba-United  
11 States: Joint Statement on Normalization of  
12 Migration, Building on the Agreement of Sep-  
13 tember 9, 1994, done at New York May 2,  
14 1995; or

15 (10) the Secretary of Homeland Security deter-  
16 mines that a significant public benefit has resulted  
17 or will result from the parole of an alien only if—

18 (A) the alien has assisted or will assist the  
19 United States Government in a law enforcement  
20 matter;

21 (B) the alien's presence is required by the  
22 Government in furtherance of such law enforce-  
23 ment matter; and

24 (C) the alien is inadmissible, does not sat-  
25 isfy the eligibility requirements for admission as

1           a nonimmigrant, or there is insufficient time for  
2           the alien to be admitted to the United States  
3           through the normal visa process.

4           (b) INITIAL AMOUNT.—For purposes of this section,  
5 the amount specified in this subsection for fiscal year  
6 2025 shall be such amount as the Secretary may by rule  
7 provide, but in any event not less than \$1,000.

8           (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
9 year 2026 and each fiscal year thereafter, the amount  
10 specified in this section for a fiscal year shall be equal  
11 to the sum of—

12           (1) the amount imposed under this section for  
13 the prior fiscal year; and

14           (2) rounded to the next lowest multiple of \$10,  
15 the amount referred to in paragraph (1), multiplied  
16 by the percentage (if any) by which the Consumer  
17 Price Index for All Urban Consumers for the month  
18 of July preceding the date on which such adjustment  
19 takes effect exceeds the Consumer Price Index for  
20 All Urban Consumers for the same month of the  
21 preceding calendar year.

22           (d) CREDITING OF FUNDS.—Fees received under this  
23 section shall be deposited in the general fund of the Treas-  
24 ury.

1 (e) NO WAIVER.—A fee imposed under this section  
2 shall not be waived or reduced.

3 **SEC. 70005. SPECIAL IMMIGRANT JUVENILE FEE.**

4 (a) IN GENERAL.—In addition to any other fee au-  
5 thorized by law, the Secretary of Homeland Security shall  
6 impose a fee in an amount specified in this section on any  
7 alien applying for special immigrant juvenile status under  
8 section 101(a)(27)(J) of the Immigration and Nationality  
9 Act if reunification with 1 parent or legal guardian is via-  
10 ble, notwithstanding abuse, neglect, abandonment, or a  
11 similar basis found under State law making reunification  
12 with the other parent or legal guardian not viable.

13 (b) INITIAL AMOUNT.—For purposes of this sub-  
14 section, the amount specified in this section for fiscal year  
15 2025 shall be such amount as the Secretary may by rule  
16 provide, but in any event not less than \$500.

17 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
18 year 2026 and each fiscal year thereafter, the amount  
19 specified in this section for a fiscal year shall be equal  
20 to the sum of—

21 (1) the amount imposed under this section for  
22 the prior fiscal year; and

23 (2) rounded to the next lowest multiple of \$10,  
24 the amount referred to in paragraph (1), multiplied  
25 by the percentage (if any) by which the Consumer

1 Price Index for All Urban Consumers for the month  
2 of July preceding the date on which such adjustment  
3 takes effect exceeds the Consumer Price Index for  
4 All Urban Consumers for the same month of the  
5 preceding calendar year.

6 (d) CREDITING OF FUNDS.—Fees received under this  
7 section shall be deposited in the general fund of the Treas-  
8 ury.

9 (e) NO WAIVER.—A fee imposed under this section  
10 shall not be waived or reduced.

11 **SEC. 70006. TEMPORARY PROTECTED STATUS FEE.**

12 (a) IN GENERAL.—In addition to any other fee au-  
13 thorized by law, the Secretary of Homeland Security shall  
14 impose a fee in an amount specified in this section for  
15 the consideration of an application for temporary pro-  
16 tected status under section 244 of the Immigration and  
17 Nationality Act on any alien who—

18 (1) has not been admitted into the United  
19 States; or

20 (2) has been admitted to the United States as  
21 a nonimmigrant but at the time of application for  
22 temporary protected status has failed—

23 (A) to maintain or extend the non-  
24 immigrant status in which the alien was admit-  
25 ted or to which the status was changed under

1           section 248 of the Immigration and Nationality  
2           Act, including complying with the period of stay  
3           authorized by the Secretary of Homeland Secu-  
4           rity in connection with such status; or

5                   (B) to comply with the conditions of such  
6           nonimmigrant status.

7           (b) INITIAL AMOUNT.—For purposes of this sub-  
8           section, the amount specified in this section for fiscal year  
9           2025 shall be such amount as the Secretary may by rule  
10          provide, but in any event not less than \$500.

11          (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
12          year 2026 and each fiscal year thereafter, the amount  
13          specified in this section for a fiscal year shall be equal  
14          to the sum of—

15                  (1) the amount imposed under this section for  
16          the prior fiscal year; and

17                  (2) rounded to the next lowest multiple of \$10,  
18          the amount referred to in paragraph (1), multiplied  
19          by the percentage (if any) by which the Consumer  
20          Price Index for All Urban Consumers for the month  
21          of July preceding the date on which such adjustment  
22          takes effect exceeds the Consumer Price Index for  
23          All Urban Consumers for the same month of the  
24          preceding calendar year.

1 (d) CREDITING OF FUNDS.—Fees received under this  
2 section shall be deposited in the general fund of the Treas-  
3 ury.

4 (e) NO WAIVER.—A fee imposed under this section  
5 shall not be waived or reduced.

6 **SEC. 70007. UNACCOMPANIED ALIEN CHILD SPONSOR FEE.**

7 (a) IN GENERAL.—In addition to any other fee au-  
8 thorized by law, before placing the child with an individual  
9 under section 235(c) of the William Wilberforce Traf-  
10 ficking Victims Protection Reauthorization Act of 2008,  
11 the Secretary of Health and Human Services shall collect  
12 from that individual a fee in an amount specified in this  
13 section as partial reimbursement to the Federal Govern-  
14 ment for the period during which the child was in the cus-  
15 tody of the Government, for processing, housing, feeding,  
16 educating, transporting, and otherwise providing for the  
17 care of the child.

18 (b) INITIAL AMOUNT.—For purposes of this sub-  
19 section, the amount specified in this section for fiscal year  
20 2025 shall be such amount as the Secretary may by rule  
21 provide, but in any event not less than \$3,500.

22 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
23 year 2026 and each fiscal year thereafter, the amount  
24 specified in this section for a fiscal year shall be equal  
25 to the sum of—

1           (1) the amount imposed under this section for  
2           the prior fiscal year; and

3           (2) rounded to the next lowest multiple of \$10,  
4           the amount referred to in paragraph (1), multiplied  
5           by the percentage (if any) by which the Consumer  
6           Price Index for All Urban Consumers for the month  
7           of July preceding the date on which such adjustment  
8           takes effect exceeds the Consumer Price Index for  
9           All Urban Consumers for the same month of the  
10          preceding calendar year.

11          (d) CREDITING OF FUNDS.—During any fiscal year,  
12          the total amount of fees received under this section shall  
13          be subject to the following:

14               (1) 25 percent of fees received under this sec-  
15               tion shall be credited to the Department of Health  
16               and Human Services to retain and spend without  
17               further appropriation and shall be used for the pur-  
18               pose of conducting background checks of potential  
19               sponsors of unaccompanied alien children and of  
20               adults residing in potential sponsors' households,  
21               which shall include, at a minimum—

22                       (A) the name of the individual and all  
23                       adult residents of the individual's household;

1 (B) the social security number of the indi-  
2 vidual and all adult residents of the individual's  
3 household;

4 (C) the date of birth of the individual and  
5 all adult residents of the individual's household;

6 (D) the validated location of the individ-  
7 ual's residence where the child will be placed;

8 (E) the immigration status of the indi-  
9 vidual and all adult residents of the individual's  
10 household;

11 (F) contact information for the individual  
12 and all adult residents of the individual's house-  
13 hold; and

14 (G) the results of all background and  
15 criminal records checks for the individual and  
16 all adult residents of the individual's household,  
17 which shall include at a minimum an investiga-  
18 tion of the public records sex offender registry,  
19 a public records background check, and a na-  
20 tional criminal history check based on finger-  
21 prints.

22 (2) Any amounts not credited to the Depart-  
23 ment of Health and Human Services shall be depos-  
24 ited into the general fund of the Treasury.



1 (e) NO WAIVER.—A fee imposed under this section  
2 shall not be waived or reduced.

3 **SEC. 70008. VISA INTEGRITY FEE.**

4 (a) VISA INTEGRITY FEE.—

5 (1) IN GENERAL.—In addition to any other fee  
6 authorized by law, the Secretary of Homeland Secu-  
7 rity shall impose a fee in an amount specified in this  
8 subsection on each alien issued a nonimmigrant visa  
9 upon the issuance of such alien’s nonimmigrant visa.

10 (2) INITIAL AMOUNT.—For purposes of this  
11 subsection, the amount specified in this subsection  
12 for fiscal year 2025 shall be such amount as the  
13 Secretary may by rule provide, but in any event not  
14 less than \$250.

15 (3) SUBSEQUENT ADJUSTMENT.—Beginning in  
16 fiscal year 2026 and each fiscal year thereafter, the  
17 amount specified in this subsection for a fiscal year  
18 shall be equal to the sum of—

19 (A) the amount imposed under this section  
20 for the prior fiscal year; and

21 (B) rounded to the next lowest multiple of  
22 \$1, the amount referred to in subparagraph  
23 (A), multiplied by the percentage (if any) by  
24 which the Consumer Price Index for All Urban  
25 Consumers for the month of July preceding the

1           date on which such adjustment takes effect ex-  
2           ceeds the Consumer Price Index for All Urban  
3           Consumers for the same month of the preceding  
4           calendar year.

5           (4) CREDITING OF FUNDS.—The fees received  
6           under this subsection that are not reimbursed in ac-  
7           cordance with subsection (b) shall be deposited in  
8           the general fund of the Treasury.

9           (5) NO WAIVER.—A fee imposed under this  
10          subsection shall not be waived or reduced.

11          (b) FEE REIMBURSEMENT.—The Secretary of Home-  
12          land Security may reimburse to an alien a fee imposed  
13          under this section on that alien for the issuance of a non-  
14          immigrant visa after the expiration of such nonimmigrant  
15          visa's period of validity if the alien demonstrates that—

16               (1) the alien has not sought admission during  
17               such period of validity;

18               (2) the alien, after admission to the United  
19               States pursuant to such nonimmigrant visa, com-  
20               plied with all conditions of such nonimmigrant visa,  
21               including the condition that an alien shall not accept  
22               unauthorized employment, and that the alien de-  
23               parted the United States not later than 5 days after  
24               the date on which the alien was authorized to re-  
25               main in the United States; or

1           (3) the alien filed to extend, change, or adjust  
2       such status within the nonimmigrant visa's period of  
3       validity.

4   **SEC. 70009. FORM I-94 FEE.**

5       (a) FEE AUTHORIZED.—In addition to any other fee  
6       authorized by law, the Secretary of Homeland Security  
7       shall impose a fee in an amount specified in subsection  
8       (b) on any alien upon the alien's application for a Form  
9       I-94 Arrival/Departure Record.

10      (b) FEE SPECIFIED.—

11           (1) INITIAL AMOUNT.—The amount specified in  
12       this subsection for fiscal year 2025 shall be such  
13       amount as the Secretary may by rule provide, but in  
14       any event not less than \$24.

15           (2) SUBSEQUENT ADJUSTMENT.—Beginning in  
16       fiscal year 2026 and each fiscal year thereafter, the  
17       amount specified in this subsection for a fiscal year  
18       shall be equal to the sum of—

19           (A) the amount imposed under this section  
20       for the prior fiscal year; and

21           (B) the amount referred to in subpara-  
22       graph (A), multiplied by the percentage (if any)  
23       by which the Consumer Price Index for All  
24       Urban Consumers for the month of July pre-  
25       ceding the date on which such adjustment takes

1 effect exceeds the Consumer Price Index for All  
2 Urban Consumers for the same month of the  
3 preceding calendar year.

4 (c) CREDITING OF FUNDS.—During any fiscal year,  
5 the total amount of fees received under this section shall  
6 be subject to the following:

7 (1) 20 percent of the fee collected under this  
8 section for each application shall be deposited pursu-  
9 ant to section 286(q)(2) of the Immigration and Na-  
10 tionality Act (8 U.S.C. 1356(q)(2)) and made avail-  
11 able to U.S. Customs and Border Protection to re-  
12 tain and spend without further appropriation for the  
13 purpose of processing Form I–94.

14 (2) Any amounts not credited to U.S. Customs  
15 and Border Protection shall be deposited in the gen-  
16 eral fund of the Treasury.

17 (d) NO WAIVER.—A fee imposed under this section  
18 shall not be waived or reduced.

19 **SEC. 70010. YEARLY ASYLUM FEE.**

20 (a) FEE AUTHORIZED.—In addition to any other fee  
21 authorized by law, for each calendar year that an alien’s  
22 application for asylum remains pending, the Secretary of  
23 Homeland Security or the Attorney General, as applicable,  
24 shall impose a fee in an amount specified in subsection  
25 (b) on that alien.

1 (b) FEE SPECIFIED.—

2 (1) INITIAL AMOUNT.—The amount specified in  
3 this subsection for fiscal year 2025 shall be such  
4 amount as the Secretary and the Attorney General  
5 may by rule provide, but in any event not less than  
6 \$100.

7 (2) SUBSEQUENT ADJUSTMENT.—Beginning in  
8 fiscal year 2026 and each fiscal year thereafter, the  
9 amount specified in this subsection for a fiscal year  
10 shall be equal to the sum of—

11 (A) the amount imposed under this section  
12 for the prior fiscal year; and

13 (B) the amount referred to in subpara-  
14 graph (A), multiplied by the percentage (if any)  
15 by which the Consumer Price Index for All  
16 Urban Consumers for the month of July pre-  
17 ceding the date on which such adjustment takes  
18 effect exceeds the Consumer Price Index for All  
19 Urban Consumers for the same month of the  
20 preceding calendar year.

21 (c) CREDITING OF FUNDS.—The fees received under  
22 this section shall be deposited in the general fund of the  
23 Treasury.

24 (d) NO WAIVER.—A fee imposed under this section  
25 shall not be waived or reduced.

1 **SEC. 70011. FEE FOR CONTINUANCES GRANTED IN IMMI-**  
2 **GRATION COURT PROCEEDINGS.**

3 (a) IN GENERAL.—In addition to any other fee au-  
4 thorized by law, the Attorney General shall impose a fee  
5 in an amount specified in subsection (b) on any alien who  
6 requests and is granted a continuance by an immigration  
7 judge for each such continuance.

8 (b) FEE SPECIFIED.—

9 (1) INITIAL AMOUNT.—The amount specified in  
10 this subsection for fiscal year 2025 shall be such  
11 amount as the Attorney General may by rule pro-  
12 vide, but in any event not less than \$100.

13 (2) SUBSEQUENT ADJUSTMENT.—Beginning in  
14 fiscal year 2026 and each fiscal year thereafter, the  
15 amount specified in this subsection for a fiscal year  
16 shall be equal to the sum of—

17 (A) the amount imposed under this section  
18 for the prior fiscal year; and

19 (B) the amount referred to in subpara-  
20 graph (A), multiplied by the percentage (if any)  
21 by which the Consumer Price Index for All  
22 Urban Consumers for the month of July pre-  
23 ceding the date on which such adjustment takes  
24 effect exceeds the Consumer Price Index for All  
25 Urban Consumers for the same month of the  
26 preceding calendar year.

1 (c) CREDITING OF CERTAIN FUNDS.—Amounts re-  
2 ceived as fees under this section shall be deposited in the  
3 general fund of the Treasury.

4 (d) NO WAIVER.—A fee imposed under this section  
5 shall not be waived or reduced, except no fee shall be im-  
6 posed on any alien whose request for a continuance is  
7 granted based on exceptional circumstances (as such term  
8 is defined in section 240 of the Immigration and Nation-  
9 ality Act).

10 **SEC. 70012. FEE RELATING TO RENEWAL AND EXTENSION**  
11 **OF EMPLOYMENT AUTHORIZATION FOR PA-**  
12 **ROLEES.**

13 (a) FEE IMPOSED.—In addition to any other fee au-  
14 thorized by law, for a parolee who seeks a renewal or ex-  
15 tension of employment authorization based on a grant of  
16 parole, the Secretary of Homeland Security shall impose  
17 a fee in an amount specified in subsection (b).

18 (b) FEE SPECIFIED.—

19 (1) INITIAL AMOUNT.—The amount specified in  
20 this subsection for fiscal year 2025 shall be such  
21 amount as the Secretary may by rule provide, but in  
22 any event not less than \$550.

23 (2) SUBSEQUENT ADJUSTMENT.—Beginning in  
24 fiscal year 2026 and each fiscal year thereafter, the

1 amount specified in this subsection for a fiscal year  
2 shall be equal to the sum of—

3 (A) the amount imposed under this sub-  
4 section for the prior fiscal year; and

5 (B) rounded to the next lowest multiple of  
6 \$10, the amount referred to in subparagraph  
7 (A), multiplied by the percentage (if any) by  
8 which the Consumer Price Index for All Urban  
9 Consumers for the month of July preceding the  
10 date on which such adjustment takes effect ex-  
11 ceeds the Consumer Price Index for All Urban  
12 Consumers for the same month of the preceding  
13 calendar year.

14 (c) IN GENERAL.—The employment authorization for  
15 any alien paroled into the United States, or any renewal  
16 or extension thereof, shall be valid for a period of not more  
17 than six months.

18 (d) CREDITING OF FUNDS.—The fees received under  
19 this section shall be deposited into the general fund of the  
20 Treasury.

21 (e) NO WAIVER.—A fee imposed under this sub-  
22 section shall not be waived or reduced.



1 **SEC. 70013. FEE RELATING TO TERMINATION, RENEWAL,**  
2 **AND EXTENSION OF EMPLOYMENT AUTHOR-**  
3 **IZATION FOR ASYLUM APPLICANTS.**

4 (a) FEE IMPOSED.—In addition to any other fee au-  
5 thorized by law, for any alien who applies for asylum and  
6 who seeks a renewal or extension of employment author-  
7 ization based on such application, the Secretary of Home-  
8 land Security shall impose a fee of not less than \$550 for  
9 each such renewal or extension, in accordance with sub-  
10 section (b).

11 (b) EMPLOYMENT AUTHORIZATION.—The Secretary  
12 of Homeland Security may provide employment authoriza-  
13 tion to an applicant for asylum for a period of not more  
14 than six months. Each renewal or extension thereof shall  
15 also be valid for a period of not more than six months.

16 (c) TERMINATION.—Each initial employment author-  
17 ization, or renewal or extension of such authorization,  
18 shall terminate as follows:

19 (1) Immediately following the denial of an asy-  
20 lum application by an asylum officer, unless the case  
21 is referred to an immigration judge.

22 (2) On the date that is 30 days after the date  
23 on which an immigration judge denies an asylum ap-  
24 plication, unless the alien makes a timely appeal to  
25 the Board of Immigration Appeals.

1           (3) Immediately following the denial by the  
2       Board of Immigration Appeals of an appeal of a de-  
3       nial of an asylum application.

4       (d) PROHIBITION.—The Secretary of Homeland Se-  
5       curity shall not grant, renew, or extend employment au-  
6       thorization to an alien if the alien was previously granted  
7       employment authorization as an applicant for asylum and  
8       the employment authorization was terminated pursuant to  
9       a circumstance described in subsection (c), unless a Fed-  
10      eral Court of Appeals remands the alien’s case to the  
11      Board of Immigration Appeals.

12      (e) CREDITING OF FUNDS.—The total amount of fees  
13      received under this section shall be deposited in the gen-  
14      eral fund of the Treasury.

15      (f) NO WAIVER.—A fee imposed under this sub-  
16      section shall not be waived or reduced.

17      **SEC. 70014. FEE RELATING TO RENEWAL AND EXTENSION**  
18                           **OF EMPLOYMENT AUTHORIZATION FOR**  
19                           **ALIENS GRANTED TEMPORARY PROTECTED**  
20                           **STATUS.**

21      (a) FEE IMPOSED.—In addition to any other fee au-  
22      thorized by law, for any alien who seeks a renewal or ex-  
23      tension of employment authorization based on a grant of  
24      temporary protected status, the Secretary of Homeland

1 Security shall impose a fee in an amount specified in sub-  
2 section (b) at the time of each such renewal or extension.

3 (b) FEE SPECIFIED.—

4 (1) INITIAL AMOUNT.—The amount specified in  
5 this subsection for fiscal year 2025 shall be such  
6 amount as the Secretary may by rule provide, but in  
7 any event not less than \$550.

8 (2) SUBSEQUENT ADJUSTMENT.—Beginning in  
9 fiscal year 2026 and each fiscal year thereafter, the  
10 amount specified in this subsection for a fiscal year  
11 shall be equal to the sum of—

12 (A) the amount imposed under this sub-  
13 section for the prior fiscal year; and

14 (B) rounded to the next lowest multiple of  
15 \$10, the amount referred to in subparagraph  
16 (A), multiplied by the percentage (if any) by  
17 which the Consumer Price Index for All Urban  
18 Consumers for the month of July preceding the  
19 date on which such adjustment takes effect ex-  
20 ceeds the Consumer Price Index for All Urban  
21 Consumers for the same month of the preceding  
22 calendar year.

23 (c) EMPLOYMENT AUTHORIZATION.—Any employ-  
24 ment authorization for an alien granted temporary pro-

1 tected status, or any renewal or extension thereof, shall  
2 be valid for a period of not more than six months.

3 (d) CREDITING OF FUNDS.—The fees received under  
4 this section shall be deposited into the general fund of the  
5 Treasury.

6 (e) NO WAIVER.—A fee imposed under this sub-  
7 section shall not be waived or reduced.

8 **SEC. 70015. DIVERSITY IMMIGRANT VISA FEES.**

9 (a) FEE FOR FILING A DIVERSITY IMMIGRANT VISA  
10 APPLICATION.—

11 (1) IN GENERAL.—In addition to any other fee  
12 authorized by law, the Secretary of Homeland Secu-  
13 rity shall impose a fee on any alien who files an ap-  
14 plication for a diversity immigrant visa as described  
15 in section 203(c) of the Immigration and Nationality  
16 Act (8 U.S.C. 1153(c)), in the amount specified in  
17 this subsection at the time such application is filed.

18 (2) FEE SPECIFIED.—

19 (A) INITIAL AMOUNT.—The amount speci-  
20 fied in this subsection for fiscal year 2025 shall  
21 be such amount as the Secretary may by rule  
22 provide, but in any event not less than \$400.

23 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
24 ning in fiscal year 2026 and each fiscal year  
25 thereafter, the amount specified in this sub-

1           section for a fiscal year shall be equal to the  
2           sum of—

3                   (i) the amount imposed under this  
4                   subsection for the prior fiscal year; and

5                   (ii) rounded to the next lowest mul-  
6                   tiple of \$10, the amount referred to in  
7                   clause (i), multiplied by the percentage (if  
8                   any) by which the Consumer Price Index  
9                   for All Urban Consumers for the month of  
10                  July preceding the date on which such ad-  
11                  justment takes effect exceeds the Con-  
12                  sumer Price Index for All Urban Con-  
13                  sumers for the same month of the pre-  
14                  ceding calendar year.

15       (b) FEE FOR ALIENS WHO REGISTER FOR THE DI-  
16       VERSITY IMMIGRANT VISA PROGRAM.—

17           (1) IN GENERAL.—In addition to any other fee  
18       authorized by law, the Secretary of Homeland Secu-  
19       rity shall impose a fee on any alien who registers for  
20       the diversity immigrant visa program, as described  
21       in section 203(c) of the Immigration and Nationality  
22       Act (8 U.S.C. 1153(c)), in the amount specified in  
23       this subsection at the time of registration.

24           (2) FEE SPECIFIED.—

1           (A) INITIAL AMOUNT.—The amount speci-  
2           fied in this subsection for fiscal year 2025 shall  
3           be such amount as the Secretary may by rule  
4           provide, but in any event not less than \$250.

5           (B) SUBSEQUENT ADJUSTMENT.—Begin-  
6           ning in fiscal year 2026 and each fiscal year  
7           thereafter, the amount specified in this sub-  
8           section for a fiscal year shall be equal to the  
9           sum of—

10                   (i) the amount imposed under this  
11                   subsection for the prior fiscal year; and

12                   (ii) the amount referred to in clause  
13                   (i), multiplied by the percentage (if any) by  
14                   which the Consumer Price Index for All  
15                   Urban Consumers for the month of July  
16                   preceding the date on which such adjust-  
17                   ment takes effect exceeds the Consumer  
18                   Price Index for All Urban Consumers for  
19                   the same month of the preceding calendar  
20                   year.

21           (c) FUNDS.—During any fiscal year, the total  
22           amount of fees received under this section shall be subject  
23           to the following:

24                   (1) 10 percent of fees received shall be used to  
25                   detect and prevent fraud in the diversity immigrant

1 visa program and to offset costs associated with  
2 such program.

3 (2) 10 percent of fees received shall be credited  
4 to U.S. Immigration and Customs Enforcement to  
5 retain and spend without further appropriation for  
6 the purpose of detention and immigration enforce-  
7 ment and removal operations.

8 (3) Any amounts not used or credited under  
9 this subsection shall be deposited into the general  
10 fund of the Treasury.

11 (d) NO WAIVER.—A fee imposed under this section  
12 shall not be waived or reduced.

13 **SEC. 70016. EOIR FEES.**

14 (a) FEE FOR FILING AN APPLICATION TO ADJUST  
15 STATUS TO THAT OF A LAWFUL PERMANENT RESI-  
16 DENT.—

17 (1) IN GENERAL.—In addition to any other fees  
18 authorized by law, the Attorney General shall impose  
19 on any alien who files with an immigration court an  
20 application to adjust the alien's status to that of a  
21 lawful permanent resident, or whose application to  
22 adjust status to that of a lawful permanent resident  
23 is adjudicated in immigration court, a fee in the  
24 amount specified in this subsection at the time such

1 application is filed, or, as applicable, prior to the ad-  
2 judication of such application in immigration court.

3 (2) FEE SPECIFIED.—

4 (A) INITIAL AMOUNT.—The amount speci-  
5 fied in this subsection for fiscal year 2025 shall  
6 be such amount as the Attorney General may  
7 by rule provide, but in any event not less than  
8 \$1,500.

9 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
10 ning in fiscal year 2026 and each fiscal year  
11 thereafter, the amount specified in this sub-  
12 section for a fiscal year shall be equal to the  
13 sum of—

14 (i) the amount imposed under this  
15 subsection for the prior fiscal year; and

16 (ii) rounded to the next lowest mul-  
17 tiple of \$10, the amount referred to in  
18 clause (i), multiplied by the percentage (if  
19 any) by which the Consumer Price Index  
20 for All Urban Consumers for the month of  
21 July preceding the date on which such ad-  
22 justment takes effect exceeds the Con-  
23 sumer Price Index for All Urban Con-  
24 sumers for the same month of the pre-  
25 ceding calendar year.



1           (3) CREDITING CERTAIN FUNDS.—During any  
2       fiscal year, not more than 50 percent of the total  
3       amount of fees received under this section shall be  
4       derived by transfer from the Immigration Examina-  
5       tions Fee Account under section 286(n) of the Im-  
6       migration and Nationality Act and credited to the  
7       Executive Office for Immigration Review to retain  
8       and spend without further appropriation. Any  
9       amounts not credited under the previous sentence  
10      shall be deposited into the general fund of the  
11      Treasury.

12      (b) FEE FOR FILING AN APPLICATION FOR WAIVER  
13      OF GROUNDS OF INADMISSIBILITY.—

14           (1) IN GENERAL.—In addition to any other fees  
15      authorized by law, the Attorney General shall impose  
16      on any alien who files with an immigration court an  
17      application for waiver of grounds of inadmissibility,  
18      or whose application for waiver of grounds of inad-  
19      missibility is adjudicated in immigration court, a fee  
20      in the amount specified in this subsection at the  
21      time such application is filed, or, as applicable, prior  
22      to the adjudication of such application in immigra-  
23      tion court.

24           (2) FEE SPECIFIED.—

1 (A) INITIAL AMOUNT.—The amount speci-  
2 fied in this subsection for fiscal year 2025 shall  
3 be such amount as the Attorney General may  
4 by rule provide, but in any event not less than  
5 \$1,050.

6 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
7 ning in fiscal year 2026 and each fiscal year  
8 thereafter, the amount specified in this sub-  
9 section for a fiscal year shall be equal to the  
10 sum of—

11 (i) the amount imposed under this  
12 subsection for the prior fiscal year; and

13 (ii) rounded to the next lowest mul-  
14 tiple of \$10, the amount referred to in  
15 clause (i), multiplied by the percentage (if  
16 any) by which the Consumer Price Index  
17 for All Urban Consumers for the month of  
18 July preceding the date on which such ad-  
19 justment takes effect exceeds the Con-  
20 sumer Price Index for All Urban Con-  
21 sumers for the same month of the pre-  
22 ceding calendar year.

23 (3) CREDITING CERTAIN FUNDS.—During any  
24 fiscal year, not more than 25 percent of the total  
25 amount of fees received under this section shall be

1 derived by transfer from the Immigration Examina-  
2 tions Fee Account under section 286(n) of the Im-  
3 migration and Nationality Act and credited to the  
4 Executive Office for Immigration Review to retain  
5 and spend without further appropriation. Any  
6 amounts not credited under the previous sentence  
7 shall be deposited into the general fund of the  
8 Treasury.

9 (c) FEE FOR FILING AN APPLICATION FOR TEM-  
10 PORARY PROTECTED STATUS.—

11 (1) IN GENERAL.—In addition to any other fees  
12 authorized by law, the Attorney General shall impose  
13 on any alien who files with an immigration court an  
14 application for temporary protected status, or whose  
15 application for temporary protected status is adjud-  
16 icated in immigration court, a fee in the amount  
17 specified in this subsection at the time such applica-  
18 tion is filed or, as applicable, prior to the adjudica-  
19 tion of such application in immigration court.

20 (2) FEE SPECIFIED.—

21 (A) INITIAL AMOUNT.—The amount speci-  
22 fied in this subsection for fiscal year 2025 shall  
23 be such amount as the Attorney General may  
24 by rule provide, but in any event not less than  
25 \$500.

1 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
2 ning in fiscal year 2026 and each fiscal year  
3 thereafter, the amount specified in this sub-  
4 section for a fiscal year shall be equal to the  
5 sum of—

6 (i) the amount imposed under this  
7 subsection for the prior fiscal year; and

8 (ii) rounded to the next lowest mul-  
9 tiple of \$10, the amount referred to in  
10 clause (i), multiplied by the percentage (if  
11 any) by which the Consumer Price Index  
12 for All Urban Consumers for the month of  
13 July preceding the date on which such ad-  
14 justment takes effect exceeds the Con-  
15 sumer Price Index for All Urban Con-  
16 sumers for the same month of the pre-  
17 ceding calendar year.

18 (3) CREDITING CERTAIN FUNDS.—During any  
19 fiscal year, not more than 25 percent of the total  
20 amount of fees received under this section shall be  
21 derived by transfer from the Immigration Examina-  
22 tions Fee Account under section 286(n) of the Im-  
23 migration and Nationality Act and credited to the  
24 Executive Office for Immigration Review to retain  
25 and spend without further appropriation. Any

1 amounts not credited under the previous sentence  
2 shall be deposited into the general fund of the  
3 Treasury.

4 (d) FEE FOR FILING AN APPEAL FROM A DECISION  
5 OF AN IMMIGRATION JUDGE.—

6 (1) IN GENERAL.—In addition to any other fees  
7 authorized by law, the Attorney General shall impose  
8 on any alien who files any appeal from a decision of  
9 an immigration judge a fee in the amount specified  
10 in this subsection at the time such appeal is filed.

11 (2) FEE SPECIFIED.—

12 (A) INITIAL AMOUNT.—The amount speci-  
13 fied in this subsection for fiscal year 2025 shall  
14 be such amount as the Attorney General may  
15 by rule provide, but in any event not less than  
16 \$900.

17 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
18 ning in fiscal year 2026 and each fiscal year  
19 thereafter, the amount specified in this sub-  
20 section for a fiscal year shall be equal to the  
21 sum of—

22 (i) the amount imposed under this  
23 subsection for the prior fiscal year; and

24 (ii) rounded to the next lowest mul-  
25 tiple of \$10, the amount referred to in

1 clause (i), multiplied by the percentage (if  
2 any) by which the Consumer Price Index  
3 for All Urban Consumers for the month of  
4 July preceding the date on which such ad-  
5 justment takes effect exceeds the Con-  
6 sumer Price Index for All Urban Con-  
7 sumers for the same month of the pre-  
8 ceding calendar year.

9 (3) EXCEPTION.—The fee described in this sec-  
10 tion shall not apply to the appeal of a bond decision.

11 (4) CREDITING CERTAIN FUNDS.—During any  
12 fiscal year, not more than 25 percent of the total  
13 amount of fees received under this section shall be  
14 derived by transfer from the Immigration Examina-  
15 tions Fee Account under section 286(n) of the Im-  
16 migration and Nationality Act and credited to the  
17 Executive Office for Immigration Review to retain  
18 and spend without further appropriation. Any  
19 amounts not credited under the previous sentence  
20 shall be deposited into the general fund of the  
21 Treasury.

22 (e) FEE FOR FILING AN APPEAL FROM A DECISION  
23 OF AN OFFICER OF THE DEPARTMENT OF HOMELAND  
24 SECURITY.—

1           (1) IN GENERAL.—In addition to any other fees  
2           authorized by law, the Attorney General shall impose  
3           on any alien who files an appeal from a decision of  
4           an officer of the Department of Homeland Security  
5           a fee in the amount specified in this subsection at  
6           the time such appeal is filed.

7           (2) FEE SPECIFIED.—

8                 (A) INITIAL AMOUNT.—The amount speci-  
9                 fied in this subsection for fiscal year 2025 shall  
10                be such amount as the Attorney General may  
11                by rule provide, but in any event not less than  
12                \$900.

13               (B) SUBSEQUENT ADJUSTMENT.—Begin-  
14                ning in fiscal year 2026 and each fiscal year  
15                thereafter, the amount specified in this sub-  
16                section for a fiscal year shall be equal to the  
17                sum of—

18                         (i) the amount imposed under this  
19                         subsection for the prior fiscal year; and

20                         (ii) rounded to the next lowest mul-  
21                         tiple of \$10, the amount referred to in  
22                         clause (i), multiplied by the percentage (if  
23                         any) by which the Consumer Price Index  
24                         for All Urban Consumers for the month of  
25                         July preceding the date on which such ad-

1                   justment takes effect exceeds the Con-  
2                   sumer Price Index for All Urban Con-  
3                   sumers for the same month of the pre-  
4                   ceding calendar year.

5                   (3) CREDITING CERTAIN FUNDS.—During any  
6                   fiscal year, not more than 25 percent of the total  
7                   amount of fees received under this section shall be  
8                   derived by transfer from the Immigration Examina-  
9                   tions Fee Account under section 286(n) of Immigra-  
10                  tion and Nationality and credited to the Executive  
11                  Office for Immigration Review to retain and spend  
12                  without further appropriation. Any amounts not  
13                  credited under the previous sentence shall be depos-  
14                  ited into the general fund of the Treasury.

15                  (f) FEE FOR FILING AN APPEAL FROM A DECISION  
16                  OF AN ADJUDICATING OFFICIAL IN A PRACTITIONER DIS-  
17                  CIPLINARY CASE.—

18                  (1) IN GENERAL.—In addition to any other fees  
19                  authorized by law, the Attorney General shall impose  
20                  on any practitioner who files an appeal from a deci-  
21                  sion of an adjudicating official in a practitioner dis-  
22                  ciplinary case a fee in the amount specified in this  
23                  subsection at the time such appeal is filed.

24                  (2) FEE SPECIFIED.—



1 (A) INITIAL AMOUNT.—The amount speci-  
2 fied in this subsection for fiscal year 2025 shall  
3 be such amount as the Attorney General may  
4 by rule provide, but in any event not less than  
5 \$1,325.

6 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
7 ning in fiscal year 2026 and each fiscal year  
8 thereafter, the amount specified in this sub-  
9 section for a fiscal year shall be equal to the  
10 sum of—

11 (i) the amount imposed under this  
12 subsection for the prior fiscal year; and

13 (ii) rounded to the next lowest mul-  
14 tiple of \$10, the amount referred to in  
15 clause (i), multiplied by the percentage (if  
16 any) by which the Consumer Price Index  
17 for All Urban Consumers for the month of  
18 July preceding the date on which such ad-  
19 justment takes effect exceeds the Con-  
20 sumer Price Index for All Urban Con-  
21 sumers for the same month of the pre-  
22 ceding calendar year.

23 (3) CREDITING CERTAIN FUNDS.—During any  
24 fiscal year, not more than 25 percent of the total  
25 amount of fees received under this section shall be

1 derived by transfer from the Immigration Examina-  
2 tions Fee Account under section 286(n) of the Im-  
3 migration and Nationality Act and credited to the  
4 Executive Office for Immigration Review to retain  
5 and spend without further appropriation. Any  
6 amounts not credited under the previous sentence  
7 shall be deposited into the general fund of the  
8 Treasury.

9 (g) FEE FOR FILING A MOTION TO REOPEN OR A  
10 MOTION TO RECONSIDER.—

11 (1) IN GENERAL.—In addition to any other fees  
12 authorized by law, the Attorney General shall impose  
13 on any alien who files a motion to reopen or motion  
14 to reconsider a decision of an immigration judge or  
15 the Board of Immigration Appeals a fee in the  
16 amount specified in this subsection at the time such  
17 motion is filed.

18 (2) FEE SPECIFIED.—

19 (A) INITIAL AMOUNT.—The amount speci-  
20 fied in this subsection for fiscal year 2025 shall  
21 be such amount as the Attorney General may  
22 by rule provide, but in any event not less than  
23 \$900.

24 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
25 ning in fiscal year 2026 and each fiscal year

1           thereafter, the amount specified in this sub-  
2           section for a fiscal year shall be equal to the  
3           sum of—

4                   (i) the amount imposed under this  
5                   subsection for the prior fiscal year; and

6                   (ii) rounded to the next lowest mul-  
7                   tiple of \$10, the amount referred to in  
8                   clause (i), multiplied by the percentage (if  
9                   any) by which the Consumer Price Index  
10                  for All Urban Consumers for the month of  
11                  July preceding the date on which such ad-  
12                  justment takes effect exceeds the Con-  
13                  sumer Price Index for All Urban Con-  
14                  sumers for the same month of the pre-  
15                  ceding calendar year.

16           (3) EXCEPTIONS.—The fee described in this  
17           section shall not apply to any motion that is:

18                   (A) a motion to reopen a removal order en-  
19                   tered in absentia if the motion is filed under  
20                   section 240(b)(5)(C)(ii) of the Immigration and  
21                   Nationality Act; or

22                   (B) a motion to reopen a deportation order  
23                   entered in absentia if the motion is filed under  
24                   section 242B(c)(3)(B) of the Immigration and

1           Nationality Act, as the section existed prior to  
2           April 1, 1997.

3           (4) CREDITING CERTAIN FUNDS.—During any  
4           fiscal year, not more than 25 percent of the total  
5           amount of fees received under this section shall be  
6           derived by transfer from the Immigration Examina-  
7           tions Fee Account under section 286(n) of the Im-  
8           migration and Nationality Act and credited to the  
9           Executive Office for Immigration Review to retain  
10          and spend without further appropriation. Any  
11          amounts not credited under the previous sentence  
12          shall be deposited into the general fund of the  
13          Treasury.

14          (h) FEE FOR FILING AN APPLICATION FOR SUSPEN-  
15          SION OF DEPORTATION.—

16               (1) IN GENERAL.—In addition to any other fees  
17               authorized by law, the Attorney General shall impose  
18               on any alien who files with an immigration court an  
19               application for suspension of deportation a fee in the  
20               amount specified in this subsection at the time such  
21               application is filed.

22               (2) FEE SPECIFIED.—

23                     (A) INITIAL AMOUNT.—The amount speci-  
24                     fied in this subsection for fiscal year 2025 shall  
25                     be such amount as the Attorney General may

1 by rule provide, but in any event not less than  
2 \$600.

3 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
4 ning in fiscal year 2026 and each fiscal year  
5 thereafter, the amount specified in this sub-  
6 section for a fiscal year shall be equal to the  
7 sum of—

8 (i) the amount imposed under this  
9 subsection for the prior fiscal year; and

10 (ii) rounded to the next lowest mul-  
11 tiple of \$10, the amount referred to in  
12 clause (i), multiplied by the percentage (if  
13 any) by which the Consumer Price Index  
14 for All Urban Consumers for the month of  
15 July preceding the date on which such ad-  
16 justment takes effect exceeds the Con-  
17 sumer Price Index for All Urban Con-  
18 sumers for the same month of the pre-  
19 ceding calendar year.

20 (3) CREDITING CERTAIN FUNDS.—During any  
21 fiscal year, not more than 25 percent of the total  
22 amount of fees received under this section shall be  
23 derived by transfer from the Immigration Examina-  
24 tions Fee Account under section 286(n) of the Im-  
25 migration and Nationality Act and credited to the

1 Executive Office for Immigration Review to retain  
2 and spend without further appropriation. Any  
3 amounts not credited under the previous sentence  
4 shall be deposited into the general fund of the  
5 Treasury.

6 (i) FEE FOR FILING AN APPLICATION FOR CAN-  
7 CELLATION OF REMOVAL FOR CERTAIN PERMANENT  
8 RESIDENTS.—

9 (1) IN GENERAL.—In addition to any other fees  
10 authorized by law, the Attorney General shall impose  
11 on any alien who files with an immigration court an  
12 application for cancellation of removal for certain  
13 permanent residents a fee in the amount specified in  
14 this subsection at the time such application is filed.

15 (2) FEE SPECIFIED.—

16 (A) INITIAL AMOUNT.—The amount speci-  
17 fied in this subsection for fiscal year 2025 shall  
18 be such amount as the Attorney General may  
19 by rule provide, but in any event not less than  
20 \$600.

21 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
22 ning in fiscal year 2026 and each fiscal year  
23 thereafter, the amount specified in this sub-  
24 section for a fiscal year shall be equal to the  
25 sum of—

1 (i) the amount imposed under this  
2 subsection for the prior fiscal year; and

3 (ii) rounded to the next lowest mul-  
4 tiple of \$10, the amount referred to in  
5 clause (i), multiplied by the percentage (if  
6 any) by which the Consumer Price Index  
7 for All Urban Consumers for the month of  
8 July preceding the date on which such ad-  
9 justment takes effect exceeds the Con-  
10 sumer Price Index for All Urban Con-  
11 sumers for the same month of the pre-  
12 ceding calendar year.

13 (3) CREDITING CERTAIN FUNDS.—During any  
14 fiscal year, not more than 25 percent of the total  
15 amount of fees received under this section shall be  
16 derived by transfer from the Immigration Examina-  
17 tions Fee Account under section 286(n) of the Im-  
18 migration and Nationality Act and credited to the  
19 Executive Office for Immigration Review to retain  
20 and spend without further appropriation. Any  
21 amounts not credited under the previous sentence  
22 shall be deposited into the general fund of the  
23 Treasury.

1       (j) FEE FOR FILING AN APPLICATION FOR CAN-  
2 CELLATION OF REMOVAL AND ADJUSTMENT OF STATUS  
3 FOR CERTAIN NONPERMANENT RESIDENTS.—

4           (1) IN GENERAL.—In addition to any other fees  
5 authorized by law, the Attorney General shall impose  
6 on any alien who files with an immigration court an  
7 application for cancellation of removal and adjust-  
8 ment of status for certain nonpermanent residents a  
9 fee in the amount specified in this subsection at the  
10 time such application is filed.

11          (2) FEE SPECIFIED.—

12           (A) INITIAL AMOUNT.—The amount speci-  
13 fied in this subsection for fiscal year 2025 shall  
14 be such amount as the Attorney General may  
15 by rule provide, but in any event not less than  
16 \$1,500.

17           (B) SUBSEQUENT ADJUSTMENT.—Begin-  
18 ning in fiscal year 2026 and each fiscal year  
19 thereafter, the amount specified in this sub-  
20 section for a fiscal year shall be equal to the  
21 sum of—

22                   (i) the amount imposed under this  
23 subsection for the prior fiscal year; and

24                   (ii) rounded to the next lowest mul-  
25 tiple of \$10, the amount referred to in



1 clause (i), multiplied by the percentage (if  
2 any) by which the Consumer Price Index  
3 for All Urban Consumers for the month of  
4 July preceding the date on which such ad-  
5 justment takes effect exceeds the Con-  
6 sumer Price Index for All Urban Con-  
7 sumers for the same month of the pre-  
8 ceding calendar year.

9 (3) CREDITING CERTAIN FUNDS.—During any  
10 fiscal year, not more than 25 percent of the total  
11 amount of fees received under this section shall be  
12 derived by transfer from the Immigration Examina-  
13 tions Fee Account under section 286(n) of the Im-  
14 migration and Nationality Act and credited to the  
15 Executive Office for Immigration Review to retain  
16 and spend without further appropriation. Any  
17 amounts not credited under the previous sentence  
18 shall be deposited into the general fund of the  
19 Treasury.

20 (k) NO WAIVER.—Any fee imposed under this section  
21 shall not be waived or reduced.

22 (l) CONDITION ON FUNDS.—No fees received under  
23 this section shall be used to fund the Legal Orientation  
24 Program or any successor program.

1 **SEC. 70017. ESTA FEE.**

2 Section 217(h)(3)(B) of the Immigration and Nation-  
3 ality Act (8 U.S.C. 1187(h)(3)(B)) is amended—

4 (1) in clause (i)—

5 (A) in subclause (I), by striking “and” at  
6 the end;

7 (B) in subclause (II)—

8 (i) by inserting after “an amount” the  
9 following “of not less than \$10”; and

10 (ii) by striking the period at the end  
11 and inserting “; and”; and

12 (C) by adding at the end the following:

13 “(III) not less than \$13.”;

14 (2) in clause (ii)—

15 (A) by striking “Amounts collected under  
16 clause (i)(I)” and inserting the following:

17 “(I) IN GENERAL.—Of the  
18 amounts collected under clause (i)(I)  
19 during a fiscal year, not more than  
20 \$20,000,000”;

21 (B) by inserting before the period at the  
22 end of the first sentence the following: “, and  
23 the remainder of the amounts collected under  
24 clause (i)(I) shall be deposited in the general  
25 fund of the Treasury”; and

1 (C) by inserting after “to pay the costs in-  
2 curred to administer the System.” the fol-  
3 lowing: “Amounts collected under clause (i)(III)  
4 shall be deposited in the general fund of the  
5 Treasury.”;

6 (3) in clause (iii), by striking “2028” and in-  
7 serting “2034”; and

8 (4) by adding at the end the following:

9 “(iv) SUBSEQUENT ADJUSTMENT.—  
10 Beginning in fiscal year 2026 and each fis-  
11 cal year thereafter, the amount specified in  
12 clause (i)(II) for a fiscal year shall be  
13 equal to the sum of—

14 “(I) the amount imposed under  
15 this subsection for the prior fiscal  
16 year; and

17 “(II) the amount referred to in  
18 subclause (I), multiplied by the per-  
19 centage (if any) by which the Con-  
20 sumer Price Index for All Urban Con-  
21 sumers for the month of July pre-  
22 ceding the date on which such adjust-  
23 ment takes effect exceeds the Con-  
24 sumer Price Index for All Urban Con-

1                   sumers for the same month of the  
2                   preceding calendar year.”.

3 **SEC. 70018. IMMIGRATION USER FEES.**

4       Section 286 of the Immigration and Nationality Act  
5 (8 U.S.C. 1356) is amended—

6               (1) in subsection (d)—

7                   (A) by striking “In addition to any other  
8                   fee” and inserting the following:

9                   “(1) IN GENERAL.—In addition to any other  
10                  fee”;

11                  (B) by inserting “and except as provided  
12                  in subsection (e),” before “the Attorney General  
13                  shall charge and collect”;

14                  (C) by striking “\$7” and inserting “a fee  
15                  in an amount specified in paragraph (2)”; and

16                  (D) by adding at the end the following:

17                  “(2) INITIAL AMOUNT.—For purposes of this  
18                  section, the amount specified in this section for fis-  
19                  cal year 2025 shall be not less than \$10.

20                  “(3) SUBSEQUENT ADJUSTMENT.—Beginning  
21                  in fiscal year 2026 and each fiscal year thereafter,  
22                  the amount specified in this subsection for a fiscal  
23                  year shall be equal to the sum of—

24                       “(A) the amount imposed under this sub-  
25                       section for the prior fiscal year; and

1           “(B) rounded to the next lowest multiple  
2           of \$0.25, the amount referred to in subpara-  
3           graph (A), multiplied by the percentage (if any)  
4           by which the Consumer Price Index for All  
5           Urban Consumers for the month of July pre-  
6           ceding the date on which such adjustment takes  
7           effect exceeds the Consumer Price Index for All  
8           Urban Consumers for the same month of the  
9           preceding calendar year.

10          “(4) CREDITING OF AMOUNTS.—Of amounts  
11          collected under this subsection \$1 per individual for  
12          immigration inspection or preinspection as described  
13          in this subsection shall be deposited in the general  
14          fund of the Treasury.

15          “(5) NO WAIVER.—A fee imposed under this  
16          subsection shall not be waived or reduced.”; and

17          (2) in subsection (e)—

18                  (A) by striking paragraph (1);

19                  (B) by redesignating paragraphs (2) and  
20                  (3) as paragraphs (1) and (2); and

21                  (C) in paragraph (2) (as redesignated by  
22                  subparagraph (B) above), by striking “The At-  
23                  torney General shall charge” and all that fol-  
24                  lows through “this requirement shall not apply

1           to” and inserting the following: “No fee shall be  
2           charged under subsection (d) for”.

3   **SEC. 70019. EVUS FEE.**

4           (a) IN GENERAL.— In addition to any other fee au-  
5   thorized by law, the Secretary of Homeland Security shall  
6   impose on any alien subject to the Electronic Visa Update  
7   System a fee in the amount specified in this section at  
8   the time of such alien’s enrollment in the Electronic Visa  
9   Update System.

10          (b) AMOUNT.—For purposes of this section, the  
11   amount specified in this section for fiscal year 2025 shall  
12   be such amount as the Secretary may by rule provide, but  
13   in any event not less than \$30.

14          (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
15   year 2026 and each fiscal year thereafter, the amount  
16   specified in this section for a fiscal year shall be equal  
17   to the sum of—

18           (1) the amount imposed under this section for  
19   the prior fiscal year; and

20           (2) rounded to the next lowest multiple of  
21   \$0.25, the amount referred to in paragraph (1),  
22   multiplied by the percentage (if any) by which the  
23   Consumer Price Index for All Urban Consumers for  
24   the month of July preceding the date on which such  
25   adjustment takes effect exceeds the Consumer Price

1 Index for All Urban Consumers for the same month  
2 of the preceding calendar year.

3 (d) CREDITING OF FUNDS.—

4 (1) IN GENERAL.—The fees received under this  
5 section shall be deposited into the CBP Electronic  
6 Visa Update System Account, less \$5 per enrollment  
7 which shall be deposited into the general fund of the  
8 Treasury.

9 (2) ESTABLISHMENT.—There is hereby estab-  
10 lished in the Treasury of the United States a sepa-  
11 rate account which shall be known as the “CBP  
12 Electronic Visa Update System Account”.

13 (3) APPROPRIATION.— Amounts deposited in  
14 the CBP Electronic Visa Update System Account  
15 are hereby appropriated to make payments and off-  
16 set program costs as specified in this section without  
17 further appropriation necessary and shall remain  
18 available until expended for any U.S. Customs and  
19 Border Protection costs associated with admin-  
20 istering the Electronic Visa Update System.

21 (e) NO WAIVER.—A fee imposed under this section  
22 shall not be waived or reduced.

1 **SEC. 70020. FEE FOR SPONSOR OF UNACCOMPANIED ALIEN**  
2 **CHILD WHO FAILS TO APPEAR IN IMMIGRA-**  
3 **TION COURT.**

4 (a) FEE IMPOSED.—In addition to any other fee au-  
5 thorized by law, for the sponsor of an unaccompanied alien  
6 child, the Secretary of Health and Human Services shall  
7 impose a fee in an amount specified in subsection (b) prior  
8 to the unaccompanied alien child’s release to such sponsor.

9 (b) FEE SPECIFIED.—

10 (1) INITIAL AMOUNT.—The amount specified in  
11 this subsection for fiscal year 2025 shall be such  
12 amount as the Secretary may by rule provide, but in  
13 any event not less than \$5,000.

14 (2) SUBSEQUENT ADJUSTMENT.—Beginning in  
15 fiscal year 2026 and each fiscal year thereafter, the  
16 amount specified in this subsection for a fiscal year  
17 shall be equal to the sum of—

18 (A) the amount imposed under this sub-  
19 section for the prior fiscal year; and

20 (B) rounded to the next lowest multiple of  
21 \$10, the amount referred to in subparagraph  
22 (A), multiplied by the percentage (if any) by  
23 which the Consumer Price Index for All Urban  
24 Consumers for the month of July preceding the  
25 date on which such adjustment takes effect ex-  
26 ceeds the Consumer Price Index for All Urban



1           Consumers for the same month of the preceding  
2           calendar year.

3           (c) FEE REIMBURSEMENT.—At the conclusion of an  
4 unaccompanied alien child’s immigration court pro-  
5 ceedings as an unaccompanied alien child, or upon the  
6 ending of such sponsor’s sponsorship of such unaccom-  
7 panied alien child, the Secretary of Health and Human  
8 Services may reimburse to a sponsor a fee imposed under  
9 this section if such sponsor demonstrates that the unac-  
10 companied alien child in the care of such sponsor was not  
11 ordered removed in absentia under section 240(b)(5) of  
12 the Immigration and Nationality Act. In the case of a  
13 sponsor of an unaccompanied alien child who was ordered  
14 removed in absentia and such order was rescinded under  
15 section 240(b)(5)(C) of the Immigration and Nationality  
16 Act, the sponsor may seek reimbursement of the fee under  
17 this section.

18          (d) CREDITING OF FUNDS.—The fees received under  
19 this section shall be deposited into the general fund of the  
20 Treasury.

21          (e) NO WAIVER.—A fee imposed under this sub-  
22 section shall not be waived or reduced.

1 **SEC. 70021. FEE FOR ALIENS ORDERED REMOVED IN**  
2 **ABSENTIA.**

3 (a) IN GENERAL.—As partial reimbursement for the  
4 cost of arresting an alien described in this section, the Sec-  
5 retary of Homeland Security shall impose a fee in an  
6 amount specified in this section on any alien who—

7 (1) is ordered removed in absentia under sec-  
8 tion 240(b)(5) of the Immigration and Nationality  
9 Act (8 U.S.C. 1229a(b)(5)); and

10 (2) is subsequently arrested by U.S. Immigra-  
11 tion and Customs Enforcement.

12 (b) INITIAL AMOUNT.—For purposes of this sub-  
13 section, the amount specified in this subsection for fiscal  
14 year 2025 shall be such amount as the Secretary may by  
15 rule provide, but in any event not less than \$5,000.

16 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
17 year 2026 and each fiscal year thereafter, the amount for  
18 a fiscal year shall be equal to the sum of—

19 (1) the amount imposed under this section for  
20 the prior fiscal year; and

21 (2) rounded to the next lowest multiple of \$10,  
22 the amount referred to in paragraph (1), multiplied  
23 by the percentage (if any) by which the Consumer  
24 Price Index for All Urban Consumers for the month  
25 of July preceding the date on which such adjustment  
26 takes effect exceeds the Consumer Price Index for

1 All Urban Consumers for the same month of the  
2 preceding calendar year.

3 (d) CREDITING OF FUNDS.—The fees received under  
4 this section shall be deposited into the general fund of the  
5 Treasury.

6 (e) NO WAIVER.—A fee imposed under this sub-  
7 section shall not be waived or reduced.

8 (f) EXCEPTION.—The fee described in this section  
9 shall not apply to any alien who was ordered removed in  
10 absentia if such order was rescinded under section  
11 240(b)(5)(C) of the Immigration and Nationality Act.

12 **SEC. 70022. CUSTOMS AND BORDER PROTECTION INADMIS-**  
13 **SIBLE ALIEN APPREHENSION FEE.**

14 (a) FEE IMPOSED.—In addition to any other fee au-  
15 thorized by law, for any inadmissible alien who is appre-  
16 hended between ports of entry by U.S. Customs and Bor-  
17 der Protection, the Secretary of Homeland Security shall  
18 impose a fee in an amount specified in subsection (b) at  
19 the time of such apprehension.

20 (b) FEE SPECIFIED.—

21 (1) INITIAL AMOUNT.—The amount specified in  
22 this subsection for fiscal year 2025 shall be such  
23 amount as the Secretary may by rule provide, but in  
24 any event not less than \$5,000.

1           (2) SUBSEQUENT ADJUSTMENT.—Beginning in  
2       fiscal year 2026 and each fiscal year thereafter, the  
3       amount specified in this subsection for a fiscal year  
4       shall be equal to the sum of—

5           (A) the amount imposed under this sub-  
6       section 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      (c) CREDITING OF FUNDS.—The fees received under  
17      this section shall be deposited into the general fund of the  
18      Treasury.

19      (d) NO WAIVER.—A fee imposed under this section  
20      shall not be waived or reduced.

21      **SEC. 70023. AMENDMENT TO AUTHORITY TO APPLY FOR**  
22                                   **ASYLUM.**

23      Section 208(d)(3) of the Immigration and Nationality  
24      Act (8 U.S.C. 1158(d)(3)) is amended—

1 (1) in the first sentence, by striking “may” and  
2 inserting “shall”;

3 (2) by striking “Such fees shall not exceed” and  
4 all that follows; and

5 (3) by inserting after the first sentence “Noth-  
6 ing in this paragraph shall be construed to limit the  
7 authority of the Attorney General to set additional  
8 adjudication and naturalization fees in accordance  
9 with section 286(m).”.

10 **PART 2—USE OF FUNDS**

11 **SEC. 70100. EXECUTIVE OFFICE FOR IMMIGRATION RE-**  
12 **VIEW.**

13 (a) APPROPRIATION.—In addition to amounts other-  
14 wise available, there is appropriated to the Executive Of-  
15 fice for Immigration Review for fiscal year 2025, out of  
16 any money in the Treasury not otherwise appropriated,  
17 \$1,250,000,000 to remain available until September 30,  
18 2029, for the purposes described in subsection (b).

19 (b) USE OF FUNDS.—Amounts made available under  
20 subsection (a) shall only be used for purposes of—

21 (1) hiring the support staff necessary to sup-  
22 port immigration judges;

23 (2) hiring immigration judges; and

24 (3) expanding courtroom capacity and infra-  
25 structure.

1 **SEC. 70101. ADULT ALIEN DETENTION CAPACITY AND FAM-**  
2 **ILY RESIDENTIAL CENTERS.**

3 (a) APPROPRIATION.—In addition to amounts other-  
4 wise available, there is appropriated to U.S. Immigration  
5 and Customs Enforcement for fiscal year 2025, out of any  
6 money in the Treasury not otherwise appropriated,  
7 \$45,000,000,000 to remain available until September 30,  
8 2029, for the purposes described in subsection (b).

9 (b) USE OF FUNDS.—Amounts made available under  
10 subsection (a) shall only be used for family residential cen-  
11 ter capacity and single adult alien detention capacity.

12 (c) DURATION.—The Department of Homeland Secu-  
13 rity may detain family units of aliens at family residential  
14 centers, as described in subsections (b) and (d), pending  
15 a decision on whether the aliens are to be removed from  
16 the United States and, if such aliens are ordered removed  
17 from the United States, until such aliens are removed.

18 (d) FAMILY RESIDENTIAL CENTER DEFINED.—In  
19 this section, the term “family residential center” means  
20 a facility used by the Department of Homeland Security  
21 to detain family units of aliens (including alien children  
22 who are not unaccompanied alien children) who are en-  
23 countered or apprehended by the Department of Home-  
24 land Security, regardless of whether the facility is licensed  
25 by the State or a political subdivision of the State in which  
26 the facility is located.

1 (e) DETENTION STANDARDS.—To efficiently utilize  
2 the funding appropriated by this section, the detention  
3 standards for the single adult detention capacity described  
4 in subsection (b) shall be set in the sole discretion of the  
5 Secretary of Homeland Security.

6 **SEC. 70102. RETENTION AND SIGNING BONUSES FOR U.S.**  
7 **IMMIGRATION AND CUSTOMS ENFORCEMENT**  
8 **PERSONNEL.**

9 (a) APPROPRIATION.—In addition to amounts other-  
10 wise available, there is appropriated to U.S. Immigration  
11 and Customs Enforcement for fiscal year 2025, out of any  
12 money in the Treasury not otherwise appropriated,  
13 \$858,000,000 to remain available until September 30,  
14 2029, for the purposes described in subsections (b) and  
15 (c).

16 (b) RETENTION BONUSES.—U.S. Immigration and  
17 Customs Enforcement may provide retention bonuses to  
18 any U.S. Immigration and Customs Enforcement agent,  
19 officer, or attorney who commits to two years of additional  
20 service with U.S. Immigration and Customs Enforcement  
21 to carry out immigration enforcement.

22 (c) SIGNING BONUSES.—U.S. Immigration and Cus-  
23 toms Enforcement shall provide a signing bonus to each  
24 U.S. Immigration and Customs Enforcement agent, offi-  
25 cer, or attorney who is hired on or after the date of enact-

1 ment of this Act and who commits to five years of service  
2 with U.S. Immigration and Customs Enforcement to carry  
3 out immigration enforcement.

4 (d) RULES FOR BONUSES.—U.S. Customs and Immi-  
5 gration Enforcement shall provide qualifying individuals  
6 with written service agreements that include—

7 (1) the commencement and termination dates of  
8 the required service period (or provisions for the de-  
9 termination thereof);

10 (2) the amount of the bonus; and

11 (3) other terms and conditions under which the  
12 bonus is payable, subject to the requirements of this  
13 subsection, including—

14 (A) the conditions under which the agree-  
15 ment may be terminated before the agreed-upon  
16 service period has been completed; and

17 (B) the effect of a termination described in  
18 subparagraph (A).

19 **SEC. 70103. HIRING OF ADDITIONAL U.S. IMMIGRATION AND**  
20 **CUSTOMS ENFORCEMENT PERSONNEL.**

21 (a) APPROPRIATION.—In addition to amounts other-  
22 wise available, there is appropriated to U.S. Immigration  
23 and Customs Enforcement for fiscal year 2025, out of any  
24 money in the Treasury not otherwise appropriated,



1 \$8,000,000,000, to remain available until September 30,  
2 2029, for the purposes described in subsection (b).

3 (b) USE OF FUNDS.—Amounts made available under  
4 subsection (a) shall only be used to hire additional per-  
5 sonnel of U.S. Immigration and Customs Enforcement, in-  
6 cluding officers, agents, and support staff, to carry out  
7 immigration enforcement, and to prioritize and streamline  
8 the hiring of retired U.S. Immigration and Customs En-  
9 forcement personnel. There shall be a minimum of—

- 10 (1) 2,500 individuals hired in fiscal year 2025;  
11 (2) 1,875 individuals hired in 2026;  
12 (3) 1,875 individuals hired in 2027;  
13 (4) 1,875 individuals hired in 2028; and  
14 (5) 1,875 individuals hired in 2029.

15 **SEC. 70104. U.S. IMMIGRATION AND CUSTOMS ENFORCE-**  
16 **MENT HIRING CAPABILITY.**

17 (a) APPROPRIATION.—In addition to amounts other-  
18 wise available, there is appropriated to U.S. Immigration  
19 and Customs Enforcement for fiscal year 2025, out of any  
20 money in the Treasury not otherwise appropriated,  
21 \$600,000,000, to remain available until September 30,  
22 2029, for the purpose described in subsection (b).

23 (b) USE OF FUNDS.—The funds made available  
24 under subsection (a) shall only be used for the purpose  
25 of facilitating the recruitment, hiring, and onboarding of

1 additional U.S. Immigration and Customs Enforcement  
2 personnel to carry out immigration enforcement, including  
3 by investments in information technology, recruitment,  
4 marketing, and staff necessary for such activities.

5 **SEC. 70105. TRANSPORTATION AND REMOVAL OPERATIONS.**

6 (a) APPROPRIATION.—In addition to amounts other-  
7 wise available, there is appropriated to U.S. Immigration  
8 and Customs Enforcement for fiscal year 2025, out of any  
9 money in the Treasury not otherwise appropriated,  
10 \$14,400,000,000, to remain available until September 30,  
11 2029, for the purposes described in subsection (b).

12 (b) USE OF FUNDS.—Amounts made available under  
13 subsection (a) shall only be used for transportation and  
14 removal operations and for ensuring the departure of  
15 aliens.

16 **SEC. 70106. INFORMATION TECHNOLOGY INVESTMENTS.**

17 (a) APPROPRIATION.—In addition to amounts other-  
18 wise available, there is appropriated to U.S. Immigration  
19 and Customs Enforcement for fiscal year 2025, out of any  
20 money in the Treasury not otherwise appropriated,  
21 \$700,000,000 to remain available until September 30,  
22 2029, for the purposes described in subsection (b).

23 (b) USE OF FUNDS.—Amounts made available under  
24 subsection (a) shall only be used for U.S. Immigration and  
25 Customs Enforcement information technology investments

1 to support enforcement and removal operations, including  
2 to streamline fine and penalty collections.

3 **SEC. 70107. FACILITIES UPGRADES.**

4 (a) APPROPRIATION.—In addition to amounts other-  
5 wise available, there is appropriated to U.S. Immigration  
6 and Customs Enforcement for fiscal year 2025, out of any  
7 money in the Treasury not otherwise appropriated,  
8 \$550,000,000 to remain available until September 30,  
9 2029, for the purposes described in subsection (b).

10 (b) USE OF FUNDS.—Amounts made available under  
11 subsection (a) shall only be used for U.S. Immigration and  
12 Customs Enforcement facility upgrades to support en-  
13 forcement and removal operations.

14 **SEC. 70108. FLEET MODERNIZATION.**

15 (a) APPROPRIATION.—In addition to amounts other-  
16 wise available, there is appropriated to U.S. Immigration  
17 and Customs Enforcement for fiscal year 2025, out of any  
18 money in the Treasury not otherwise appropriated,  
19 \$250,000,000 to remain available until September 30,  
20 2029, for the purposes described in subsection (b).

21 (b) USE OF FUNDS.—Amounts made available under  
22 subsection (a) shall only be used for U.S. Immigration and  
23 Customs Enforcement fleet modernization to support en-  
24 forcement and removal operations.

1 **SEC. 70109. PROMOTING FAMILY UNITY.**

2 (a) APPROPRIATION.—In addition to amounts other-  
3 wise available, there is appropriated to U.S. Immigration  
4 and Customs Enforcement for fiscal year 2025, out of any  
5 money in the Treasury not otherwise appropriated,  
6 \$20,000,000 to remain available until September 30,  
7 2029, for the purposes described in subsection (b).

8 (b) USE OF FUNDS.—The funds made available  
9 under subsection (a) shall only be used to—

10 (1) maintain the care and custody, during the  
11 period in which the charges described in subpara-  
12 graph (A) are pending, of an alien who—

13 (A) is charged only with a misdemeanor of-  
14 fense under section 275(a) of the Immigration  
15 and Nationality Act (8 U.S.C. 1325(a)); and

16 (B) entered the United States with the  
17 alien's child who has not attained 18 years of  
18 age; and

19 (2) detain the alien with the alien's child.

20 **SEC. 70110. FUNDING SECTION 287(G) OF THE IMMIGRA-**  
21 **TION AND NATIONALITY ACT.**

22 (a) APPROPRIATION.—In addition to amounts other-  
23 wise available, there is appropriated to the U.S. Immigra-  
24 tion and Customs Enforcement for fiscal year 2025, out  
25 of any money in the Treasury not otherwise appropriated,

1 \$650,000,000, to remain available until September 30,  
2 2029, for the purposes described in subsection (b).

3 (b) USE OF FUNDS.—The amounts made available  
4 under subsection (a) shall only be used for purposes of  
5 facilitating and implementing agreements under section  
6 287(g) of the Immigration and Nationality Act (8 U.S.C.  
7 1357(g)).

8 **SEC. 70111. COMPENSATION FOR INCARCERATION OF**  
9 **CRIMINAL ALIENS.**

10 (a) APPROPRIATION.—In addition to amounts other-  
11 wise available, there is appropriated to the Department  
12 of Justice for fiscal year 2025, out of any money in the  
13 Treasury not otherwise appropriated, \$950,000,000, to re-  
14 main available until September 30, 2029, for the purposes  
15 described in subsection (b).

16 (b) USE OF FUNDS.—The amounts made available  
17 under subsection (a) shall only be used to compensate a  
18 State or political subdivision of a State, as may be appro-  
19 priate, with respect to the incarceration of any alien  
20 who—

21 (1) has been convicted of a felony or two or  
22 more misdemeanors; and

23 (2)(A) entered the United States without in-  
24 spection or at any time or place other than as des-  
25 ignated by the Secretary of Homeland Security;

1           (B) was the subject of removal proceedings at  
2           the time he or she was taken into custody by the  
3           State or a political subdivision of the State; or

4           (C) was admitted as a nonimmigrant and, at  
5           the time he or she was taken into custody by the  
6           State or a political subdivision of the State, has  
7           failed to maintain the nonimmigrant status in which  
8           the alien was admitted, or to which it was changed,  
9           or to comply with the conditions of any such status.

10          (c) LIMITATION.—The amounts made available under  
11          subsection (a) shall not be used to compensate any State  
12          or political subdivision of the State if the State or political  
13          subdivision of the State prohibits or in any way restricts  
14          a Federal, State, or local government entity, official, or  
15          other personnel from any of the following:

16               (1) Complying with the immigration laws (as  
17               defined in section 101(a)(17) of the Immigration  
18               and Nationality Act (8 U.S.C. 1101(a)(17)).

19               (2) Assisting or cooperating with Federal law  
20               enforcement entities, officials, or other personnel re-  
21               garding the enforcement of the immigration laws.

22               (3) Undertaking any one of the following law  
23               enforcement activities as they relate to information  
24               regarding the citizenship or immigration status, law-

1       ful or unlawful, the inadmissibility or deportability,  
2       and the custody status, of any individual:

3               (A) Making inquiries to any individual to  
4       obtain such information regarding such indi-  
5       vidual or any other individuals.

6               (B) Notifying the Federal Government re-  
7       garding the presence of individuals who are en-  
8       countered by law enforcement officials or other  
9       personnel of a State or political subdivision of  
10      a State.

11              (C) Complying with requests for such in-  
12      formation from Federal law enforcement enti-  
13      ties, officials, or other personnel.

14   **SEC. 70112. OFFICE OF THE PRINCIPAL LEGAL ADVISOR.**

15       (a) APPROPRIATION.—In addition to amounts other-  
16   wise available, there is appropriated to U.S. Immigration  
17   and Customs Enforcement for fiscal year 2025, out of any  
18   money in the Treasury not otherwise appropriated,  
19   \$1,320,000,000 to remain available until September 30,  
20   2029, for the purposes described in subsection (b).

21       (b) USE OF FUNDS.—Amounts made available under  
22   subsection (a) shall only be used for purposes of hiring  
23   additional support staff and attorneys within the Office  
24   of the Principal Legal Advisor to represent the Depart-  
25   ment of Homeland Security in removal proceedings.

1 **SEC. 70113. RETURN OF ALIENS ARRIVING FROM CONTIG-**  
2 **UOUS TERRITORY.**

3 (a) APPROPRIATION.—In addition to amounts other-  
4 wise available, there is appropriated to the Department  
5 of Homeland Security for fiscal year 2025, out of any  
6 money in the Treasury not otherwise appropriated,  
7 \$500,000,000 to remain available until September 30,  
8 2029, for the purposes described in subsection (b).

9 (b) USE OF FUNDS.—The funds made available  
10 under subsection (a) shall only be used for purposes of  
11 return of aliens under section 235(b)(2)(C) of the Immi-  
12 gration and Nationality Act (8 U.S.C. 1225(b)(2)(C)).

13 **SEC. 70114. STATE AND LOCAL PARTICIPATION IN HOME-**  
14 **LAND SECURITY EFFORTS.**

15 (a) APPROPRIATION.—In addition to amounts other-  
16 wise available, there is appropriated to U.S. Immigration  
17 and Customs Enforcement for fiscal year 2025, out of any  
18 money in the Treasury not otherwise appropriated,  
19 \$787,000,000, to remain available until September 30,  
20 2029, for the purpose described in subsection (b).

21 (b) USE OF FUNDS.—The funds made available  
22 under subsection (a) shall only be used for the purpose  
23 of ending the presence of criminal gangs and criminal or-  
24 ganizations throughout the United States, combating do-  
25 mestic human smuggling and trafficking networks, sup-  
26 porting immigration enforcement activities, and providing



1 reimbursement for State and local participation in such  
2 efforts.

3 **SEC. 70115. UNACCOMPANIED ALIEN CHILDREN CAPACITY.**

4 (a) APPROPRIATION.—In addition to amounts other-  
5 wise available, there is appropriated to the Office of Ref-  
6 ugee Resettlement for fiscal year 2025, out of any money  
7 in the Treasury not otherwise appropriated,  
8 \$3,000,000,000 to remain available until September 30,  
9 2029, for the purposes described in subsection (b).

10 (b) USE OF FUNDS.—The funds made available  
11 under subsection (a) shall only be used for the Office of  
12 Refugee Resettlement to house, transport, and supervise  
13 unaccompanied alien children in the custody of the Office  
14 of Refugee Resettlement pursuant to section 235 of the  
15 William Wilberforce Trafficking Victims Protection Reau-  
16 thorization Act of 2008.

17 **SEC. 70116. DEPARTMENT OF HOMELAND SECURITY**  
18 **CHECKS FOR UNACCOMPANIED ALIEN CHIL-**  
19 **DREN.**

20 (a) APPROPRIATION.—In addition to amounts other-  
21 wise available, there is appropriated to U.S. Customs and  
22 Border Protection for fiscal year 2025, out of any money  
23 in the Treasury not otherwise appropriated, \$20,000,000,  
24 to remain available until September 30, 2029, for the pur-  
25 poses described in subsection (b).

1 (b) USE OF FUNDS.—In the case of an unaccom-  
2 panied alien child who has attained 12 years of age and  
3 is encountered by U.S. Customs and Border Protection,  
4 the funds made available under subsection (a) shall only  
5 be used to conduct an examination of such unaccompanied  
6 alien child for gang-related tattoos and other gang-related  
7 markings.

8 (c) UNACCOMPANIED ALIEN CHILD DEFINED.—In  
9 this section, the term “unaccompanied alien child” shall  
10 have the meaning given such term in section 462(g) of  
11 the Homeland Security Act of 2002.

12 **SEC. 70117. DEPARTMENT OF HEALTH AND HUMAN SERV-**  
13 **ICES CHECKS FOR UNACCOMPANIED ALIEN**  
14 **CHILDREN.**

15 (a) APPROPRIATION.—In addition to amounts other-  
16 wise available, there is appropriated to the Office of Ref-  
17 ugee Resettlement for fiscal year 2025, out of any money  
18 in the Treasury not otherwise appropriated, \$20,000,000,  
19 to remain available until September 30, 2029, for the pur-  
20 poses described in subsection (b).

21 (b) USE OF FUNDS.—In the case of each unaccom-  
22 panied alien child who has attained 12 years of age, the  
23 funds made available under subsection (a) shall only be  
24 used for the purpose of making a determination pursuant  
25 to section 235(c)(2)(A) of the William Wilberforce Traf-

1   ficking Victims Protection Reauthorization Act of 2008  
2   about whether an unaccompanied alien child poses a dan-  
3   ger to self or others by conducting an examination of the  
4   unaccompanied alien child for gang-related tattoos and  
5   other gang-related markings.

6       (c) UNACCOMPANIED ALIEN CHILD DEFINED.—In  
7   this section, the term “unaccompanied alien child” shall  
8   have the meaning given such term in section 462(g) of  
9   the Homeland Security Act of 2002.

10   **SEC. 70118. INFORMATION ABOUT SPONSORS AND ADULT**  
11                   **RESIDENTS OF SPONSOR HOUSEHOLDS.**

12       (a) APPROPRIATION.—In addition to amounts other-  
13   wise available, there is appropriated to the Office of Ref-  
14   ugee Resettlement for fiscal year 2025, out of any money  
15   in the Treasury not otherwise appropriated, \$50,000,000,  
16   to remain available until September 30, 2029, for the pur-  
17   poses described in subsection (b).

18       (b) INFORMATION ABOUT INDIVIDUALS WITH WHOM  
19   UNACCOMPANIED ALIEN CHILDREN ARE PLACED AND  
20   RESIDE.—Before placing an unaccompanied alien child  
21   with an individual pursuant to section 235(c) of the Wil-  
22   liam Wilberforce Trafficking Victims Protection Reauthor-  
23   ization Act of 2008, the Secretary of Health and Human  
24   Services shall provide to the Secretary of Homeland Secu-  
25   rity, regarding the individual with whom the child will be

1 placed and all adult residents of the individual's house-  
2 hold, information on—

3 (1) the name of the individual and all adult  
4 residents of the individual's household;

5 (2) the social security number of the individual  
6 and all adult residents of the individual's household;

7 (3) the date of birth of the individual and all  
8 adult residents of the individual's household;

9 (4) the validated location of the individual's res-  
10 idence where the child will be placed;

11 (5) the immigration status of the individual and  
12 all adult residents of the individual's household;

13 (6) contact information for the individual and  
14 all adult residents of the individual's household; and

15 (7) the results of all background and criminal  
16 records checks for the individual and all adult resi-  
17 dents of the individual's household, which shall in-  
18 clude at a minimum an investigation of the public  
19 records sex offender registry, a public records back-  
20 ground check, and a national criminal history check  
21 based on fingerprints.

22 (c) UNACCOMPANIED ALIEN CHILD DEFINED.—In  
23 this section, the term “unaccompanied alien child” shall  
24 have the meaning given such term in section 462(g) of  
25 the Homeland Security Act of 2002.

1 **SEC. 70119. REPATRIATION OF UNACCOMPANIED ALIEN**  
2 **CHILDREN.**

3 (a) APPROPRIATION.—In addition to amounts other-  
4 wise available, there is appropriated to the Department  
5 of Homeland Security for fiscal year 2025, out of any  
6 money in the Treasury not otherwise appropriated,  
7 \$100,000,000, to remain available until September 30,  
8 2029, for the purposes described in subsection (b).

9 (b) USE OF FUNDS.—The funds made available  
10 under subsection (a) shall only be used to permit a speci-  
11 fied unaccompanied alien child to withdraw the child’s ap-  
12 plication for admission pursuant to section 235(a)(4) of  
13 the Immigration and Nationality Act.

14 (c) DEFINITIONS.—In this section—

15 (1) SPECIFIED UNACCOMPANIED ALIEN  
16 CHILD.—The term “specified unaccompanied alien  
17 child” means an unaccompanied alien child (as de-  
18 fined in section 462(g) of the Homeland Security  
19 Act of 2002), regardless of whether such unaccom-  
20 panied alien child is a national or habitual resident  
21 of a country that is contiguous or non-contiguous  
22 with the United States, who the Secretary of Home-  
23 land Security determines on a case-by-case basis—

24 (A) has been found by an immigration offi-  
25 cer at a land border or port of entry of the

1 United States and is inadmissible under the Im-  
2 migration and Nationality Act;

3 (B) has not been a victim of severe forms  
4 of trafficking in persons, and there is no cred-  
5 ible evidence that such child is at risk of being  
6 trafficked upon return to the child's country of  
7 nationality or of last habitual residence; and

8 (C) does not have a fear of returning to  
9 the child's country of nationality or of last ha-  
10 bitual residence owing to a credible fear of per-  
11 secution.

12 (2) SEVERE FORMS OF TRAFFICKING IN PER-  
13 SONS.—The term “severe forms of trafficking in  
14 persons” shall have the meaning given such term in  
15 section 103 of the Trafficking Victims Protection  
16 Act of 2000.

17 **SEC. 70120. UNITED STATES SECRET SERVICE.**

18 (a) APPROPRIATION.—In addition to amounts other-  
19 wise available, there is appropriated to the Director of the  
20 United States Secret Service for fiscal year 2025, out of  
21 any money in the Treasury not otherwise appropriated,  
22 \$1,170,000,000 to remain available until September 30,  
23 2029, for the purposes described in subsection (b).

24 (b) USE OF FUNDS.—Amounts made available under  
25 subsection (a) shall only be used for additional United

1 States Secret Service resources, including personnel, train-  
2 ing facilities, and technology.

3 **SEC. 70121. COMBATING DRUG TRAFFICKING AND ILLEGAL**  
4 **DRUG USE.**

5 (a) APPROPRIATION.—In addition to amounts other-  
6 wise available, there is appropriated to the Department  
7 of Justice for fiscal year 2025, out of any money in the  
8 Treasury not otherwise appropriated, \$500,000,000 to re-  
9 main available until September 30, 2029, for the purposes  
10 described in subsection (b).

11 (b) USE OF FUNDS.—Amounts made available under  
12 subsection (a) shall only be used for efforts to combat  
13 drug trafficking, including of fentanyl and its precursor  
14 chemicals, and illegal drug use.

15 **SEC. 70122. INVESTIGATING AND PROSECUTING IMMIGRA-**  
16 **TION RELATED MATTERS.**

17 (a) APPROPRIATION.—In addition to amounts other-  
18 wise available, there is appropriated to the Department  
19 of Justice for fiscal year 2025, out of any money in the  
20 Treasury not otherwise appropriated, \$600,000,000, to re-  
21 main available until September 30, 2029, for the purposes  
22 described in subsection (b).

23 (b) USE OF FUNDS.—Amounts made available under  
24 subsection (a) shall only be used to investigate and pros-  
25 ecute immigration matters, gang-related crimes involving

1 aliens, child trafficking and smuggling involving aliens,  
2 voting by aliens, violations of the Alien Registration Act,  
3 and violations of or fraud relating to title IV of the Per-  
4 sonal Responsibility and Work Opportunity Act of 1996,  
5 including through hiring Department of Justice personnel  
6 to investigate and prosecute such matters.

7 **SEC. 70123. EXPEDITED REMOVAL FOR CRIMINAL ALIENS.**

8 (a) APPROPRIATION.—In addition to amounts other-  
9 wise available, there is appropriated to the Department  
10 of Homeland Security for fiscal year 2025, out of any  
11 money in the Treasury not otherwise appropriated,  
12 \$75,000,000, to remain available until September 30,  
13 2029, for the purposes described in subsection (b).

14 (b) USE OF FUNDS.—The amounts made available  
15 in subsection (a) shall only be used for applying the provi-  
16 sions of section 235(b)(1) of the Immigration and Nation-  
17 ality Act to any alien who is inadmissible under paragraph  
18 (2) or (3) of section 212(a) of the Immigration and Na-  
19 tionality Act, regardless of the period that such alien has  
20 been physically present in the United States.

21 **SEC. 70124. REMOVAL OF CERTAIN CRIMINAL ALIENS WITH-**  
22 **OUT FURTHER HEARING.**

23 (a) APPROPRIATION.—In addition to amounts other-  
24 wise available, there is appropriated to the Department  
25 of Homeland Security for fiscal year 2025, out of any



1 money in the Treasury not otherwise appropriated,  
2 \$25,000,000, to remain available until September 30,  
3 2029, for the purposes described in subsection (b).

4 (b) USE OF FUNDS.—The amounts made available  
5 in subsection (a) shall only be used for applying the provi-  
6 sions of section 235(c) of the Immigration and Nationality  
7 Act to any arriving alien that an immigration officer or  
8 an immigration judge suspects may be inadmissible under  
9 paragraph (2) or (3) of section 212(a) of the Immigration  
10 and Nationality Act.

## 11 **Subtitle B—Regulatory Matters**

### 12 **SEC. 70200. REVIEW OF AGENCY RULEMAKING.**

13 (a) DEREGULATION INITIATIVE.—

14 (1) APPROPRIATION.—In addition to amounts  
15 otherwise available, there is appropriated to the Di-  
16 rector of the Office of Management and Budget for  
17 fiscal year 2025, out of any money in the Treasury  
18 not otherwise appropriated, \$100,000,000 to remain  
19 available through September 30, 2028, to carry out  
20 this section.

21 (2) USE OF FUNDS.—The Director of the Office  
22 of Management and Budget shall use amounts made  
23 available under paragraph (1) to pay expenses asso-  
24 ciated with improving regulatory processes and ana-

1 lyzing and reviewing rules issued by a covered agen-  
2 cy.

3 (b) DEFINITIONS.—In this section:

4 (1) COVERED AGENCY.—The term “covered  
5 agency”—

6 (A) means—

7 (i) the Department of Education;

8 (ii) the Department of Energy;

9 (iii) the Department of Health and  
10 Human Services;

11 (iv) the Department of Homeland Se-  
12 curity;

13 (v) the Department of Justice;

14 (vi) the Consumer Financial Protec-  
15 tion Bureau; and

16 (vii) the Environmental Protection  
17 Agency; and

18 (B) does not include the Social Security  
19 Administration.

20 (2) RULE.—The term “rule” has the meaning  
21 given the term in section 551 of title 5, United  
22 States Code, only to the extent such rule has been  
23 issued by a covered agency.

## **Subtitle C—Other Matters**

### **SEC. 70300. LIMITATION ON DONATIONS MADE PURSUANT TO SETTLEMENT AGREEMENTS TO WHICH THE UNITED STATES IS A PARTY.**

(a) LIMITATION ON REQUIRED DONATIONS.—An official within the Department of Justice may not enter into or enforce any settlement agreement on behalf of the United States directing or providing for a payment to any person or entity other than the United States, other than a payment that provides restitution for or otherwise directly remedies actual harm (including to the environment) directly and proximately caused by the party making the payment, or constitutes payment for services rendered in connection with the case.

(b) PENALTY.—Any official within the Department of Justice who violates subsection (a) shall be subject to the same penalties that would apply in the case of a violation of section 3302 of title 31, United States Code.

(c) EFFECTIVE DATE.—Subsections (a) and (b) apply only in the case of a settlement agreement entered on or after the date of enactment of this Act.

(d) DEFINITION.—The term “settlement agreement” means a settlement agreement resolving a civil action or potential civil action.

(e) ANNUAL AUDIT REQUIREMENT.—

1           (1) IN GENERAL.—Not later than at the end of  
2           the first fiscal year that begins after the date of en-  
3           actment of this Act, and annually thereafter, the In-  
4           specter General of the Department of Justice shall  
5           submit, and make available on a publicly accessible  
6           website, a report on any settlement agreement en-  
7           tered into in violation of this section to—

8                   (A) the Committee on the Judiciary of the  
9           Senate; and

10                   (B) the Committee on the Judiciary of the  
11           House of Representatives.

12           (2) PROHIBITION ON ADDITIONAL FUNDING.—  
13           No additional funds are authorized to be appro-  
14           priated to carry out this subsection.

15 **SEC. 70301. SOLICITATION OF ORDERS DEFINED.**

16           Section 101(d) of Public Law 86—272 (73 Stat.  
17 555) is amended—

18                   (1) in paragraph (1) by striking “and” at the  
19           end,

20                   (2) in paragraph (2) by striking the period at  
21           the end and inserting “; and”, and

22                   (3) by adding at the end the following:

23                   “(3) the term ‘solicitation of orders’ means any  
24           business activity that facilitates the solicitation of  
25           orders even if that activity may also serve some

1 independently valuable business function apart from  
 2 solicitation.”.

3 **SEC. 70302. RESTRICTION ON ENFORCEMENT.**

4 No court of the United States may enforce a con-  
 5 tempt citation for failure to comply with an injunction or  
 6 temporary restraining order if no security was given when  
 7 the injunction or order was issued pursuant to Federal  
 8 Rule of Civil Procedure 65(c), whether issued prior to, on,  
 9 or subsequent to the date of enactment of this section.

10 **TITLE VIII—COMMITTEE ON**  
 11 **NATURAL RESOURCES**  
 12 **Subtitle A—Energy and Mineral**  
 13 **Resources**

14 **PART 1—OIL AND GAS**

15 **SEC. 80101. ONSHORE OIL AND GAS LEASE SALES.**

16 (a) REQUIREMENT TO IMMEDIATELY RESUME ON-  
 17 SHORE OIL AND GAS LEASE SALES.—

18 (1) IN GENERAL.—The Secretary of the Inte-  
 19 rior shall immediately resume quarterly onshore oil  
 20 and gas lease sales in compliance with the Mineral  
 21 Leasing Act.

22 (2) REQUIREMENT.—The Secretary of the Inte-  
 23 rior shall ensure—

24 (A) that any oil and gas lease sale pursu-  
 25 ant to paragraph (1) is conducted immediately

1 on completion of all requirements under the  
2 Mineral Leasing Act; and

3 (B) that the processes described in sub-  
4 paragraph (A) are conducted in a timely man-  
5 ner to ensure compliance with subsection (b)(1).

6 (3) LEASE OF OIL AND GAS LANDS.—Section  
7 17(b)(1)(A) of the Mineral Leasing Act (30 U.S.C.  
8 226(b)(1)(A)) is amended by inserting “Eligible  
9 lands comprise all lands subject to leasing under this  
10 Act and not excluded from leasing by a statutory or  
11 regulatory prohibition. Land shall be considered  
12 available under the preceding sentence if the land  
13 has been designated as open for leasing under a land  
14 use plan developed or revised under section 202 of  
15 the Federal Land Policy and Management Act of  
16 1976 and has been nominated for leasing through  
17 the submission of an expression of interest, is sub-  
18 ject to drainage (as described in subsection (j)) in  
19 the absence of leasing, or is otherwise designated as  
20 available pursuant to regulations issued by the Sec-  
21 retary.” after “sales are necessary.”.

22 (b) QUARTERLY LEASE SALES.—

23 (1) IN GENERAL.—In accordance with the Min-  
24 eral Leasing Act, each fiscal year, the Secretary of

1 the Interior shall conduct a minimum of four oil and  
2 gas lease sales in each of the following States:

3 (A) Wyoming.

4 (B) New Mexico.

5 (C) Colorado.

6 (D) Utah.

7 (E) Montana.

8 (F) North Dakota.

9 (G) Oklahoma.

10 (H) Nevada.

11 (I) Alaska.

12 (J) Any other State in which there is land  
13 available for oil and gas leasing under the Min-  
14 eral Leasing Act or any other mineral leasing  
15 law.

16 (2) REQUIREMENT.—In conducting a lease sale  
17 under paragraph (1) in a State described in that  
18 paragraph, the Secretary of the Interior shall offer  
19 not less than 50 percent of all parcels nominated  
20 that are available and eligible pursuant to the re-  
21 quirements of the Mineral Leasing Act.

22 (3) REPLACEMENT SALES.—The Secretary of  
23 the Interior shall conduct a replacement sale during  
24 the same fiscal year if—

1 (A) a lease sale under paragraph (1) is  
2 canceled, delayed, or deferred, including for a  
3 lack of eligible parcels; or

4 (B) during a lease sale under paragraph  
5 (1) the percentage of acreage that does not re-  
6 ceive a bid is equal to or greater than 25 per-  
7 cent of the acreage offered.

8 (c) LEASING OF OIL AND GAS.—Section 17 of the  
9 Mineral Leasing Act (30 U.S.C. 226) is amended—

10 (1) by striking the section designation and all  
11 that follows through the end of subsection (a) and  
12 inserting the following:

13 **“SEC. 17. LEASING OF OIL AND GAS.**

14 **“(a) LEASING.—**

15 **“(1) IN GENERAL.—**Not later than 18 months  
16 after the date of receipt by the Secretary of an ex-  
17 pression of interest in leasing land that is subject to  
18 disposition under this Act and is known or believed  
19 to contain oil or gas deposits, the Secretary shall,  
20 subject to paragraph (2), offer such land for oil and  
21 gas leasing if the Secretary determines that the land  
22 is open to oil or gas leasing under a land use plan  
23 developed or revised under section 202 of the Fed-  
24 eral Land Policy and Management Act of 1976 (43  
25 U.S.C. 1712) and such land use plan—



1 “(A) applies to the planning area in which  
2 the land is located; and

3 “(B) is in effect on the date on which the  
4 expression of interest was submitted to the Sec-  
5 retary.

6 “(2) LAND USE PLANS.—

7 “(A) LEASE TERMS AND CONDITIONS.—A  
8 lease issued by the Secretary under this sec-  
9 tion—

10 “(i) shall include any terms and con-  
11 ditions of the land use plan that apply to  
12 the area of the lease; and

13 “(ii) shall not require any stipulations  
14 or mitigation requirements not included in  
15 such land use plan.

16 “(B) EFFECT OF REVISIONS.—The revi-  
17 sion of a land use plan shall not prevent or  
18 delay the Secretary from offering land for leas-  
19 ing under this section if the other requirements  
20 of this section have been met, as determined by  
21 the Secretary.”;

22 (2) in subsection (p)—

23 (A) in paragraph (1), by inserting “con-  
24 duct a complete review of the application with  
25 all applicable agency staff required for the Sec-

1           retary to determine the application is complete  
2           and” after “drill, the Secretary shall”; and

3                   (B) by adding at the end the following:

4           “(4) TERM.—A permit to drill approved under  
5           this subsection shall be valid for a single, nonrenew-  
6           able 4-year period beginning on the date that the  
7           permit to drill is approved.

8           “(5) EFFECT OF PENDING CIVIL ACTION ON  
9           PROCESSING APPLICATIONS FOR PERMITS TO  
10          DRILL.—Pursuant to the requirements of paragraph  
11          (2), notwithstanding the existence of any pending  
12          civil actions affecting the application or a related  
13          lease issued under this Act, the Secretary shall proc-  
14          ess an application for a permit to drill or other au-  
15          thorizations or approvals under a lease issued under  
16          this Act.”; and

17                  (3) by striking subsection (q) and inserting the  
18          following:

19          “(q) OTHER REQUIREMENTS.—In utilizing the au-  
20          thorities provided by section 390 of the Energy Policy Act  
21          of 2005 with respect to an activity conducted pursuant  
22          to this Act, the Secretary of the Interior shall not consider  
23          whether there are any extraordinary circumstances.”.

1 **SEC. 80102. NONCOMPETITIVE LEASING.**

2 (a) NONCOMPETITIVE LEASING.—Section 17 of the  
3 Mineral Leasing Act (30 U.S.C. 226) is further amend-  
4 ed—

5 (1) in subsection (b)—

6 (A) in paragraph (1)(A)—

7 (i) in the first sentence, by striking  
8 “paragraph (2)” and inserting “paragraph  
9 (2) or (3)”; and

10 (ii) by adding at the end “Lands for  
11 which no bids are received or for which the  
12 highest bid is less than the national min-  
13 imum acceptable bid shall be offered  
14 promptly within 30 days for leasing under  
15 subsection (c) of this section and shall re-  
16 main available for leasing for a period of  
17 2 years after the competitive lease sale.”;  
18 and

19 (B) by adding at the end the following:

20 “(3)(A) If the United States held a vested future in-  
21 terest in a mineral estate that, immediately prior to be-  
22 coming a vested present interest, was subject to a lease  
23 under which oil or gas was being produced, or had a well  
24 capable of producing, in paying quantities at an annual  
25 average production volume per well per day of either not  
26 more than 15 barrels per day of oil or condensate, or not

1 more than 60,000 cubic feet of gas, the holder of the lease  
2 may elect to continue the lease as a noncompetitive lease  
3 under subsection (c)(1).

4 “(B) An election under this paragraph is effective—

5 “(i) in the case of an interest which vested after  
6 January 1, 1990, and on or before October 24,  
7 1992, if the election is made before the date that is  
8 1 year after October 24, 1992;

9 “(ii) in the case of an interest which vests with-  
10 in 1 year after October 24, 1992, if the election is  
11 made before the date that is 2 years after October  
12 24, 1992; and

13 “(iii) in any case other than those described in  
14 clause (i) or (ii), if the election is made prior to the  
15 interest becoming a vested present interest.”;

16 (2) by striking subsection (c) and inserting the  
17 following:

18 “(c) LANDS SUBJECT TO LEASING UNDER SUB-  
19 SECTION (B); FIRST QUALIFIED APPLICANT.—

20 “(1) If the lands to be leased are not leased  
21 under subsection (b)(1) of this section or are not  
22 subject to competitive leasing under subsection  
23 (b)(2) of this section, the person first making appli-  
24 cation for the lease who is qualified to hold a lease  
25 under this chapter shall be entitled to a lease of

1 such lands without competitive bidding, upon pay-  
2 ment of a nonrefundable application fee of at least  
3 \$75. A lease under this subsection shall be condi-  
4 tioned upon the payment of a royalty at a rate of  
5 12.5 percent in amount or value of the production  
6 removed or sold from the lease. Leases shall be  
7 issued within 60 days of the date on which the Sec-  
8 retary identifies the first responsible qualified appli-  
9 cant.

10 “(2)(A) Lands (i) which were posted for sale  
11 under subsection (b)(1) of this section but for which  
12 no bids were received or for which the highest bid  
13 was less than the national minimum acceptable bid  
14 and (ii) for which, at the end of the period referred  
15 to in subsection (b)(1) of this section no lease has  
16 been issued and no lease application is pending  
17 under paragraph (1) of this subsection, shall again  
18 be available for leasing only in accordance with sub-  
19 section (b)(1) of this section.

20 “(B) The land in any lease which is issued  
21 under paragraph (1) of this subsection or under sub-  
22 section (b)(1) of this section which lease terminates,  
23 expires, is cancelled or is relinquished shall again be  
24 available for leasing only in accordance with sub-  
25 section (b)(1) of this section.”; and

1           (3) by striking subsection (e) and inserting the  
2           following:

3           “(e) PRIMARY TERM.—Competitive and noncompeti-  
4           tive leases issued under this section shall be for a primary  
5           term of 10 years: *Provided, however,* That competitive  
6           leases issued in special tar sand areas shall also be for  
7           a primary term of 10 years. Each such lease shall continue  
8           so long after its primary term as oil or gas is produced  
9           in paying quantities. Any lease issued under this section  
10          for land on which, or for which under an approved cooper-  
11          ative or unit plan of development or operation, actual drill-  
12          ing operations were commenced prior to the end of its pri-  
13          mary term and are being diligently prosecuted at that time  
14          shall be extended for two years and so long thereafter as  
15          oil or gas is produced in paying quantities.”.

16          (b) FAILURE TO COMPLY WITH PROVISIONS OF  
17          LEASE.—Section 31 of the Mineral Leasing Act (30  
18          U.S.C. 188) is amended—

19                 (1) in subsection (d)(1), by striking “section  
20                 17(b)” and inserting “subsection (b) or (c) of sec-  
21                 tion 17 of this Act”;

22                 (2) in subsection (e)—

23                         (A) in paragraph (2)—

24                                 (i) by inserting “either” after “rentals  
25                                 and”; and

1 (ii) by inserting “or the inclusion in a  
2 reinstated lease issued pursuant to the pro-  
3 visions of section 17(c) of this Act of a re-  
4 quirement that future rentals shall be at a  
5 rate not less than \$5 per acre per year,  
6 all” before “as determined by the Sec-  
7 retary”; and

8 (B) by amending paragraph (3) to read as  
9 follows:

10 “(3)(A) payment of back royalties and the in-  
11 clusion in a reinstated lease issued pursuant to the  
12 provisions of section 17(b) of this Act of a require-  
13 ment for future royalties at a rate of not less than  
14  $16\frac{2}{3}$  percent computed on a sliding scale based  
15 upon the average production per well per day, at a  
16 rate which shall be not less than 4 percentage points  
17 greater than the competitive royalty schedule then in  
18 force and used for royalty determination for com-  
19 petitive leases issued pursuant to such section as de-  
20 termined by the Secretary: *Provided*, That royalty on  
21 such reinstated lease shall be paid on all production  
22 removed or sold from such lease subsequent to the  
23 termination of the original lease;

24 “(B) payment of back royalties and inclusion in  
25 a reinstated lease issued pursuant to the provisions

1 of section 17(c) of this Act of a requirement for fu-  
2 ture royalties at a rate not less than  
3 16<sup>2</sup>/<sub>3</sub> percent: *Provided*, That royalty on such re-  
4 instated lease shall be paid on all production re-  
5 moved or sold from such lease subsequent to the  
6 cancellation or termination of the original lease;  
7 and”;

8 (3) in subsection (f)—

9 (A) in paragraph (1), by striking “in the  
10 same manner as the original lease issued pursu-  
11 ant to section 17” and inserting “as a competi-  
12 tive or a noncompetitive oil and gas lease in the  
13 same manner as the original lease issued pursu-  
14 ant to subsection (b) or (c) of section 17 of this  
15 Act”;

16 (B) by adding at the end the following:

17 “(4) Except as otherwise provided in this section, the  
18 issuance of a lease in lieu of an abandoned patented oil  
19 placer mining claim shall be treated as a noncompetitive  
20 oil and gas lease issued pursuant to section 17(c) of this  
21 Act.”;

22 (4) in subsection (g), by striking “subsection  
23 (d)” and inserting “subsections (d) and (j)”;

24 (5) by amending subsection (h) to read as fol-  
25 lows:



1 “(h) ROYALTY REDUCTIONS.—

2 “(1) In acting on a petition to issue a non-  
3 competitive oil and gas lease, under subsection (j) of  
4 this section or in response to a request filed after  
5 issuance of such a lease, or both, the Secretary is  
6 authorized to reduce the royalty on such lease if in  
7 his judgment it is equitable to do so or the cir-  
8 cumstances warrant such relief due to uneconomic  
9 or other circumstances which could cause undue  
10 hardship or premature termination of production.

11 “(2) In acting on a petition for reinstatement  
12 pursuant to subsection (d) of this section or in re-  
13 sponse to a request filed after reinstatement, or  
14 both, the Secretary is authorized to reduce the roy-  
15 alty in that reinstated lease on the entire leasehold  
16 or any tract or portion thereof segregated for royalty  
17 purposes if, in his judgment, there are uneconomic  
18 or other circumstances which could cause undue  
19 hardship or premature termination of production; or  
20 because of any written action of the United States,  
21 its agents or employees, which preceded, and was a  
22 major consideration in, the lessee’s expenditure of  
23 funds to develop the property under the lease after  
24 the rent had become due and had not been paid; or

1 if in the judgment of the Secretary it is equitable to  
2 do so for any reason.”; and

3 (6) by adding at the end the following:

4 “(j) ISSUANCE OF NONCOMPETITIVE OIL AND GAS  
5 LEASE; CONDITIONS.—Where an unpatented oil placer  
6 mining claim validly located prior to February 24, 1920,  
7 which has been or is currently producing or is capable of  
8 producing oil or gas, has been or is hereafter deemed con-  
9 clusively abandoned for failure to file timely the required  
10 instruments or copies of instruments required by section  
11 1744 of title 43, and it is shown to the satisfaction of  
12 the Secretary that such failure was inadvertent, justifi-  
13 able, or not due to lack of reasonable diligence on the part  
14 of the owner, the Secretary may issue, for the lands cov-  
15 ered by the abandoned unpatented oil placer mining claim,  
16 a noncompetitive oil and gas lease, consistent with the pro-  
17 visions of section 17(e) of this Act, to be effective from  
18 the statutory date the claim was deemed conclusively  
19 abandoned. Issuance of such a lease shall be conditioned  
20 upon—

21 “(1) a petition for issuance of a noncompetitive  
22 oil and gas lease, together with the required rental  
23 and royalty, including back rental and royalty accru-  
24 ing from the statutory date of abandonment of the

1 oil placer mining claim, being filed with the Sec-  
2 retary—

3 “(A) with respect to any claim deemed  
4 conclusively abandoned on or before January  
5 12, 1983, on or before the one hundred and  
6 twentieth day after January 12, 1983; or

7 “(B) with respect to any claim deemed  
8 conclusively abandoned after January 12, 1983,  
9 on or before the one hundred and twentieth day  
10 after final notification by the Secretary or a  
11 court of competent jurisdiction of the deter-  
12 mination of the abandonment of the oil placer  
13 mining claim;

14 “(2) a valid lease not having been issued affect-  
15 ing any of the lands covered by the abandoned oil  
16 placer mining claim prior to the filing of such peti-  
17 tion: *Provided, however,* That after the filing of a pe-  
18 tition for issuance of a lease under this subsection,  
19 the Secretary shall not issue any new lease affecting  
20 any of the lands covered by such abandoned oil plac-  
21 er mining claim for a reasonable period, as deter-  
22 mined in accordance with regulations issued by him;

23 “(3) a requirement in the lease for payment of  
24 rental, including back rentals accruing from the

1 statutory date of abandonment of the oil placer min-  
2 ing claim, of not less than \$5 per acre per year;

3 “(4) a requirement in the lease for payment of  
4 royalty on production removed or sold from the oil  
5 placer mining claim, including all royalty on produc-  
6 tion made subsequent to the statutory date the claim  
7 was deemed conclusively abandoned, of not less than  
8 12½ percent; and

9 “(5) compliance with the notice and reimburse-  
10 ment of costs provisions of paragraph (4) of sub-  
11 section (e) but addressed to the petition covering the  
12 conversion of an abandoned unpatented oil placer  
13 mining claim to a noncompetitive oil and gas lease.”.

14 **SEC. 80103. PERMIT FEES.**

15 Section 17 of the Mineral Leasing Act (30 U.S.C.  
16 226) is further amended by adding at the end the fol-  
17 lowing:

18 “(r) FEE FOR COMMINGLING OF PRODUCTION.—

19 “(1) IN GENERAL.—The Secretary of the Inte-  
20 rior shall approve applications allowing for the com-  
21 mingling of production from two or more sources  
22 (including the area of an oil and gas lease, the area  
23 included in a drilling spacing unit, a unit partici-  
24 pating area, a communitized area, or non-Federal  
25 property) before production reaches the point of roy-

1        alty measurement regardless of ownership, the roy-  
2        alty rates, and the number or percentage of acres  
3        for each source if the applicant pays an application  
4        fee of \$10,000 and agrees to install measurement  
5        devices for each source, utilize an allocation method  
6        that achieves volume measurement uncertainty levels  
7        within plus or minus 2 percent during the produc-  
8        tion phase reported on a monthly basis, or utilize an  
9        approved periodic well testing methodology. Produc-  
10       tion from multiple oil and gas leases, drilling spacing  
11       units, communitized areas, or participating areas  
12       from a single wellbore shall be considered a single  
13       source. Nothing in this subsection shall prevent the  
14       Secretary of the Interior from continuing the current  
15       practice of exercising discretion to authorize higher  
16       percentage volume measurement uncertainty levels if  
17       appropriate technical and economic justifications  
18       have been provided.

19            “(2) REVENUE ALLOCATION.—Fees received  
20       under this subsection shall be deposited into the  
21       Treasury as miscellaneous receipts.

22            “(s) FEES FOR PERMITS-BY-RULE.—

23            “(1) IN GENERAL.—The Secretary shall estab-  
24       lish, by regulation not later than 2 years after the  
25       date of enactment of this subsection, a permit-by-

1 rule process under which a leaseholder may receive  
2 approval to drill for oil and gas if the leaseholder  
3 certifies compliance with such regulations and pays  
4 a fee of \$5,000. Such permit-by-rule process shall  
5 allow drilling operations to commence no later than  
6 45 days after the leaseholder has filed a registration  
7 that certifies compliance with such regulations and  
8 paid the fee required by this paragraph.

9 “(2) REVENUE ALLOCATION.—Fees received  
10 under this subsection shall be deposited into the  
11 Treasury as miscellaneous receipts.”.

12 **SEC. 80104. PERMITTING FEE FOR NON-FEDERAL LAND.**

13 (a) IN GENERAL.—Notwithstanding section 17 of the  
14 Mineral Leasing Act (30 U.S.C. 226), but subject to any  
15 applicable State requirements, the Secretary of the Inte-  
16 rior shall not require a permit to drill for an oil and gas  
17 lease under the Mineral Leasing Act for an action occur-  
18 ring within an oil and gas drilling or spacing unit if the  
19 leaseholder pays a fee of \$5,000 and—

20 (1) the Federal Government—

21 (A) owns less than 50 percent of the min-  
22 erals within the oil and gas drilling or spacing  
23 unit; and

1 (B) does not own or lease the surface es-  
2 tate within the area directly impacted by the  
3 action; or

4 (2) the well is located on non-Federal land over-  
5 lying a non-Federal mineral estate, but some portion  
6 of the wellbore traverses but does not produce from  
7 the Federal mineral estate subject to the lease.

8 (b) NOTIFICATION.—For each State permit to drill  
9 or drilling plan that would impact or extract oil and gas  
10 owned by the Federal Government—

11 (1) each lessee of Federal minerals in the unit,  
12 or designee of a lessee, shall—

13 (A) notify the Secretary of the Interior of  
14 the submission of a State application for a per-  
15 mit to drill or drilling plan on submission of the  
16 application;

17 (B) provide a copy of the application de-  
18 scribed in subparagraph (A) to the Secretary of  
19 the Interior not later than 5 days after the date  
20 on which the permit or plan is submitted; and

21 (C) pay to the Secretary of the Interior the  
22 \$5,000 fee referenced in subsection (a) of this  
23 section;

24 (2) each lessee, designee of a lessee, or applica-  
25 ble State shall notify the Secretary of the Interior of

1 the approved State permit to drill or drilling plan  
2 not later than 45 days after the date on which the  
3 permit or plan is approved; and

4 (3) each lessee or designee of a lessee shall pro-  
5 vide, prior to commencing drilling operations, agree-  
6 ments authorizing the Secretary of the Interior to  
7 enter non-Federal land, as necessary, for inspection  
8 and enforcement of the terms of the Federal lease.

9 (c) EFFECT.—Nothing in this section affects the  
10 amount of royalties due to the Federal Government from  
11 the production of the Federal minerals within the oil and  
12 gas drilling or spacing unit.

13 (d) REVENUE ALLOCATION.—Fees received under  
14 this section shall be deposited into the Treasury as mis-  
15 cellaneous receipts.

16 (e) AUTHORITY ON NON-FEDERAL LAND.—Section  
17 17(g) of the Mineral Leasing Act (30 U.S.C. 226(g)) is  
18 amended—

19 (1) by striking the subsection designation and  
20 all that follows through “Secretary of the Interior,  
21 or” in the first sentence and inserting the following:

22 “(g) REGULATION OF SURFACE DISTURBING ACTIVI-  
23 TIES.—

24 “(1) IN GENERAL.—The Secretary of the Inte-  
25 rior, or”; and



1 (2) by adding at the end the following:

2 “(2) AUTHORITY ON NON-FEDERAL LAND.—

3 “(A) IN GENERAL.—In the case of an oil  
4 and gas lease under this Act on land described  
5 in subparagraph (B) located within an oil and  
6 gas drilling or spacing unit, nothing in this Act  
7 authorizes the Secretary of the Interior to—

8 “(i) require a bond to protect non-  
9 Federal land;

10 “(ii) enter non-Federal land without  
11 the consent of the applicable landowner;

12 “(iii) impose mitigation requirements;

13 or

14 “(iv) require approval for surface rec-  
15 lamation.

16 “(B) LAND.—Land referred to in subpara-  
17 graph (A) is land where—

18 “(i) the Federal Government—

19 “(I) owns less than 50 percent of  
20 the minerals within the oil and gas  
21 drilling or spacing unit; and

22 “(II) does not own or lease the  
23 surface estate within the area directly  
24 impacted by the action;

1 “(ii) the well is located on non-Fed-  
 2 eral land overlying a non-Federal mineral  
 3 estate, but some portion of the wellbore en-  
 4 ters and produces from the Federal min-  
 5 eral estate subject to the lease; or

6 “(iii) the well is located on non-Fed-  
 7 eral land overlying a non-Federal mineral  
 8 estate, but some portion of the wellbore  
 9 traverses but does not produce from the  
 10 Federal mineral estate subject to the lease.

11 “(C) NO FEDERAL ACTION.—An oil and  
 12 gas exploration or production activity carried  
 13 out under a lease described in subparagraph  
 14 (A)—

15 “(i) shall require no Federal action;  
 16 and

17 “(ii) may commence 30 days after the  
 18 leaseholder submits the State permit to the  
 19 Secretary.”.

20 **SEC. 80105. REINSTATE REASONABLE ROYALTY RATES.**

21 (a) OFFSHORE OIL AND GAS ROYALTY RATE.—Sec-  
 22 tion 8(a)(1) of the Outer Continental Shelf Lands Act (43  
 23 U.S.C. 1337(a)(1)) is amended—

24 (1) in subparagraph (A), by striking “not less  
 25 than 16<sup>2</sup>/<sub>3</sub> percent, but not more than 18<sup>3</sup>/<sub>4</sub> percent,

1 during the 10-year period beginning on the date of  
2 enactment of the Act titled ‘An Act to provide for  
3 reconciliation pursuant to title II of S. Con. Res.  
4 14’, and not less than  $16\frac{2}{3}$  percent thereafter,” and  
5 inserting “not less than 12.5 percent, but not more  
6 than  $18\frac{3}{4}$  percent,”;

7 (2) in subparagraph (C), by striking “not less  
8 than  $16\frac{2}{3}$  percent, but not more than  $18\frac{3}{4}$  percent,  
9 during the 10-year period beginning on the date of  
10 enactment of the Act titled ‘An Act to provide for  
11 reconciliation pursuant to title II of S. Con. Res.  
12 14’, and not less than  $16\frac{2}{3}$  percent thereafter,” and  
13 inserting “not less than 12.5 percent, but not more  
14 than  $18\frac{3}{4}$  percent,”;

15 (3) in subparagraph (F), by striking “not less  
16 than  $16\frac{2}{3}$  percent, but not more than  $18\frac{3}{4}$  percent,  
17 during the 10-year period beginning on the date of  
18 enactment of the Act titled ‘An Act to provide for  
19 reconciliation pursuant to title II of S. Con. Res.  
20 14’, and not less than  $16\frac{2}{3}$  percent thereafter,” and  
21 inserting “not less than 12.5 percent, but not more  
22 than  $18\frac{3}{4}$  percent,”; and

23 (4) in subparagraph (H), by striking “not less  
24 than  $16\frac{2}{3}$  percent, but not more than  $18\frac{3}{4}$  percent,  
25 during the 10-year period beginning on the date of

1 enactment of the Act titled ‘An Act to provide for  
2 reconciliation pursuant to title II of S. Con. Res.  
3 14’, and not less than  $16\frac{2}{3}$  percent thereafter,” and  
4 inserting “not less than 12.5 percent, but not more  
5 than  $18\frac{3}{4}$  percent,”.

6 (b) ONSHORE OIL AND GAS ROYALTY RATES.—Sec-  
7 tion 17 of the Mineral Leasing Act (30 U.S.C. 226) is  
8 amended—

9 (1) in subsection (b)—

10 (A) in paragraph (1)(A), by striking “the  
11 Act titled ‘An Act to provide for reconciliation  
12 pursuant to title II of S. Con. Res. 14’,  $16\frac{2}{3}$ ”  
13 and inserting “subsection (s), 12.5”; and

14 (B) in paragraph (2)(A)(ii), by striking  
15 “ $16\frac{2}{3}$  percent” and inserting “ $16\frac{2}{3}$  percent or,  
16 in the case of a lease issued on or after the date  
17 of enactment of subsection (s), 12.5 percent”;

18 (2) in subsection (l), by striking “ $16\frac{2}{3}$  percent”  
19 each place it appears and inserting “ $16\frac{2}{3}$  percent  
20 or, in the case of a lease issued on or after the date  
21 of enactment of subsection (s), 12.5 percent”; and

22 (3) in subsection (n)(1)(C), by striking “ $16\frac{2}{3}$   
23 percent” and inserting “ $16\frac{2}{3}$  percent or, in the case  
24 of a lease issued on or after the date of enactment  
25 of subsection (s), 12.5 percent”.

**PART 2—GEOTHERMAL****SEC. 80111. GEOTHERMAL LEASING.**

Section 4(b) of the Geothermal Steam Act of 1970 (30 U.S.C. 1003(b)) is amended—

(1) in paragraph (2), by striking “2 years” and inserting “year”; and

(2) by adding at the end the following:

“(5) REPLACEMENT SALES.—If a lease sale under paragraph (2) for a year is canceled or delayed, the Secretary of the Interior shall conduct a replacement sale during the same year.

“(6) REQUIREMENT.—In conducting a lease sale under paragraph (2) in a State described in that paragraph, the Secretary of the Interior shall offer all nominated parcels eligible for geothermal development and utilization under a land use plan developed or revised under section 202 of the Federal Land Policy and Management Act of 1976 that is in effect for the State.”.

**SEC. 80112. GEOTHERMAL ROYALTIES.**

Section 5(a)(1) of the Geothermal Steam Act of 1970 (30 U.S.C. 1004(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by inserting “with respect to each electric generating facility producing electricity,” before “not less than”; and

- 1 (B) by inserting by “by such facility” after  
2 “produced”; and  
3 (2) in subparagraph (B)—  
4 (A) by inserting “with respect to each elec-  
5 tric generating facility producing electricity,”  
6 before “not less than”; and  
7 (B) by inserting by “by such facility” after  
8 “produced”.

9 **PART 3—ALASKA**

10 **SEC. 80121. COASTAL PLAIN OIL AND GAS LEASING.**

11 (a) DEFINITIONS.—In this section:

12 (1) COASTAL PLAIN.—The term “Coastal  
13 Plain” has the meaning given the term in section  
14 20001(a) of Public Law 115–97 (16 U.S.C. 3143  
15 note).

16 (2) OIL AND GAS PROGRAM.—The term “oil  
17 and gas program” means the oil and gas program  
18 established under section 20001(b)(2) of Public Law  
19 115–97 (16 U.S.C. 3143 note).

20 (3) SECRETARY.—The term “Secretary” means  
21 the Secretary of the Interior.

22 (b) ADMINISTRATION.—Not later than 30 days after  
23 the date of enactment of this Act, the Secretary shall—

24 (1) withdraw—

1 (A) the supplemental environmental impact  
2 statement described in the notice of availability  
3 of the Bureau of Land Management entitled  
4 “Notice of Availability of the Final Coastal  
5 Plain Oil and Gas Leasing Program Supple-  
6 mental Environmental Impact Statement, Alas-  
7 ka” (89 Fed. Reg. 88805 (November 8, 2024));  
8 and

9 (B) the record of decision described in the  
10 notice of availability of the Bureau of Land  
11 Management entitled “Notice of Availability of  
12 the Record of Decision for the Final Supple-  
13 mental Environmental Impact Statement for  
14 the Coastal Plain Oil and Gas Leasing Pro-  
15 gram, Alaska” (89 Fed. Reg. 101042 (Decem-  
16 ber 13, 2024)); and

17 (2) reinstate—

18 (A) the environmental impact statement  
19 described in the notice of availability of the Bu-  
20 reau of Land Management entitled “Notice of  
21 Availability of the Final Environmental Impact  
22 Statement for the Coastal Plain Oil and Gas  
23 Leasing Program, Alaska” (84 Fed. Reg.  
24 50472 (September 25, 2019)); and

1 (B) the record of decision described in the  
2 notice of availability of the Bureau of Land  
3 Management entitled “Notice of Availability of  
4 the Record of Decision for the Final Environ-  
5 mental Impact Statement for the Coastal Plain  
6 Oil and Gas Leasing Program, Alaska” (85  
7 Fed. Reg. 51754 (August 21, 2020)).

8 (c) REISSUANCE OF CANCELLED LEASES.—

9 (1) ACCEPTANCE OF BIDS.—Not later than 30  
10 days after the date of enactment of this Act, the  
11 Secretary shall, without modification or delay—

12 (A) accept the highest valid bid for each  
13 Coastal Plain lease tract for which a valid bid  
14 was received on January 6, 2021, pursuant to  
15 the requirement to hold the first lease sale  
16 under section 20001(c)(1)(A) of Public Law  
17 115–97 (16 U.S.C. 3143 note); and

18 (B) provide the appropriate lease form to  
19 each successful bidder under subparagraph (A)  
20 to execute and return to the Secretary.

21 (2) LEASE ISSUANCE.—On receipt of an exe-  
22 cuted lease form under paragraph (1)(B) and pay-  
23 ment in accordance with that lease of the rental for  
24 the first year, the balance of the bonus bid (unless  
25 deferred), and any required bond or security from



1 the successful bidder, the Secretary shall promptly  
2 issue to the successful bidder a fully executed lease,  
3 in accordance with—

4 (A) the applicable regulations, as in effect  
5 on January 6, 2021; and

6 (B) the terms and conditions of the record  
7 of decision described in subsection (b)(2)(B).

8 (3) TERMS AND CONDITIONS.—Leases reissued  
9 pursuant to this subsection shall include the terms  
10 and conditions from the record of decision described  
11 in the notice of availability of the Bureau of Land  
12 Management entitled “Notice of Availability of the  
13 Record of Decision for the Final Environmental Im-  
14 pact Statement for the Coastal Plain Oil and Gas  
15 Leasing Program, Alaska” (85 Fed. Reg. 51754  
16 (August 21, 2020)).

17 (4) EXCEPTION.—This subsection shall not  
18 apply to any bid for which a lease was issued and  
19 subsequently relinquished by the successful bidder  
20 prior to the date of enactment of this Act.

21 (d) LEASE SALES REQUIRED.—

22 (1) IN GENERAL.—Subject to paragraph (2), in  
23 addition to the lease sales required under section  
24 20001(c)(1)(A) of Public Law 115–97 (16 U.S.C.  
25 3143 note), the Secretary shall conduct not fewer

1       than 4 lease sales area-wide under the oil and gas  
2       program by not later than 10 years after the date  
3       of the enactment of this Act.

4               (2) SALE ACREAGES; SCHEDULE.—The Sec-  
5       retary shall offer—

6               (A) an initial lease sale under paragraph  
7       (1) not later than 1 year after the date of the  
8       enactment of this Act;

9               (B) a second lease sale under paragraph  
10      (1) not later than 3 years after the date of the  
11      enactment of this Act;

12              (C) a third lease sale under paragraph (1)  
13      not later than 5 years after the date of the en-  
14      actment of this Act;

15              (D) a fourth lease sale under paragraph  
16      (1) not later than 7 years after the date of the  
17      enactment of this Act; and

18              (E)(i) not fewer than 400,000 acres area-  
19      wide in each lease sale, including those areas  
20      that have the highest potential for the discovery  
21      of hydrocarbons; or

22              (ii) the total number of unleased acres sub-  
23      ject to the provisions of this section if that total  
24      number of available acres is less than 400,000  
25      acres.

1           (3) LEASING CERTAINTY.—The record of deci-  
2           sion described in subsection (b)(2)(B) shall be con-  
3           sidered to satisfy the requirements of—

4                   (A) the Alaska National Interest Lands  
5           Conservation Act;

6                   (B) the National Environmental Policy Act  
7           of 1969;

8                   (C) Public Law 115–97;

9                   (D) the Endangered Species Act of 1973;

10                  (E) subchapter II of chapter 5 of title 5,  
11           United States Code, and chapter 7 of title 5,  
12           United States Code; and

13                  (F) the Marine Mammal Protection Act of  
14           1972.

15       (e) LEASE ISSUANCE.—Leases shall be reissued or  
16       issued under subsections (c) and (d)—

17               (1) not later than 60 days after payment by the  
18           successful bidder of the remainder of the bonus bid,  
19           if any, and the annual rental for the first lease year;

20               (2) in accordance with the applicable regula-  
21           tions, as in effect on January 6, 2021; and

22               (3) in accordance with the terms and conditions  
23           from the record of decision described in the notice  
24           of availability of the Bureau of Land Management  
25           entitled “Notice of Availability of the Record of De-

1 cision for the Final Environmental Impact State-  
2 ment for the Coastal Plain Oil and Gas Leasing  
3 Program, Alaska” (85 Fed. Reg. 51754 (August 21,  
4 2020)).

5 (f) GEOPHYSICAL SURVEYS.—Not later than 30 days  
6 after the date on which the Secretary receives a complete  
7 application pursuant to section 3152.1 of title 43, Code  
8 of Federal Regulations (or any successor regulations), to  
9 conduct oil and gas geophysical exploration operations in  
10 the Coastal Plain, the Secretary shall approve such appli-  
11 cation.

12 (g) RECEIPTS.—Notwithstanding section 35 of the  
13 Mineral Leasing Act (30 U.S.C. 191) and section  
14 20001(b)(5) of Public Law 115–97 (16 U.S.C. 668dd  
15 note), of the amount of adjusted bonus, rental, and royalty  
16 receipts derived from the oil and gas program and oper-  
17 ations on the Coastal Plain pursuant to this section—

18 (1)(A) for fiscal years 2025 through 2034, 50  
19 percent shall be paid to the State of Alaska; and

20 (B) for fiscal year 2035 and thereafter, 90 per-  
21 cent shall be paid to the State of Alaska; and

22 (2) the balance shall be deposited into the  
23 Treasury as miscellaneous receipts.

24 (h) JUDICIAL PRECLUSION.—

1           (1) IN GENERAL.—Except as provided in para-  
2 graph (2), no court shall have jurisdiction to review  
3 any action taken by the Secretary, the Administrator  
4 of the Environmental Protection Agency, or a State  
5 or municipal government administrative agency to—

6           (A) reissue a lease pursuant to subsection  
7 (c) or issue a lease under a lease sale conducted  
8 under subsection (d); or

9           (B) grant or issue a right-of-way, ease-  
10 ment, authorization, permit, verification, bio-  
11 logical opinion, incidental take statement, or  
12 other approval for a lease reissued pursuant to  
13 subsection (c) or issued under a lease sale con-  
14 ducted under subsection (d), whether reissued  
15 or issued prior to, on, or after the date of the  
16 enactment of this Act, and including any law-  
17 suit or any other action pending in a court as  
18 of the date of enactment of this Act.

19           (2) PETITION BY LEASEHOLDER.—

20           (A) IN GENERAL.—A leaseholder or the  
21 State of Alaska may obtain a review of an al-  
22 leged failure by the Secretary to act in accord-  
23 ance with this section or with any law per-  
24 taining to granting or issuing a lease, right-of-  
25 way, easement, authorization, permit,

1 verification, biological opinion, incidental take  
2 statement, or other approval related to a lease  
3 under this section by filing a written petition  
4 with a court of competent jurisdiction seeking  
5 an order.

6 (B) DEADLINES.—If a court of competent  
7 jurisdiction finds pursuant to subparagraph (A)  
8 that an agency has failed to act in accordance  
9 with this section or with any law pertaining to  
10 granting or issuing a lease, right-of-way, ease-  
11 ment, authorization, permit, verification, bio-  
12 logical opinion, incidental take statement, or  
13 other approval related to a lease under this sec-  
14 tion, the court shall set a schedule and deadline  
15 for the agency to act as soon as practicable,  
16 which shall not exceed 90 days from the date  
17 on which the order of the court is issued, unless  
18 the court determines a longer time period is  
19 necessary to comply with applicable law.

20 **PART 4—MINING**

21 **SEC. 80131. SUPERIOR NATIONAL FOREST LANDS IN MIN-**  
22 **NESOTA.**

23 (a) RESCISSION.—The Public Land Order of the Bu-  
24 reau of Land Management titled “Public Land Order No.  
25 7917 for Withdrawal of Federal Lands; Cook, Lake, and

1 Saint Louis Counties, MN” (88 Fed. Reg. 6308; published  
2 January 31, 2023) is hereby rescinded and shall have no  
3 force or effect.

4 (b) REINSTATEMENT, ISSUANCE, AND MODIFICATION  
5 OF CERTAIN HARDROCK MINERAL LEASES.—

6 (1) REINSTATEMENT AND TERM MODIFICA-  
7 TION.—

8 (A) REINSTATEMENT.—Notwithstanding  
9 Reorganization Plan No. 3 of 1946 (5 U.S.C.  
10 App.), section 2478 of the Revised Statutes (43  
11 U.S.C. 1457c), the Act of June 30, 1950 (64  
12 Stat. 311; 16 U.S.C. 508b), and the Act of  
13 March 4, 1917 (39 Stat. 1150; 16 U.S.C. 520),  
14 and not later than 5 calendar days after the  
15 date of the enactment of this section, the Sec-  
16 retary shall reinstate each covered lease.

17 (B) LEASE TERM.—Upon reinstatement of  
18 each covered lease under subparagraph (A)—

19 (i) each covered lease shall have an  
20 initial term of 20 years from the date of  
21 such reinstatement and a right to succes-  
22 sive renewals in accordance with paragraph  
23 (4);

24 (ii) the Secretary shall toll the initial  
25 term of a covered lease during any period

1 in which permitting activities of the cov-  
2 ered lease are delayed by legal or adminis-  
3 trative proceedings not initiated by the  
4 holder of the covered lease; and

5 (iii) the Secretary shall extend the ini-  
6 tial term of a covered lease by a period  
7 equal to any tolling period under clause  
8 (ii).

9 (C) APPLICABLE TERMS.—Except as modi-  
10 fied by this section, all terms and conditions of  
11 each covered lease shall be in accordance with  
12 the original terms of the covered lease.

13 (2) REVENUE PROVISIONS.—

14 (A) REINSTATEMENT FEE.—Upon rein-  
15 statement of each covered lease under para-  
16 graph (1)(A), the holder of a covered lease shall  
17 pay to the Secretary a one-time fee of \$100 per  
18 acre of the covered lease.

19 (B) SUPPLEMENTAL RENTAL.—In addition  
20 to the rental payment specified in the reinstated  
21 covered lease, the holder of a covered lease shall  
22 pay to the Secretary an annual supplemental  
23 rental of \$10 per acre of the covered lease dur-  
24 ing years 6 through 10 of the initial term of the  
25 covered lease.



1 (C) REVENUE ALLOCATION.—All revenues  
2 collected under this paragraph shall be depos-  
3 ited in the Treasury as miscellaneous receipts.

4 (3) GRANT OF PREFERENCE RIGHT HARDROCK  
5 MINERAL LEASE.—

6 (A) CONGRESSIONAL GRANT.—Notwith-  
7 standing Reorganization Plan No. 3 of 1946 (5  
8 U.S.C. App.), section 2478 of the Revised Stat-  
9 utes (43 U.S.C. 1457c), the Act of June 30,  
10 1950 (64 Stat. 311; 16 U.S.C. 508b), and the  
11 Act of March 4, 1917 (39 Stat. 1150; 16  
12 U.S.C. 520), and in recognition of the valid ex-  
13 isting rights created through the finding of a  
14 valuable mineral deposit as determined by the  
15 issuance of a Notice of Preliminary Valuable  
16 Deposit Determination from the Bureau of  
17 Land Management, Congress hereby grants to  
18 any holder of a Notice of Preliminary Valuable  
19 Deposit Determination issued between January  
20 20, 2017, and January 20, 2021, a preference  
21 right hardrock mineral lease subject to the  
22 terms described in this paragraph.

23 (B) LEASE TERMS.—Each preference right  
24 hardrock mineral lease granted under subpara-  
25 graph (A) shall—

1           (i) have an initial term of 20 years  
2           from the date of such grant and a right to  
3           successive renewals in accordance with  
4           paragraph (4);

5           (ii) except as provided in clause (iv),  
6           be subject to the same terms and condi-  
7           tions as adjacent covered leases, as modi-  
8           fied by this section;

9           (iii) be deemed part of the unified  
10          mining operation with adjacent covered  
11          leases for purposes of mine planning and  
12          operations; and

13          (iv) not be required to meet the dili-  
14          gence requirements of adjacent covered  
15          leases until the date on which the first  
16          term of the preference right hardrock min-  
17          eral lease after the lease is renewed under  
18          paragraph (4) begins.

19          (C) REVENUE PROVISIONS.—

20           (i) IN GENERAL.—Upon the grant of  
21           each preference right hardrock mineral  
22           lease under subparagraph (A), the holder  
23           of each lease shall pay to the Secretary—

1 (I) a one-time issuance fee of  
2 \$250 per acre of the preference right  
3 hardrock mineral lease;

4 (II) an annual rental payment of  
5 \$1 per acre of the preference right  
6 hardrock mineral lease per year; and

7 (III) a production royalty in ac-  
8 cordance with the terms and condi-  
9 tions described in subparagraph  
10 (B)(ii).

11 (ii) DEPOSIT OF AMOUNTS.—Amounts  
12 collected under this subparagraph shall be  
13 deposited in the Treasury as miscellaneous  
14 receipts.

15 (4) RENEWAL PROVISIONS.—

16 (A) RENEWAL QUALIFICATION.—If, during  
17 the last 2 years of each initial or renewal term  
18 of a lease reinstated, granted, or renewed under  
19 this subsection, the holder of the lease requests  
20 renewal, the Secretary shall renew the lease in  
21 accordance with this paragraph.

22 (B) RENEWAL PROCESS.—

23 (i) IN GENERAL.—Not later than 90  
24 days before the date on which the term of  
25 a lease for which the holder of the lease re-

1 requests renewal under subparagraph (A)  
2 ends, the holder of the lease shall pay to  
3 the Secretary a renewal fee of \$100 per  
4 acre of the lease.

5 (ii) RENEWAL REQUIRED.—Upon re-  
6 ceipt of a renewal request under subpara-  
7 graph (A) and the renewal fee required  
8 under clause (i) of this subparagraph, the  
9 Secretary shall renew the lease that is the  
10 subject of the renewal request for an addi-  
11 tional 10-year term.

12 (C) RENEWAL CONDITIONS.—

13 (i) IN GENERAL.—

14 (I) MINE PLAN OF OPERATIONS  
15 NOT REQUIRED DURING INITIAL  
16 TERM.—Approval of a mine plan of  
17 operations is not required during the  
18 initial term of a lease reinstated or  
19 granted under this subsection.

20 (II) MINIMUM PRODUCTION RE-  
21 QUIREMENTS.—Minimum production  
22 requirements as described in adjacent  
23 covered leases shall begin with respect  
24 to a lease reinstated or granted under  
25 this subsection on the date that is 5

1                   years after the approval of a mine  
2                   plan of operations for such lease.

3                   (ii) ANNUAL RENTAL PAYMENTS.—

4                   The annual rental payment for a lease re-  
5                   newed under this subsection shall be \$2  
6                   per acre more than the annual rental pay-  
7                   ment of such lease during the preceding  
8                   term of such lease.

9                   (5) JUDICIAL REVIEW.—

10                  (A) IN GENERAL.—The reinstatement,  
11                  modification, or grant of a lease, or a combina-  
12                  tion thereof, under this section is not subject to  
13                  judicial review.

14                  (B) EXCEPTION.—Notwithstanding sub-  
15                  paragraph (A), the holder of a lease reinstated,  
16                  modified, or granted under this subsection may  
17                  seek review of an alleged failure by the Sec-  
18                  retary to act in accordance with this section.

19                  (6) DEFINITIONS.—In this section:

20                  (A) COVERED LEASE.—The term “covered  
21                  lease” means a hardrock mineral lease—

22                          (i) located within the Superior Na-  
23                          tional Forest in the State of Minnesota;

24                          (ii) issued or renewed in between Jan-  
25                          uary 20, 2017, and January 19, 2021; and

1 (iii) cancelled or otherwise rescinded  
 2 between January 20, 2021, and January  
 3 20, 2025.

4 (B) SECRETARY.—The term “Secretary”  
 5 means the Secretary of the Interior.

6 **PART 5—COAL**

7 **SEC. 80141. COAL LEASING.**

8 (a) MANDATORY LEASING AND OTHER REQUIRED  
 9 APPROVALS.—Not later than 90 days after the date of en-  
 10 actment of this Act in the case of a pending application,  
 11 or not later than 90 days after the date of submission in  
 12 the case of an application submitted after the date of the  
 13 enactment of this Act, the Secretary of the Interior shall—

14 (1) with respect to each qualified application—

15 (A) if not previously published for public  
 16 comment, publish any required environmental  
 17 review;

18 (B) finalize the fair market value of the  
 19 applicable coal tract;

20 (C) hold a lease sale with respect to the  
 21 applicable coal tract;

22 (D) take all other intermediate actions nec-  
 23 essary to grant the qualified application; and

24 (E) after completing the actions required  
 25 by subparagraphs (A) through (D), grant the

1 qualified application and issue the applicable  
2 lease to the person that submitted the qualified  
3 application if that person submitted the highest  
4 bid in the lease sale held under subparagraph  
5 (C); and

6 (2) with respect to previously issued coal leases,  
7 grant any additional approvals of the Department of  
8 the Interior required for mining activities to com-  
9 mence.

10 (b) LEASES FOR KNOWN RECOVERABLE COAL RE-  
11 SOURCES.—Notwithstanding section 2(a)(3)(A) of the  
12 Mineral Leasing Act (30 U.S.C. 201(a)(3)(A)) and section  
13 202(a) of the Federal Land Policy and Management Act  
14 of 1976 (43 U.S.C. 1712(a)), not later than 90 days after  
15 the date of enactment of this Act, the Secretary of the  
16 Interior shall make available for lease known recoverable  
17 coal resources of not less than 4,000,000 additional acres  
18 on Federal land west of the 100th meridian located in the  
19 48 contiguous States and Alaska, but which shall not in-  
20 clude any Federal land within—

21 (1) a National Monument;  
22 (2) a National Recreation Area;  
23 (3) a component of the National Wilderness  
24 Preservation System;

1           (4) a component of the National Wild and Sce-  
2       nic Rivers System;

3           (5) a component of the National Trails System;

4           (6) a National Conservation Area;

5           (7) a unit of the National Wildlife Refuge Sys-  
6       tem;

7           (8) a unit of the National Fish Hatchery Sys-  
8       tem;

9           (9) a unit of the National Park System;

10          (10) a National Preserve;

11          (11) a National Seashore or National Lake-  
12       shore;

13          (12) a National Historic Site;

14          (13) a National Memorial;

15          (14) a National Battlefield, National Battlefield  
16       Park, National Battlefield Site, or National Military  
17       Park; or

18          (15) a National Historical Park.

19       (c) DEFINITIONS.—In this section:

20           (1) COAL LEASE.—The term “coal lease”  
21       means a lease entered into by the United States as  
22       lessor, through the Bureau of Land Management,  
23       and an applicant on Bureau of Land Management  
24       Form 3400–012, or a successor form that contains  
25       terms of a coal lease.



1           (2) QUALIFIED APPLICATION.—The term  
2       “qualified application” means an application for a  
3       coal lease pending as of the date of enactment of  
4       this Act or submitted within 90 days thereafter  
5       under the lease by application program administered  
6       by the Bureau of Land Management pursuant to the  
7       Mineral Leasing Act.

8   **SEC. 80142. FUTURE COAL LEASING.**

9       Secretarial Order 3338, issued by the Secretary of  
10      the Interior on January 15, 2016, or any other actions  
11      limiting the Federal coal leasing program, shall have no  
12      force or effect.

13   **SEC. 80143. COAL ROYALTY.**

14      (a) RATE.—Section 7(a) of the Mineral Leasing Act  
15      (30 U.S.C. 207(a)) is amended by striking “12½ per cen-  
16      tum” and inserting “12½ percent, except such amount  
17      shall be not more than 7 percent during the period that  
18      begins on the date of enactment of subsection (s) of sec-  
19      tion 17 and ends September 30, 2034,”.

20      (b) RETROACTIVITY.—The amendment made by sub-  
21      section (a) shall apply to a coal lease—

22           (1) issued under section 2 of the Mineral Leas-  
23      ing Act (30 U.S.C. 201) before, on, or after the date  
24      of the enactment of this subtitle; and

25           (2) that has not been terminated.

1 (c) ADVANCE ROYALTIES.—

2 (1) IN GENERAL.—With respect to a lease  
3 issued under section 2 of the Mineral Leasing Act  
4 (30 U.S.C. 201) for which the lessee has paid ad-  
5 vance royalties under section 7(b) of that Act (30  
6 U.S.C. 207(b)), the Secretary of the Interior shall  
7 provide to the lessee a credit for the difference be-  
8 tween the amount paid by the lessee in advance roy-  
9 alties for the lease before the date of the enactment  
10 of this subtitle and the amount the lessee would  
11 have been required to pay if the amendment made  
12 by subsection (a) had been made before the lessee  
13 paid advance royalties for the lease.

14 (2) REFUND OF EXCESS CREDITS.—If a credit  
15 owed to a lessee pursuant to this subsection for prior  
16 payment of advance royalties is in excess of royalties  
17 owed at the conclusion of the term of the lease, the  
18 Secretary shall reimburse the lessee an amount  
19 equal to the credit less any royalties owed during  
20 that term.

21 **SEC. 80144. AUTHORIZATION TO MINE FEDERAL MINERALS.**

22 (a) IN GENERAL.—All Federal coal reserves leased  
23 under Federal Coal Lease MTM 97988 located within the  
24 covered Federal land are authorized to be mined in accord-  
25 ance with the Bull Mountains Mining Plan Modification.

1 (b) DEFINITIONS.—In this section:

2 (1) BULL MOUNTAINS MINING PLAN MODIFICA-  
3 TION.—The term “Bull Mountains Mining Plan  
4 Modification” means the Mine No. 1, Amendment 3  
5 mining plan modification for Federal coal lease  
6 MTM 97988 described in the memorandum of the  
7 Department of the Interior titled “Recommendation  
8 regarding the previously approved mining plan modi-  
9 fication for Federal Lease MTM–97988 at Signal  
10 Peak Energy, LLC’s Bull Mountains Mine No.1, lo-  
11 cated in Musselshell and Yellowstone Counties, Mon-  
12 tana” (November 18, 2020).

13 (2) COVERED FEDERAL LAND.—The term “cov-  
14 ered Federal land” means the following land com-  
15 prising approximately 800 acres:

16 (A) The NE  $\frac{1}{4}$  of sec. 8, T. 6 N., R. 27  
17 E., Montana Principal Meridian.

18 (B) The SW  $\frac{1}{4}$  of sec. 10, T. 6 N., R. 27  
19 E., Montana Principal Meridian.

20 (C) The W  $\frac{1}{2}$ , SE  $\frac{1}{4}$  of sec. 22, T. 6 N.,  
21 R. 27 E., Montana Principal Meridian.

**PART 6—NEPA****SEC. 80151. PROJECT SPONSOR OPT-IN FEES FOR ENVIRONMENTAL REVIEWS.**

The National Environmental Policy Act of 1969 is amended by inserting after section 111 (42 U.S.C. 4336e) the following:

**“SEC. 112. PROJECT SPONSOR OPT-IN FEES FOR ENVIRONMENTAL REVIEWS.**

“(a) PROCESS.—

“(1) PROJECT SPONSOR.—A project sponsor who intends to pay a fee under this section for the preparation, or supervision of the preparation, of an environmental assessment or environmental impact statement with respect to the project of the project sponsor shall submit to the Council—

“(A) a description of the project; and

“(B) a declaration of whether the project sponsor intends to prepare the environmental assessment or environmental impact statement under section 107(f) of this title.

“(2) NOTICE OF AMOUNT OF FEE.—Not later than 15 days after the receipt of the information described in paragraph (1), the Council shall provide to the project sponsor that submitted such information notice of the amount of the fee, as determined under subsection (b).

1           “(3) PAYMENT OF FEE.—A project sponsor  
2           may pay a fee under this section after receipt of the  
3           notice described in paragraph (2).

4           “(4) DEADLINE FOR ENVIRONMENTAL REVIEWS  
5           FOR WHICH A FEE IS PAID.—Notwithstanding sec-  
6           tion 107(g)(1)—

7                   “(A) an environmental assessment for  
8                   which a fee was paid under this section shall be  
9                   completed by not later than 6 months after the  
10                  sooner of, as applicable, the dates described in  
11                  clauses (i), (ii), and (iii) of section  
12                  107(g)(1)(B); and

13                   “(B) an environmental impact statement  
14                   for which a fee was paid under this section shall  
15                   be completed by not later than 1 year after the  
16                   sooner of, as applicable, the dates described in  
17                   clauses (i), (ii), and (iii) of section  
18                   107(g)(1)(A).

19           “(b) FEE AMOUNT.—The amount of a fee under this  
20           section shall be—

21                   “(1) in the case of an environmental assessment  
22                   or environmental impact statement to be prepared  
23                   by the lead agency, 125 percent of the anticipated  
24                   costs to prepare the environmental assessment or en-  
25                   vironmental impact statement; and

1           “(2) in the case of an environmental assessment  
2           or environmental impact statement to be prepared in  
3           whole or in part by a project sponsor under section  
4           107(f), 125 percent of the anticipated costs to su-  
5           pervise preparation of, and (as applicable) prepare,  
6           the environmental assessment or environmental im-  
7           pact statement.

8           “(c) JUDICIAL REVIEW.—

9           “(1) EA; EIS.—There shall be no judicial re-  
10          view of an environmental assessment or environ-  
11          mental impact statement for which a fee is paid  
12          under this section.

13          “(2) FONSI; ROD.—An action for judicial re-  
14          view of a finding of no significant impact or record  
15          of decision that is associated with an environmental  
16          assessment or environmental impact statement de-  
17          scribed in paragraph (1) may not challenge the find-  
18          ing of no significant impact or record of decision  
19          based on an alleged issue with the environmental as-  
20          sessment or environmental impact statement.

21          “(d) REVENUE ALLOCATION.—Fees received under  
22          this section shall be deposited into the Treasury as mis-  
23          cellaneous receipts.”.

1 **SEC. 80152. RESCISSION RELATING TO ENVIRONMENTAL**  
2 **AND CLIMATE DATA COLLECTION.**

3 The unobligated balance of any amounts made avail-  
4 able under section 60401 of Public Law 117–169 is re-  
5 scinded.

6 **PART 7—MISCELLANEOUS**

7 **SEC. 80161. PROTEST FEES.**

8 Section 17 of the Mineral Leasing Act (30 U.S.C.  
9 226) is further amended by adding at the end the fol-  
10 lowing:

11 “(t) PROTEST FILING FEE.—

12 “(1) IN GENERAL.—Before processing any pro-  
13 test under this Act, the Secretary shall collect a fil-  
14 ing fee in the amount described in paragraph (2)  
15 from the protestor to recover the cost for processing  
16 documents filed for the protest.

17 “(2) AMOUNT.—The amount described in this  
18 paragraph is calculated as follows:

19 “(A) For each protest filed in a submission  
20 not exceeding 10 pages in length, the base filing  
21 fee shall be \$150.

22 “(B) For each protest filed in a submission  
23 exceeding 10 pages in length, in addition to the  
24 base filing fee, an assessment of \$5 per page in  
25 excess of 10 pages shall apply.

1           “(C) For each protest filed in a submission  
2           that includes more than one oil and gas lease  
3           parcel, right-of-way, or application for permit to  
4           drill, an additional assessment of \$10 per addi-  
5           tional lease parcel, right-of-way, or application  
6           for permit to drill shall apply.

7           “(3) ADJUSTMENT.—

8           “(A) IN GENERAL.—Beginning on January  
9           1, 2026, and annually thereafter, the Secretary  
10          shall adjust the filing fees established in this  
11          subsection to whole dollar amounts to reflect  
12          changes in the Producer Price Index, as pub-  
13          lished by the Bureau of Labor Statistics, for  
14          the previous 12 months.

15          “(B) PUBLICATION OF ADJUSTED FILING  
16          FEES.—At least 30 days before an adjustment  
17          to a filing fee under this paragraph takes effect,  
18          the Secretary shall publish notification of the  
19          adjustment in the Federal Register.

20          “(4) REVENUE ALLOCATION.—All revenues col-  
21          lected under this paragraph shall be deposited in the  
22          Treasury as miscellaneous receipts.”.



1       **PART 8—OFFSHORE OIL AND GAS LEASING**

2       **SEC. 80171. MANDATORY OFFSHORE OIL AND GAS LEASE**  
3               **SALES.**

4           (a) IN GENERAL.—

5               (1) GULF OF AMERICA.—

6                   (A) IN GENERAL.—Notwithstanding the  
7                   2024–2029 National Outer Continental Shelf  
8                   Oil and Gas Leasing Program, the Secretary  
9                   shall hold not fewer than 30 lease sales in the  
10                  Gulf of America during the 15-year period be-  
11                  ginning on the date of the enactment of this  
12                  section.

13                  (B) LOCATION REQUIREMENT.—For each  
14                  lease sale held under this paragraph, the Sec-  
15                  retary may offer for lease only an area identi-  
16                  fied as the Proposed Final Program Area in  
17                  Figure S–1 of the 2017–2022 Outer Conti-  
18                  nental Shelf Oil and Gas Leasing Proposed  
19                  Final Program referenced in the notice of avail-  
20                  ability published by the Bureau of Ocean En-  
21                  ergy Management titled “Notice of Availability  
22                  of the 2017–2022 Outer Continental Shelf Oil  
23                  and Gas Leasing Proposed Final Program” (81  
24                  Fed. Reg. 84612; published November 23,  
25                  2016).

1 (C) ACREAGE REQUIREMENT.—For each  
2 lease sale held under this paragraph, the Sec-  
3 retary shall offer for lease—

4 (i) not fewer than 80,000,000 acres;

5 or

6 (ii) if there are fewer than 80,000,000  
7 acres that are unleased, all such unleased  
8 acres.

9 (D) TIMING REQUIREMENT.—Of the not  
10 fewer than 30 lease sales required under this  
11 paragraph, the Secretary shall hold not fewer  
12 than 1 lease sale on or before each of the fol-  
13 lowing dates:

14 (i) December 15, 2025.

15 (ii) March 15, 2026.

16 (iii) August 15, 2026.

17 (iv) March 15, 2027.

18 (v) August 15, 2027.

19 (vi) March 15, 2028.

20 (vii) August 15, 2028.

21 (viii) March 15, 2029.

22 (ix) August 15, 2029.

23 (x) March 15, 2030.

24 (xi) August 15, 2030.

25 (xii) March 15, 2031.

- 1 (xiii) August 15, 2031.
- 2 (xiv) March 15, 2032.
- 3 (xv) August 15, 2032.
- 4 (xvi) March 15, 2033.
- 5 (xvii) August 15, 2033.
- 6 (xviii) March 15, 2034.
- 7 (xix) August 15, 2034.
- 8 (xx) March 15, 2035.
- 9 (xxi) August 15, 2035.
- 10 (xxii) March 15, 2036.
- 11 (xxiii) August 15, 2036.
- 12 (xxiv) March 15, 2037.
- 13 (xxv) August 15, 2037.
- 14 (xxvi) March 15, 2038.
- 15 (xxvii) August 15, 2038.
- 16 (xxviii) March 15, 2039.
- 17 (xxix) August 15, 2039.
- 18 (xxx) March 15, 2040.

19 (E) LEASE TERMS AND CONDITIONS.—

- 20 (i) IN GENERAL.—For each lease sale  
21 held under this paragraph, the Secretary  
22 shall, except as provided in clause (iii),  
23 offer the same lease form, lease terms, eco-  
24 nomic conditions, and stipulations 4  
25 through 10 as contained in the Bureau of

1 Ocean Energy Management final notice of  
2 sale titled “Gulf of Mexico Outer Conti-  
3 nental Shelf Region-Wide Oil and Gas  
4 Lease Sale 254” (85 Fed. Reg. 8010; pub-  
5 lished February 12, 2020).

6 (ii) UPDATE.—The Secretary is au-  
7 thorized to update stipulations 1 through 3  
8 of the final notice of sale titled “Gulf of  
9 Mexico Outer Continental Shelf Region-  
10 Wide Oil and Gas Lease Sale 254” (85  
11 Fed. Reg. 8010; published February 12,  
12 2020) to reflect current conditions for  
13 lease sales held under this paragraph.

14 (iii) DEEPWATER TERM.—The pri-  
15 mary term for a lease in water depths of  
16 800 meters or deeper issued as a result of  
17 a sale held under this paragraph shall be  
18 10 years.

19 (2) COOK INLET PLANNING AREA.—

20 (A) IN GENERAL.—Notwithstanding the  
21 2024–2029 National Outer Continental Shelf  
22 Oil and Gas Leasing Program, the Secretary  
23 shall hold not fewer than 6 lease sales in the  
24 Cook Inlet Planning Area during the 10-year

1 period beginning on the date of the enactment  
2 of this section.

3 (B) LOCATION REQUIREMENT.—For each  
4 lease sale held under this paragraph, the Sec-  
5 retary may offer for lease only an area identi-  
6 fied in Figure S-2 of the 2017–2022 Outer  
7 Continental Shelf Oil and Gas Leasing Pro-  
8 posed Final Program referenced in the notice of  
9 availability published by the Bureau of Ocean  
10 Energy Management titled “Notice of Avail-  
11 ability of the 2017–2022 Outer Continental  
12 Shelf Oil and Gas Leasing Proposed Final Pro-  
13 gram” (81 Fed. Reg. 84612; published Novem-  
14 ber 23, 2016).

15 (C) ACREAGE REQUIREMENT.—For each  
16 lease sale held under this paragraph, the Sec-  
17 retary shall offer for lease—

- 18 (i) not fewer than 1,000,000 acres; or  
19 (ii) if there are fewer than 1,000,000  
20 acres that are unleased, all such unleased  
21 acres.

22 (D) TIMING REQUIREMENT.—Of the not  
23 fewer than 6 lease sales required under this  
24 paragraph, the Secretary shall hold not fewer

1           than 1 lease sale on or before each of the fol-  
2           lowing dates:

3                   (i) March 15, 2026.

4                   (ii) March 15, 2027.

5                   (iii) August 15, 2028.

6                   (iv) March 15, 2030.

7                   (v) August 15, 2031.

8                   (vi) March 15, 2032.

9                   (E) LEASE TERMS AND CONDITIONS.—For  
10           each lease sale held under this paragraph, the  
11           Secretary shall offer the same lease form, lease  
12           terms, economic conditions, and stipulations as  
13           contained in the final notice of sale titled  
14           “Outer Continental Shelf Cook Inlet, Alaska,  
15           Oil and Gas Lease Sale 244” (82 Fed. Reg.  
16           23163; published May 22, 2017).

17                   (F) REVENUE SHARING.—Notwithstanding  
18           section 8(g) and 9 of the Outer Continental  
19           Shelf Lands Act (43 U.S.C. 1337(g) and 1338),  
20           and beginning in fiscal year 2035, of the bo-  
21           nuses, rents, royalties, and other revenues de-  
22           rived from leases issued pursuant to this para-  
23           graph—

24                   (i) 90 percent shall be paid to the  
25           State of Alaska; and

1 (ii) 10 percent shall be deposited in  
2 the Treasury as miscellaneous receipts.

3 (b) LEASE SALES HELD UNDER PROPOSED FINAL  
4 PROGRAM.—The lease sales held under this section shall  
5 be in addition to the lease sales held under the Proposed  
6 Final Program for the 2024–2029 National Outer Conti-  
7 nental Shelf Oil and Gas Leasing Program referenced in  
8 the notice of availability published by the Bureau of Ocean  
9 Energy Management titled “Notice of Availability of the  
10 2024–2029 National Outer Continental Shelf Oil and Gas  
11 Leasing Proposed Final Program and Final Pro-  
12 grammatic Environmental Impact Statement” (88 Fed.  
13 Reg. 67798; published October 2, 2023).

14 (c) OTHER REQUIREMENTS.—During the period be-  
15 ginning on the date of the enactment of this section and  
16 ending on the date that is 2 years after the date on which  
17 the last lease sale required to be held under this section  
18 is held, with respect to each lease sale held, lease issued,  
19 and any activity that requires a Federal authorization and  
20 is associated with a lease issued pursuant to this title, the  
21 Outer Continental Shelf Lands Act, or section 50264 of  
22 Public Law 117–169 in the Gulf of America—

23 (1) adherence with the Biological Opinion shall  
24 satisfy the Secretary’s obligations under the Endan-

1       gered Species Act of 1973 and the Marine Mammal  
2       Protection Act of 1972;

3           (2) the final programmatic environmental im-  
4       pact statement referenced in the notice of avail-  
5       ability titled “Final Programmatic Environmental  
6       Impact Statement for the 2017–2022 Outer Conti-  
7       nental Shelf (OCS) Oil and Gas Leasing Program”  
8       (81 Fed. Reg. 83870; published November 22,  
9       2016), the Record of Decision related to such final  
10      programmatic environmental impact statement, and  
11      the final environmental impact statement referenced  
12      in the notice of availability titled “Final Environ-  
13      mental Impact Statement for Outer Continental  
14      Shelf, Gulf of Mexico, 2017–2022 Oil and Gas Lease  
15      Sales 249, 250, 251, 252, 253, 254, 256, 257, 259,  
16      and 261” (82 Fed. Reg. 13363; published March 10,  
17      2017) shall satisfy the Secretary’s obligations under  
18      the National Environmental Policy Act of 1969 and  
19      division A of subtitle III of title 54, United States  
20      Code; and

21           (3) the consistency determinations prepared by  
22      the Bureau of Ocean Energy Management under  
23      section 307 of the Coastal Zone Management Act of  
24      1972 (16 U.S.C. 1456) for Lease Sale 261 for the  
25      States of Texas, Louisiana, Mississippi, Alabama,



1 and Florida shall satisfy the Secretary's obligations  
2 under that section (16 U.S.C. 1456).

3 (d) ISSUANCE OF LEASES.—If the Secretary receives  
4 an acceptable bid for an area offered in a lease sale held  
5 under this section, the Secretary shall—

6 (1) in accordance with section 8 of the Outer  
7 Continental Shelf Lands Act (43 U.S.C. 1337), ac-  
8 cept the highest acceptable bid for such area; and

9 (2) not later than 90 days after the date on  
10 which the applicable lease sale ends, issue a lease of  
11 the area to the highest responsible qualified bidder.

12 (e) NOMINATION OF AREAS FOR INCLUSION IN  
13 LEASE SALE BY GOVERNOR.—

14 (1) IN GENERAL.—The Secretary shall establish  
15 a process through which the Governor of a State  
16 may nominate for leasing under a lease sale held  
17 under this section an area of the outer Continental  
18 Shelf that is—

19 (A) adjacent to the waters of the State;  
20 and

21 (B) unleased and available for leasing.

22 (2) INCLUSION OF NOMINATED AREA.—If under  
23 paragraph (1) the Governor of a State nominates an  
24 area described in that paragraph for leasing under  
25 a lease sale held under this section, the Secretary

1        shall include the area in the next scheduled lease  
2        sale under subsection (a)(1)(D).

3        (f) GEOLOGICAL AND GEOPHYSICAL SURVEYS.—Not  
4        later than 30 days after the date on which the Secretary  
5        receives a complete application pursuant to section 551.5  
6        of title 30, Code of Federal Regulations (as in effect on  
7        September 22, 2015), to conduct a geological or geo-  
8        physical survey pursuant to oil and gas activities on the  
9        outer Continental Shelf, the Secretary shall approve such  
10       application.

11       (g) LEASE SALE 259 AND LEASE SALE 261  
12       LEASES.—

13            (1) LEASING REVENUE CERTAINTY.—A lease  
14        awarded under Lease Sale 259 or Lease Sale 261,  
15        which has been fully executed by the Secretary, shall  
16        not be set aside, vacated, enjoined, suspended, or  
17        cancelled except in accordance with section 5 of the  
18        Outer Continental Shelf Lands Act (43 U.S.C.  
19        1334).

20            (2) NO ADDITIONAL TERMS OR CONDITIONS.—  
21        The Secretary shall not impose any additional terms  
22        or conditions on a lease awarded under Lease Sale  
23        259 or Lease Sale 261, which has been fully exe-  
24        cuted by the Secretary, that were not included in the  
25        Bureau of Ocean Energy Management final notice of

1 sale titled “Gulf of Mexico Outer Continental Shelf  
2 Oil and Gas Lease Sale 259” (88 Fed. Reg. 12404;  
3 published Feb. 27, 2023) or the final notice of sale  
4 titled “Gulf of Mexico Outer Continental Shelf Oil  
5 and Gas Lease Sale 261” (88 Fed. Reg. 80750;  
6 published on Nov. 20, 2023).

7 (h) JUDICIAL REVIEW.—Section 23(c)(2) of the  
8 Outer Continental Shelf Lands Act (43 U.S.C.  
9 1349(c)(2)) is amended to read as follows:

10 “(2) Any action of the Secretary to approve, require  
11 modification of, or disapprove any exploration plan, devel-  
12 opment and production plan, bidding procedure, lease sale,  
13 lease issuance, or permit or authorization related to oil  
14 and gas exploration, development, or production under  
15 this Act, or any inaction by the Secretary resulting in the  
16 failure to hold a lease sale under any Federal law requir-  
17 ing oil and gas lease sales on the outer Continental Shelf,  
18 shall be subject to judicial review only in a United States  
19 court of appeals for a circuit in which an affected State  
20 is located.”.

21 (i) DEFINITIONS.—In this section:

22 (1) ACCEPTABLE BID.—The term “acceptable  
23 bid” means a bid that meets the requirements of the  
24 document published by the Bureau of Ocean Energy  
25 Management titled “Summary of Procedures for De-

1       termining Bid Adequacy at Offshore Oil and Gas  
2       Lease Sales Effective March 2016, with Central  
3       Gulf of Mexico Sale 241 and Eastern Gulf of Mexico  
4       Sale 226”.

5               (2) BIOLOGICAL OPINION.—The term “Biologi-  
6       cal Opinion”—

7                       (A) means the biological opinion issued by  
8                       the National Marine Fisheries Service titled  
9                       “Biological Opinion on the Federally Regulated  
10                      Oil and Gas Program Activities in the Gulf of  
11                      Mexico” and the incidental take statement asso-  
12                      ciated with such biological opinion (published  
13                      March 12, 2020, and updated April 26, 2021);  
14                      and

15                     (B) does not include sections 3.3.1 through  
16                     3.3.3 of such biological opinion.

17               (3) LEASE.—The term “lease” means an oil  
18       and gas lease.

19               (4) LEASE SALE 259.—The term “Lease Sale  
20       259” means the lease sale held by the Bureau of  
21       Ocean Energy Management on March 29, 2023.

22               (5) LEASE SALE 261.—The term “Lease Sale  
23       261” means the lease sale held by the Bureau of  
24       Ocean Energy Management on December 20, 2023.

1           (6) OUTER CONTINENTAL SHELF.—The term  
2           “outer Continental Shelf” has the meaning given  
3           such term in section 2 of the Outer Continental  
4           Shelf Lands Act (43 U.S.C. 1331).

5           (7) SECRETARY.—The term “Secretary” means  
6           the Secretary of the Interior.

7   **SEC. 80172. OFFSHORE COMMINGLING.**

8           The Secretary of the Interior shall approve operator  
9           requests to commingle production from multiple reservoirs  
10          within a single wellbore completed on the Outer Conti-  
11          nental Shelf of the Gulf of America unless conclusive evi-  
12          dence establishes that such commingling—

13                 (1) could not be conducted in a safe manner; or

14                 (2) would result in the ultimate recovery from  
15          such formations being reduced.

16   **SEC. 80173. LIMITATIONS ON AMOUNT OF DISTRIBUTED**  
17                         **QUALIFIED OUTER CONTINENTAL SHELF**  
18                         **REVENUES.**

19          Section 105(f)(1) of the Gulf of Mexico Energy Secu-  
20          rity Act of 2006 (43 U.S.C. 1331 note) is amended—

21                 (1) in subparagraph (B), by striking “and” at  
22          the end;

23                 (2) in subparagraph (C), by striking “2055.”  
24          and inserting “2024;”; and

25                 (3) by adding at the end the following:

1 “(D) \$650,000,000 for each of fiscal years  
2 2025 through 2034; and

3 “(E) \$500,000,000 for each of fiscal years  
4 2035 through 2055.”.

5 **PART 9—RENEWABLE ENERGY**

6 **SEC. 80181. RENEWABLE ENERGY FEES ON FEDERAL**  
7 **LANDS.**

8 (a) ACREAGE RENT FOR WIND AND SOLAR RIGHTS-  
9 OF-WAY.—

10 (1) IN GENERAL.—Under the second sentence  
11 of section 504(g) of the Federal Land Policy and  
12 Management Act of 1976 (43 U.S.C. 1764(g)), the  
13 Secretary shall, subject to paragraph (3) and not  
14 later than January 1 of each calendar year, collect  
15 from the holder of a right-of-way for a renewable en-  
16 ergy project an acreage rent in an amount based on  
17 the equation described in paragraph (2).

18 (2) CALCULATION OF ACREAGE RENT RATE.—

19 (A) EQUATION.—The amount of an acre-  
20 age rent collected under paragraph (1) shall be  
21 determined using the following equation: Acre-  
22 age rent =  $A \times B \times ((1 + C)^D)$ .

23 (B) DEFINITIONS.—For purposes of sub-  
24 paragraph (A):

1 (i) The letter “A” means the Per-Acre  
2 Rate.

3 (ii) The letter “B” means the Encum-  
4 brance Factor.

5 (iii) The letter “C” means the Annual  
6 Adjustment Factor.

7 (iv) The letter “D” means the year in  
8 the term of the right-of-way.

9 (3) PAYMENT UNTIL PRODUCTION.—The holder  
10 of a right-of-way for a renewable energy project shall  
11 pay an acreage rent collected under paragraph (1)  
12 until the date on which energy generation begins.

13 (b) CAPACITY FEES.—

14 (1) IN GENERAL.—The Secretary shall, subject  
15 to paragraph (2), annually collect a capacity fee  
16 from the holder of a right-of-way for a renewable en-  
17 ergy project based on the amount described in para-  
18 graph (2).

19 (2) CALCULATION OF CAPACITY FEE.—The  
20 amount of a capacity fee collected under paragraph  
21 (1) shall be equal to the greater of—

22 (A) an amount equal to the acreage rent  
23 described in subsection (a); and

1 (B) 4.58 percent of the gross proceeds  
2 from the sale of electricity produced by the re-  
3 newable energy project.

4 (3) MULTIPLE-USE REDUCTION FACTOR.—

5 (A) APPLICATION.—The holder of a right-  
6 of-way for a wind energy generation project  
7 may request that the Secretary apply a 10-per-  
8 cent Multiple-Use Reduction Factor to the  
9 amount of a capacity fee determined under  
10 paragraph (2) by submitting to the Secretary  
11 an application for approval.

12 (B) APPROVAL.—The Secretary may ap-  
13 prove an application submitted under subpara-  
14 graph (A) if not less than 25 percent of the  
15 land within the area of the right-of-way is au-  
16 thorized for use, occupancy, or development  
17 with respect to an activity other than the gen-  
18 eration of wind energy for the entirety of the  
19 year in which the capacity fee is collected.

20 (C) LATE DETERMINATION.—If the Sec-  
21 retary approves an application under subpara-  
22 graph (B) for a wind energy generation project  
23 after the date on which the holder of the right-  
24 of-way for the project begins paying a capacity  
25 fee, the Secretary shall apply the Multiple-Use



1           Reduction Factor to the capacity fee in the fol-  
2           lowing years. Under this subparagraph, the  
3           Secretary may not refund the holder of a right-  
4           of-way for the difference in the amount of a ca-  
5           pacity fee paid in a previous year.

6           (c) LATE PAYMENT FEE; TERMINATION.—

7           (1) IN GENERAL.—The Secretary may charge  
8           the holder of a right-of-way for a renewable energy  
9           project a late payment fee if the Secretary does not  
10          receive payment for the acreage rent under sub-  
11          section (a) or the capacity fee under subsection (b)  
12          by the date that is 15 days after the date on which  
13          the payment was due.

14          (2) TERMINATION OF RIGHT-OF-WAY.—The  
15          Secretary may terminate a right-of-way for a renew-  
16          able energy project if the Secretary does not receive  
17          payment for the acreage rent under subsection (a)  
18          or the capacity fee under subsection (b) by the date  
19          that is 90 days after the date on which the payment  
20          was due.

21          (d) REVENUE ACCURACY, TRANSPARENCY, AND AC-  
22          COUNTABILITY.—The Secretary shall document, verify,  
23          and make publicly available the respective amount of wind  
24          and solar energy revenues collected under this section on

1 the Department of the Interior’s Natural Resources Rev-  
2 enue Data website.

3 (e) ENSURING FEE CERTAINTY.—Section 3103 of  
4 the Energy Act of 2020 (43 U.S.C. 3003) is repealed.

5 (f) DEFINITIONS.—In this section:

6 (1) ANNUAL ADJUSTMENT FACTOR.—The term  
7 “Annual Adjustment Factor” means 3 percent.

8 (2) ENCUMBRANCE FACTOR.—The term “En-  
9 cumbrance Factor” means—

10 (A) 100 percent for solar energy genera-  
11 tion facilities; and

12 (B) an amount determined by the Sec-  
13 retary not less than 10 percent for wind energy  
14 generation facilities.

15 (3) PER-ACRE RATE.—The term “Per-Acre  
16 Rate” means the average of per-acre pastureland  
17 rental rates published in the Cash Rents Survey by  
18 the National Agricultural Statistics Service for the  
19 State in which the right-of-way is located over the  
20 5 calendar-year period preceding the issuance or re-  
21 newal of the right-of-way.

22 (4) PROJECT.—The term “project” means a  
23 system described in section 2801.9(a)(4) of title 43,  
24 Code of Federal Regulations (as such section is in  
25 effect on the date of the enactment of this Act).

1           (5) PUBLIC LANDS.—The term “public lands”  
2 means—

3           (A) public lands as such term is defined in  
4 section 103 of the Federal Land Policy and  
5 Management Act of 1976 (43 U.S.C. 1702);  
6 and

7           (B) the lands of the National Forest Sys-  
8 tem as described in section 11(a) of the Forest  
9 and Rangeland Renewable Resources Planning  
10 Act of 1974 (16 U.S.C. 1609(a)).

11          (6) RENEWABLE ENERGY PROJECT.—The term  
12 “renewable energy project” means a project located  
13 on public lands that uses wind or solar energy to  
14 generate energy.

15          (7) RIGHT-OF-WAY.—The term “right-of-way”  
16 has the meaning given such term in section 103 of  
17 the Federal Land Policy and Management Act of  
18 1976 (43 U.S.C. 1702).

19          (8) SECRETARY.—The term “Secretary”  
20 means—

21           (A) the Secretary of the Interior with re-  
22 spect to land controlled or administered by the  
23 Secretary of the Interior; or

24           (B) the Secretary of Agriculture with re-  
25 spect to the lands of the National Forest Sys-

tem controlled or administered by the Secretary of Agriculture.

**SEC. 80182. RENEWABLE ENERGY REVENUE SHARING.**

(a) DISPOSITION OF REVENUE.—

(1) DISPOSITION OF REVENUES.—Beginning on January 1, 2026, the amounts collected from a renewable energy project as bonus bids, rentals, fees, or other payments under a right-of-way, permit, lease, or other authorization shall be—

(A) deposited in the general fund of the Treasury; and

(B) without further appropriation or fiscal year limitation, allocated as follows:

(i) 25 percent shall be paid from amounts in the general fund of the Treasury to the State within the boundaries of which the revenue is derived.

(ii) 25 percent shall be paid from amounts in the general fund of the Treasury to each county within the boundaries of which the revenue is derived, to be allocated among each such county based on the percentage of land from which the revenue is derived.

(2) PAYMENTS TO STATES AND COUNTIES.—

1 (A) IN GENERAL.—The amounts paid to  
2 States and counties under paragraph (1) shall  
3 be used consistent with section 35 of the Min-  
4 eral Leasing Act (30 U.S.C. 191).

5 (B) PAYMENTS IN LIEU OF TAXES.—A  
6 payment to a county under paragraph (1) shall  
7 be in addition to a payment in lieu of taxes re-  
8 ceived by the county under chapter 69 of title  
9 31, United States Code.

10 (C) TIMING.—The amounts required to be  
11 paid under paragraph (1)(B) for an applicable  
12 fiscal year shall be made available not later  
13 than the fiscal year that immediately follows  
14 the fiscal year for which the amounts were col-  
15 lected.

16 (b) DEFINITIONS.—In this section:

17 (1) COVERED LAND.—The term “covered land”  
18 means land that is—

19 (A) public lands administered by the Sec-  
20 retary; and

21 (B) not excluded from the development of  
22 solar or wind energy under—

23 (i) a land use plan; or

24 (ii) other Federal law.

1           (2) PUBLIC LANDS.—The term “public lands”  
2       means—

3           (A) public lands as such term is defined in  
4       section 103 of the Federal Land Policy and  
5       Management Act of 1976 (43 U.S.C. 1702);  
6       and  
7           (B) lands of the National Forest System  
8       as described in section 11(a) of the Forest and  
9       Rangeland Renewable Resources Planning Act  
10      of 1974 (16 U.S.C. 1609(a)).

11          (3) RENEWABLE ENERGY PROJECT.—The term  
12      “renewable energy project” means a system de-  
13      scribed in section 2801.9(a)(4) of title 43, Code of  
14      Federal Regulations (as such section is in effect on  
15      the date of the enactment of this Act), located on  
16      covered land that uses wind or solar energy to gen-  
17      erate energy.

18          (4) SECRETARY.—The term “Secretary”  
19      means—

20           (A) the Secretary of the Interior with re-  
21      spect to land controlled or administered by the  
22      Secretary of the Interior; or

23           (B) the Secretary of Agriculture with re-  
24      spect to the lands of the National Forest Sys-

1           tem controlled or administered by the Secretary  
2           of Agriculture.

3           **Subtitle B—Water, Wildlife, and**  
4           **Fisheries**

5   **SEC. 80201. RESCISSION OF FUNDS FOR INVESTING IN**  
6           **COASTAL COMMUNITIES AND CLIMATE RE-**  
7           **SILIENCE.**

8           There is hereby rescinded the unobligated balance of  
9 funds made available by section 40001 of Public Law  
10 117–169.

11   **SEC. 80202. RESCISSION OF FUNDS FOR FACILITIES OF NA-**  
12           **TIONAL OCEANIC AND ATMOSPHERIC ADMIN-**  
13           **ISTRATION AND NATIONAL MARINE SANC-**  
14           **TUARIES.**

15           There is hereby rescinded the unobligated balance of  
16 funds made available by section 40002 of Public Law  
17 117–169.

18   **SEC. 80203. SURFACE WATER STORAGE ENHANCEMENT.**

19           In addition to amounts otherwise available, there is  
20 appropriated to the Secretary of the Interior, acting  
21 through the Commissioner of Reclamation, for fiscal year  
22 2025, out of any money in the Treasury not otherwise ap-  
23 propriated, \$2,000,000,000, to remain available through  
24 September 30, 2034, for construction and associated ac-  
25 tivities that increase the capacity of existing Bureau of

1 Reclamation surface water storage facilities, in a manner  
2 as determined by the Secretary: *Provided*, That, for the  
3 purposes of section 203 of the Reclamation Reform Act  
4 of 1982 (43 U.S.C. 390cc) or section 3404(a) of the Rec-  
5 lamation Projects Authorization and Adjustment Act of  
6 1992 (Public Law 102–575), a contract or agreement en-  
7 tered into pursuant to this section shall not be treated as  
8 a new or amended contract. None of the funds provided  
9 under this section shall be reimbursable or subject to  
10 matching or cost-share requirements.

11 **SEC. 80204. WATER CONVEYANCE ENHANCEMENT.**

12 In addition to amounts otherwise available, there is  
13 appropriated to the Secretary of the Interior, acting  
14 through the Commissioner of Reclamation, for fiscal year  
15 2025, out of any money in the Treasury not otherwise ap-  
16 propriated, \$500,000,000, to remain available through  
17 September 30, 2034, for construction and associated ac-  
18 tivities that restore or increase the capacity of existing Bu-  
19 reau of Reclamation conveyance facilities, in a manner as  
20 determined by the Secretary. None of the funds provided  
21 under this section shall be reimbursable or subject to  
22 matching or cost-share requirements.



## **Subtitle C—Federal Lands**

### **SEC. 80301. RESCISSION OF FOREST SERVICE FUNDS.**

Paragraph (4) of section 23001(a) of Public Law 117–169 is repealed and all unobligated balances of amounts made available under such paragraph are hereby rescinded.

### **SEC. 80302. RESCISSION OF NATIONAL PARK SERVICE AND BUREAU OF LAND MANAGEMENT FUNDS.**

There is hereby rescinded the unobligated balances of amounts made available by section 50221 of Public Law 117–169.

### **SEC. 80303. RESCISSION OF BUREAU OF LAND MANAGEMENT AND NATIONAL PARK SERVICE FUNDS.**

There is hereby rescinded the unobligated balances of amounts made available by section 50222 of Public Law 117–169.

### **SEC. 80304. RESCISSION OF NATIONAL PARK SERVICE FUNDS.**

There is hereby rescinded the unobligated balances of amounts made available by section 50223 of Public Law 117–169.

### **SEC. 80305. CELEBRATING AMERICA'S 250TH ANNIVERSARY.**

In addition to amounts otherwise available, there is appropriated to the Secretary of the Interior for fiscal year

1 2025, out of any money in the Treasury not otherwise ap-  
2 propriated, to remain available through fiscal year 2028—

3 (1) \$150,000,000 for events, celebrations, and  
4 activities related to the observance and commemora-  
5 tion of the 250th anniversary of the founding of the  
6 United States; and

7 (2) \$40,000,000 to carry out Executive Order  
8 13934 of July 3, 2020 (85 Fed. Reg. 41165), Exec-  
9 utive Order 13978 of January 18, 2021 (86 Fed.  
10 Reg. 6809), and Executive Order 14189 of January  
11 29, 2025 (90 Fed. Reg. 8849) to establish and  
12 maintain a statuary park to be known as the Na-  
13 tional Garden of American Heroes.

14 **SEC. 80306. LONG-TERM CONTRACTS FOR THE FOREST**  
15 **SERVICE.**

16 (a) IN GENERAL.—For each of fiscal years 2025  
17 through 2034, the Chief of the Forest Service (in this sec-  
18 tion referred to as the “Chief”) shall enter into not less  
19 than one long-term contract or agreement with private  
20 persons or other public or private entities under section  
21 14(a) of the National Forest Management Act (16 U.S.C.  
22 472a(a)) with respect to covered National Forest System  
23 lands in each region of the Forest Service that contains  
24 covered National Forest System lands.

25 (b) TERMS.—

1           (1) IN GENERAL.—Except as provided in para-  
2       graphs (2) and (3), the Chief shall enter into con-  
3       tracts or agreements under subsection (a) in accord-  
4       ance with section 3903 of title 41, United States  
5       Code, and section 14 of the National Forest Man-  
6       agement Act (16 U.S.C. 472a).

7           (2) CONTRACT LENGTH.—The period of a con-  
8       tract or agreement under subsection (a) shall be for  
9       at least 20 years, with options for extensions and re-  
10      newals as determined by the Chief.

11          (3) CANCELLATION CEILINGS.—A contract or  
12      agreement entered into under subsection (a) shall in-  
13      clude provisions for a cancellation ceiling consistent  
14      with section 604(d) of the Healthy Forests Restora-  
15      tion Act of 2003 (16 U.S.C. 6591e(d)).

16          (c) RECEIPTS.—Any monies derived from an agree-  
17      ment or contract under this section by the Chief shall be  
18      deposited in the general fund of the Treasury.

19          (d) COVERED NATIONAL FOREST SYSTEM LANDS  
20      DEFINED.—In this section, the term “covered National  
21      Forest System lands” means the proclaimed National For-  
22      est System lands reserved or withdrawn from the public  
23      domain of the United States.

1 **SEC. 80307. LONG-TERM CONTRACTS FOR THE BUREAU OF**  
2 **LAND MANAGEMENT.**

3 (a) IN GENERAL.—For each of fiscal years 2025  
4 through 2034, the Director of the Bureau of Land Man-  
5 agement (in this section referred to as the “Director”)  
6 shall enter into not less than one long-term contract or  
7 agreement with private persons or other public or private  
8 entities under section 1 of the Materials Act of 1947 (30  
9 U.S.C. 601) with respect to vegetative materials on cov-  
10 ered public lands.

11 (b) TERMS.—

12 (1) IN GENERAL.—Except as provided in para-  
13 graphs (2) and (3), the Director shall enter into con-  
14 tracts or agreements under subsection (a) in accord-  
15 ance with section 3903 of title 41, United States  
16 Code, and section 2(a) of the Materials Act of 1947  
17 (30 U.S.C. 602(a)).

18 (2) CONTRACT LENGTH.—The period of a con-  
19 tract or agreement under subsection (a) shall be for  
20 at least 20 years, with options for extensions and re-  
21 newals as determined by the Director.

22 (3) CANCELLATION CEILINGS.—A contract or  
23 agreement entered into under subsection (a) shall in-  
24 clude provisions for a cancellation ceiling consistent  
25 with section 604(d) of the Healthy Forests Restora-  
26 tion Act of 2003 (16 U.S.C. 6591e(d)).

1       (c) LOCATION.—In selecting locations to enter into  
2 long-term contracts or agreements under subsection (a),  
3 the Director shall prioritize areas with no existing wood  
4 processing infrastructure.

5       (d) RECEIPTS.—Any monies derived from an agree-  
6 ment or contract under this section by the Director shall  
7 be deposited in the general fund of the Treasury.

8       (e) COVERED PUBLIC LANDS DEFINED.—The term  
9 “covered public lands” has the meaning given the term  
10 “public lands” in section 103 of the Federal Land Policy  
11 and Management Act of 1976 (43 U.S.C. 1702), except  
12 that the term includes Coos Bay Wagon Road Grant lands  
13 and Oregon and California Railroad Grant lands.

14 **SEC. 80308. TIMBER PRODUCTION FOR THE FOREST SERV-**  
15 **ICE.**

16       (a) IN GENERAL.—Not later than 1 year after the  
17 date of enactment of this title, the Secretary of Agri-  
18 culture, acting through the Chief of the Forest Service or  
19 their designee, shall direct timber harvest on covered Na-  
20 tional Forest System lands in amounts that—

21               (1) in total, equal or exceed the volume that is  
22       25 percent higher than the average of the total vol-  
23       ume sold on such lands between fiscal years 2020  
24       through 2024; and

1           (2) are in accordance with the applicable forest  
2           plan, including the allowable sale quantity or prob-  
3           able sale quantity, as applicable, of timber applicable  
4           to such lands on the date of enactment of this title.

5           (b) DEFINITIONS.—In this section:

6           (1) COVERED NATIONAL FOREST SYSTEM  
7           LANDS.—

8           (A) IN GENERAL.—Except as provided in  
9           subparagraph (B), the term “covered National  
10          Forest System lands” means the proclaimed  
11          National Forest System lands reserved or with-  
12          drawn from the public domain of the United  
13          States.

14          (B) EXCLUSIONS.—The term “covered Na-  
15          tional Forest System lands” does not include  
16          lands—

17               (i) that are included in the National  
18               Wilderness Preservation System;

19               (ii) that are located within a national  
20               or State-specific inventoried roadless area  
21               established by the Secretary of Agriculture  
22               through regulation, unless—

23                       (I) the forest management activ-  
24                       ity to be carried out under such au-

1                   thority is consistent with the forest  
2                   plan applicable to the area; or

3                   (II) the activity is allowed under  
4                   the applicable roadless rule governing  
5                   such lands, including—

6                   (aa) the Idaho roadless rule  
7                   under subpart C of part 294 of  
8                   title 36, Code of Federal Regula-  
9                   tions;

10                  (bb) the Colorado roadless  
11                  rule under subpart D of part 294  
12                  of title 36, Code of Federal Reg-  
13                  ulations; or

14                  (cc) any other roadless rule  
15                  developed after the date of the  
16                  enactment of this section by the  
17                  Secretary with respect to a spe-  
18                  cific State; or

19                  (iii) on which timber harvesting for  
20                  any purpose is prohibited by Federal stat-  
21                  ute.

22                  (2) FOREST PLAN.—The term “forest plan”  
23                  means a land and resource management plan pre-  
24                  pared by the Forest Service for a unit of the Na-  
25                  tional Forest System pursuant to section 6 of the

1 Forest and Rangeland Renewable Resources Plan-  
2 ning Act of 1974 (16 U.S.C. 1604).

3 **SEC. 80309. TIMBER PRODUCTION FOR THE BUREAU OF**  
4 **LAND MANAGEMENT.**

5 (a) IN GENERAL.—Not later than 1 year after the  
6 date of enactment of this title, the Secretary of the Inte-  
7 rior, acting through the Director of the Bureau of Land  
8 Management or their designee, shall direct timber harvest  
9 on covered public lands in amounts that—

10 (1) in total, equal or exceed the volume that is  
11 25 percent higher than the average of the total vol-  
12 ume sold on such lands between fiscal years 2020  
13 through 2024; and

14 (2) are in accordance with the applicable forest  
15 plan.

16 (b) DEFINITIONS.—In this section:

17 (1) COVERED PUBLIC LANDS.—

18 (A) IN GENERAL.—Except as provided in  
19 subparagraph (B), the term “covered public  
20 lands” has the meaning given the term “public  
21 lands” in section 103 of the Federal Land Pol-  
22 icy and Management Act of 1976 (43 U.S.C.  
23 1702), except that the term includes Coos Bay  
24 Wagon Road Grant lands and Oregon and Cali-  
25 fornia Railroad Grant lands.



(B) EXCLUSIONS.—The term “covered public lands” does not include lands—

(i) that are included in the National Wilderness Preservation System; or

(ii) on which timber harvesting for any purpose is prohibited by Federal statute.

(2) FOREST PLAN.—The term “forest plan” means a land use plan prepared by the Bureau of Land Management for public lands pursuant to section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712).

## **TITLE IX—COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM**

### **SEC. 90001. ELIMINATION OF THE FERS ANNUITY SUPPLEMENT FOR CERTAIN EMPLOYEES.**

(a) IN GENERAL.—Section 8421(a) of title 5, United States Code, is amended—

(1) in paragraph (1), by inserting “separated from service under section 8425 or entitled to an annuity under subsection (d) or (e) of section 8412 of this title” after “individual”; and

(2) in paragraph (2), by inserting “separated from service under section 8425 or entitled to an an-

1       nuity under subsection (d) or (e) of section 8412 of  
2       this title” after “an individual”.

3       (b) APPLICABILITY.—The amendments made by this  
4       section shall begin to apply on January 1, 2028, and shall  
5       not apply with respect to any individual entitled to an an-  
6       nuity supplement under section 8421 of title 5, United  
7       States Code, prior to such date.

8       **SEC. 90002. ELECTION FOR AT-WILL EMPLOYMENT AND**  
9                               **LOWER FERS CONTRIBUTIONS FOR NEW FED-**  
10                              **ERAL CIVIL SERVICE HIRES.**

11       (a) ELECTION.—

12               (1) IN GENERAL.—Subchapter I of chapter 33  
13       of title 5, United States Code, is amended by adding  
14       at the end the following:

15       **“§ 3330g. Election for at-will employment and lower**  
16                              **FERS contributions**

17       “(a) ELECTION.—

18               “(1) IN GENERAL.—Not later than the last day  
19       of the probationary period (if any) for an individual  
20       initially appointed to a covered position after the  
21       date of the enactment of this section, such individual  
22       may make an irrevocable election to be employed on  
23       an at-will basis, subject to the requirements of this  
24       section.

1           “(2) FAILURE TO MAKE ELECTION.—An indi-  
2           vidual who does not make the election under para-  
3           graph (1) shall be subject to the requirements of  
4           section 8422(a)(3)(D).

5           “(b) AT-WILL EMPLOYMENT.—Notwithstanding  
6           chapter 43, 71, or 75 of this title, any individual who  
7           makes an affirmative election under subsection (a)(1)  
8           shall—

9           “(1) be considered an at-will employee; and

10           “(2) may be subject to an adverse action up to  
11           and including removal, without notice or right to ap-  
12           peal, by the head of the agency at which the indi-  
13           vidual is employed for good cause, bad cause, or no  
14           cause at all.

15           “(c) APPLICATION OF OTHER LAWS.—Notwith-  
16           standing any other requirement of this section, this section  
17           shall not be construed to reduce, extinguish, or otherwise  
18           effect any right or remedy available to any individual who  
19           elects to be an at-will employee under subsection (a)(1)  
20           under any of the following provisions of law:

21           “(1) The protections relating to prohibited per-  
22           sonnel practices (as that term is defined in section  
23           2302).

1           “(2) The Congressional Accountability Act of  
2           1995, in the case of employees of the legislative  
3           branch who are subject to this section.

4           “(d) COVERED POSITION.—In this section, the term  
5           ‘covered position’—

6           “(1) means—

7                   “(A) any position in the competitive serv-  
8                   ice;

9                   “(B) a career appointee position in the  
10                  Senior Executive Service;

11                  “(C) a position in the excepted service; and

12           “(2) does not include—

13                   “(A) any position excepted from the com-  
14                   petitive service because of its confidential, pol-  
15                   icy-determining, policy-making, or policy-advo-  
16                   cating character;

17                   “(B) any position excluded from the cov-  
18                   erage of section 2302 (by operation of sub-  
19                   section (a)(2)(B) of such section) or chapter 75;  
20                   or

21                   “(C) any position subject to mandatory  
22                   separation under section 8335 or 8425.”.

23           (2) CLERICAL AMENDMENT.—The table of sec-  
24           tions for such subchapter is amended by adding

1 after the item relating to section 3330f the fol-  
2 lowing:

“3330g. Election for at-will employment and lower FERS contributions.”.

3 (b) INCREASE IN FERS CONTRIBUTIONS.—Section  
4 8422(a) of title 5, United States Code, is amended by add-  
5 ing at the end the following:

6 “(D) The applicable percentage under this  
7 paragraph for civilian service by any individual  
8 who elects not to be employed on an at-will  
9 basis under section 3330g shall be equal to the  
10 percentage required under subparagraph (C),  
11 increased by 5 percentage points.”.

12 (c) APPLICATION.—This section and the amendments  
13 made by this section shall apply to individuals initially ap-  
14 pointed to positions in the civil service subject to such sec-  
15 tion and amendments appointed on or after the date of  
16 the enactment of this Act.

17 **SEC. 90003. FILING FEE FOR MERIT SYSTEMS PROTECTION**  
18 **BOARD CLAIMS AND APPEALS.**

19 (a) IN GENERAL.—Section 7701 of title 5, United  
20 States Code, is amended—

21 (1) in redesignating subsection (k) as sub-  
22 section (l); and

23 (2) by inserting after subsection (j) the fol-  
24 lowing:

1       “(k)(1) The Board shall establish and collect a filing  
2 fee to be paid by any employee, former employee, or appli-  
3 cant for employment filing a claim or appeal with the  
4 Board under this title, or under any other law, rule, or  
5 regulation, consistent with the requirements of this sub-  
6 section.

7       “(2) The filing fee under paragraph (1) shall—

8               “(A) be in an amount equal to the filing fee for  
9 a civil action, suit, or proceeding under section  
10 1914(a) of title 28;

11              “(B) be paid on the date the individual submits  
12 a claim or appeal to the Board; and

13              “(C) if the individual is the prevailing party  
14 under such claim or appeal, be returned to such in-  
15 dividual.

16       “(3) The filing fee under this subsection shall not be  
17 required for any—

18              “(A) action brought by the Special Counsel  
19 under section 1214, 1215, or 1216; or

20              “(B) any claim or appeal of a prohibited per-  
21 sonnel practice described in section 2302(b)(8) or  
22 2302(b)(9)(A)(i), (B), (C), or (D) or in section  
23 1221.

24       “(4) On the date that a claim or appeal with respect  
25 to which the individual is not the prevailing party has not

1 been appealed and is no longer appealable because the  
2 time for taking an appeal has expired, or which has been  
3 appealed under section 7703 and the appeals process for  
4 which is completed, the fee collected under paragraph (1)  
5 shall, except as provided in paragraph (2)(C), be deposited  
6 into the miscellaneous receipts of the Treasury.”.

7 (b) APPLICATION.—The fee required under the  
8 amendment made by subsection (a) shall apply to any  
9 claim or appeal filed with the Merit Systems Protection  
10 Board after the date that is 3 months after the date of  
11 the enactment of this section.

12 **SEC. 90004. FEHB PROTECTION.**

13 (a) FEHB IMPROVEMENTS.—

14 (1) DEFINITIONS.—In this subsection:

15 (A) DIRECTOR.—The term “Director”  
16 means the Director of the Office of Personnel  
17 Management.

18 (B) EMPLOYING OFFICE.—The term “em-  
19 ploying office” has the meaning given the term  
20 in section 890.101(a) of title 5, Code of Federal  
21 Regulations, or any successor regulation.

22 (C) HEALTH BENEFITS PLAN; MEMBER OF  
23 FAMILY.—The terms “health benefits plan” and  
24 “member of family” have the meanings given

1           those terms in section 8901 of title 5, United  
2           States Code.

3           (D) INSPECTOR GENERAL.—The term “In-  
4           spectator General” means the Inspector General  
5           of the Office of Personnel Management.

6           (E) OPEN SEASON.—The term “open sea-  
7           son” means an open season described in section  
8           890.301(f) of title 5, Code of Federal Regula-  
9           tions, or any successor regulation.

10          (F) PROGRAM.—The term “Program”  
11          means the health insurance programs carried  
12          out under chapter 89 of title 5, United States  
13          Code, including the program carried out under  
14          section 8903c of that title.

15          (G) QUALIFYING LIFE EVENT.—The term  
16          “qualifying life event” has the meaning given  
17          the term in section 892.101 of title 5, Code of  
18          Federal Regulations, or any successor regula-  
19          tion.

20          (2) VERIFICATION REQUIREMENTS.—

21                 (A) IN GENERAL.—Not later than 1 year  
22                 after the date of the enactment of this Act, the  
23                 Director shall issue regulations and implement  
24                 a process to verify—



1 (i) the veracity of any qualifying life  
2 event through which an enrollee in the  
3 Program seeks to add a member of family  
4 with respect to the enrollee to a health  
5 benefits plan under the Program; and

6 (ii) that, when an enrollee in the Pro-  
7 gram seeks to add a member of family  
8 with respect to the enrollee to the health  
9 benefits plan of the enrollee under the Pro-  
10 gram, including during any open season,  
11 the individual so added is a qualifying  
12 member of family with respect to the en-  
13 rollee.

14 (B) RECORD RETENTION.—The process  
15 implemented under subparagraph (A) shall re-  
16 quire the records used for a verification de-  
17 scribed in such subparagraph under such proc-  
18 ess with respect to an individual enrolled in a  
19 health benefits plan under the Program to be  
20 provided to the Office of Personnel Manage-  
21 ment and retained by the Office of Personnel  
22 Management until the expiration of a six-year  
23 period beginning after the date of such  
24 verification in which such individual is not en-

1           rolled in a health benefits plan under the Pro-  
2           gram.

3           (3) FRAUD RISK ASSESSMENT.—In any fraud  
4           risk assessment conducted with respect to the Pro-  
5           gram on or after the date of the enactment of this  
6           Act, the Director shall include an assessment of in-  
7           dividuals who are enrolled in, or covered under, a  
8           health benefits plan under the Program even though  
9           those individuals are not eligible to be so enrolled or  
10          covered.

11          (4)       FAMILY       MEMBER       ELIGIBILITY  
12          VERIFICATION AUDIT.—

13               (A) IN GENERAL.—During the 5-year pe-  
14               riod beginning 1 year after the date of the en-  
15               actment of this Act, the Director shall conduct  
16               a comprehensive audit regarding members of  
17               family who are covered under an enrollment in  
18               a health benefits plan under the Program.

19               (B) CONTENTS.—In conducting an audit  
20               required by subparagraph (A), the Director  
21               shall review marriage certificates, birth certifi-  
22               cates, and other appropriate documents that  
23               are necessary to determine eligibility to enroll in  
24               a health benefits plan under the Program.

1 (C) RECORD RETENTION.—All records per-  
2 taining to the eligibility of an individual to be  
3 enrolled in, or covered under, a health benefits  
4 plan under the Program obtained by the Direc-  
5 tor in the audit required by subparagraph (A)  
6 shall be retained by the Office of Personnel  
7 Management until the expiration of a six-year  
8 period beginning after the date of such audit in  
9 which such individual is not enrolled in, or cov-  
10 ered under, a health benefits plan under the  
11 Program.

12 (D) REFERRAL TO INSPECTOR GEN-  
13 ERAL.—The Director shall refer any instances  
14 of individuals enrolled in, or covered under, a  
15 health benefits plan under the Program who are  
16 not eligible to be so enrolled or covered that are  
17 identified in the audit required by subparagraph  
18 (A) to the Inspector General.

19 (5) DISENROLLMENT OR REMOVAL.—

20 (A) IN GENERAL.—Not later than 6  
21 months after the date of the enactment of this  
22 Act, the Director shall develop a process by  
23 which any individual enrolled in, or covered  
24 under, a health benefits plan under the Pro-  
25 gram who is not eligible to be so enrolled or

1 covered shall be disenrolled or removed from en-  
2 rollment in a health benefits plan under the  
3 Program.

4 (B) NOTIFY INSPECTOR GENERAL.—The  
5 Director shall notify the Inspector General of  
6 each individual disenrolled or removed from en-  
7 rollment in a health benefits plan under the  
8 Program under the process developed under  
9 subparagraph (A).

10 (b) EARNED BENEFITS AND HEALTHCARE ADMINIS-  
11 TRATIVE SERVICES ASSOCIATED OVERSIGHT AND AUDIT  
12 FUNDING.—

13 (1) IN GENERAL.—Section 8909(a)(2) of title  
14 5, United States Code, is amended by striking “Con-  
15 gress.” and inserting “Congress, except that the  
16 amounts authorized under subsection (b)(2) for the  
17 Office shall not be subject to the limitations that  
18 may be specified annually by Congress.”.

19 (2) OVERSIGHT.—Section 8909(b) of title 5,  
20 United States Code, is amended—

21 (A) by redesignating paragraph (2) as  
22 paragraph (5); and

23 (B) by inserting after paragraph (1) the  
24 following:

1           “(2) In addition to the funds provided under  
2           paragraph (1), amounts of all contributions shall be  
3           available for the Office to develop, maintain, and  
4           conduct ongoing eligibility verification and oversight  
5           over the enrollment and eligibility systems with re-  
6           spect to benefits under this chapter, including the  
7           Postal Service Health Benefits Program under sec-  
8           tion 8903c. Amounts for the Office under this para-  
9           graph shall not be available in excess of the fol-  
10          lowing amounts in the following fiscal years:

11                   “(A) In fiscal year 2026, \$36,792,000.

12                   “(B) In fiscal year 2027, \$44,733,161.

13                   “(C) In fiscal year 2028, \$50,930,778.

14                   “(D) In fiscal year 2029, \$54,198,238.

15                   “(E) In fiscal year 2030, \$54,855,425.

16                   “(F) In fiscal year 2031, \$56,062,244.

17                   “(G) In fiscal year 2032, \$57,295,613.

18                   “(H) In fiscal year 2033, \$58,556,117.

19                   “(I) In fiscal year 2034, \$59,844,351.

20                   “(J) In fiscal year 2035 and each fiscal  
21           year thereafter, the amount equal to the dollar  
22           limit for the immediately preceding fiscal year,  
23           increased by 2.2. percent.

24           “(3) In fiscal year 2026, \$80,000,000, to be de-  
25           rived from all contributions and to remain available

1       until expended, shall be available for the Office to  
2       conduct the audit required under section  
3       90004(a)(4) of the Act titled ‘An Act to provide for  
4       reconciliation pursuant to title II of H. Con. Res.  
5       14’.

6               “(4) Amounts of all contributions shall be avail-  
7       able for the Office of Personnel Management Office  
8       of the Inspector General to conduct oversight associ-  
9       ated with activities under this chapter (including the  
10      Postal Service Health Benefits Program under sec-  
11      tion 8903e), including activities associated with en-  
12      rollment and eligibility in these programs and any  
13      associated audit activities as required under section  
14      90004 of the Act titled ‘An Act to provide for rec-  
15      onciliation pursuant to title II of H. Con. Res. 14’.  
16      Amounts for the Office of the Inspector General  
17      under this paragraph shall not be available in excess  
18      of the following amounts in the following fiscal  
19      years:

20               “(A) In fiscal year 2026, \$5,090,278.

21               “(B) In fiscal year 2027 and each fiscal  
22      year thereafter, the amount equal to the dollar  
23      limit for the immediately preceding fiscal year,  
24      increased by 2.2 percent.”.

1 **TITLE X—COMMITTEE ON**  
2 **TRANSPORTATION AND IN-**  
3 **FRASTRUCTURE**

4 **SEC. 100001. COAST GUARD ASSETS NECESSARY TO SECURE**  
5 **THE MARITIME BORDER AND INTERDICT MI-**  
6 **GRANTS AND DRUGS.**

7 (a) IN GENERAL.—For the purpose of the acquisi-  
8 tion, sustainment, improvement, and operation of United  
9 States Coast Guard assets, in addition to amounts other-  
10 wise made available, there is appropriated to the Com-  
11 mandant of the Coast Guard for fiscal year 2025, out of  
12 any money in the Treasury not otherwise appropriated,  
13 to remain available until September 30, 2029—

14 (1) \$571,500,000 for fixed wing aircraft and  
15 spare parts, training simulators, support equipment,  
16 and program management for such aircraft;

17 (2) \$1,283,000,000 for rotary wing aircraft and  
18 spare parts, training simulators, support equipment,  
19 and program management for such aircraft;

20 (3) \$140,000,000 for long-range unmanned air-  
21 craft systems and base stations, support equipment,  
22 and program management for such systems;

23 (4) \$4,300,000,000 for Offshore Patrol Cutters  
24 and spare parts and program management for such  
25 Cutters;

1           (5) \$1,000,000,000 for Fast Response Cutters  
2           and spare parts and program management for such  
3           Cutters;

4           (6) \$4,300,000,000 for Polar Security Cutters  
5           and spare parts and program management for such  
6           Cutters;

7           (7) \$4,978,000,000 for Arctic Security Cutters  
8           and domestic icebreakers and spare parts and pro-  
9           gram management for such Cutters and icebreakers;

10          (8) \$3,154,500,000 for design, planning, engi-  
11          neering, construction of, and program management  
12          for shoreside infrastructure, of which—

13                (A) \$400,000,000 is provided for hangers  
14                and maintenance and crew facilities for the  
15                fixed wing aircraft for which funds are appro-  
16                priated under paragraph (1) and rotary wing  
17                aircraft for which funds are appropriated under  
18                paragraph (2);

19                (B) \$2,329,500,000 is provided for  
20                homeports for the Cutters for which funds are  
21                appropriated under paragraphs (4), (5), (6),  
22                and (7), National Security Cutters, and other  
23                Fast Response Cutters; and

24                (C) \$425,000,000 is provided for design,  
25                planning, engineering, construction of, and pro-



1           gram management for enlisted boot camp bar-  
2           racks, multi-use training centers, and other re-  
3           lated facilities;

4           (9) \$1,300,000,000 for aviation, cutter, shore-  
5           side facility depot maintenance, and C5I service  
6           maintenance, of which \$500,000,000 is provided to  
7           acquire, procure, or construct a floating dry dock  
8           under subsection (b) and conduct channel dredging  
9           necessary to allow Cutters for which funds are ap-  
10          propriated under paragraph (4) and National Secu-  
11          rity Cutters to be maintained and repaired in such  
12          dry dock; and

13          (10) \$180,000,000 for equipment and services  
14          for maritime domain awareness, of which  
15          \$75,000,000 is provided to contract the services of,  
16          acquire, or procure autonomous maritime systems.

17          (b) REQUIREMENTS.—

18               (1) IN GENERAL.—Except as provided in para-  
19               graph (2), the Commandant may not acquire, pro-  
20               cure, or construct a floating dry dock for the Coast  
21               Guard Yard with amounts appropriated under sub-  
22               section (a).

23               (2) PERMISSIBLE ACQUISITION, PROCUREMENT,  
24               OR CONSTRUCTION METHODS.—Notwithstanding  
25               paragraph (1) of this subsection and section 1105(a)

1 of title 14, United States Code, the Commandant  
2 may, through September 30, 2030—

3 (A) provide for an entity other than the  
4 Coast Guard to contract for the acquisition,  
5 procurement, or construction of a floating dry  
6 dock by contract, purchase, or other agreement;

7 (B) construct a floating dry dock at the  
8 Coast Guard Yard; or

9 (C) acquire or procure a commercially  
10 available floating dry dock.

11 (3) FLOATING DRY DOCK DEFINED.—In this  
12 section, the term “floating dry dock” means equip-  
13 ment that is—

14 (A) documented under chapter 121 of title  
15 46, United States Code; and

16 (B) capable of meeting the lifting and  
17 maintenance requirements of an Offshore Pa-  
18 trol Cutter or a National Security Cutter.

19 (c) LIMITATION.—Not more than 15 percent of the  
20 amounts provided in paragraph (9) of subsection (a) shall  
21 be available for design, planning, and engineering of the  
22 facilities described in such paragraph.

23 (d) APPLICATION.—In carrying out acquisitions or  
24 procurements for which funds are appropriated under sub-

1 section (a), sections 1131, 1132, and 1133 of title 14,  
2 United States Code, shall not apply.

3 (e) ENTITY OTHER THAN THE COAST GUARD.—Not-  
4 withstanding section 1105(a) of title 14, United States  
5 Code, in carrying out acquisition, procurement, or con-  
6 struction of Arctic Security Cutters or domestic ice-  
7 breakers for which funds are appropriated under sub-  
8 section (a)(7), the Commandant may provide for an entity  
9 other than the Coast Guard to contract for such acquisi-  
10 tion, procurement, or construction.

11 (f) COMPLIANCE WITH APPLICABLE REPORTING RE-  
12 QUIREMENTS.—None of the amounts provided in—

13 (1) this section may be obligated or expended  
14 during any fiscal year in which the Commandant is  
15 not compliant with sections 5102 and 5103 (exclud-  
16 ing section 5103(e)) of title 14, United States Code;  
17 and

18 (2) paragraphs (1) and (2) of subsection (a)  
19 may be obligated or expended until the Commandant  
20 provides the report required under section 11217 of  
21 the James M. Inhofe National Defense Authoriza-  
22 tion Act for Fiscal Year 2023 (Public Law 117-263)  
23 to the Committee on Transportation and Infrastruc-  
24 ture of the House of Representatives and the Com-

1        mittee on Commerce, Science, and Transportation of  
2        the Senate.

3        (g) NOTIFICATION REQUIREMENT.—The Com-  
4        mandant shall notify the Committee on Transportation  
5        and Infrastructure of the House of Representatives and  
6        the Committee on Commerce, Science, and Transportation  
7        of the Senate not less than 1 week prior to taking any  
8        procurement actions impacting estimated costs or  
9        timelines for acquisitions or procurements funded with  
10       amounts appropriated under this section.

11       (h) EXPENDITURE PLAN.—Not later than 90 days  
12       after the date of enactment of this Act, the Commandant  
13       shall submit to the Committee on Transportation and In-  
14       frastructure of the House of Representatives and the Com-  
15       mittee on Commerce, Science, and Transportation of the  
16       Senate a detailed expenditure plan, including projected  
17       project timelines for each acquisition and procurement  
18       funded under this section and a list of project locations  
19       to be funded under paragraphs (8) and (9) of subsection  
20       (a).

21       (i) EXCEPTION.—If the President authorizes an ex-  
22       ception under section 1151(b) of title 14, United States  
23       Code, for any Coast Guard vessel, or the hull or super-  
24       structure of such vessel for which funds are appropriated  
25       under paragraphs (4) through (7) of subsection (a), no

1 such funds shall be obligated until the President submits  
2 to the Committee on Transportation and Infrastructure  
3 of the House of Representatives and the Committee on  
4 Commerce, Science, and Transportation of the Senate a  
5 written explanation of the circumstances requiring such  
6 an exception in the national security interest, including—

7           (1) a confirmation that there are insufficient  
8       qualified United States shipyards to meet the na-  
9       tional security interest without such exception; and

10           (2) actions taken by the President to enable  
11       qualified United States shipyards to meet national  
12       security requirements prior to the issuance of such  
13       an exception.

14 **SEC. 100002. VESSEL TONNAGE DUTIES.**

15       Section 60301 of title 46, United States Code, is  
16 amended—

17           (1) in subsection (a) by striking “, for fiscal  
18       years 2006 through 2010, and 2 cents per ton, not  
19       to exceed a total of 10 cents per ton per year, for  
20       each fiscal year thereafter,”; and

21           (2) in subsection (b) by striking “, for fiscal  
22       years 2006 through 2010, and 6 cents per ton, not  
23       to exceed a total of 30 cents per ton per year, for  
24       each fiscal year thereafter,”.

1 **SEC. 100003. REGISTRATION FEE ON MOTOR VEHICLES.**

2 (a) IN GENERAL.—Chapter 1 of title 23, United  
3 States Code, is amended by adding at the end the fol-  
4 lowing:

5 **“§ 180. Registration fee on motor vehicles.**

6 “(a) IN GENERAL.—The Administrator of the Fed-  
7 eral Highway Administration shall impose for each year  
8 the following registration fee amounts on the owner of a  
9 vehicle registered for operation by a State motor vehicle  
10 department:

11 “(1) \$250 for a covered electric vehicle.

12 “(2) \$100 for a covered hybrid vehicle.

13 “(b) WITHHOLDING OF FUNDS FOR NONCOMPLI-  
14 ANCE.—The Administrator shall withhold, from amounts  
15 required to be apportioned to any State under section  
16 104(b), an amount equal to 125 percent to the amount  
17 required to be remitted under subsection (c)(2). The Ad-  
18 ministrator shall withhold the amount on the first day of  
19 each fiscal year beginning after September 30, 2026, in  
20 which the State does not meet the requirements of sub-  
21 section (c).

22 “(c) COLLECTION AND REMITTANCE OF FEE.—

23 “(1) COLLECTION OF FEE.—A State motor ve-  
24 hicle department shall—

25 “(A) incorporate the collection of the fees  
26 established under subsection (a) into the vehicle

1 registration and renewal processes administered  
2 by such department, so long as such fees are  
3 imposed for each year in which the fees are re-  
4 quired; or

5 “(B) obtain approval from the Adminis-  
6 trator to establish an alternate means of com-  
7 pliance for the collection of such fees that is ac-  
8 ceptable to the Administrator.

9 “(2) REMITTANCE OF FEE.—Not later than 30  
10 days after the last day of each month, a State motor  
11 vehicle department shall remit to the Administrator  
12 the balance of the total fee amounts collected under  
13 this section in the preceding month less the portion  
14 reserved for administrative expenses under sub-  
15 section (e).

16 “(d) FEE ASSESSMENT.—The amounts specified in  
17 subsection (a) shall be increased on an annual basis to  
18 account for the rate of inflation each fiscal year in accord-  
19 ance with the Consumer Price Index for All Urban Con-  
20 sumers of the Bureau of Labor Statistics.

21 “(e) ADMINISTRATIVE EXPENSES.—In any fiscal  
22 year in which a State is in compliance with this section,  
23 such State may retain an amount not to exceed 1 percent  
24 of the total fees collected under this section for adminis-  
25 trative expenses.

1       “(f) APPLICABILITY OF FEES.—The fees imposed  
2 under paragraphs (1) and (2) of subsection (a) shall ter-  
3 minate on October 1, 2035.

4       “(g) DEFINITIONS.—In this section:

5           “(1) COVERED ELECTRIC VEHICLE.—The term  
6 ‘covered electric vehicle’ means a covered motor vehi-  
7 cle with an electric motor as the sole means of pro-  
8 pulsion of such vehicle.

9           “(2) COVERED MOTOR VEHICLE.—The term  
10 ‘covered motor vehicle’ has the meaning given the  
11 term ‘motor vehicle’ under section 154(a) but ex-  
12 cludes a motor vehicle that is a covered farm vehicle  
13 or commercial motor vehicle (as such terms are de-  
14 fined in section 390.5 of title 49, Code of Federal  
15 Regulations).

16           “(3) COVERED HYBRID VEHICLE.—The term  
17 ‘covered hybrid vehicle’ means a covered motor vehi-  
18 cle propelled by a combination of an electric motor  
19 and an internal combustion engine or other power  
20 source and components thereof.”.

21       “(b) IMPLEMENTATION OF CERTAIN PROCESSES.—

22           “(1) IMPLEMENTATION.—The Administrator of  
23 the Federal Highway Administration shall provide  
24 grants to State motor vehicle departments to imple-



1       ment a process to carry out section 180 of title 23,  
2       United States Code.

3           (2) FUNDING.—Out of any money in the Treas-  
4       ury not otherwise appropriated, \$104,000,000 is to  
5       remain available until September 30, 2029, begin-  
6       ning in the first fiscal year following the date of en-  
7       actment of this Act, for grants under paragraph (1).

8           (3) ELIGIBLE AMOUNTS.—Each State motor ve-  
9       hicle department may receive not more than  
10      \$2,000,000 under this subsection.

11      (c) REGULATIONS.—The Administrator shall issue  
12      such regulations and guidance as are necessary to—

13           (1) carry out section 180 of title 23, United  
14      States Code (as added by this Act); and

15           (2) establish a process for the timely and accu-  
16      rate remittance of fees collected under such section  
17      through an electronic method.

18      (d) REPORT.—Not later than 2 years after the date  
19      of enactment of this Act, the Administrator shall submit  
20      to the Committee on Transportation and Infrastructure  
21      of the House of Representatives and the Committee on  
22      Environment and Public Works of the Senate a report on  
23      the status of the implementation of section 180 of title  
24      23, United States Code (as added by this Act).

1 (e) CLERICAL AMENDMENT.—The analysis for chap-  
2 ter 1 of title 23, United States Code, is amended by add-  
3 ing at the end the following:

“180. Registration fee on motor vehicles.”.

4 **SEC. 100004. DEPOSIT OF REGISTRATION FEE ON MOTOR**  
5 **VEHICLES.**

6 Any amounts accrued pursuant to section 180 of title  
7 23, United States Code (as added by this Act), shall be  
8 deposited into the Highway Trust Fund.

9 **SEC. 100005. MOTOR CARRIER DATA.**

10 (a) PUBLIC CONFIRMATION OF AUTHORIZED MOTOR  
11 CARRIERS.—There is appropriated \$5,000,000 to the Ad-  
12 ministrator of the Federal Motor Carrier Safety Adminis-  
13 tration to establish a public website to present data on  
14 motor carriers, as such term is defined in section 13102  
15 of title 49, United States Code, in a manner that indicates  
16 whether each motor carrier meets or does not meet all Ad-  
17 ministration operating requirements, including by dis-  
18 playing 1 of the following statements for each motor car-  
19 rier:

20 (1) “This motor carrier meets Federal Motor  
21 Carrier Safety Administration operating require-  
22 ments and is authorized to operate on the nation’s  
23 roadways.”.

24 (2) “This motor carrier does not meet Federal  
25 Motor Carrier Safety Administration operating re-

1       quirements and is not authorized to operate on the  
2       nation’s roadways.”.

3       (b) USAGE FEE.—The Administrator shall assess an  
4       annual fee of \$100 on each person seeking access to the  
5       website established under subsection (a). In each fiscal  
6       year through fiscal year 2033, monies collected under this  
7       subsection shall be—

8               (1) credited to the account in the Treasury  
9       from which the Administrator incurs expenses for  
10      establishing, maintaining, and updating the website  
11      required to be established under subsection (a); and

12              (2) available for establishing, maintaining, and  
13      updating such website without further appropriation.

14      (c) DETERMINATION.—A broker, freight forwarder,  
15      or household goods freight forwarder, as such terms are  
16      defined in section 13102 of title 49, United States Code,  
17      that uses the website established under subsection (a) to  
18      ensure that a motor carrier engaged by such broker,  
19      freight forwarder, or household goods freight forwarder  
20      meets Federal Motor Carrier Safety Administration oper-  
21      ating requirements shall be considered to have taken rea-  
22      sonable and prudent determinations in engaging such  
23      motor carrier.

1   **SEC. 100006. IRA RESCISSIONS.**

2           (a) REPEAL OF FUNDING FOR ALTERNATIVE FUEL  
3   AND LOW-EMISSION AVIATION TECHNOLOGY PROGRAM.—

4   The unobligated balances of amounts made available to  
5   carry out section 40007 of Public Law 117–169 (49  
6   U.S.C. 44504 note) (as in effect on the day before the  
7   date of enactment of this Act) are permanently rescinded.

8           (b) REPEAL OF FUNDING FOR NEIGHBORHOOD AC-  
9   CESS AND EQUITY GRANT PROGRAM.—The unobligated  
10   balances of amounts made available to carry out section  
11   177 of title 23, United States Code, (as in effect on the  
12   day before the date of enactment of this Act) are perma-  
13   nently rescinded.

14          (c) REPEAL OF FUNDING FOR FEDERAL BUILDING  
15   ASSISTANCE.—The unobligated balances of amounts made  
16   available to carry out section 60502 of Public Law 117–  
17   169 (136 Stat. 2083) (as in effect on the day before the  
18   date of enactment of this Act) are permanently rescinded.

19          (d) REPEAL OF FUNDING FOR USE OF LOW-CARBON  
20   MATERIALS FOR FEDERAL BUILDING ASSISTANCE.— The  
21   unobligated balances of amounts made available to carry  
22   out section 60503 of Public Law 117–169 (136 Stat.  
23   2083) (as in effect on the day before the date of enactment  
24   of this Act) are permanently rescinded.

25          (e) REPEAL OF FUNDING FOR GENERAL SERVICES  
26   ADMINISTRATION EMERGING TECHNOLOGIES.—The un-

1 obligated balances of amounts made available to carry out  
2 section 60504 of Public Law 117–169 (136 Stat. 2083)  
3 (as in effect on the day before the date of enactment of  
4 this Act) are permanently rescinded.

5 (f) REPEAL OF ENVIRONMENTAL REVIEW IMPE-  
6 MENTATION FUNDS.—The unobligated balances of  
7 amounts made available to carry out section 178 of title  
8 23, United States Code, (as in effect on the day before  
9 the date of enactment of this Act) are permanently re-  
10 scinded.

11 (g) REPEAL OF FUNDING FOR LOW-CARBON TRANS-  
12 PORTATION MATERIALS GRANTS.— The unobligated bal-  
13 ances of amounts made available to carry out section 179  
14 of title 23, United States Code, (as in effect on the day  
15 before the date of enactment of this Act) are permanently  
16 rescinded.

17 **SEC. 100007. AIR TRAFFIC CONTROL STAFFING AND MOD-**  
18 **ERNIZATION.**

19 (a) IN GENERAL.—For the purpose of the acquisi-  
20 tion, construction, sustainment, improvement, and oper-  
21 ation of facilities and equipment necessary to improve or  
22 maintain aviation safety, and for personnel expenses re-  
23 lated to such facilities and equipment, in addition to  
24 amounts otherwise made available, there is appropriated  
25 to the Administrator of the Federal Aviation Administra-

1 tion for fiscal year 2025, out of any money in the Treasury  
2 not otherwise appropriated, to remain available until Sep-  
3 tember 30, 2029—

4 (1) \$2,160,000,000 for air traffic control tower  
5 and terminal radar approach control facility replace-  
6 ment, of which not less than \$240,000,000 shall be  
7 available for Contract Tower Program air traffic  
8 control tower replacement and airport sponsor-  
9 owned air traffic control tower replacement;

10 (2) \$3,000,000,000 for radar systems replace-  
11 ment;

12 (3) \$4,750,000,000 for telecommunications in-  
13 frastructure and systems replacement;

14 (4) \$500,000,000 for runway safety projects,  
15 airport surface surveillance projects, and to carry  
16 out section 347 of the FAA Reauthorization Act of  
17 2024;

18 (5) \$550,000,000 for unstaffed infrastructure  
19 sustainment and replacement;

20 (6) \$300,000,000 to carry out section 619 of  
21 the FAA Reauthorization Act of 2024;

22 (7) \$260,000,000 to carry out section 44745 of  
23 title 49, United States Code; and

1           (8) \$1,000,000,000 for air traffic controller re-  
2           cruitment, retention, training, and advanced training  
3           technologies.

4           (b) QUARTERLY REPORTING.—Not later than 180  
5           days after the date of enactment of this Act, and every  
6           90 days thereafter, the Administrator shall submit to Con-  
7           gress a report that describes any expenditures under this  
8           section.

9           **SEC. 100008. JOHN F. KENNEDY CENTER FOR THE PER-**  
10           **FORMING ARTS.**

11           (a) IN GENERAL.—In addition to amounts otherwise  
12           available, there is appropriated for fiscal year 2025, out  
13           of any money in the Treasury not otherwise appropriated,  
14           \$256,657,000, to remain available until September 30,  
15           2029, for necessary expenses for capital repair, restora-  
16           tion, maintenance backlog, and security structures of the  
17           building and site of the John F. Kennedy Center for the  
18           Performing Arts.

19           (b) ADMINISTRATIVE COSTS.—Of the amounts made  
20           available under subsection (a), not more than 3 percent  
21           may be used for administrative costs necessary to carry  
22           out this section.

1 **TITLE XI—COMMITTEE ON WAYS**  
2 **AND MEANS, “THE ONE, BIG,**  
3 **BEAUTIFUL BILL”**

4 **SEC. 110000. REFERENCES TO THE INTERNAL REVENUE**  
5 **CODE OF 1986, ETC.**

6 (a) REFERENCES.—Except as otherwise expressly  
7 provided, whenever in this title, an amendment or repeal  
8 is expressed in terms of an amendment to, or repeal of,  
9 a section or other provision, the reference shall be consid-  
10 ered to be made to a section or other provision of the In-  
11 ternal Revenue Code of 1986.

12 (b) CERTAIN RULES REGARDING EFFECT OF RATE  
13 CHANGES NOT APPLICABLE.—Section 15 of the Internal  
14 Revenue Code of 1986 shall not apply to any change in  
15 rate of tax by reason of any provision of, or amendment  
16 made by, this title.

17 **Subtitle A—Make American**  
18 **Families and Workers Thrive Again**  
19 **PART 1—PERMANENTLY PREVENTING TAX HIKES**  
20 **ON AMERICAN FAMILIES AND WORKERS**

21 **SEC. 110001. EXTENSION OF MODIFICATION OF RATES.**

22 (a) IN GENERAL.—Section 1(j) is amended—

23 (1) in paragraph (1), by striking “, and before  
24 January 1, 2026”, and



1           (2) by striking “2018 THROUGH 2025” in the  
2           heading and inserting “BEGINNING AFTER 2017”.

3           (b) INFLATION ADJUSTMENT.—Section 1(j)(3)(B)(i)  
4 is amended by inserting “in the case of any taxable year  
5 beginning after December 31, 2025, solely for purposes  
6 of determining the dollar amounts at which the 35-percent  
7 rate bracket ends and the 37-percent rate bracket begins,”  
8 before “subsection (f)(3)”.

9           (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to taxable years beginning after  
11 December 31, 2025.

12 **SEC. 110002. EXTENSION OF INCREASED STANDARD DEDUC-**  
13 **TION AND TEMPORARY ENHANCEMENT.**

14           (a) IN GENERAL.—Section 63(c)(7) is amended—  
15           (1) by striking “, and before January 1, 2026”  
16           in the matter preceding subparagraph (A), and  
17           (2) by striking “2018 THROUGH 2025” in the  
18           heading and inserting “BEGINNING AFTER 2017”.

19           (b) TEMPORARY ADDITIONAL INCREASE IN STAND-  
20 ARD DEDUCTION.—Section 63(c)(7) is amended by adding  
21 at the end the following new subparagraph:

22                   “(C) TEMPORARY ADDITIONAL INCREASE  
23           IN STANDARD DEDUCTION.—In the case of any  
24           taxable year beginning after December 31,  
25           2024, and before January 1, 2029—

1 “(i) the dollar amount otherwise in ef-  
 2 fect under paragraph (2)(B) shall be in-  
 3 creased by \$1,500, and

4 “(ii) the dollar amount otherwise in  
 5 effect under paragraph (2)(C) shall be in-  
 6 creased by \$1,000.”.

7 (c) RECALCULATION OF INFLATION ADJUSTMENT.—  
 8 Section 63(c)(7)(B)(ii)(II) is amended by striking “, de-  
 9 termined by substituting ‘2017’ for ‘2016’ in subpara-  
 10 graph (A)(ii) thereof”.

11 (d) EFFECTIVE DATE.—

12 (1) IN GENERAL.—The amendments made by  
 13 subsection (a) shall apply to taxable years beginning  
 14 after December 31, 2025.

15 (2) TEMPORARY ADDITIONAL INCREASE IN  
 16 STANDARD DEDUCTION.—The amendment made by  
 17 subsection (b) shall apply to taxable years beginning  
 18 after December 31, 2024.

19 **SEC. 110003. TERMINATION OF DEDUCTION FOR PERSONAL**  
 20 **EXEMPTIONS.**

21 (a) IN GENERAL.—Section 151(d)(5) is amended—

22 (1) by striking “and before January 1, 2026”,  
 23 and

24 (2) by striking “2018 THROUGH 2025” in the  
 25 heading and inserting “BEGINNING AFTER 2017”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2025.

4 **SEC. 110004. EXTENSION OF INCREASED CHILD TAX CREDIT**  
5 **AND TEMPORARY ENHANCEMENT.**

6 (a) EXTENSION OF EXPANDED CHILD TAX CRED-  
7 IT.—Section 24(h) is amended—

8 (1) in paragraph (1), by striking “and before  
9 January 1, 2026,” and

10 (2) by striking “2018 THROUGH 2025” in the  
11 heading and inserting “BEGINNING AFTER 2017”.

12 (b) INCREASE IN CHILD TAX CREDIT.—Section  
13 24(h)(2) is amended to read as follows:

14 “(2) CREDIT AMOUNT.—Subsection (a) shall be  
15 applied by substituting—

16 “(A) in the case of taxable years beginning  
17 after December 31, 2024, and before December  
18 31, 2028, ‘\$2,500’ for ‘\$1,000’, or

19 “(B) in the case of any subsequent taxable  
20 year, ‘\$2,000’ for ‘\$1,000’.”.

21 (c) SOCIAL SECURITY NUMBER REQUIRED.—Section  
22 24(h)(7) is amended to read as follows:

23 “(7) SOCIAL SECURITY NUMBER REQUIRED.—

24 “(A) IN GENERAL.—No credit shall be al-  
25 lowed under this section to a taxpayer with re-

1           spect to any qualifying child unless the taxpayer  
2           includes on the return of tax for the taxable  
3           year—

4                   “(i) such individual’s social security  
5                   number,

6                   “(ii) the social security number of  
7                   such qualifying child, and

8                   “(iii) if the individual is married, the  
9                   social security number of such individual’s  
10                  spouse.

11               “(B) SOCIAL SECURITY NUMBER.—For  
12               purposes of this paragraph, the term ‘social se-  
13               curity number’ means a social security number  
14               issued to an individual by the Social Security  
15               Administration, but only if the social security  
16               number is issued—

17                   “(i) to a citizen of the United States  
18                   or pursuant to subclause (I) (or that por-  
19                   tion of subclause (III) that relates to sub-  
20                   clause (I)) of section 205(c)(2)(B)(i) of the  
21                   Social Security Act, and

22                   “(ii) before the due date for such re-  
23                   turn.

1           “(C) MARRIED INDIVIDUALS.—Rules simi-  
2           lar to the rules of section 32(d) shall apply to  
3           this section.”.

4           (d) INFLATION ADJUSTMENTS.—

5           (1) IN GENERAL.—Section 24(i) is amended to  
6           read as follows:

7           “(i) INFLATION ADJUSTMENTS.—

8           “(1) MAXIMUM AMOUNT OF REFUNDABLE  
9           CREDIT.—In the case of a taxable year beginning  
10          after 2024, the \$1,400 amount in subsection (h)(5)  
11          shall be increased by an amount equal to—

12               “(A) such dollar amount, multiplied by

13               “(B) the cost-of-living adjustment deter-  
14               mined under section 1(f)(3) for the calendar  
15               year in which the taxable year begins, deter-  
16               mined by substituting ‘2017’ for ‘2016’ in sub-  
17               paragraph (A)(ii) thereof.

18          “(2) SPECIAL RULE FOR ADJUSTMENT OF  
19          CREDIT AMOUNT.—In the case of a taxable year be-  
20          ginning after 2028, the \$2,000 amount in subsection  
21          (h)(2)(B), shall be increased by an amount equal  
22          to—

23               “(A) such dollar amount, multiplied by

24               “(B) the cost-of-living adjustment deter-  
25               mined under section 1(f)(3) for the calendar

1           year in which the taxable year begins, deter-  
2           mined by substituting ‘2024’ for ‘2016’ in sub-  
3           paragraph (A)(ii) thereof.

4           “(3) ROUNDING.—If any increase under this  
5           subsection is not a multiple of \$100, such increase  
6           shall be rounded to the next lowest multiple of  
7           \$100.”.

8           (e) CONFORMING AMENDMENT.—Section 24(h)(5) is  
9           amended to read as follows:

10           “(5) MAXIMUM AMOUNT OF REFUNDABLE  
11           CREDIT.—The amount determined under subsection  
12           (d)(1)(A) with respect to any qualifying child shall  
13           not exceed \$1,400, and such subsection shall be ap-  
14           plied without regard to paragraph (4) of this sub-  
15           section.”.

16           (f) TREATMENT OF CERTAIN BENEFITS OF MEM-  
17           BERS OF RELIGIOUS AND APOSTOLIC ASSOCIATIONS AS  
18           EARNED INCOME.—Section 24(d)(1) is amended by add-  
19           ing at the end the following: “For purposes of subpara-  
20           graph (B), any amount treated as a dividend received  
21           under the last sentence of section 501(d) shall be treated  
22           as earned income which is taken into account in com-  
23           puting taxable income for the taxable year.”.

24           (g) OMISSION OF CORRECT SOCIAL SECURITY NUM-  
25           BER TREATED AS MATHEMATICAL OR CLERICAL

1 ERROR.—Section 6213(g)(2)(I) is amended by striking  
 2 “section 24(e)” and inserting “section 24”.

3 (h) EFFECTIVE DATE.—The amendments made by  
 4 this section shall apply to taxable years beginning after  
 5 December 31, 2024.

6 **SEC. 110005. EXTENSION OF DEDUCTION FOR QUALIFIED**  
 7 **BUSINESS INCOME AND PERMANENT EN-**  
 8 **HANCEMENT.**

9 (a) MADE PERMANENT.—Section 199A is amended  
 10 by striking subsection (i).

11 (b) INCREASE IN DEDUCTION.—Subsections (a)(2),  
 12 (b)(1)(B), and (b)(2)(A) of section 199A are each amend-  
 13 ed by striking “20 percent” and inserting “23 percent”.

14 (c) MODIFICATION OF LIMITATIONS BASED ON TAX-  
 15 ABLE INCOME.—

16 (1) IN GENERAL.—Section 199A(b)(3) is  
 17 amended to read as follows:

18 “(3) MODIFICATION OF DETERMINATION OF  
 19 COMBINED QUALIFIED BUSINESS INCOME AMOUNT  
 20 BASED ON TAXABLE INCOME.—

21 “(A) EXCEPTION FROM LIMITATIONS.—In  
 22 the case of any taxpayer whose taxable income  
 23 for the taxable year does not exceed the thresh-  
 24 old amount—

1 “(i) paragraph (2) shall be applied  
2 without regard to subparagraph (B), and

3 “(ii) a specified service trade or busi-  
4 ness shall not fail to be treated as a quali-  
5 fied trade or business solely by reason of  
6 subsection (d)(1)(A).

7 “(B) PHASE-IN OF LIMITATIONS.—In the  
8 case of any taxpayer whose taxable income for  
9 the taxable year exceeds the threshold amount,  
10 the sum described in paragraph (1)(A) (deter-  
11 mined without regard to this subparagraph)  
12 shall instead be an amount (if greater) equal to  
13 the excess (if any) of—

14 “(i) the sum described in paragraph  
15 (1)(A) (determined by applying the rules of  
16 clauses (i) and (ii) of subparagraph (A)),  
17 over

18 “(ii) the limitation phase-in amount.

19 “(C) LIMITATION PHASE-IN AMOUNT.—  
20 For purposes of subparagraph (B), the limita-  
21 tion phase-in amount shall be an amount equal  
22 to 75 percent of the excess (if any) of—

23 “(i) the taxable income of the tax-  
24 payer for the taxable year, over

25 “(ii) the threshold amount.”.



1           (2) CONFORMING AMENDMENT.—Section  
2       199A(d) is amended by striking paragraph (3).

3       (d) DEDUCTION FOR QUALIFIED BUSINESS INCOME  
4 TO APPLY TO CERTAIN INTEREST DIVIDENDS OF QUALI-  
5 FIED BUSINESS DEVELOPMENT COMPANIES.—

6           (1) IN GENERAL.—Subsections (b)(1)(B) and  
7       (c)(1) of section 199A are each amended by insert-  
8       ing “, qualified BDC interest dividends,” after  
9       “qualified REIT dividends”.

10          (2) QUALIFIED BDC INTEREST DIVIDEND DE-  
11 FINED.—Section 199A(e) is amended by adding at  
12       the end the following new paragraph:

13           “(5) QUALIFIED BDC INTEREST DIVIDEND.—

14               “(A) IN GENERAL.—The term ‘qualified  
15       BDC interest dividend’ means any dividend  
16       from an electing business development company  
17       received during the taxable year which is attrib-  
18       utable to net interest income of such company  
19       which is properly allocable to a qualified trade  
20       or business of such company.

21               “(B) ELECTING BUSINESS DEVELOPMENT  
22       COMPANY.—For purposes of this paragraph, the  
23       term ‘electing business development company’  
24       means a business development company (as de-  
25       fined in section 2(a) of the Investment Com-

pany Act of 1940) which has an election in effect under section 851 to be treated as a regulated investment company.”.

(e) MODIFIED INFLATION ADJUSTMENT.—Section 199A(e)(2)(B) is amended—

(1) by striking “2018” and inserting “2025”,  
and

(2) in clause (ii), by striking “, determined by substituting ‘calendar year 2017’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

**SEC. 110006. EXTENSION OF INCREASED ESTATE AND GIFT  
TAX EXEMPTION AMOUNTS AND PERMANENT  
ENHANCEMENT.**

(a) IN GENERAL.—Section 2010(c)(3) is amended—

(1) in subparagraph (A) by striking “\$5,000,000” and inserting “\$15,000,000”,

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking “2011” and inserting “2026”, and

(B) in clause (ii), by striking “calendar year 2010” and inserting “calendar year 2025”, and

1 (3) by striking subparagraph (C).

2 (b) EFFECTIVE DATE.—The amendments made by  
3 this section shall apply to taxable years beginning after  
4 December 31, 2025.

5 **SEC. 110007. EXTENSION OF INCREASED ALTERNATIVE MIN-**  
6 **IMUM TAX EXEMPTION AND PHASE-OUT**  
7 **THRESHOLDS.**

8 (a) IN GENERAL.—Section 55(d)(4) is amended—

9 (1) in subparagraph (A), by striking “, and be-  
10 fore January 1, 2026”, and

11 (2) by striking “AND BEFORE 2026” in the  
12 heading.

13 (b) MODIFICATION OF INFLATION ADJUSTMENT.—  
14 Section 55(d)(4)(B) is amended—

15 (1) by striking “2018” in clause (i) and insert-  
16 ing “2026”, and

17 (2) by striking “2017” in clause (i)(II) and in-  
18 serting “2025”.

19 (c) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to taxable years beginning after  
21 December 31, 2025.

22 **SEC. 110008. EXTENSION OF LIMITATION ON DEDUCTION**  
23 **FOR QUALIFIED RESIDENCE INTEREST.**

24 (a) IN GENERAL.—Section 163(h)(3)(F) is amend-  
25 ed—

1 (1) in clause (i), by striking “, and before Jan-  
2 uary 1, 2026”,

3 (2) by striking clause (ii) and redesignating  
4 clauses (iii) and (iv) as clauses (ii) and (iii), respec-  
5 tively, and

6 (3) by striking “2018 THROUGH 2025” in the  
7 heading and inserting “BEGINNING AFTER 2017”.

8 (b) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to taxable years beginning after  
10 December 31, 2025.

11 **SEC. 110009. EXTENSION OF LIMITATION ON CASUALTY**  
12 **LOSS DEDUCTION.**

13 (a) IN GENERAL.—Section 165(h)(5) is amended—

14 (1) in subparagraph (A), by striking “and be-  
15 fore January 1, 2026,”, and

16 (2) by striking “2018 THROUGH 2025” in the  
17 heading and inserting “BEGINNING AFTER 2017”.

18 (b) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to taxable years beginning after  
20 December 31, 2025.

21 **SEC. 110010. TERMINATION OF MISCELLANEOUS ITEMIZED**  
22 **DEDUCTION.**

23 (a) IN GENERAL.—Section 67(g) is amended—

24 (1) by striking “, and before January 1, 2026”,  
25 and

1           (2) by striking “2018 THROUGH 2025” in the  
2           heading and inserting “BEGINNING AFTER 2017”.

3           (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2025.

6 **SEC. 110011. LIMITATION ON TAX BENEFIT OF ITEMIZED**  
7 **DEDUCTIONS.**

8           (a) IN GENERAL.—Section 68 is amended to read as  
9 follows:

10          “(a) IN GENERAL.—In the case of an individual, the  
11 amount of the taxpayer’s itemized deductions shall be re-  
12 duced by the sum of—

13               “(1)  $\frac{5}{37}$  of the lesser of—

14                       “(A) the amount of the deduction allowable  
15 to the taxpayer under section 164 for such tax-  
16 able year (determined without regard to this  
17 section), or

18                       “(B) the excess (if any) of—

19                               “(i) the taxpayer’s taxable income for  
20 such taxable year (determined without re-  
21 gard to this section and increased by the  
22 amount of the taxpayer’s itemized deduc-  
23 tions), over

1 “(ii) the dollar amount at which the  
2 37 percent rate bracket under section 1 be-  
3 gins with respect to the taxpayer, plus

4 “(2)  $\frac{2}{37}$  of the lesser of—

5 “(A) so much (if any) of the taxpayer’s  
6 itemized deductions as exceed the amount de-  
7 scribed in paragraph (1)(A), or

8 “(B) the excess (if any) of—

9 “(i) the amount described in subpara-  
10 graph (1)(B)(i), over

11 “(ii) the sum of the amounts de-  
12 scribed in paragraphs (1)(A) and  
13 (1)(B)(ii).

14 “(b) ITEMIZED DEDUCTIONS.—For purposes of sub-  
15 section (a), any reference to the taxpayer’s itemized de-  
16 ductions shall be treated as reference to such deductions  
17 determined without regard to this section.

18 “(c) COORDINATION WITH OTHER LIMITATIONS.—  
19 This section shall be applied after the application of any  
20 other limitation on the allowance of any itemized deduc-  
21 tion.”.

22 (b) EFFECTIVE DATE.—The amendment made by  
23 this section shall apply to taxable years beginning after  
24 December 31, 2025.

1 **SEC. 110012. TERMINATION OF QUALIFIED BICYCLE COM-**  
2 **MUTING REIMBURSEMENT EXCLUSION.**

3 (a) IN GENERAL.—Section 132(f)(8) is amended by  
4 striking “, and before January 1, 2026”.

5 (b) EFFECTIVE DATE.—The amendment made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2025.

8 **SEC. 110013. EXTENSION OF LIMITATION ON EXCLUSION**  
9 **AND DEDUCTION FOR MOVING EXPENSES.**

10 (a) TERMINATION OF DEDUCTION.—Section 217(k)  
11 is amended—

12 (1) by striking “, and before January 1, 2026”,  
13 and

14 (2) by striking “2018 THROUGH 2025” in the  
15 heading and inserting “BEGINNING AFTER 2017”.

16 (b) TERMINATION OF REIMBURSEMENT.—Section  
17 132(g)(2) is amended—

18 (1) by striking “, and before January 1, 2026”,  
19 and

20 (2) by striking “2018 THROUGH 2025” in the  
21 heading and inserting “BEGINNING AFTER 2017”.

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxable years beginning after  
24 December 31, 2025.

1 **SEC. 110014. EXTENSION OF LIMITATION ON WAGERING**  
2 **LOSSES.**

3 (a) IN GENERAL.—Section 165(d) is amended by  
4 striking “and before January 1, 2026,”.

5 (b) EFFECTIVE DATE.—The amendment made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2025.

8 **SEC. 110015. EXTENSION OF INCREASED LIMITATION ON**  
9 **CONTRIBUTIONS TO ABLE ACCOUNTS AND**  
10 **PERMANENT ENHANCEMENT.**

11 (a) IN GENERAL.—Section 529A(b)(2)(B) is amend-  
12 ed—

13 (1) in clause (i), by inserting “(determined by  
14 substituting ‘1996’ for ‘1997’ in paragraph (2)(B)  
15 thereof)” after “section 2503(b)”, and

16 (2) in clause (ii), by striking “before January  
17 1, 2026”.

18 (b) EFFECTIVE DATE.—

19 (1) IN GENERAL.—Except as otherwise pro-  
20 vided in this subsection, the amendments made by  
21 this section shall apply to contributions made after  
22 December 31, 2025.

23 (2) MODIFIED INFLATION ADJUSTMENT.—The  
24 amendment made by subsection (a)(1) shall apply to  
25 taxable years beginning after December 31, 2025.



1 **SEC. 110016. EXTENSION OF SAVERS CREDIT ALLOWED FOR**  
2 **ABLE CONTRIBUTIONS.**

3 (a) IN GENERAL.—Section 25B(d)(1) is amended to  
4 read as follows:

5 “(1) IN GENERAL.—The term ‘qualified retire-  
6 ment savings contributions’ means, with respect to  
7 any taxable year, the sum of—

8 “(A) the amount of contributions made by  
9 the eligible individual during such taxable year  
10 to the ABLE account (within the meaning of  
11 section 529A) of which such individual is the  
12 designated beneficiary, and

13 “(B) in the case of any taxable year begin-  
14 ning before January 1, 2027—

15 “(i) the amount of the qualified retire-  
16 ment contributions (as defined in section  
17 219(e)) made by the eligible individual,

18 “(ii) the amount of—

19 “(I) any elective deferrals (as de-  
20 fined in section 402(g)(3)) of such in-  
21 dividual, and

22 “(II) any elective deferral of com-  
23 pensation by such individual under an  
24 eligible deferred compensation plan  
25 (as defined in section 457(b)) of an

1 eligible employer described in section  
2 457(e)(1)(A), and  
3 “(iii) the amount of voluntary em-  
4 ployee contributions by such individual to  
5 any qualified retirement plan (as defined  
6 in section 4974(c)).”.

7 (b) COORDINATION WITH SECURE 2.0 ACT OF  
8 2022 AMENDMENT.—Paragraph (1) of section 103(e) of  
9 the SECURE 2.0 Act of 2022 is repealed, and the Inter-  
10 nal Revenue Code of 1986 shall be applied and adminis-  
11 tered as though such paragraph were never enacted.

12 (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years ending after De-  
14 cember 31, 2025.

15 **SEC. 110017. EXTENSION OF ROLLOVERS FROM QUALIFIED**  
16 **TUITION PROGRAMS TO ABLE ACCOUNTS**  
17 **PERMITTED.**

18 (a) IN GENERAL.—Section 529(c)(3)(C)(i)(III) is  
19 amended by striking “before January 1, 2026,”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2025.

1 **SEC. 110018. EXTENSION OF TREATMENT OF CERTAIN INDI-**  
2 **VIDUALS PERFORMING SERVICES IN THE**  
3 **SINAI PENINSULA AND ENHANCEMENT TO IN-**  
4 **CLUDE ADDITIONAL AREAS.**

5 (a) TREATMENT MADE PERMANENT.—Section  
6 11026(a) of Public Law 115–97 is amended by striking  
7 “with respect to the applicable period,”.

8 (b) KENYA, MALI, BURKINA FASO, AND CHAD IN-  
9 CLUDED AS HAZARDOUS DUTY AREAS.—Section  
10 11026(b) of Public Law 115–97 is amended to read as  
11 follows:

12 “(b) QUALIFIED HAZARDOUS DUTY AREA.—For  
13 purposes of this section, the term ‘qualified hazardous  
14 duty area’ means—

15 “(1) the Sinai Peninsula of Egypt, if as of De-  
16 cember, 22, 2017, any member of the Armed Forces  
17 of the United States is entitled to special pay under  
18 section 310 of title 37, United States Code (relating  
19 to special pay; duty subject to hostile fire or immi-  
20 nent danger), for services performed in such loca-  
21 tion, and

22 “(2) Kenya, Mali, Burkina Faso, and Chad if,  
23 as of the date of the enactment of this paragraph,  
24 any member of the Armed Forces of the United  
25 States is entitled to special pay under such section,  
26 for services performed in such location.

1 Such term includes any such location only during the pe-  
2 riod such entitlement is in effect with respect to such loca-  
3 tion.”.

4 (c) CONFORMING AMENDMENT.—Section 11026 of  
5 Public Law 115–97 is amended by striking subsections (c)  
6 and (d).

7 (d) EFFECTIVE DATE.—The amendments made by  
8 this section shall take effect on January 1, 2026.

9 **SEC. 110019. EXTENSION OF EXCLUSION FROM GROSS IN-**  
10 **COME OF STUDENT LOANS DISCHARGED ON**  
11 **ACCOUNT OF DEATH OR DISABILITY.**

12 (a) IN GENERAL.—Section 108(f)(5) is amended to  
13 read as follows:

14 “(5) DISCHARGES ON ACCOUNT OF DEATH OR  
15 DISABILITY.—

16 “(A) IN GENERAL.—In the case of an indi-  
17 vidual, gross income does not include any  
18 amount which (but for this subsection) would  
19 be includible in gross income for such taxable  
20 year by reason of the discharge (in whole or in  
21 part) of any loan described in subparagraph  
22 (B), if such discharge was—

23 “(i) pursuant to subsection (a) or (d)  
24 of section 437 of the Higher Education  
25 Act of 1965 or the parallel benefit under

1 part D of title IV of such Act (relating to  
2 the repayment of loan liability),

3 “(ii) pursuant to section 464(c)(1)(F)  
4 of such Act, or

5 “(iii) otherwise discharged on account  
6 of death or total and permanent disability  
7 of the student.

8 “(B) LOANS DISCHARGED.—A loan is de-  
9 scribed in this subparagraph if such loan is—

10 “(i) a student loan (as defined in  
11 paragraph (2)), or

12 “(ii) a private education loan (as de-  
13 fined in section 140(a) of the Consumer  
14 Credit Protection Act (15 U.S.C. 1650(a)).

15 “(C) SOCIAL SECURITY NUMBER REQUIRE-  
16 MENT.—

17 “(i) IN GENERAL.—Subparagraph (A)  
18 shall not apply with respect to any dis-  
19 charge during any taxable year unless the  
20 taxpayer includes on the return of tax for  
21 such taxable year—

22 “(I) the taxpayer’s social security  
23 number, and

1 “(II) if the taxpayer is married,  
2 the social security number of such  
3 taxpayers’s spouse.

4 “(ii) SOCIAL SECURITY NUMBER.—  
5 For purposes of this subparagraph, the  
6 term ‘social security number’ has the  
7 meaning given such term in section  
8 24(h)(7).

9 “(iii) MARRIED INDIVIDUALS.—Rules  
10 similar to the rules of section 32(d) shall  
11 apply to this subparagraph.”.

12 (b) OMISSION OF CORRECT SOCIAL SECURITY NUM-  
13 BER TREATED AS MATHEMATICAL OR CLERICAL  
14 ERROR.—Section 6213(g)(2) is amended by striking  
15 “and” at the end of subparagraph (U), by striking the  
16 period at the end of subparagraph (V) and inserting “,  
17 and”, and by inserting after subparagraph (V) the fol-  
18 lowing new subparagraph:

19 “(W) an omission of a correct social secu-  
20 rity number required under section  
21 108(f)(5)(C) (relating to discharges on account  
22 of death or disability).”.

23 (c) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to discharges after December 31,  
25 2025.

1           **PART 2—ADDITIONAL TAX RELIEF FOR**  
2           **AMERICAN FAMILIES AND WORKERS**

3   **SEC. 110101. NO TAX ON TIPS.**

4           (a) DEDUCTION ALLOWED.—Part VII of subchapter  
5   B of chapter 1 is amended by redesignating section 224  
6   as section 225 and by inserting after section 223 the fol-  
7   lowing new section:

8   **“SEC. 224. QUALIFIED TIPS.**

9           “(a) IN GENERAL.—There shall be allowed as a de-  
10   duction an amount equal to the qualified tips received dur-  
11   ing the taxable year that are included on statements fur-  
12   nished to the individual pursuant to section 6041(d)(3),  
13   6041A(e)(3), 6050W(f)(2), 6051(a)(18), or reported by  
14   the taxpayer on Form 4137 (or successor).

15          “(b) TIPS RECEIVED IN COURSE OF TRADE OR BUSI-  
16   NESS.—In the case of qualified tips received by an indi-  
17   vidual during any taxable year in the course of any trade  
18   or business of such individual, such qualified tips shall be  
19   taken into account under subsection (a) only to the extent  
20   that the gross receipts of the taxpayer from such trade  
21   or business for such taxable year (including such qualified  
22   tips) exceeds the sum of—

23               “(1) cost of goods sold that are allocable to  
24               such receipts, plus

1           “(2) other expenses, losses, or deductions (other  
2           than the deduction allowed under this section),  
3           which are properly allocable to such receipts.

4           “(c) QUALIFIED TIPS.—For purposes of this sec-  
5           tion—

6           “(1) IN GENERAL.—The term ‘qualified tip’  
7           means any cash tip received by an individual in an  
8           occupation which traditionally and customarily re-  
9           ceived tips on or before December 31, 2024, as pro-  
10          vided by the Secretary.

11          “(2) EXCLUSIONS.—Such term shall not in-  
12          clude any amount received by an individual unless—

13               “(A) such amount is paid voluntarily with-  
14               out any consequence in the event of non-  
15               payment, is not the subject of negotiation, and  
16               is determined by the payor,

17               “(B) the trade or business in the course of  
18               which the individual receives such amount is  
19               not a specified service trade or business (as de-  
20               fined in section 199A(d)(2)),

21               “(C) such individual does not receive  
22               earned income (within the meaning of section  
23               32) in excess of the dollar amount in effect  
24               under section 414(q)(1)(B)(i) for the calendar  
25               year in which the taxable year begins, and



1           “(D) such other requirements as may be  
2           established by the Secretary in regulations or  
3           other guidance are satisfied.

4           “(d) SOCIAL SECURITY NUMBER REQUIRED.—

5           “(1) IN GENERAL.—No deduction shall be al-  
6           lowed under this section unless the taxpayer includes  
7           on the return of tax for the taxable year—

8           “(A) such individual’s social security num-  
9           ber, and

10           “(B) if the individual is married, the social  
11           security number of such individual’s spouse.

12           “(2) MARRIED INDIVIDUALS.—Rules similar to  
13           the rules of section 32(d) shall apply to this section.

14           “(3) SOCIAL SECURITY NUMBER DEFINED.—  
15           For purposes of paragraph (1), the term ‘social se-  
16           curity number’ shall have the meaning given such  
17           term in section 24(h)(7).

18           “(e) REGULATIONS.—The Secretary shall prescribe  
19           such regulations or other guidance as may be necessary  
20           to prevent reclassification of income as qualified tips, in-  
21           cluding regulations or other guidance to prevent abuse of  
22           the deduction allowed by this section.

23           “(f) TERMINATION.—No deduction shall be allowed  
24           under this section for any taxable year beginning after De-  
25           cember 31, 2028.”.

1 (b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—  
2 Section 63(b) is amended by striking “and” at the end  
3 of paragraph (3), by striking the period at the end of para-  
4 graph (4) and inserting “and”, and by adding at the end  
5 the following new paragraph:

6 “(5) the deduction provided in section 224.”.

7 (c) OMISSION OF CORRECT SOCIAL SECURITY NUM-  
8 BER TREATED AS MATHEMATICAL OR CLERICAL  
9 ERROR.—Section 6213(g)(2), as amended by the pre-  
10 ceding provisions of this Act, is amended by striking  
11 “and” at the end of subparagraph (V), by striking the  
12 period at the end of subparagraph (W) and inserting “,  
13 and”, and by inserting after subparagraph (W) the fol-  
14 lowing new subparagraph:

15 “(X) an omission of a correct social secu-  
16 rity number required under section 224(d) (re-  
17 lating to deduction for qualified tips).”.

18 (d) EXCLUSION FROM QUALIFIED BUSINESS IN-  
19 COME.—Section 199A(c)(4) is amended by striking “and”  
20 at the end of subparagraph (B), by striking the period  
21 at the end of subparagraph (C) and inserting “, and”, and  
22 by adding at the end the following new subparagraph:

23 “(D) any amount with respect to which a  
24 deduction is allowable to the taxpayer under  
25 section 224(a) for the taxable year.”.

1       (e) EXTENSION OF TIP CREDIT TO BEAUTY SERVICE  
2 BUSINESS.—

3           (1) IN GENERAL.—Section 45B(b)(2) is amend-  
4 ed to read as follows:

5           “(2) APPLICATION ONLY TO CERTAIN LINES OF  
6 BUSINESS.—In applying paragraph (1) there shall  
7 be taken into account only tips received from cus-  
8 tomers or clients in connection with the following  
9 services:

10           “(A) The providing, delivering, or serving  
11 of food or beverages for consumption, if the tip-  
12 ping of employees delivering or serving food or  
13 beverages by customers is customary.

14           “(B) The providing of any of the following  
15 services to a customer or client if the tipping of  
16 employees providing such services is customary:

17           “(i) Barbering and hair care.

18           “(ii) Nail care.

19           “(iii) Esthetics.

20           “(iv) Body and spa treatments.”.

21           (2) CREDIT DETERMINED WITH RESPECT TO  
22 MINIMUM WAGE IN EFFECT.—Section 45B(b)(1)(B)  
23 is amended—

24           (A) by striking “as in effect on January 1,  
25 2007, and”, and

1 (B) by inserting “, and in the case of food  
 2 or beverage establishments, as in effect on Jan-  
 3 uary 1, 2007” after “without regard to section  
 4 3(m) of such Act”.

5 (f) REPORTING REQUIREMENTS.—

6 (1) RETURNS FOR PAYMENTS MADE IN THE  
 7 COURSE OF A TRADE OR BUSINESS.—

8 (A) STATEMENT FURNISHED TO SEC-  
 9 RETARY.— Section 6041(a) is amended by in-  
 10 sserting “(including a separate accounting of  
 11 any such amounts properly designated as tips  
 12 and whether such tips are received in an occu-  
 13 pation described in section 224(c)(1))” after  
 14 “such gains, profits, and income”.

15 (B) STATEMENT FURNISHED TO PAYEE.—  
 16 Section 6041(d) is amended by striking “and”  
 17 at the end of paragraph (1), by striking the pe-  
 18 riod at the end of paragraph (2) and inserting  
 19 “, and”, and by inserting after paragraph (2)  
 20 the following new paragraph:

21 “(3) in the case of compensation to non-employ-  
 22 ees, the portion of payments that have been properly  
 23 designated as tips and whether such tips are re-  
 24 ceived in an occupation described in section  
 25 224(c)(1).”.

1           (2) RETURNS FOR PAYMENTS MADE FOR SERV-  
2       ICES AND DIRECT SALES.—

3           (A) STATEMENT FURNISHED TO SEC-  
4       RETARY.— Section 6041A(a) is amended by in-  
5       serting “(including a separate accounting of  
6       any such amounts properly designated as tips  
7       and whether such tips are received in an occu-  
8       pation described in section 224(c)(1))” after  
9       “amount of such payments”.

10          (B) STATEMENT FURNISHED TO PAYEE.—  
11       Section 6041A(e) is amended by striking “and”  
12       at the end of paragraph (1), by striking the pe-  
13       riod at the end of paragraph (2) and inserting  
14       “, and”, and by inserting after paragraph (2)  
15       the following new paragraph:

16       “(3) the portion of payments that have been  
17       properly designated as tips and whether such tips  
18       are received in an occupation described in section  
19       224(c)(1).”.

20          (3) RETURNS RELATING TO THIRD PARTY SET-  
21       TLEMENT ORGANIZATIONS.—

22          (A) STATEMENT FURNISHED TO SEC-  
23       RETARY.—Section 6050W(a) is amended by  
24       striking “and” at the end of paragraph (1), by  
25       striking the period at the end of paragraph (2)

1           and inserting “and”, and by adding at the end  
2           the following new paragraph:

3           “(3) in the case of a third party settlement or-  
4           ganization, the portion of reportable payment trans-  
5           actions that have been properly designated by payors  
6           as tips and whether such tips are received in an oc-  
7           cupation described in section 224(c)(1).”.

8           (B) STATEMENT FURNISHED TO PAYEE.—

9           Section 6050W(f)(2) is amended by inserting  
10          “(including a separate accounting of any such  
11          amounts that have been properly designated by  
12          payors as tips and whether such tips are re-  
13          ceived in an occupation described in section  
14          224(c)(1))” after “reportable payment trans-  
15          actions”.

16          (4) RETURNS RELATED TO WAGES.—Section  
17          6051(a) is amended by striking “and” at the end of  
18          paragraph (16), by striking the period at the end of  
19          paragraph (17) and inserting “, and”, and by insert-  
20          ing after paragraph (17) the following new para-  
21          graph:

22          “(18) the total amount of tips reported by the  
23          employee under section 6053(a).”.

24          (g) CLERICAL AMENDMENT.—The table of sections  
25          for part VII of subchapter B of chapter 1 is amended by

1 redesignating the item relating to section 224 as relating  
2 to section 225 and by inserting after the item relating to  
3 section 223 the following new item:

“Sec. 224. Qualified tips.”.

4 (h) PUBLISHED LIST OF OCCUPATIONS TRADITION-  
5 ALLY RECEIVING TIPS.—Not later than 90 days after the  
6 date of the enactment of this Act, the Secretary of the  
7 Treasury (or the Secretary’s delegate) shall publish a list  
8 of occupations which traditionally and customarily re-  
9 ceived tips on or before December 31, 2024, for purposes  
10 of section 224(c)(1) (as added by subsection (a)).

11 (i) WITHHOLDING.—The Secretary of the Treasury  
12 (or the Secretary’s delegate) shall modify the tables and  
13 procedures prescribed under section 3402(a) to take into  
14 account the deduction allowed under section 224 (as added  
15 by this Act).

16 (j) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 2024.

19 **SEC. 110102. NO TAX ON OVERTIME.**

20 (a) DEDUCTION ALLOWED.—Part VII of subchapter  
21 B of chapter 1, as amended by the preceding provisions  
22 of this Act, is amended by redesignating section 225 as  
23 section 226 and by inserting after section 224 the fol-  
24 lowing new section:

1 **“SEC. 225. QUALIFIED OVERTIME COMPENSATION.**

2       “(a) IN GENERAL.—There shall be allowed as a de-  
3 duction an amount equal to the qualified overtime com-  
4 pensation received during the taxable year.

5       “(b) QUALIFIED OVERTIME COMPENSATION.—

6           “(1) IN GENERAL.—For purposes of this sec-  
7 tion, the term ‘qualified overtime compensation’  
8 means overtime compensation paid to an individual  
9 required under section 7 of the Fair Labor Stand-  
10 ards Act of 1938 that is in excess of the regular rate  
11 (as used in such section) at which such individual is  
12 employed.

13           “(2) EXCLUSIONS.—Such term shall not in-  
14 clude—

15               “(A) any qualified tip (as defined in sec-  
16 tion 224(c)), or

17               “(B) any amount received by an individual  
18 during a taxable year if such individual is a  
19 highly compensated employee (as defined in sec-  
20 tion 414(q)(1)) of any employer for the cal-  
21 endar year in which the taxable year begins, or  
22 receives earned income in excess of the dollar  
23 amount in effect under section 414(q)(1)(B)(i)  
24 for such calendar year.

25       “(c) SOCIAL SECURITY NUMBER REQUIRED.—



1           “(1) IN GENERAL.—No deduction shall be al-  
2           lowed under this section unless the taxpayer includes  
3           on the return of tax for the taxable year—

4                   “(A) such individual’s social security num-  
5           ber, and

6                   “(B) if the individual is married, the social  
7           security number of such individual’s spouse.

8           “(2) MARRIED INDIVIDUALS.—Rules similar to  
9           the rules of section 32(d) shall apply to this section.

10           “(3) SOCIAL SECURITY NUMBER DEFINED.—  
11           For purposes of paragraph (1), the term ‘social se-  
12           curity number’ shall have the meaning given such  
13           term in section 24(h)(7).

14           “(d) REGULATIONS.—The Secretary shall issue such  
15           regulations or other guidance as may be necessary or ap-  
16           propriate to carry out the purposes of this section.

17           “(e) TERMINATION.—No deduction shall be allowed  
18           under this section for any taxable year beginning after De-  
19           cember 31, 2028.”.

20           (b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—  
21           Section 63(b), as amended by the preceding provisions of  
22           this Act, is amended by striking “and” at the end of para-  
23           graph (4), by striking the period at the end of paragraph  
24           (5) and inserting “and”, and by adding at the end the  
25           following new paragraph:

1 “(6) the deduction provided in section 225.”.

2 (c) REQUIREMENT TO INCLUDE OVERTIME COM-  
3 PENSATION ON W-2.—Section 6051(a), as amended by the  
4 preceding provision of this Act, is amended by striking  
5 “and” at the end of paragraph (17), by striking the period  
6 at the end of paragraph (18) and inserting “, and”, and  
7 by inserting after paragraph (18) the following new para-  
8 graph:

9 “(19) the total amount of qualified overtime  
10 compensation (as defined in section 225(b)).”.

11 (d) OMISSION OF CORRECT SOCIAL SECURITY NUM-  
12 BER TREATED AS MATHEMATICAL OR CLERICAL  
13 ERROR.—Section 6213(g)(2), as amended by the pre-  
14 ceding provisions of this Act, is amended by striking  
15 “and” at the end of subparagraph (W), by striking the  
16 period at the end of subparagraph (X) and inserting “,  
17 and”, and by inserting after subparagraph (X) the fol-  
18 lowing new subparagraph:

19 “(Y) an omission of a correct social secu-  
20 rity number required under section 225(c) (re-  
21 lating to deduction for qualified overtime).”.

22 (e) CLERICAL AMENDMENT.—The table of sections  
23 for part VII of subchapter B of chapter 1, as amended  
24 by the preceding provisions of this Act, is amended by re-  
25 designating the item relating to section 225 as an item

1 relating to section 226 and by inserting after the item re-  
2 lating to section 224 the following new item:

“Sec. 225. Qualified overtime compensation.”.

3 (f) WITHHOLDING.—The Secretary of the Treasury  
4 (or the Secretary’s delegate) shall modify the tables and  
5 procedures prescribed under section 3402(a) to take into  
6 account the deduction allowed under section 225 (as added  
7 by this Act).

8 (g) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to taxable years beginning after  
10 December 31, 2024.

11 **SEC. 110103. ENHANCED DEDUCTION FOR SENIORS.**

12 (a) IN GENERAL.—Section 63(f) is amended by add-  
13 ing at the end the following new paragraph:

14 “(5) BONUS ADDITIONAL AMOUNT FOR SEN-  
15 IORS.—

16 “(A) IN GENERAL.—In the case of any  
17 taxable year beginning after December 31,  
18 2024, and before January 1, 2029, the dollar  
19 amount in effect under paragraph (1) shall be  
20 increased by \$4,000.

21 “(B) LIMITATION BASED ON MODIFIED  
22 ADJUSTED GROSS INCOME.—In the case of any  
23 taxpayer for any taxable year, the \$4,000  
24 amount in subparagraph(A) shall be reduced  
25 (but not below zero) by 4 percent of so much

1 of the taxpayer's modified adjusted gross in-  
2 come as exceeds \$75,000 (\$150,000 in the case  
3 of a joint return).

4 “(C) MODIFIED ADJUSTED GROSS IN-  
5 COME.—For purposes of this paragraph, the  
6 term ‘modified adjusted gross income’ means  
7 the adjusted gross income of the taxpayer for  
8 the taxable year increased by any amount ex-  
9 cluded from gross income under section 911,  
10 931, or 933.

11 “(D) SOCIAL SECURITY NUMBER RE-  
12 QUIRED.—

13 “(i) IN GENERAL.—Subparagraph (A)  
14 shall not apply unless the taxpayer in-  
15 cludes on the return of tax for the taxable  
16 year—

17 “(I) such individual's social secu-  
18 rity number, and

19 “(II) if the individual is married,  
20 the social security number of such in-  
21 dividual's spouse.

22 “(ii) MARRIED INDIVIDUALS.—Rules  
23 similar to the rules of section 32(d) shall  
24 apply to this section.

1                   “(iii) SOCIAL SECURITY NUMBER DE-  
2                   FINED.—For purposes of clause (i), the  
3                   term ‘social security number’ shall have  
4                   the meaning given such term in section  
5                   24(h)(7).

6                   “(E) COORDINATION WITH INFLATION AD-  
7                   JUSTMENT.—Subsection (c)(4) shall not apply  
8                   to any dollar amount contained in this para-  
9                   graph.

10                  “(F) ALLOWANCE TO SENIORS WHO ELECT  
11                  TO ITEMIZE.—In the case of a taxpayer who  
12                  elects to itemize deductions for any taxable year  
13                  beginning after December 31, 2024, and before  
14                  January 1, 2029, there shall be allowed as a de-  
15                  duction the aggregate increase which would be  
16                  determined under subparagraph (A) (deter-  
17                  mined after the application of subparagraphs  
18                  (B), (D), and (E)) with respect to such tax-  
19                  payer for such taxable year if such taxpayer did  
20                  not so elect to itemize deductions for such tax-  
21                  able year.”.

22                  (b) OMISSION OF CORRECT SOCIAL SECURITY NUM-  
23                  BER TREATED AS MATHEMATICAL OR CLERICAL  
24                  ERROR.—Section 6213(g)(2), as amended by the pre-  
25                  ceding provisions of this Act, is amended by striking

1 “and” at the end of subparagraph (X), by striking the  
 2 period at the end of subparagraph (Y) and inserting “,  
 3 and”, and by inserting after subparagraph (Y) the fol-  
 4 lowing new subparagraph:

5 “(Z) an omission of a correct social secu-  
 6 rity number required under section 63(f)(5)(D)  
 7 (relating to bonus additional amount for sen-  
 8 iors).”.

9 (c) EFFECTIVE DATE.—The amendments made by  
 10 this section shall apply to taxable years beginning after  
 11 December 31, 2024.

12 **SEC. 110104. NO TAX ON CAR LOAN INTEREST.**

13 (a) IN GENERAL.—Section 163(h) is amended by re-  
 14 designating paragraph (4) as paragraph (5) and by insert-  
 15 ing after paragraph (3) the following new paragraph:

16 “(4) SPECIAL RULES FOR TAXABLE YEARS  
 17 2025 THROUGH 2028 RELATING TO QUALIFIED PAS-  
 18 Senger VEHICLE LOAN INTEREST.—

19 “(A) IN GENERAL.—In the case of taxable  
 20 years beginning after December 31, 2024, and  
 21 before January 1, 2029, for purposes of this  
 22 subsection the term ‘personal interest’ shall not  
 23 include qualified passenger vehicle loan interest.

24 “(B) QUALIFIED PASSENGER VEHICLE  
 25 LOAN INTEREST DEFINED.—

1           “(i) IN GENERAL.—For purposes of  
2           this paragraph, the term ‘qualified pas-  
3           senger vehicle loan interest’ means any in-  
4           terest which is paid or accrued during the  
5           taxable year on indebtedness incurred by  
6           the taxpayer after December 31, 2024, for  
7           the purchase of, and that is secured by a  
8           first lien on, an applicable passenger vehi-  
9           cle for personal use.

10           “(ii) EXCEPTIONS.—Such term shall  
11           not include any amount paid or incurred  
12           on any of the following:

13                   “(I) A loan to finance fleet sales.

14                   “(II) A personal cash loan se-  
15                   cured by a vehicle previously pur-  
16                   chased by the taxpayer.

17                   “(III) A loan incurred for the  
18                   purchase of a commercial vehicle that  
19                   is not used for personal purposes.

20                   “(IV) Any lease financing.

21                   “(V) A loan to finance the pur-  
22                   chase of a vehicle with a salvage title.

23                   “(VI) A loan to finance the pur-  
24                   chase of a vehicle intended to be used  
25                   for scrap or parts.

1 “(C) LIMITATIONS.—

2 “(i) DOLLAR LIMIT.—The amount of  
3 interest taken into account by a taxpayer  
4 under subparagraph (B) for any taxable  
5 year shall not exceed \$10,000.

6 “(ii) LIMITATION BASED ON MODI-  
7 FIED ADJUSTED GROSS INCOME.—

8 “(I) IN GENERAL.—The amount  
9 which is otherwise allowable as a de-  
10 duction under subsection (a) as quali-  
11 fied passenger vehicle loan interest  
12 (determined without regard to this  
13 clause and after the application of  
14 clause (i)) shall be reduced (but not  
15 below zero) by \$200 for each \$1,000  
16 (or portion thereof) by which the  
17 modified adjusted gross income of the  
18 taxpayer for the taxable year exceeds  
19 \$100,000 (\$200,000 in the case of a  
20 joint return).

21 “(II) MODIFIED ADJUSTED  
22 GROSS INCOME.—For purposes of this  
23 clause, the term ‘modified adjusted  
24 gross income’ means the adjusted  
25 gross income of the taxpayer for the



1 taxable year determined after applica-  
2 tion of sections 86, 135, 137, 219,  
3 221, and 469, and without regard to  
4 this paragraph and sections 911, 931,  
5 and 933.

6 “(D) APPLICABLE PASSENGER VEHICLE.—  
7 The term ‘applicable passenger vehicle’ means  
8 any vehicle—

9 “(i)(I) which is manufactured pri-  
10 marily for use on public streets, roads, and  
11 highways,

12 “(II) which has at least 2 wheels, and

13 “(III) which is a car, minivan, van,  
14 sport utility vehicle, pickup truck, or mo-  
15 torcycle,

16 “(ii) which is an all-terrain vehicle  
17 (designed for use on land), or

18 “(iii) any trailer, camper, or vehicle  
19 (designed for use on land) which—

20 “(I) is designed to provide tem-  
21 porary living quarters for recreational,  
22 camping, or seasonal use, and

23 “(II) is a motor vehicle or is de-  
24 signed to be towed by, or affixed to,  
25 a motor vehicle.

1           Such term shall not include any vehicle the  
2           final assembly of which did not occur within the  
3           United States.

4           “(E) OTHER DEFINITIONS AND SPECIAL  
5           RULES.—For purposes of this paragraph—

6                   “(i) ALL-TERRAIN VEHICLE.—The  
7                   term ‘all-terrain vehicle’ means any motor-  
8                   ized vehicle which has 3 or 4 wheels, a seat  
9                   designed to be straddled by the operator,  
10                  and handlebars for steering control.

11                  “(ii) FINAL ASSEMBLY.—For pur-  
12                  poses of subparagraph (D), the term ‘final  
13                  assembly’ means the process by which a  
14                  manufacturer produces a vehicle at, or  
15                  through the use of, a plant, factory, or  
16                  other place from which the vehicle is deliv-  
17                  ered to a dealer or importer with all com-  
18                  ponent parts necessary for the mechanical  
19                  operation of the vehicle included with the  
20                  vehicle, whether or not the component  
21                  parts are permanently installed in or on  
22                  the vehicle.

23                  “(iii) TREATMENT OF REFI-  
24                  NANCING.—Indebtedness described in sub-  
25                  paragraph (B) shall include indebtedness

1           that results from refinancing any indebted-  
2           ness described in such subparagraph, and  
3           that is secured by a first lien on the appli-  
4           cable passenger vehicle with respect to  
5           which the refinanced indebtedness was in-  
6           curred, but only to the extent the amount  
7           of such resulting indebtedness does not ex-  
8           ceed the amount of such refinanced indebt-  
9           edness.

10           “(iv) RELATED PARTIES.—Indebted-  
11           ness described in subparagraph (B) shall  
12           not include any indebtedness owed to a  
13           person who is related (within the meaning  
14           of section 267(b) or 707(b)(1)) to the tax-  
15           payer.”.

16           (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-  
17   PAYER ITEMIZES.—Section 62(a) is amended by inserting  
18   after paragraph (21) the following new paragraph:

19           “(22) QUALIFIED PASSENGER VEHICLE LOAN  
20   INTEREST.—So much of the deduction allowed by  
21   section 163(a) as is attributable to the exception  
22   under section 163(h)(4)(A).”.

23           (c) REPORTING.—

1           (1) IN GENERAL.—Subpart B of part III of  
2           subchapter A of chapter 61 is amended by adding at  
3           the end the following new section:

4   **“SEC. 6050AA. RETURNS RELATING TO APPLICABLE PAS-**  
5                   **SENGER VEHICLE LOAN INTEREST RECEIVED**  
6                   **IN TRADE OR BUSINESS FROM INDIVIDUALS.**

7           “(a) IN GENERAL.—Any person—

8                   “(1) who is engaged in a trade or business, and

9                   “(2) who, in the course of such trade or busi-  
10           ness, receives from any individual interest aggre-  
11           gating \$600 or more for any calendar year on a  
12           specified passenger vehicle loan,

13           shall make the return described in subsection (b) with re-  
14           spect to each individual from whom such interest was re-  
15           ceived at such time as the Secretary may provide.

16           “(b) FORM AND MANNER OF RETURNS.—A return  
17           is described in this subsection if such return—

18                   “(1) is in such form as the Secretary may pre-  
19           scribe, and

20                   “(2) contains—

21                           “(A) the name and address of the indi-  
22                           vidual from whom the interest described in sub-  
23                           section (a)(2) was received,

24                           “(B) the amount of such interest received  
25                           for the calendar year,

1           “(C) the amount of outstanding principal  
2           on the specified passenger vehicle loan as of the  
3           beginning of such calendar year,

4           “(D) the date of the origination of such  
5           loan,

6           “(E) the year, make, and model of the ap-  
7           plicable passenger vehicle which secures such  
8           loan (or such other description of such vehicle  
9           as the Secretary may prescribe), and

10           “(F) such other information as the Sec-  
11           retary may prescribe.

12           “(c) STATEMENTS TO BE FURNISHED TO INDIVID-  
13           UALS WITH RESPECT TO WHOM INFORMATION IS RE-  
14           QUIRED.—Every person required to make a return under  
15           subsection (a) shall furnish to each individual whose name  
16           is required to be set forth in such return a written state-  
17           ment showing—

18           “(1) the name, address, and phone number of  
19           the information contact of the person required to  
20           make such return, and

21           “(2) the information described in subpara-  
22           graphs (B), (C), (D), and (E) of subsection (b)(2)  
23           with respect to such individual (and such informa-  
24           tion as is described in subsection (b)(2)(F) with re-

1       spect to such individual as the Secretary may pro-  
2       vide for purposes of this subsection).

3   The written statement required under the preceding sen-  
4   tence shall be furnished on or before January 31 of the  
5   year following the calendar year for which the return  
6   under subsection (a) was required to be made.

7       “(d) DEFINITIONS.—For purposes of this section—

8               “(1) IN GENERAL.—Terms used in this section  
9       which are also used in paragraph (4) of section  
10      163(h) shall have the same meaning as when used  
11      in such paragraph.

12              “(2) SPECIFIED PASSENGER VEHICLE LOAN.—

13      The term ‘specified passenger vehicle loan’ means  
14      the indebtedness described in section 163(h)(4)(B)  
15      with respect to any applicable passenger vehicle.

16      “(e) REGULATIONS.—The Secretary shall issue such  
17      regulations or other guidance as may be necessary or ap-  
18      propriate to carry out the purposes of this section, includ-  
19      ing regulations or other guidance to prevent the duplicate  
20      reporting of information under this section.”.

21              (2) PENALTIES.—Section 6724(d) is amend-  
22      ed—

23                      (A) in paragraph (1)(B), by striking “or”  
24                      at the end of clause (xxvii), by striking “and”  
25                      at the end of clause (xxviii) and inserting “or”,

1 and by adding at the end the following new  
2 clause:

3 “(xxix) section 6050AA(a) (relating to  
4 returns relating to applicable passenger ve-  
5 hicle loan interest received in trade or  
6 business from individuals), and”, and

7 (B) in paragraph (2), by striking “or” at  
8 the end of subparagraph (KK), by striking the  
9 period at the end of subparagraph (LL) and in-  
10 serting “, or”, and by inserting after subpara-  
11 graph (LL) the following new subparagraph:

12 “(MM) section 6050AA(b) (relating to  
13 statements relating to applicable passenger ve-  
14 hicle loan interest received in trade or business  
15 from individuals).”.

16 (d) CONFORMING AMENDMENTS.—

17 (1) Section 56(e)(1)(B) is amended by striking  
18 “section 163(h)(4)” and inserting “section  
19 163(h)(5)”.

20 (2) Section 85 is amended by striking sub-  
21 section (c).

22 (3) Section 86(b)(2)(A) is amended by inserting  
23 “163(h)(4),” after “137,”.

24 (4) Section 135(c)(4)(A) is amended by insert-  
25 ing “163(h)(4),” after “137,”.

3 (6) Section 219(g)(3)(A)(ii) is amended by in-  
4 serting “163(h)(4),” after “137,”.

5 (7) Section 221(b)(1)(C)(i) is amended by in-  
6 serting “, 163(h)(4),” after “85(c)”.

7 (8) Section 469(i)(3)(E)(iii) is amended by in-  
8 serting “163(h)(4),” after “sections”.

9 (9) The table of sections for subpart B of part  
10 III of subchapter A of chapter 61 is amended by  
11 adding at the end the following new item:

“Sec. 6050AA. Returns relating to applicable passenger vehicle loan interest received in trade or business from individuals.”.

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply to indebtedness incurred after December 31, 2024.

15 SEC. 110105. ENHANCEMENT OF EMPLOYER-PROVIDED  
16 CHILD CARE CREDIT.

(a) INCREASE OF AMOUNT OF QUALIFIED CHILD  
CARE EXPENDITURES TAKEN INTO ACCOUNT.—Section  
45F(a)(1) is amended by striking “25 percent” and in-  
serting “40 percent (50 percent in the case of an eligible  
small business)”.

(b) INCREASE OF MAXIMUM CREDIT AMOUNT.—Sub-  
section (b) of section 45F is amended to read as follows:

24 “(b) DOLLAR LIMITATION.—



1           “(1) IN GENERAL.—The credit allowable under  
 2           subsection (a) for any taxable year shall not exceed  
 3           \$500,000 (\$600,000 in the case of an eligible small  
 4           business).

5           “(2) INFLATION ADJUSTMENT.—In the case of  
 6           any taxable year beginning after 2026, the  
 7           \$500,000 and \$600,000 amounts in paragraph (1)  
 8           shall be increased by an amount equal to—

9                   “(A) such dollar amount, multiplied by

10                   “(B) the cost-of-living adjustment deter-  
 11                   mined under section 1(f)(3) for the calendar  
 12                   year in which the taxable year begins, deter-  
 13                   mined by substituting ‘calendar year 2025’ for  
 14                   ‘calendar year 2016’ in subparagraph (A)(ii)  
 15                   thereof.”.

16           (c) ELIGIBLE SMALL BUSINESS.—Section 45F(c) is  
 17           amended by adding at the end the following new para-  
 18           graph:

19           “(4) ELIGIBLE SMALL BUSINESS.—The term  
 20           ‘eligible small business’ means a business that meets  
 21           the gross receipts test of section 448(c), deter-  
 22           mined—

23                   “(A) by substituting ‘5-taxable-year’ for ‘3-  
 24                   taxable-year’ in paragraph (1) thereof, and

1                   “(B) by substituting ‘5-year’ for ‘3-year’  
2                   each place such term appears in paragraph  
3                   (3)(A) thereof.”.

4           (d) CREDIT ALLOWED FOR THIRD-PARTY INTER-  
5 MEDIARIES.—Section 45F(c)(1)(A)(iii) is amended by in-  
6 serting “, or under a contract with an intermediate entity  
7 that contracts with one or more qualified child care facili-  
8 ties to provide such child care services” before the period  
9 at the end.

10          (e) TREATMENT OF JOINTLY OWNED OR OPERATED  
11 CHILD CARE FACILITY.—Section 45F(c)(2) is amended  
12 by adding at the end the following new subparagraph:

13                   “(C) TREATMENT OF JOINTLY OWNED OR  
14                   OPERATED CHILD CARE FACILITY.—A facility  
15                   shall not fail to be treated as a qualified child  
16                   care facility of the taxpayer merely because  
17                   such facility is jointly owned or operated by the  
18                   taxpayer and other persons.”.

19          (f) REGULATIONS AND GUIDANCE.—Section 45F is  
20 amended by adding at the end the following new sub-  
21 section:

22                   “(g) REGULATIONS AND GUIDANCE.—The Secretary  
23 shall issue such regulations or other guidance as may be  
24 necessary to carry out the purposes of this section, includ-

1 ing guidance to carry out the purposes of paragraphs  
 2 (1)(A)(iii) and (2)(C) of subsection (c).”.

3 (g) EFFECTIVE DATE.—The amendments made by  
 4 this section shall apply to amounts paid or incurred after  
 5 December 31, 2025.

6 **SEC. 110106. EXTENSION AND ENHANCEMENT OF PAID FAM-**  
 7 **ILY AND MEDICAL LEAVE CREDIT.**

8 (a) IN GENERAL.—Section 45S is amended—

9 (1) in subsection (a)—

10 (A) by striking paragraph (1) and insert-  
 11 ing the following:

12 “(1) IN GENERAL.—For purposes of section 38,  
 13 in the case of an eligible employer, the paid family  
 14 and medical leave credit is an amount equal to ei-  
 15 ther of the following (as elected by such employer):

16 “(A) The applicable percentage of the  
 17 amount of wages paid to qualifying employees  
 18 with respect to any period in which such em-  
 19 ployees are on family and medical leave.

20 “(B) If such employer has an insurance  
 21 policy with regards to the provision of paid  
 22 family and medical leave which is in force dur-  
 23 ing the taxable year, the applicable percentage  
 24 of the total amount of premiums paid or in-  
 25 curred by such employer during such taxable

1           year with respect to such insurance policy.”,  
2           and

3                   (B) by adding at the end the following:

4           “(3) RATE OF PAYMENT DETERMINED WITH-  
5           OUT REGARD TO WHETHER LEAVE IS TAKEN.—For  
6           purposes of determining the applicable percentage  
7           with respect to paragraph (1)(B), the rate of pay-  
8           ment under the insurance policy shall be determined  
9           without regard to whether any qualifying employees  
10          were on family and medical leave during the taxable  
11          year.”,

12               (2) in subsection (b)(1), by striking “credit al-  
13          lowed” and inserting “wages taken into account”,

14               (3) in subsection (c), by striking paragraphs (3)  
15          and (4) and inserting the following:

16               “(3) AGGREGATION RULE.—

17                   “(A) IN GENERAL.—Except as provided in  
18                  subparagraph (B), all persons which are treated  
19                  as a single employer under subsections (b) and  
20                  (c) of section 414 shall be treated as a single  
21                  employer.

22               “(B) EXCEPTION.—

23                   “(i) IN GENERAL.—Subparagraph (A)  
24                  shall not apply to any person who estab-  
25                  lishes to the satisfaction of the Secretary

1           that such person has a substantial and le-  
2           gitimate business reason for failing to pro-  
3           vide a written policy described in para-  
4           graph (1) or (2).

5           “(ii) SUBSTANTIAL AND LEGITIMATE  
6           BUSINESS REASON.—For purposes of  
7           clause (i), the term ‘substantial and legiti-  
8           mate business reason’ shall not include the  
9           operation of a separate line of business,  
10          the rate of wages or category of jobs for  
11          employees (or any similar basis), or the ap-  
12          plication of State or local laws relating to  
13          family and medical leave, but may include  
14          the grouping of employees of a common  
15          law employer.

16          “(4) TREATMENT OF BENEFITS MANDATED OR  
17          PAID FOR BY STATE OR LOCAL GOVERNMENTS.—For  
18          purposes of this section, any leave which is paid by  
19          a State or local government or required by State or  
20          local law—

21                 “(A) except as provided in subparagraph  
22                 (B), shall be taken into account in determining  
23                 the amount of paid family and medical leave  
24                 provided by the employer, and

1 “(B) shall not be taken into account in de-  
 2 termining the amount of the paid family and  
 3 medical leave credit under subsection (a).”,  
 4 (4) in subsection (d)—

5 (A) in paragraph (1), by inserting “(or, at  
 6 the election of the employer, for not less than  
 7 6 months)” after “1 year or more”, and

8 (B) in paragraph (2)—

9 (i) by inserting “, as determined on  
 10 an annualized basis (pro-rata for part-time  
 11 employees),” after “compensation”, and

12 (ii) by striking the period at the end  
 13 and inserting “, and”, and

14 (C) by adding at the end the following:

15 “(3) is customarily employed for not less than  
 16 20 hours per week.”, and

17 (5) by striking subsection (i).

18 (b) NO DOUBLE BENEFIT.—Section 280C(a) is  
 19 amended—

20 (1) by striking “45S(a)” and inserting  
 21 “45S(a)(1)(A)”, and

22 (2) by inserting after the first sentence the fol-  
 23 lowing: “No deduction shall be allowed for that por-  
 24 tion of the premiums paid or incurred for the tax-  
 25 able year which is equal to that portion of the paid

1 family and medical leave credit which is determined  
 2 for the taxable year under section 45S(a)(1)(B).”

3 (c) EFFECTIVE DATE.—The amendments made by  
 4 this section shall apply to taxable years beginning after  
 5 December 31, 2025.

6 **SEC. 110107. ENHANCEMENT OF ADOPTION CREDIT.**

7 (a) IN GENERAL.—Section 23(a) is amended by add-  
 8 ing at the end the following new paragraph:

9 “(4) PORTION OF CREDIT REFUNDABLE.—So  
 10 much of the credit allowed under paragraph (1) as  
 11 does not exceed \$5,000 shall be treated as a credit  
 12 allowed under subpart C and not as a credit allowed  
 13 under this subpart.”.

14 (b) ADJUSTMENTS FOR INFLATION.—Section 23(h)  
 15 is amended to read as follows:

16 “(h) ADJUSTMENTS FOR INFLATION.—

17 “(1) IN GENERAL.—In the case of a taxable  
 18 year beginning after December 31, 2002, each of the  
 19 dollar amounts in paragraphs (3) and (4) of sub-  
 20 section (a) and paragraphs (1) and (2)(A)(i) of sub-  
 21 section (b) shall be increased by an amount equal  
 22 to—

23 “(A) such dollar amount, multiplied by

24 “(B) the cost-of-living adjustment deter-  
 25 mined under section 1(f)(3) for the calendar

1           year in which the taxable year begins, deter-  
2           mined by substituting ‘calendar year 2001’ for  
3           ‘calendar year 2016’ in subparagraph (A)(ii)  
4           thereof.

5           “(2) ROUNDING.—If any amount as increased  
6           under paragraph (1) is not a multiple of \$10, such  
7           amount shall be rounded to the nearest multiple of  
8           \$10.

9           “(3) SPECIAL RULE FOR REFUNDABLE POR-  
10          TION.—In the case of the dollar amount in sub-  
11          section (a)(4), paragraph (1) shall be applied—

12                 “(A) by substituting ‘2025’ for ‘2002’ in  
13                 the matter preceding subparagraph (A), and

14                 “(B) by substituting ‘calendar year 2024’  
15                 for ‘calendar year 2001’ in subparagraph (B)  
16                 thereof.”.

17          (c) EXCLUSION OF REFUNDABLE PORTION OF CRED-  
18          IT FROM CARRYFORWARD.—Section 23(c)(1) is amended  
19          by striking “credit allowable under subsection (a)” and in-  
20          serting “portion of the credit allowable under subsection  
21          (a) which is allowed under this subpart”.

22          (d) EFFECTIVE DATE.—The amendments made by  
23          this section shall apply to taxable years beginning after  
24          December 31, 2024.



1 **SEC. 110108. RECOGNIZING INDIAN TRIBAL GOVERNMENTS**  
2 **FOR PURPOSES OF DETERMINING WHETHER**  
3 **A CHILD HAS SPECIAL NEEDS FOR PURPOSES**  
4 **OF THE ADOPTION CREDIT.**

5 (a) IN GENERAL.—Section 23(d)(3) is amended—

6 (1) in subparagraph (A), by inserting “or In-  
7 dian tribal government” after “a State”, and

8 (2) in subparagraph (B), by inserting “or In-  
9 dian tribal government” after “such State”.

10 (b) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to taxable years beginning after  
12 December 31, 2024.

13 **SEC. 110109. SCHOLARSHIP GRANTING ORGANIZATIONS.**

14 (a) ALLOWANCE OF CREDIT FOR CONTRIBUTIONS OF  
15 INDIVIDUALS TO SCHOLARSHIP GRANTING ORGANIZA-  
16 TIONS.—

17 (1) IN GENERAL.—Subpart A of part IV of sub-  
18 chapter A of chapter 1 is amended by inserting after  
19 section 25E the following new section:

20 **“SEC. 25F. QUALIFIED ELEMENTARY AND SECONDARY EDU-**  
21 **CATION SCHOLARSHIPS.**

22 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
23 dividual, there shall be allowed as a credit against the tax  
24 imposed by this chapter for the taxable year an amount  
25 equal to the aggregate amount of qualified contributions  
26 made by the taxpayer during the taxable year.

1 “(b) LIMITATIONS.—

2 “(1) IN GENERAL.—The credit allowed under  
3 subsection (a) to any taxpayer for any taxable year  
4 shall not exceed an amount equal to the greater of—

5 “(A) 10 percent of the adjusted gross in-  
6 come of the taxpayer for the taxable year, or

7 “(B) \$5,000.

8 “(2) ALLOCATION OF VOLUME CAP.—The credit  
9 allowed under subsection (a) to any taxpayer for any  
10 taxable year shall not exceed the amount of the vol-  
11 ume cap allocated by the Secretary to such taxpayer  
12 under subsection (g) with respect to qualified con-  
13 tributions made by the taxpayer during the taxable  
14 year.

15 “(3) REDUCTION BASED ON STATE CREDIT.—  
16 The amount allowed as a credit under subsection (a)  
17 for a taxable year shall be reduced by the amount  
18 allowed as a credit on any State tax return of the  
19 taxpayer for qualified contributions made by the tax-  
20 payer during the taxable year.

21 “(c) DEFINITIONS.—For purposes of this section—

22 “(1) ELIGIBLE STUDENT.—The term ‘eligible  
23 student’ means an individual who—

24 “(A) is a member of a household with an  
25 income which is not greater than 300 percent

1 of the area median gross income (as such term  
2 is used in section 42), and

3 “(B) is eligible to enroll in a public ele-  
4 mentary or secondary school.

5 “(2) QUALIFIED CONTRIBUTION.—The term  
6 ‘qualified contribution’ means a charitable contribu-  
7 tion (as defined by section 170(c)) to a scholarship  
8 granting organization in the form of cash or market-  
9 able securities.

10 “(3) QUALIFIED ELEMENTARY OR SECONDARY  
11 EDUCATION EXPENSE.—The term ‘qualified elemen-  
12 tary or secondary education expense’ means the fol-  
13 lowing expenses in connection with enrollment or at-  
14 tendance at, or for students enrolled at or attending,  
15 an elementary or secondary public, private, or reli-  
16 gious school:

17 “(A) Tuition.

18 “(B) Curriculum and curricular materials.

19 “(C) Books or other instructional mate-  
20 rials.

21 “(D) Online educational materials.

22 “(E) Tuition for tutoring or educational  
23 classes outside of the home, including at a tu-  
24 toring facility, but only if the tutor or instruc-  
25 tor is not related to the student and—

1                   “(i) is licensed as a teacher in any  
2                   State,

3                   “(ii) has taught at an eligible edu-  
4                   cational institution, or

5                   “(iii) is a subject matter expert in the  
6                   relevant subject.

7                   “(F) Fees for a nationally standardized  
8                   norm-referenced achievement test, an advanced  
9                   placement examination, or any examinations re-  
10                  lated to college or university admission.

11                  “(G) Fees for dual enrollment in an insti-  
12                  tution of higher education.

13                  “(H) Educational therapies for students  
14                  with disabilities provided by a licensed or ac-  
15                  credited practitioner or provider, including oc-  
16                  cupational, behavioral, physical, and speech-lan-  
17                  guage therapies.

18                  Such term shall include expenses for the purposes  
19                  described in subparagraphs (A) through (H) in con-  
20                  nection with a homeschool (whether treated as a  
21                  homeschool or a private school for purposes of appli-  
22                  cable State law). No amount paid to an elementary  
23                  or secondary school shall be considered a qualified  
24                  elementary or secondary education expense for the  
25                  purposes of this section unless such school dem-

1       onstrates that it maintains a policy whereby its ad-  
2       missions standards do not take into account whether  
3       the student seeking enrollment has a current individ-  
4       ualized education plan, nor takes into account that  
5       the student requires equitable services for a learning  
6       disability, and if a student does have such an indi-  
7       vidualized education plan, the school abides by the  
8       plan's terms and provides services outlined therein.

9               “(4) SCHOLARSHIP GRANTING ORGANIZA-  
10       TION.—The term ‘scholarship granting organization’  
11       means any organization—

12               “(A) which—

13                       “(i) is described in section 501(c)(3)  
14                       and exempt from tax under section 501(a),  
15                       and

16                       “(ii) is not a private foundation,

17               “(B) substantially all of the activities of  
18       which are providing scholarships for qualified  
19       elementary or secondary education expenses of  
20       eligible students,

21               “(C) which prevents the co-mingling of  
22       qualified contributions with other amounts by  
23       maintaining one or more separate accounts ex-  
24       clusively for qualified contributions, and

25               “(D) which either—

1 “(i) meets the requirements of sub-  
2 section (d), or

3 “(ii) pursuant to State law, was able  
4 (as of the date of the enactment of this  
5 section) to receive contributions that are  
6 eligible for a State tax credit if such con-  
7 tributions are used by the organization to  
8 provide scholarships to individual elemen-  
9 tary and secondary students, including  
10 scholarships for attending private schools.

11 “(d) REQUIREMENTS FOR SCHOLARSHIP GRANTING  
12 ORGANIZATIONS.—

13 “(1) IN GENERAL.—An organization meets the  
14 requirements of this subsection if—

15 “(A) such organization provides scholar-  
16 ships to 2 or more students, provided that not  
17 all such students attend the same school,

18 “(B) such organization does not provide  
19 scholarships for any expenses other than quali-  
20 fied elementary or secondary education ex-  
21 penses,

22 “(C) such organization provides a scholar-  
23 ship to eligible students with a priority for—

24 “(i) students awarded a scholarship  
25 the previous school year, and

1                   “(ii) after application of clause (i),  
2                   any such students who have a sibling who  
3                   was awarded a scholarship from such orga-  
4                   nization,

5                   “(D) such organization does not earmark  
6                   or set aside contributions for scholarships on  
7                   behalf of any particular student,

8                   “(E) such organization takes appropriate  
9                   steps to verify the annual household income and  
10                  family size of eligible students to whom it  
11                  awards scholarships, and limits them to a mem-  
12                  ber of a household for which the income does  
13                  not exceed the amount established under sub-  
14                  section (c)(1)(A),

15                  “(F) such organization—

16                         “(i) obtains from an independent cer-  
17                         tified public accountant annual financial  
18                         and compliance audits, and

19                         “(ii) certifies to the Secretary (at such  
20                         time, and in such form and manner, as the  
21                         Secretary may prescribe) that the audit de-  
22                         scribed in clause (i) has been completed,  
23                         and

24                         “(G) no officer or board member of such  
25                         organization has been convicted of a felony.

1           “(2) INCOME VERIFICATION.—For purposes of  
2           paragraph (1)(E), review of all of the following (as  
3           applicable) shall be treated as satisfying the require-  
4           ment to take appropriate steps to verify annual  
5           household income:

6                   “(A) Federal and State income tax returns  
7                   or tax return transcripts with applicable sched-  
8                   ules for the taxable year prior to application.

9                   “(B) Income reporting statements for tax  
10                  purposes or wage and income transcripts from  
11                  the Internal Revenue Service.

12                  “(C) Notarized income verification letter  
13                  from employers.

14                  “(D) Unemployment or workers compensa-  
15                  tion statements.

16                  “(E) Budget letters regarding public as-  
17                  sistance payments and Supplemental Nutrition  
18                  Assistance Program (SNAP) payments includ-  
19                  ing a list of household members.

20           “(3) INDEPENDENT CERTIFIED PUBLIC AC-  
21           COUNTANT.—For purposes of paragraph (1)(F), the  
22           term ‘independent certified public accountant’  
23           means, with respect to an organization, a certified  
24           public accountant who is not a person described in



1       section 465(b)(3)(A) with respect to such organiza-  
2       tion or any employee of such organization.

3               “(4) PROHIBITION ON SELF-DEALING.—

4                       “(A) IN GENERAL.—A scholarship grant-  
5       ing organization may not award a scholarship  
6       to any disqualified person.

7                       “(B) DISQUALIFIED PERSON.—For pur-  
8       poses of this paragraph, a disqualified person  
9       shall be determined pursuant to rules similar to  
10      the rules of section 4946.

11      “(e) DENIAL OF DOUBLE BENEFIT.—Any qualified  
12      contribution for which a credit is allowed under this sec-  
13      tion shall not be taken into account as a charitable con-  
14      tribution for purposes of section 170.

15      “(f) CARRYFORWARD OF UNUSED CREDIT.—

16               “(1) IN GENERAL.—If the credit allowable  
17      under subsection (a) for any taxable year exceeds  
18      the limitation imposed by section 26(a) for such tax-  
19      able year reduced by the sum of the credits allowable  
20      under this subpart (other than this section, section  
21      23, and section 25D), such excess shall be carried to  
22      the succeeding taxable year and added to the credit  
23      allowable under subsection (a) for such taxable year.

24               “(2) LIMITATION.—No credit may be carried  
25      forward under this subsection to any taxable year

1 following the fifth taxable year after the taxable year  
2 in which the credit arose. For purposes of the pre-  
3 ceding sentence, credits shall be treated as used on  
4 a first-in first-out basis.

5 “(g) VOLUME CAP.—

6 “(1) IN GENERAL.—The volume cap applicable  
7 under this section shall be \$5,000,000,000 for each  
8 of calendar years 2026 through 2029, and zero for  
9 calendar years thereafter. Such amount shall be allo-  
10 cated by the Secretary as provided in paragraph (2)  
11 to taxpayers with respect to qualified contributions  
12 made by such taxpayers, except that 10 percent of  
13 such amount shall be divided evenly among the  
14 States, and shall be available with respect to individ-  
15 uals residing in such States.

16 “(2) FIRST-COME, FIRST-SERVE.—For purposes  
17 of applying the volume cap under this section, such  
18 volume cap for any calendar year shall be allocated  
19 by the Secretary on a first-come, first-serve basis, as  
20 determined based on the time (during such calendar  
21 year) at which the taxpayer made the qualified con-  
22 tribution with respect to which the allocation is  
23 made. The Secretary shall not make any allocation  
24 of volume cap for any calendar year after December  
25 31 of such calendar year.

1           “(3) REAL-TIME INFORMATION.—For purposes  
2 of this section, the Secretary shall develop a system  
3 to track the amount of qualified contributions made  
4 during the calendar year for which a credit may be  
5 claimed under this section, with such information to  
6 be updated in real time.

7           “(4) ANNUAL INCREASES.—

8                 “(A) IN GENERAL.—In the case of the cal-  
9 endar year after a high-use calendar year, the  
10 dollar amount otherwise in effect under para-  
11 graph (1) for such calendar year shall be equal  
12 to 105 percent of the dollar amount in effect  
13 for such high-use calendar year.

14                 “(B) HIGH-USE CALENDAR YEAR.—For  
15 purposes of this subsection, the term ‘high-use  
16 calendar year’ means any calendar year for  
17 which 90 percent or more of the volume cap in  
18 effect for such calendar year under paragraph  
19 (1) is allocated to taxpayers.

20                 “(C) PREVENTION OF DECREASES IN AN-  
21 NUAL VOLUME CAP.—The volume cap in effect  
22 under paragraph (1) for any calendar year shall  
23 not be less than the volume cap in effect under  
24 such paragraph for the preceding calendar year.

1                   “(D) PUBLICATION OF ANNUAL VOLUME  
 2                   CAP.—The Secretary shall make publicly avail-  
 3                   able the dollar amount of the volume cap in ef-  
 4                   fect under paragraph (1) for each calendar  
 5                   year.

6                   “(5) STATES.—For purposes of this subsection,  
 7                   the term ‘State’ includes the District of Columbia.”.

8                   (2) CONFORMING AMENDMENTS.—

9                   (A) Section 25(e)(1)(C) is amended by  
 10                  striking “and 25D” and inserting “25D, and  
 11                  25F”.

12                  (B) The table of sections for subpart A of  
 13                  part IV of subchapter A of chapter 1 is amend-  
 14                  ed by inserting after the item relating to section  
 15                  25E the following new item:

“Sec. 25F. Qualified elementary and secondary education scholarships.”.

16                  (b) EXEMPTION FROM GROSS INCOME FOR SCHOL-  
 17                  ARSHIPS FOR QUALIFIED ELEMENTARY OR SECONDARY  
 18                  EDUCATION EXPENSES OF ELIGIBLE STUDENTS.—

19                  (1) IN GENERAL.—Part III of subchapter B of  
 20                  chapter 1 is amended by inserting before section 140  
 21                  the following new section:

1 **“SEC. 139J. SCHOLARSHIPS FOR QUALIFIED ELEMENTARY**  
 2 **OR SECONDARY EDUCATION EXPENSES OF**  
 3 **ELIGIBLE STUDENTS.**

4 “(a) IN GENERAL.—In the case of an individual,  
 5 gross income shall not include any amounts provided to  
 6 any dependent of such individual pursuant to a scholar-  
 7 ship for qualified elementary or secondary education ex-  
 8 penses of an eligible student which is provided by a schol-  
 9 arship granting organization.

10 “(b) DEFINITIONS.—In this section, the terms ‘quali-  
 11 fied elementary or secondary education expense’, ‘eligible  
 12 student’, and ‘scholarship granting organization’ have the  
 13 same meaning given such terms under section 25F(c).

14 “(c) TERMINATION.—Subsection (a) shall not apply  
 15 to amounts received after December 31, 2029.”.

16 (2) CONFORMING AMENDMENT.—The table of  
 17 sections for part III of subchapter B of chapter 1  
 18 is amended by inserting before the item relating to  
 19 section 140 the following new item:

“Sec. 139J. Scholarships for qualified elementary or secondary education ex-  
 penses of eligible students.”.

20 (c) FAILURE OF SCHOLARSHIP GRANTING ORGANI-  
 21 ZATIONS TO MAKE DISTRIBUTIONS.—

22 (1) IN GENERAL.—Chapter 42 is amended by  
 23 adding at the end the following new subchapter:

1           **“Subchapter I—Scholarship Granting**  
2                           **Organizations**

“Sec. 4969. Failure to distribute receipts.

3   **“SEC. 4969. FAILURE TO DISTRIBUTE RECEIPTS.**

4           “(a) IN GENERAL.—In the case of any scholarship  
5 granting organization (as defined in section 25F) which  
6 has been determined by the Secretary to have failed to  
7 satisfy the requirement under subsection (b) for any tax-  
8 able year, any contribution made to such organization dur-  
9 ing the first taxable year beginning after the date of such  
10 determination shall not be treated as a qualified contribu-  
11 tion (as defined in section 25F(c)(2)) for purposes of sec-  
12 tion 25F.

13          “(b) REQUIREMENT.—The requirement described in  
14 this subsection is that the amount of receipts of the schol-  
15 arship granting organization for the taxable year which  
16 are distributed before the distribution deadline with re-  
17 spect to such receipts shall not be less than the required  
18 distribution amount with respect to such taxable year.

19          “(c) DEFINITIONS.—For purposes of this section—

20               “(1) REQUIRED DISTRIBUTION AMOUNT.—

21                       “(A) IN GENERAL.—The required distribu-  
22 tion amount with respect to a taxable year is  
23 the amount equal to 100 percent of the total re-

1           ceipts of the scholarship granting organization  
2           for such taxable year—

3                   “(i) reduced by the sum of such re-  
4                   ceipts that are retained for reasonable ad-  
5                   ministrative expenses for the taxable year  
6                   or are carried to the succeeding taxable  
7                   year under subparagraph (C), and

8                   “(ii) increased by the amount of the  
9                   carryover under subparagraph (C) from  
10                  the preceding taxable year.

11               “(B) SAFE HARBOR FOR REASONABLE AD-  
12               MINISTRATIVE EXPENSES.—For purposes of  
13               subparagraph (A)(i), if the percentage of total  
14               receipts of a scholarship granting organization  
15               for a taxable year which are used for adminis-  
16               trative purposes is equal to or less than 10 per-  
17               cent, such expenses shall be deemed to be rea-  
18               sonable for purposes of such subparagraph.

19               “(C) CARRYOVER.—With respect to the  
20               amount of the total receipts of a scholarship  
21               granting organization with respect to any tax-  
22               able year, an amount not greater than 15 per-  
23               cent of such amount may, at the election of  
24               such organization, be carried to the succeeding  
25               taxable year.

1           “(2) DISTRIBUTIONS.—The term ‘distribution’  
 2 includes amounts which are formally committed but  
 3 not distributed. A formal commitment described in  
 4 the preceding sentence may include contributions set  
 5 aside for eligible students for more than one year.

6           “(3) DISTRIBUTION DEADLINE.—The distribu-  
 7 tion deadline with respect to receipts for a taxable  
 8 year is the first day of the third taxable year fol-  
 9 lowing the taxable year in which such receipts are  
 10 received by the scholarship granting organization.”.

11           (2) CLERICAL AMENDMENT.—The table of sub-  
 12 chapters for chapter 42 is amended by adding at the  
 13 end the following new item:

“SUBCHAPTER I—SCHOLARSHIP GRANTING ORGANIZATIONS”.

14           (d) EFFECTIVE DATE.—

15           (1) IN GENERAL.—Except as otherwise pro-  
 16 vided in this subsection, the amendments made by  
 17 this section shall apply to taxable years ending after  
 18 December 31, 2025.

19           (2) EXEMPTION FROM GROSS INCOME.—The  
 20 amendments made by subsection (b) shall apply to  
 21 amounts received after December 31, 2025, in tax-  
 22 able years ending after such date.

23           (e) ORGANIZATIONAL AND PARENTAL AUTONOMY.—

24           (1) PROHIBITION OF CONTROL OVER SCHOLAR-  
 25 SHIP ORGANIZATIONS.—



1 (A) IN GENERAL.—

2 (i) TREATMENT.—A scholarship  
3 granting organization shall not, by virtue  
4 of participation under any provision of this  
5 section or any amendment made by this  
6 section, be regarded as acting on behalf of  
7 any governmental entity.

8 (ii) NO GOVERNMENTAL CONTROL.—  
9 Nothing in this section, or any amendment  
10 made by this section, shall be construed to  
11 permit, allow, encourage, or authorize any  
12 Federal, State, or local government entity,  
13 or officer or employee thereof, to mandate,  
14 direct, or control any aspect of any schol-  
15 arship granting organization.

16 (iii) MAXIMUM FREEDOM.—To the ex-  
17 tent permissible by law, this section, and  
18 any amendment made by this section, shall  
19 be construed to allow scholarship granting  
20 organizations maximum freedom to provide  
21 for the needs of the participants without  
22 governmental control.

23 (B) PROHIBITION OF CONTROL OVER NON-  
24 PUBLIC SCHOOLS.—

1 (i) NO GOVERNMENTAL CONTROL.—  
2 Nothing in this section, or any amendment  
3 made by this section, shall be construed to  
4 permit, allow, encourage, or authorize any  
5 Federal, State, or local government entity,  
6 or officer or employee thereof, to mandate,  
7 direct, or control any aspect of any private  
8 or religious elementary or secondary edu-  
9 cation institution.

10 (ii) NO EXCLUSION OF PRIVATE OR  
11 RELIGIOUS SCHOOLS.—No Federal, State,  
12 or local government entity, or officer or  
13 employee thereof, shall impose or permit  
14 the imposition of any conditions or require-  
15 ments that would exclude or operate to ex-  
16 clude educational expenses at private or re-  
17 ligious elementary and secondary education  
18 institutions from being considered qualified  
19 elementary or secondary education ex-  
20 penses.

21 (iii) NO EXCLUSION OF QUALIFIED  
22 EXPENSES DUE TO INSTITUTION'S RELI-  
23 GIOUS CHARACTER OR AFFILIATION.—No  
24 Federal, State, or local government entity,  
25 or officer or employee thereof, shall ex-

1           clude, discriminate against, or otherwise  
2           disadvantage any elementary or secondary  
3           education institution with respect to quali-  
4           fied elementary or secondary education ex-  
5           penses at that institution based in whole or  
6           in part on the institution's religious char-  
7           acter or affiliation, including religiously  
8           based or mission-based policies or prac-  
9           tices.

10           (C) PARENTAL RIGHTS TO USE SCHOLAR-  
11           SHIPS.—No Federal, State, or local government  
12           entity, or officer or employee thereof, shall dis-  
13           favor or discourage the use of scholarships  
14           granted by participating scholarship granting  
15           organizations for qualified elementary or sec-  
16           ondary education expenses at private or non-  
17           profit elementary and secondary education in-  
18           stitutions, including faith-based schools.

19           (D) PARENTAL RIGHT TO INTERVENE.—In  
20           any action filed in any State or Federal court  
21           which challenges the constitutionality (under  
22           the constitution of such State or the Constitu-  
23           tion of the United States) of any provision of  
24           this section (or any amendment made by this  
25           section), any parent of an eligible student who

1           has received a scholarship from a scholarship  
2           granting organization shall have the right to in-  
3           tervene in support of the constitutionality of  
4           such provision or amendment. To avoid duplica-  
5           tion of efforts and reduce the burdens placed on  
6           the parties to the action, the court in any such  
7           action may require interveners taking similar  
8           positions to file joint papers or to be rep-  
9           resented by a single attorney at oral argument,  
10          provided that the court does not require such  
11          intervenors to join any brief filed on behalf of  
12          any State which is a defendant in such action.

13          (2) DEFINITIONS.—For purposes of this sub-  
14          section, the terms “eligible student”, “scholarship  
15          granting organization”, and “qualified elementary or  
16          secondary education expense” shall have the same  
17          meanings given such terms under section 25F(e) of  
18          the Internal Revenue Code of 1986 (as added by  
19          this Act).

20   **SEC. 110110. ADDITIONAL ELEMENTARY, SECONDARY, AND**  
21                   **HOME SCHOOL EXPENSES TREATED AS**  
22                   **QUALIFIED HIGHER EDUCATION EXPENSES**  
23                   **FOR PURPOSES OF 529 ACCOUNTS.**

24          (a) IN GENERAL.—Section 529(c)(7) is amended to  
25          read as follows:

1           “(7) TREATMENT OF ELEMENTARY AND SEC-  
2           ONDARY TUITION.—Any reference in this section to  
3           the term ‘qualified higher education expense’ shall  
4           include a reference to the following expenses in con-  
5           nection with enrollment or attendance at, or for stu-  
6           dents enrolled at or attending, an elementary or sec-  
7           ondary public, private, or religious school:

8                   “(A) Tuition.

9                   “(B) Curriculum and curricular materials.

10                  “(C) Books or other instructional mate-  
11                  rials.

12                  “(D) Online educational materials.

13                  “(E) Tuition for tutoring or educational  
14                  classes outside of the home, including at a tu-  
15                  toring facility, but only if the tutor or instruc-  
16                  tor is not related to the student and—

17                   “(i) is licensed as a teacher in any  
18                  State,

19                   “(ii) has taught at an eligible edu-  
20                  cational institution, or

21                   “(iii) is a subject matter expert in the  
22                  relevant subject.

23                  “(F) Fees for a nationally standardized  
24                  norm-referenced achievement test, an advanced

1 placement examination, or any examinations re-  
 2 lated to college or university admission.

3 “(G) Fees for dual enrollment in an insti-  
 4 tution of higher education.

5 “(H) Educational therapies for students  
 6 with disabilities provided by a licensed or ac-  
 7 credited practitioner or provider, including oc-  
 8 cupational, behavioral, physical, and speech-lan-  
 9 guage therapies.

10 Such term shall include expenses for the purposes  
 11 described in subparagraphs (A) through (H) in con-  
 12 nection with a homeschool (whether treated as a  
 13 homeschool or a private school for purposes of appli-  
 14 cable State law).”.

15 (b) EFFECTIVE DATE.—The amendment made by  
 16 this section shall apply to distributions made after the  
 17 date of the enactment of this Act.

18 **SEC. 110111. CERTAIN POSTSECONDARY CREDENTIALING**  
 19 **EXPENSES TREATED AS QUALIFIED HIGHER**  
 20 **EDUCATION EXPENSES FOR PURPOSES OF**  
 21 **529 ACCOUNTS.**

22 (a) IN GENERAL.—Section 529(e)(3) is amended by  
 23 adding at the end the following new subparagraph:

24 “(C) CERTAIN POSTSECONDARY  
 25 CREDENTIALING EXPENSES.—The term ‘quali-

1           fied higher education expenses’ includes quali-  
 2           fied postsecondary credentialing expenses (as  
 3           defined in subsection (f)).”.

4           (b) QUALIFIED POSTSECONDARY CREDENTIALING  
 5 EXPENSES.—Section 529 is amended by redesignating  
 6 subsection (f) as subsection (g) and by inserting after sub-  
 7 section (e) the following new subsection:

8           “(f) QUALIFIED POSTSECONDARY CREDENTIALING  
 9 EXPENSES.—For purposes of this section—

10           “(1) IN GENERAL.—The term ‘qualified post-  
 11           secondary credentialing expenses’ means—

12                   “(A) tuition, fees, books, supplies, and  
 13                   equipment required for the enrollment or at-  
 14                   tendance of a designated beneficiary in a recog-  
 15                   nized postsecondary credential program, or any  
 16                   other expense incurred in connection with en-  
 17                   rollment in or attendance at a recognized post-  
 18                   secondary credential program if such expense  
 19                   would, if incurred in connection with enrollment  
 20                   or attendance at an eligible educational institu-  
 21                   tion, be covered under subsection (e)(3)(A),

22                   “(B) fees for testing if such testing is re-  
 23                   quired to obtain or maintain a recognized post-  
 24                   secondary credential, and

1           “(C) fees for continuing education if such  
2           education is required to maintain a recognized  
3           postsecondary credential.

4           “(2) RECOGNIZED POSTSECONDARY CREDEN-  
5           TIAL PROGRAM.—The term ‘recognized postsec-  
6           ondary credential program’ means any program to  
7           obtain a recognized postsecondary credential if—

8           “(A) such program is included on a State  
9           list prepared under section 122(d) of the Work-  
10          force Innovation and Opportunity Act (29  
11          U.S.C. 3152(d)),

12          “(B) such program is listed in the  
13          WEAMS Public directory (or successor direc-  
14          tory) maintained by the Department of Vet-  
15          erans Affairs,

16          “(C) an examination (developed or admin-  
17          istered by an organization widely recognized as  
18          providing reputable credentials in the occupa-  
19          tion) is required to obtain or maintain such cre-  
20          dential and such organization recognizes such  
21          program as providing training or education  
22          which prepares individuals to take such exam-  
23          ination, or

24          “(D) such program is identified by the  
25          Secretary, after consultation with the Secretary



1 of Labor, as being a reputable program for ob-  
2 taining a recognized postsecondary credential  
3 for purposes of this subsection.

4 “(3) RECOGNIZED POSTSECONDARY CREDEN-  
5 TIAL.—The term ‘recognized postsecondary creden-  
6 tial’ means—

7 “(A) any postsecondary employment cre-  
8 dential that is industry recognized, including—

9 “(i) any postsecondary employment  
10 credential issued by a program that is ac-  
11 credited by the Institute for Credentialing  
12 Excellence, the National Commission on  
13 Certifying Agencies, or the American Na-  
14 tional Standards Institute,

15 “(ii) any postsecondary employment  
16 credential that is included in the  
17 Credentialing Opportunities On-Line  
18 (COOL) directory of credentialing pro-  
19 grams (or successor directory) maintained  
20 by the Department of Defense or by any  
21 branch of the Armed Services, and

22 “(iii) any postsecondary employment  
23 credential identified for purposes of this  
24 clause by the Secretary, after consultation

1 with the Secretary of Labor, as being in-  
2 dustry recognized,

3 “(B) any certificate of completion of an  
4 apprenticeship that is registered and certified  
5 with the Secretary of Labor under the National  
6 Apprenticeship Act (29 U.S.C. 50),

7 “(C) any occupational or professional li-  
8 cense issued or recognized by a State or the  
9 Federal Government (and any certification that  
10 satisfies a condition for obtaining such a li-  
11 cense), and

12 “(D) any recognized postsecondary creden-  
13 tial as defined in section 3 of the Workforce In-  
14 novation and Opportunity Act (29 U.S.C.  
15 3102).”.

16 (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to distributions made after the  
18 date of the enactment of this Act.

19 **SEC. 110112. REINSTATEMENT OF PARTIAL DEDUCTION**  
20 **FOR CHARITABLE CONTRIBUTIONS OF INDIV-**  
21 **IDUALS WHO DO NOT ELECT TO ITEMIZE.**

22 (a) IN GENERAL.—Section 170(p) is amended—

23 (1) by striking “\$300 (\$600” and inserting  
24 “\$150 (\$300”, and

1           (2) by striking “in 2021” and inserting “after  
2       December 31, 2024, and before January 1, 2029”.

3       (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2024.

6 **SEC. 110113. EXCLUSION FOR CERTAIN EMPLOYER PAY-**  
7 **MENTS OF STUDENT LOANS UNDER EDU-**  
8 **CATIONAL ASSISTANCE PROGRAMS MADE**  
9 **PERMANENT AND ADJUSTED FOR INFLATION.**

10       (a) IN GENERAL.—Section 127(c)(1)(B) is amended  
11 by striking “in the case of payments made before January  
12 1, 2026,”.

13       (b) INFLATION ADJUSTMENT.—Section 127 is  
14 amended—

15           (1) by redesignating subsection (d) as sub-  
16 section (e), and

17           (2) by inserting after subsection (c) the fol-  
18 lowing new subsection:

19       “(d) INFLATION ADJUSTMENT.—

20           “(1) IN GENERAL.—In the case of any taxable  
21 year beginning after 2026, both of the \$5,250  
22 amounts in subsection (a)(2) shall be increased by  
23 an amount equal to—

24           “(A) such dollar amount, multiplied by

1           “(B) the cost-of-living adjustment deter-  
 2           mined under section 1(f)(3) for the calendar  
 3           year in which the taxable year begins, deter-  
 4           mined by substituting ‘calendar year 2025’ for  
 5           ‘calendar year 2016’ in subparagraph (A)(ii)  
 6           thereof.

7           “(2) ROUNDING.—If any increase under para-  
 8           graph (1) is not a multiple of \$50, such increase  
 9           shall be rounded to the nearest multiple of \$50.”.

10          (c) EFFECTIVE DATE.—The amendment made by  
 11 this section shall apply to payments made after December  
 12 31, 2025.

13 **SEC. 110114. EXTENSION OF RULES FOR TREATMENT OF**  
 14 **CERTAIN DISASTER-RELATED PERSONAL**  
 15 **CASUALTY LOSSES.**

16          For purposes of applying section 304(b) of the Tax-  
 17 payer Certainty and Disaster Tax Relief Act of 2020 (divi-  
 18 sion EE of Public Law 116–260), section 301 of such Act  
 19 shall be applied by substituting the date of the enactment  
 20 of this section for “the date of the enactment of this Act”  
 21 each place it appears.

22 **SEC. 110115. TRUMP ACCOUNTS.**

23          (a) IN GENERAL.—Subchapter F of chapter 1 is  
 24 amended by adding at the end the following new part:

**“PART IX—TRUMP ACCOUNTS****2 “SEC. 530A. TRUMP ACCOUNTS.**

3 “(a) GENERAL RULE.—A Trump account shall be ex-  
4 empt from taxation under this subtitle. Notwithstanding  
5 the preceding sentence, such account shall be subject to  
6 the taxes imposed by section 511 (relating to imposition  
7 of tax on unrelated business income of charitable organiza-  
8 tions).

9 “(b) TRUMP ACCOUNT.—For purposes of this sec-  
10 tion—

11 “(1) IN GENERAL.—The term ‘Trump account’  
12 means a trust created or organized in the United  
13 States for the exclusive benefit of an individual and  
14 which is designated (in such manner as the Sec-  
15 retary shall prescribe) at the time of the establish-  
16 ment of the trust as a Trump account, but only if  
17 the written governing instrument creating the trust  
18 meets the following requirements:

19 “(A) The individual establishing the ac-  
20 count shall provide to the trustee the social se-  
21 curity number of such individual and of the ac-  
22 count beneficiary.

23 “(B) Except in the case of a qualified roll-  
24 over contribution described in subsection (e), no  
25 contribution will be accepted—

26 “(i) before January 1, 2026,

1 “(ii) unless it is in cash,

2 “(iii) unless the account beneficiary  
3 has not attained age 18, and

4 “(iv) if such contribution would result  
5 in aggregate contributions for the taxable  
6 year exceeding the contribution limit speci-  
7 fied in subsection (c)(1).

8 “(C) No distribution (other than a dis-  
9 tribution of a qualified rollover contribution)  
10 will be allowed—

11 “(i) before the date on which the ac-  
12 count beneficiary attains age 18, or

13 “(ii) in the case of such an account  
14 the account beneficiary of which has not  
15 attained age 25, if the aggregate distribu-  
16 tions from such account exceeds the  
17 amount that is  $\frac{1}{2}$  the cash equivalent  
18 value of the account on the date on which  
19 the account beneficiary attains age 18.

20 “(D) The account beneficiary has not at-  
21 tained age 8 on the date of the establishment  
22 of the account.

23 “(E) The trustee is a bank (as defined in  
24 section 408(n)) or another person who dem-  
25 onstrates to the satisfaction of the Secretary

1           that the manner in which that person will ad-  
2           minister the trust will be consistent with the re-  
3           quirements of this section or who has so dem-  
4           onstrated with respect to any individual retire-  
5           ment plan.

6           “(F) The interest of an individual in the  
7           balance of his account is nonforfeitable.

8           “(G) The assets of the trust shall not be  
9           commingled with other property except in a  
10          common trust fund or common investment  
11          fund.

12          “(H) No part of the trust funds will be in-  
13          vested in any asset other than eligible invest-  
14          ments.

15          “(2) ELIGIBLE INVESTMENTS.—The term ‘eligi-  
16          ble investments’ means stock of a regulated invest-  
17          ment company (within the meaning of section 851)  
18          which—

19                 “(A) tracks a well-established index of  
20                 United States equities (or which invests in an  
21                 equivalent diversified portfolio of United States  
22                 equities),

23                 “(B) does not use leverage,

24                 “(C) minimizes fees and expenses, and

1           “(D) meets such other criteria as the Sec-  
2           retary determines appropriate for purposes of  
3           this section.

4           “(3) ACCOUNT BENEFICIARY.—The term ‘ac-  
5           count beneficiary’ means the individual on whose be-  
6           half the Trump account was established.

7           “(c) TREATMENT OF CONTRIBUTIONS.—

8           “(1) CONTRIBUTION LIMIT.—The contribution  
9           limit for any taxable year is \$5,000.

10          “(2) CONTRIBUTIONS FROM TAX EXEMPT  
11          SOURCES AND ROLLOVER CONTRIBUTIONS.—The  
12          amount contributed to a Trump account for pur-  
13          poses of paragraph (1) shall be determined without  
14          regard to—

15               “(A) a qualified rollover contribution,

16               “(B) any contribution from the Federal  
17          Government or any State, local, or tribal gov-  
18          ernment, or

19               “(C) any contribution made through the  
20          program established under subsection (l).

21          “(3) COST-OF-LIVING ADJUSTMENT.—

22               “(A) IN GENERAL.—In the case of any  
23          taxable year beginning in a calendar year after  
24          2026, the \$5,000 amount under paragraph (1)  
25          shall be increased by an amount equal to—



1 “(i) such dollar amount, multiplied by

2 “(ii) the cost-of-living adjustment de-  
3 termined under section 1(f)(3) for the cal-  
4 endar year, determined by substituting  
5 ‘calendar year 2025’ for ‘calendar year  
6 2016’ in subparagraph (A)(ii) thereof.

7 “(B) ROUNDING.—If any increase under  
8 subparagraph (A) is not a multiple of \$100,  
9 such amount shall be rounded to the next lower  
10 multiple of \$100.

11 “(d) DISTRIBUTIONS.—

12 “(1) AMOUNTS ALLOCABLE TO INVESTMENT IN  
13 THE CONTRACT.—A distribution from a Trump ac-  
14 count of an amount allocable to the investment in  
15 the contract shall not be includible in the gross in-  
16 come of the distributee.

17 “(2) AMOUNTS ALLOCABLE TO INCOME ON THE  
18 CONTRACT USED FOR QUALIFIED EXPENSES.—A  
19 distribution from a Trump account of an amount al-  
20 locable to income on the contract and which is used  
21 exclusively to pay for qualified expenses shall be in-  
22 cludible in net capital gain of the distributee under  
23 section 1(h)(12).

24 “(3) AMOUNTS INCLUDIBLE IN GROSS IN-  
25 COME.—Any distribution from a Trump account

1       which is not described in paragraph (1) or (2) shall  
2       be includible in the gross income of the distributee.

3           “(4) QUALIFIED EXPENSES.—For purposes of  
4       this subsection, the term ‘qualified expenses’ means  
5       any of the following expenses paid or incurred for  
6       the benefit of the account beneficiary:

7           “(A) Qualified higher education expenses  
8       (as defined in section 529(e)(3)) determined  
9       without regard to section 529(c)(7).

10          “(B) Qualified post-secondary credentialing  
11       expenses (as defined in section 529(f)).

12          “(C) Under regulations provided by the  
13       Secretary, amounts paid or incurred with re-  
14       spect to any small businesses for which the ben-  
15       eficiary has obtained any small business loan,  
16       small farm loan, or similar loan.

17          “(D) Any amount used for the purchase  
18       (as defined in section 36(c)(3)) of the principal  
19       residence (as used in section 121) of the ac-  
20       count beneficiary if such account beneficiary is  
21       a first-time homebuyer (as defined in section  
22       36(c)(1)) with respect to such purchase.

23          “(5) EXCEPTIONS.—Paragraphs (2) and (3)  
24       shall not apply to any distribution which is a quali-  
25       fied rollover contribution.

1           “(6) ADDITIONAL TAX ON CERTAIN DISTRIBUTIONS.—In the case of a distributee who has not attained age 30, the tax imposed by this chapter on the account beneficiary for any taxable year in which there is a distribution from a Trump account of such beneficiary which is includible in gross income under paragraph (3) shall be increased by 10 percent of the amount which is so includible.

9           “(e) QUALIFIED ROLLOVER CONTRIBUTION.—For purposes of this section, the term ‘qualified rollover contribution’ means an amount which is paid in a direct trustee-to-trustee transfer from a Trump account maintained for the benefit of the account beneficiary to a Trump account maintained for such beneficiary.

15          “(f) TREATMENT AFTER DEATH OF ACCOUNT BENEFICIARY.—Rules similar to the rules of section 223(f)(8) shall apply for purposes of this section.

18          “(g) DETERMINATIONS OF AGGREGATE DISTRIBUTIONS AND INVESTMENT IN CONTRACT IN THE CASE OF CERTAIN ROLLOVER CONTRIBUTIONS.—In the case of a qualified rollover contribution which is described in subsection (e)(2), any determination required under this section of the amount of the investment of the contract or of aggregate distributions from the Trump account shall be determined with respect to the aggregate of such

1 amounts for all Trump accounts of the same account bene-  
2 ficiary.

3 “(h) CUSTODIAL ACCOUNTS.—For purposes of this  
4 section, a custodial account shall be treated as a trust  
5 under this section if—

6 “(1) the custodial account would, except for the  
7 fact that it is not a trust, constitute a trust which  
8 meets the requirements of subsection (b)(1), and

9 “(2) the assets of such account are held by a  
10 bank (as defined in section 408(n)) or another per-  
11 son who demonstrates, to the satisfaction of the Sec-  
12 retary, that the manner in which he will administer  
13 the account will be consistent with the requirements  
14 of this section.

15 For purposes of this title, in the case of a custodial ac-  
16 count treated as a trust by reason of the preceding sen-  
17 tence, the person holding the assets of such account shall  
18 be treated as the trustee thereof.

19 “(i) TERMINATION.—

20 “(1) AGE 31.—Upon the date on which the ac-  
21 count beneficiary attains age 31, a Trump account  
22 shall cease to be a Trump account and the amount  
23 in such account shall be treated as distributed for  
24 purposes of subsection (d).

1           “(2) MULTIPLE ACCOUNTS OF ONE BENE-  
2       FICIARY.—

3           “(A) IN GENERAL.—In the case of any du-  
4       plicate Trump account of any account bene-  
5       ficiary other than a Trump account which is es-  
6       tablished by the deposit through a qualified roll-  
7       over contribution of the entire amount of an-  
8       other Trump account of the account bene-  
9       ficiary—

10           “(i) such duplicate Trump account  
11       shall cease to be a Trump account and the  
12       amount in such account shall be treated as  
13       distributed for purposes of subsection (d),  
14       and

15           “(ii) there is imposed an excise tax on  
16       the account beneficiary in an amount equal  
17       to so much of cash value of the account as  
18       is allocable to income on the contract.

19           “(B) WITHHOLDING REQUIREMENT.—In  
20       the case of an account terminated under sub-  
21       paragraph (A), the trustee shall deduct and  
22       withhold upon the amount to be distributed the  
23       amount in excess described in subparagraph  
24       (A)(ii).

1           “(C) NOTIFICATION.—The Secretary, upon  
2           determining that a duplicate account exists,  
3           shall provide a notice to the account beneficiary  
4           of such duplicate account (and the account cus-  
5           todian, in the case of a custodial account) and  
6           to each trustee of any Trump account of the ac-  
7           count beneficiary of such duplicate account  
8           which identifies each Trump account of such  
9           beneficiary and the trustee of each such ac-  
10          count.

11          “(D) DUPLICATE ACCOUNT.—For purposes  
12          of this paragraph, the term ‘duplicate account’  
13          means—

14               “(i) in the case of an account bene-  
15               ficiary for the benefit of whom an account  
16               was established by the Secretary under  
17               section 6434, any other Trump account of  
18               such account beneficiary, or

19               “(ii) in the case of any other account  
20               beneficiary, any Trump account established  
21               after the first Trump account established  
22               for the benefit of such account beneficiary.

23          “(j) INVESTMENT IN THE CONTRACT.—For purposes  
24          of this section, rules similar to the rules applied to a quali-  
25          fied tuition program (as defined in section 529(b)) under

1 section 72(e)(9) shall apply for purposes of determining  
2 the investment in the contract, except that such amount  
3 shall be determined without regard to any contribution  
4 which is described in subsection (c)(2).

5 “(k) REPORTS.—The trustee of a Trump account  
6 shall make such reports regarding such account to the  
7 Secretary and to the beneficiary of the account with re-  
8 spect to contributions, distributions, the amount of invest-  
9 ment in the contract, and such other matters as the Sec-  
10 retary may require. The reports required by this sub-  
11 section shall be filed at such time and in such manner  
12 and furnished to such individuals at such time and in such  
13 manner as may be required.

14 “(l) CONTRIBUTIONS TO PREDOMINATELY UNRE-  
15 LATED CHILDREN.—The Secretary shall establish a pro-  
16 gram through which contributions may be made to the  
17 Trump accounts of a large group of account beneficiaries  
18 if—

19 “(1) the contribution is made by any person de-  
20 scribed in any paragraph of section 501(c) and ex-  
21 empt from taxation under section 501(a),

22 “(2) such accounts are selected on the basis of  
23 the location of the residence of the account bene-  
24 ficiaries, the school district in which such bene-

1       ficiaries attend school, or another basis the Sec-  
 2       retary determines appropriate, and

3               “(3) all individuals who are account bene-  
 4       ficiaries of such an account who meet the selected  
 5       criteria receive an equal portion of the contribu-  
 6       tion.”.

7       (b) DISTRIBUTION TAXED AT SAME RATE AS NET  
 8       CAPITAL GAINS.—Section 1(h) is amended by adding at  
 9       the end the following new paragraph:

10               “(12) DISTRIBUTIONS FROM TRUMP ACCOUNT  
 11       TAXED AS NET CAPITAL GAIN.—For purposes of this  
 12       subsection, the term ‘net capital gain’ means the net  
 13       capital gain (determined without regard to this para-  
 14       graph) increased by the amount includible in net  
 15       capital gain under this paragraph by reason of sec-  
 16       tion 530A(d)(2).”.

17       (c) TAX ON EXCESS CONTRIBUTIONS.—

18               (1) IN GENERAL.—Section 4973(a) is amended  
 19       by striking “or” at the end of paragraph (5), by in-  
 20       serting “or” at the end of paragraph (6), and by in-  
 21       serting after paragraph (6) the following new para-  
 22       graph:

23               “(7) a Trump account (as defined in section  
 24       530A(b)),”.



1           (2) EXCESS CONTRIBUTION.—Section 4973 is  
2       amended by adding at the end the following new  
3       subsection:

4       “(i) EXCESS CONTRIBUTIONS TO A TRUMP AC-  
5       COUNT.—For purposes of this section, in the case of  
6       Trump accounts (within the meaning of section 530A), the  
7       term ‘excess contributions’ means the sum of—

8           “(1) the amount by which the amount contrib-  
9       uted for the calendar year to such account (other  
10      than qualified rollover contributions (as defined in  
11      section 530A(e))) exceeds the contribution limit  
12      under section 530A(c)(1) (determined without re-  
13      gard to contributions described in section  
14      530A(c)(2)), and

15          “(2) the amount determined under this sub-  
16      section for the preceding calendar year, reduced by  
17      the excess (if any) of the maximum amount allow-  
18      able as a contribution under section 530A(c)(1) (as  
19      so determined) for the calendar year over the  
20      amount contributed to the account for the calendar  
21      year (other than qualified rollover contributions (as  
22      so defined)).”.

23       (d) DISCLOSURE OF RETURN INFORMATION TO FA-  
24       CILITATE CERTAIN CONTRIBUTIONS.—Section 6103(l) is

1 amended by adding at the end the following new para-  
2 graph:

3           “(23) DISCLOSURE OF RETURN INFORMATION  
4           TO ENABLE CERTAIN CONTRIBUTIONS TO TRUMP AC-  
5           COUNTS.—Upon written request signed by the head  
6           of the bureau or office of the Department of the  
7           Treasury requesting the inspection or disclosure, the  
8           Secretary may disclose the following return informa-  
9           tion with respect to a Trump account (as defined in  
10          section 503A(b)) to officers and employees of such  
11          bureau or office to the extent that such disclosure is  
12          necessary to carry out section 530A(l):

13               “(A) Information necessary to identify the  
14               account holders in a particular class of bene-  
15               ficiaries identified by a donor as the intended  
16               recipients.

17               “(B) The name, address, and social secu-  
18               rity number of a beneficiary.

19               “(C) The account custodian and the ad-  
20               dress of such custodian.

21               “(D) The account number.

22               “(E) The routing number.

23               “(F) To the extent determined by the Sec-  
24               retary in regulations, such other return infor-

1           mation as the Secretary determines necessary  
 2           to ensure proper routing of funds  
 3       Return information disclosed under this paragraph  
 4       may only be used to identify account holders in a  
 5       particular class of beneficiaries or for the proper  
 6       routing of funds and may not be redisclosed by the  
 7       Secretary.”.

8       (e) FAILURE TO PROVIDE REPORTS ON TRUMP AC-  
 9       COUNTS.—Section 6693(a)(2) is amended by striking  
 10      “and” at the end of subparagraph (E), by striking the  
 11      period at the end of subparagraph (F) and inserting “,  
 12      and”, and by adding at the end the following new subpara-  
 13      graph:

14                      “(G) section 530A(h) (relating to Trump  
 15                      accounts).”.

16       (f) CONFORMING AMENDMENT.—The table of parts  
 17      for subchapter F of chapter 1 is amended by adding at  
 18      the end the following new item:

                    “PART IX. TRUMP ACCOUNTS”.

19       (g) EFFECTIVE DATE.—The amendments made by  
 20      this section shall apply to taxable years beginning after  
 21      December 31, 2024.

22      **SEC. 110116. TRUMP ACCOUNTS CONTRIBUTION PILOT PRO-**  
 23                      **GRAM.**

24       (a) IN GENERAL.—Subchapter B of chapter 65 is  
 25      amended by adding at the end the following new section:

1   **“SEC. 6434. TRUMP ACCOUNTS CONTRIBUTION PILOT PRO-**  
2                           **GRAM.**

3           “(a) IN GENERAL.—In the case of any taxpayer with  
4   respect to whom an eligible individual is a qualifying child,  
5   there shall be allowed a one-time credit of \$1,000 with  
6   respect to each such eligible individual who is a qualifying  
7   child of such taxpayer which shall be payable by the Sec-  
8   retary only to the Trump account with respect to which  
9   such eligible individual is the account beneficiary.

10          “(b) ACCOUNT ESTABLISHED BY SECRETARY.—

11               “(1) IN GENERAL.—In the case of any eligible  
12   individual that the Secretary determines is not the  
13   account beneficiary of any Trump account as of the  
14   qualifying date of such eligible individual, the Sec-  
15   retary shall establish an account for the benefit of  
16   such eligible individual.

17               “(2) QUALIFYING DATE.—For purposes of  
18   paragraph (1), the term ‘qualifying date’ means,  
19   with respect to an eligible individual, the first date  
20   on which a return of tax is filed by an individual  
21   with respect to whom such eligible individual is a  
22   qualifying child with respect to the taxable year to  
23   which such return relates.

24               “(3) NOTIFICATION.—In the case of any eligible  
25   individual for the benefit of whom the Secretary es-

1 tablishes an account under paragraph (1), the Sec-  
2 retary shall—

3 “(A) notify any individual with respect to  
4 whom such eligible individual is a qualifying  
5 child for the taxable year described in para-  
6 graph (2) of the establishment of such account,  
7 and

8 “(B) shall provide an opportunity to such  
9 individual to elect to decline the application of  
10 this subsection to such qualifying child.

11 “(4) DETERMINATION OF DEFAULT TRUST-  
12 EE.—For purposes of selecting a trustee for an ac-  
13 count established under paragraph (1), the Sec-  
14 retary shall take into account—

15 “(A) the history of reliability and regu-  
16 latory compliance of such trustee,

17 “(B) the customer service experience of  
18 such trustee,

19 “(C) the costs imposed by such trustee on  
20 the account or account beneficiary, and

21 “(D) to the extent practicable, the pref-  
22 erences of any individual described in para-  
23 graph (3)(A) with respect to such eligible indi-  
24 vidual.

1 “(c) ELIGIBLE INDIVIDUAL.—For purposes of sub-  
2 section (a), the term eligible individual means an indi-  
3 vidual—

4 “(1) who is born after December 31, 2024, and  
5 before January 1, 2029, and

6 “(2) who is a United States citizen at birth.

7 “(d) SOCIAL SECURITY NUMBER REQUIRED.—

8 “(1) IN GENERAL.—No credit shall be allowed  
9 under subsection (a) to a taxpayer unless such tax-  
10 payer includes on the return of tax for the taxable  
11 year—

12 “(A) such individual’s social security num-  
13 ber,

14 “(B) if such individual is married, the so-  
15 cial security number of such individual’s spouse,  
16 and

17 “(C) the social security number of the eli-  
18 gible individual with respect to whom such cred-  
19 it is allowed.

20 “(2) SOCIAL SECURITY NUMBER DEFINED.—

21 For purposes of paragraph (1), the term ‘social se-  
22 curity number’ shall have the meaning given such  
23 term in section 24(h)(7).

24 “(e) DEFINITIONS.—For purposes of this section—

1           “(1) QUALIFYING CHILD.—The term qualifying  
2       child has the meaning given such term in section  
3       152(c).

4           “(2) TRUMP ACCOUNT; ACCOUNT BENE-  
5       FICIARY.—The terms ‘Trump account’ and ‘account  
6       beneficiary’ have the meaning given such terms in  
7       section 530A(b).”.

8       (b) PENALTY FOR NEGLIGENT CLAIM OR FRAUDU-  
9       LENT CLAIM.—Part I of subchapter A of chapter 68 of  
10      subtitle F is amended by adding at the end the following  
11      new section:

12      **“SEC. 6659. IMPROPER CLAIM FOR TRUMP ACCOUNT CON-**  
13                                   **TRIBUTION PILOT PROGRAM CREDIT.**

14           “(a) IN GENERAL.—In the case of any taxpayer that  
15      makes an excessive claim for a credit under section  
16      6434—

17           “(1) if such excess is a result of negligence or  
18      disregard of the rules or regulations, there shall be  
19      imposed a penalty of \$500, or

20           “(2) if such excess is a result of fraud, there  
21      shall be imposed a penalty of \$1,000.

22           “(b) DEFINITIONS.—The terms ‘negligence’ and ‘dis-  
23      regard’ have the same meaning as when such terms are  
24      used in section 6662.”.

1 (c) OMISSION OF CORRECT SOCIAL SECURITY NUM-  
2 BER TREATED MATHEMATICAL OR CLERICAL ERROR.—  
3 Section 6213(g)(2), as amended by the preceding provi-  
4 sions of this Act, is amended by striking “and” at the  
5 end of subparagraph (Y), by striking the period at the  
6 end of subparagraph (Z) and inserting “, and”, and by  
7 inserting after subparagraph (Z) the following new sub-  
8 paragraph:

9 “(AA) an omission of a correct social secu-  
10 rity number required under section 6434(d)(1)  
11 (relating to the Trump accounts contribution  
12 pilot program).”.

13 (d) CLERICAL AMENDMENTS.—

14 (1) The table of sections for subchapter B of  
15 chapter 65 is amended by adding at the end the fol-  
16 lowing new item:

“Sec. 6434. Trump accounts contribution pilot program.”.

17 (2) The table of sections for part I of sub-  
18 chapter A of chapter 68 of subtitle F is amended by  
19 inserting after the item relating to section 6658 the  
20 following new item:

“Sec. 6659. Improper claim for Trump account contribution pilot program  
credit.”.

21 (e) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to taxable years beginning after  
23 December 31, 2024.



1     **PART 3—INVESTING IN HEALTH OF AMERICAN**  
2                     **FAMILIES AND WORKERS**  
3     **SEC. 110201. TREATMENT OF HEALTH REIMBURSEMENT AR-**  
4                     **RANGEMENTS INTEGRATED WITH INDI-**  
5                     **VIDUAL MARKET COVERAGE.**

6             (a) IN GENERAL.—Section 9815(b) is amended—  
7                 (1) by striking “EXCEPTION.—Notwithstanding  
8                 subsection (a)” and inserting the following: “EXCEP-  
9                 TIONS.—

10                 “(1) SELF-INSURED GROUP HEALTH PLANS.—  
11                 Notwithstanding subsection (a)”, and

12                 (2) by adding at the end the following new  
13                 paragraph:

14                 “(2) CUSTOM HEALTH OPTION AND INDIVIDUAL  
15                 CARE EXPENSE ARRANGEMENTS.—

16                     “(A) IN GENERAL.—For purposes of this  
17                     subchapter, a custom health option and indi-  
18                     vidual care expense arrangement shall be treat-  
19                     ed as meeting the requirements of section 9802  
20                     and sections 2705, 2711, 2713, and 2715 of  
21                     title XXVII of the Public Health Service Act.

22                     “(B) CUSTOM HEALTH OPTION AND INDI-  
23                     VIDUAL CARE EXPENSE ARRANGEMENTS DE-  
24                     FINED.—For purposes of this section, the term  
25                     ‘custom health option and individual care ex-

1           pense arrangement’ means a health reimburse-  
2           ment arrangement—

3                   “(i) which is an employer-provided  
4                   group health plan funded solely by em-  
5                   ployer contributions to provide payments  
6                   or reimbursements for medical care subject  
7                   to a maximum fixed dollar amount for a  
8                   period,

9                   “(ii) under which such payments or  
10                  reimbursements may only be made for  
11                  medical care provided during periods dur-  
12                  ing which the individual is covered—

13                   “(I) under individual health in-  
14                   surance coverage (other than coverage  
15                   that consists solely of excepted bene-  
16                   fits), or

17                   “(II) under part A and B of title  
18                   XVIII of the Social Security Act or  
19                   part C of such title,

20                   “(iii) which meets the nondiscrimina-  
21                   tion requirements of subparagraph (C),

22                   “(iv) which meets the substantiation  
23                   requirements of subparagraph (D), and

24                   “(v) which meets the notice require-  
25                   ments of subparagraph (E).

1 “(C) NONDISCRIMINATION.—

2 “(i) IN GENERAL.—An arrangement  
3 meets the requirements of this subpara-  
4 graph if an employer offering such ar-  
5 rangement to an employee within a speci-  
6 fied class of employee—

7 “(I) offers such arrangement to  
8 all employees within such specified  
9 class on the same terms, and

10 “(II) does not offer any other  
11 group health plan (other than an ac-  
12 count-based group health plan or a  
13 group health plan that consists solely  
14 of excepted benefits) to any employees  
15 within such specified class.

16 In the case of an employer who offers a  
17 group health plan provided through health  
18 insurance coverage in the small group mar-  
19 ket (that is subject to section 2701 of the  
20 Public Health Service Act) to all employees  
21 within such specified class, subclause (II)  
22 shall not apply to such group health plan.

23 “(ii) SPECIFIED CLASS OF EM-  
24 PLOYEE.—For purposes of this subpara-

graph, any of the following may be designated as a specified class of employee:

“(I) Full-time employees.

“(II) Part-time employees.

“(III) Salaried employees.

“(IV) Non-salaried employees.

“(V) Employees whose primary site of employment is in the same rating area.

“(VI) Employees who are included in a unit of employees covered under a collective bargaining agreement to which the employer is subject (determined under rules similar to the rules of section 105(h)).

“(VII) Employees who have not met a group health plan, or health insurance issuer offering group health insurance coverage, waiting period requirement that satisfies section 2708 of the Public Health Service Act.

“(VIII) Seasonal employees.

“(IX) Employees who are non-resident aliens and who receive no earned income (within the meaning of

1 section 911(d)(2)) from the employer  
2 which constitutes income from sources  
3 within the United States (within the  
4 meaning of section 861(a)(3)).

5 “(X) Such other classes of em-  
6 ployees as the Secretary may des-  
7 ignate.

8 An employer may designate (in such man-  
9 ner as is prescribed by the Secretary) two  
10 or more of the classes described in the pre-  
11 ceding subclauses as the specified class of  
12 employees to which the arrangement is of-  
13 fered for purposes of applying this sub-  
14 paragraph.

15 “(iii) SPECIAL RULE FOR NEW  
16 HIRES.—An employer may designate pro-  
17 spectively so much of a specified class of  
18 employees as are hired after a date set by  
19 the employer. Such subclass of employees  
20 shall be treated as the specified class for  
21 purposes of applying clause (i).

22 “(iv) RULES FOR DETERMINING TYPE  
23 OF EMPLOYEE.—For purposes for clause  
24 (ii), any determination of full-time, part-  
25 time, or seasonal employment status shall

1 be made under rules similar to the rules of  
2 section 105(h) or 4980H, whichever the  
3 employer elects for the plan year. Such  
4 election shall apply with respect to all em-  
5 ployees of the employer for the plan year.

6 “(v) PERMITTED VARIATION.—For  
7 purposes of clause (i)(I), an arrangement  
8 shall not fail to be treated as provided on  
9 the same terms within a specified class  
10 merely because the maximum dollar  
11 amount of payments and reimbursements  
12 which may be made under the terms of the  
13 arrangement for the year with respect to  
14 each employee within such class—

15 “(I) increases as additional de-  
16 pendants of the employee are covered  
17 under the arrangement, and

18 “(II) increases with respect to a  
19 participant as the age of the partici-  
20 pant increases, but not in excess of an  
21 amount equal to 300 percent of the  
22 lowest maximum dollar amount with  
23 respect to such a participant deter-  
24 mined without regard to age.

“(D) SUBSTANTIATION REQUIREMENTS.—

An arrangement meets the requirements of this subparagraph if the arrangement has reasonable procedures to substantiate—

“(i) that the participant and any dependents are, or will be, enrolled in coverage described in subparagraph (B)(ii) as of the beginning of the plan year of the arrangement (or as of the beginning of coverage under the arrangement in the case of an employee who first becomes eligible to participate in the arrangement after the date notice is given with respect to the plan under subparagraph (E) (determined without regard to clause (iii) thereof), and

“(ii) any requests made for payment or reimbursement of medical care under the arrangement and that the participant and any dependents remain so enrolled.

“(E) NOTICE.—

“(i) IN GENERAL.—Except as provided in clause (iii), an arrangement meets the requirements of this subparagraph if, under the arrangement, each employee eligible to participate is, not later than 60

1 days before the beginning of the plan year,  
2 given written notice of the employee's  
3 rights and obligations under the arrange-  
4 ment which—

5 “(I) is sufficiently accurate and  
6 comprehensive to apprise the employee  
7 of such rights and obligations, and

8 “(II) is written in a manner cal-  
9 culated to be understood by the aver-  
10 age employee eligible to participate.

11 “(ii) NOTICE REQUIREMENTS.—Such  
12 notice shall include such information as the  
13 Secretary may by regulation prescribe.

14 “(iii) NOTICE DEADLINE FOR CER-  
15 TAIN EMPLOYEES.—In the case of an em-  
16 ployee—

17 “(I) who first becomes eligible to  
18 participate in the arrangement after  
19 the date notice is given with respect  
20 to the plan under clause (i) (deter-  
21 mined without regard to this clause),  
22 or

23 “(II) whose employer is first es-  
24 tablished fewer than 120 days before



1                   the beginning of the first plan year of  
2                   the arrangement,  
3           the requirements of this subparagraph  
4           shall be treated as met if the notice re-  
5           quired under clause (i) is provided not  
6           later than the date the arrangement may  
7           take effect with respect to such em-  
8           ployee.”.

9           (b) INCLUSION OF CHOICE ARRANGEMENT PER-  
10       MITTED BENEFITS ON W-2.—

11           (1) IN GENERAL.—Section 6051(a), as amend-  
12       ed by the preceding provisions of this Act, is amend-  
13       ed by striking “and” at the end of paragraph (18),  
14       by striking the period at the end of paragraph (19)  
15       and inserting “, and”, and by inserting after para-  
16       graph (19) the following new paragraph:

17           “(20) the total amount of permitted benefits for  
18       enrolled individuals under a custom health option  
19       and individual care expense arrangement (as defined  
20       in section 9815(b)(2)) with respect to such em-  
21       ployee.”.

22           (c) TREATMENT OF CURRENT RULES RELATING TO  
23       CERTAIN ARRANGEMENTS.—

24           (1) NO INFERENCE.—To the extent not incon-  
25       sistent with the amendments made by this section—

1 (A) no inference shall be made from such  
2 amendments with respect to the rules pre-  
3 scribed in the Federal Register on June 20,  
4 2019, (84 Fed. Reg. 28888) relating to health  
5 reimbursement arrangements and other ac-  
6 count-based group health plans, and

7 (B) any reference to custom health option  
8 and individual care expense arrangements shall  
9 for purposes of such rules be treated as includ-  
10 ing a reference to individual coverage health re-  
11 imbursement arrangements.

12 (2) OTHER CONFORMING OF RULES.—The Sec-  
13 retary of the Treasury, the Secretary of Health and  
14 Human Services, and the Secretary of Labor shall  
15 modify such rules as may be necessary to conform  
16 to the amendments made by this section.

17 (d) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to plan years beginning after De-  
19 cember 31, 2025.

20 **SEC. 110202. PARTICIPANTS IN CHOICE ARRANGEMENT ELI-**  
21 **GIBLE FOR PURCHASE OF EXCHANGE INSUR-**  
22 **ANCE UNDER CAFETERIA PLAN.**

23 (a) IN GENERAL.—Section 125(f)(3) is amended by  
24 adding at the end the following new subparagraph:

1           “(C) EXCEPTION FOR PARTICIPANTS IN  
2           CHOICE ARRANGEMENT.—Subparagraph (A)  
3           shall not apply in the case of an employee par-  
4           ticipating in a custom health option and indi-  
5           vidual care expense arrangement (within the  
6           meaning of section 9815(b)(2)) offered by the  
7           employee’s employer.”.

8           (b) EFFECTIVE DATE.—The amendment made by  
9           this section shall apply to taxable years beginning after  
10          December 31, 2025.

11   **SEC. 110203. EMPLOYER CREDIT FOR CHOICE ARRANGE-**  
12                           **MENT.**

13          (a) IN GENERAL.—Subpart D of part IV of sub-  
14          chapter A of chapter 1 is amended by adding at the end  
15          the following new section:

16   **“SEC. 45BB. EMPLOYER CREDIT FOR CHOICE ARRANGE-**  
17                           **MENT.**

18          “(a) IN GENERAL.—For purposes of section 38, in  
19          the case of an eligible employer, the CHOICE arrange-  
20          ment credit determined under this section for any taxable  
21          year is an amount, with respect to each employee enrolled  
22          during the credit period in a CHOICE arrangement main-  
23          tained by the employer, equal to—

1           “(1) \$100 multiplied by the number of months  
2           for which the employee is so enrolled during the first  
3           year in the credit period, and

4           “(2) one-half of the dollar amount in effect  
5           under paragraph (1) for the taxable year, multiplied  
6           by the number of months for which the employee is  
7           so enrolled during the second year of the credit pe-  
8           riod.

9           “(b) ARRANGEMENT MUST CONSTITUTE MINIMUM  
10          ESSENTIAL COVERAGE.—An employee shall not be taken  
11          into account under subsection (a) unless such employee’s  
12          eligibility for the CHOICE arrangement (determined with-  
13          out regard to the employee being enrolled) would cause  
14          the employee to be treated under section 36B(c)(2) as  
15          being eligible for minimum essential coverage consisting  
16          of an eligible employer-sponsored plan (as defined in sec-  
17          tion 5000A(f)(2)).

18          “(c) DEFINITIONS.—For purposes of this section—

19               “(1) CHOICE ARRANGEMENT.—The term  
20               ‘CHOICE arrangement’ means a custom health op-  
21               tion and individual care expense arrangement (as de-  
22               fined in section 9815(b)(2)(B)).

23               “(2) CREDIT PERIOD.—The credit period with  
24               respect to an eligible employer is the first 2 one-year  
25               periods beginning with the month during which the

1 employer first establishes a CHOICE arrangement  
2 on behalf of employees of the employer.

3 “(3) ELIGIBLE EMPLOYER.—The term ‘eligible  
4 employer’ means, with respect to any taxable year  
5 beginning in a calendar year, an employer who is not  
6 an applicable large employer for the calendar year  
7 under section 4980H.

8 “(d) INFLATION ADJUSTMENT.—

9 “(1) IN GENERAL.—In the case of any taxable  
10 year beginning in a calendar year after 2026, the  
11 dollar amount in subsection (a) shall be increased by  
12 an amount equal to—

13 “(A) such dollar amount, multiplied by

14 “(B) the cost-of-living adjustment deter-  
15 mined under section 1(f)(3) for the calendar  
16 year in which such taxable year begins by sub-  
17 stituting ‘calendar year 2025’ for ‘calendar year  
18 2016’ in subparagraph (A)(ii) thereof.

19 “(2) ROUNDING.—If any amount after adjust-  
20 ment under paragraph (1) is not a multiple of \$10,  
21 such amount shall be rounded to the next lower mul-  
22 tiple of \$10.”.

23 (b) CREDIT MADE PART OF GENERAL BUSINESS  
24 CREDIT.—Section 38(b) is amended by striking “plus” at  
25 the end of paragraph (40), by striking the period at the

1 end of paragraph (41) and inserting “, plus”, and by add-  
 2 ing at the end the following new paragraph:

3 “(42) the CHOICE arrangement credit deter-  
 4 mined under section 45BB(a).”.

5 (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-  
 6 IMUM TAX.—Section 38(c)(4)(B) is amended—

7 (1) by redesignating clauses (x), (xi), and (xii)  
 8 as clauses (xi), (xii), and (xiii), respectively, and

9 (2) by inserting after clause (ix) the following  
 10 new clause:

11 “(x) the credit determined under sec-  
 12 tion 45BB,”.

13 (d) CLERICAL AMENDMENT.—The table of sections  
 14 for subpart D of part IV of subchapter A of chapter 1  
 15 is amended by adding at the end the following new item:

“Sec. 45BB. Employer credit for CHOICE arrangement.”.

16 (e) EFFECTIVE DATE.—The amendments made by  
 17 this section shall apply to taxable years beginning after  
 18 December 31, 2025.

19 **SEC. 110204. INDIVIDUALS ENTITLED TO PART A OF MEDI-**  
 20 **CARE BY REASON OF AGE ALLOWED TO CON-**  
 21 **TRIBUTE TO HEALTH SAVINGS ACCOUNTS.**

22 (a) IN GENERAL.—Section 223(c)(1)(B) is amended  
 23 by striking “and” at the end of clause (ii), by striking  
 24 the period at the end of clause (iii) and inserting “, and”,  
 25 and by adding at the end the following new clause:

1 “(iv) entitlement to hospital insurance  
2 benefits under part A of title XVIII of the  
3 Social Security Act by reason of section  
4 226(a) of such Act.”.

5 (b) TREATMENT OF HEALTH INSURANCE PUR-  
6 CHASED FROM ACCOUNT.—Section 223(d)(2)(C)(iv) is  
7 amended by inserting “and who is not an eligible indi-  
8 vidual” after “who has attained the age specified in sec-  
9 tion 1811 of the Social Security Act”.

10 (c) COORDINATION WITH PENALTY ON DISTRIBUTIONS NOT USED FOR QUALIFIED MEDICAL EXPENSES.—Section 223(f)(4)(C) is amended by striking  
11 “Subparagraph (A)” and inserting “Except in the case of  
12 an eligible individual, subparagraph (A)”

15 (d) CONFORMING AMENDMENT.—Section 223(b)(7)  
16 is amended by inserting “(other than an entitlement to  
17 benefits described in subsection (c)(1)(B)(iv))” after “So-  
18 cial Security Act”.

19 (e) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to months beginning after Decem-  
21 ber 31, 2025.

22 **SEC. 110205. TREATMENT OF DIRECT PRIMARY CARE SERVICE ARRANGEMENTS.**

24 (a) IN GENERAL.—Section 223(c)(1) is amended by  
25 adding at the end the following new subparagraph:

1           “(E) TREATMENT OF DIRECT PRIMARY  
2 CARE SERVICE ARRANGEMENTS.—

3           “(i) IN GENERAL.—A direct primary  
4 care service arrangement shall not be  
5 treated as a health plan for purposes of  
6 subparagraph (A)(ii).

7           “(ii) DIRECT PRIMARY CARE SERVICE  
8 ARRANGEMENT.—For purposes of this sub-  
9 paragraph—

10           “(I) IN GENERAL.—The term ‘di-  
11 rect primary care service arrange-  
12 ment’ means, with respect to any indi-  
13 vidual, an arrangement under which  
14 such individual is provided medical  
15 care (as defined in section 213(d))  
16 consisting solely of primary care serv-  
17 ices provided by primary care practi-  
18 tioners (as defined in section  
19 1833(x)(2)(A) of the Social Security  
20 Act, determined without regard to  
21 clause (ii) thereof), if the sole com-  
22 pensation for such care is a fixed peri-  
23 odic fee.

24           “(II) LIMITATION.—With respect  
25 to any individual for any month, such



1 term shall not include any arrange-  
2 ment if the aggregate fees for all di-  
3 rect primary care service arrange-  
4 ments (determined without regard to  
5 this subclause) with respect to such  
6 individual for such month exceed  
7 \$150 (twice such dollar amount in the  
8 case of an individual with any direct  
9 primary care service arrangement (as  
10 so determined) that covers more than  
11 one individual).

12 “(iii) CERTAIN SERVICES SPECIFI-  
13 CALLY EXCLUDED FROM TREATMENT AS  
14 PRIMARY CARE SERVICES.—For purposes  
15 of this subparagraph, the term ‘primary  
16 care services’ shall not include—

17 “(I) procedures that require the  
18 use of general anesthesia,

19 “(II) prescription drugs (other  
20 than vaccines), and

21 “(III) laboratory services not  
22 typically administered in an ambula-  
23 tory primary care setting.

24 The Secretary, after consultation with the  
25 Secretary of Health and Human Services,

1                   shall issue regulations or other guidance  
2                   regarding the application of this clause.”.

3           (b) DIRECT PRIMARY CARE SERVICE ARRANGEMENT  
4 FEES TREATED AS MEDICAL EXPENSES.—Section  
5 223(d)(2)(C) is amended by striking “or” at the end of  
6 clause (iii), by striking the period at the end of clause (iv)  
7 and inserting “, or”, and by adding at the end the fol-  
8 lowing new clause:

9                   “(v) any direct primary care service  
10                  arrangement.”.

11          (c) INFLATION ADJUSTMENT.—Section 223(g)(1) is  
12 amended—

13           (1) by inserting “, (c)(1)(E)(ii)(II),” after  
14           “(b)(2)” each place it appears, and

15           (2) in subparagraph (B), by striking “clause  
16           (ii)” in clause (i) and inserting “clauses (ii) and  
17           (iii)”, by striking “and” at the end of clause (i), by  
18           striking the period at the end of clause (ii) and in-  
19           serting “, and”, and by inserting after clause (ii) the  
20           following new clause:

21                   “(iii) in the case of the dollar amount  
22                   in subsection (c)(1)(E)(ii)(II) for taxable  
23                   years beginning in calendar years after  
24                   2026, ‘calendar year 2025’.”.

1 (d) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to months beginning after Decem-  
 3 ber 31, 2025.

4 **SEC. 110206. ALLOWANCE OF BRONZE AND CATASTROPHIC**  
 5 **PLANS IN CONNECTION WITH HEALTH SAV-**  
 6 **INGS ACCOUNTS.**

7 (a) IN GENERAL.—Section 223(c)(2) is amended by  
 8 adding at the end the following new subparagraph:

9 “(H) BRONZE AND CATASTROPHIC PLANS  
 10 TREATED AS HIGH DEDUCTIBLE HEALTH  
 11 PLANS.—The term ‘high deductible health plan’  
 12 shall include any plan—

13 “(i) available as individual coverage  
 14 through an Exchange established under  
 15 section 1311 or 1321 of the Patient Pro-  
 16 tection and Affordable Care Act, and

17 “(ii) described in subsection (d)(1)(A)  
 18 or (e) of section 1302 of such Act.”.

19 (b) EFFECTIVE DATE.—The amendment made by  
 20 this section shall apply to months beginning after Decem-  
 21 ber 31, 2025.

22 **SEC. 110207. ON-SITE EMPLOYEE CLINICS.**

23 (a) IN GENERAL.—Section 223(c)(1), as amended by  
 24 the preceding provisions of this Act, is amended by adding  
 25 at the end the following new subparagraph:

1                   “(F) SPECIAL RULE FOR QUALIFIED ITEMS  
2                   AND SERVICES.—

3                   “(i) IN GENERAL.—For purposes of  
4                   subparagraph (A)(ii), an individual shall  
5                   not be treated as covered under a health  
6                   plan described in subclauses (I) and (II) of  
7                   such subparagraph merely because the in-  
8                   dividual is eligible to receive, or receives,  
9                   qualified items and services—

10                   “(I) at a healthcare facility lo-  
11                   cated at a facility owned or leased by  
12                   the employer of the individual (or of  
13                   the individual’s spouse), or

14                   “(II) at a healthcare facility op-  
15                   erated primarily for the benefit of em-  
16                   ployees of the employer of the indi-  
17                   vidual (or of the individual’s spouse).

18                   “(ii) QUALIFIED ITEMS AND SERVICES  
19                   DEFINED.—For purposes of this subpara-  
20                   graph, the term ‘qualified items and serv-  
21                   ices’ means the following:

22                   “(I) Physical examination.

23                   “(II) Immunizations, including  
24                   injections of antigens provided by em-  
25                   ployees.

1 “(III) Drugs or biologicals other  
2 than a prescribed drug (as such term  
3 is defined in section 213(d)(3)).

4 “(IV) Treatment for injuries oc-  
5 ccurring in the course of employment.

6 “(V) Preventive care for chronic  
7 conditions (as defined in clause (iv)).

8 “(VI) Drug testing.

9 “(VII) Hearing or vision  
10 screenings and related services.

11 “(iii) AGGREGATION.—For purposes  
12 of clause (i), all persons treated as a single  
13 employer under subsection (b), (c), (m), or  
14 (o) of section 414 shall be treated as a sin-  
15 gle employer.

16 “(iv) PREVENTIVE CARE FOR CHRON-  
17 IC CONDITIONS.—For purposes of this sub-  
18 paragraph, the term ‘preventive care for  
19 chronic conditions’ means any item or  
20 service specified in the Appendix of Inter-  
21 nal Revenue Service Notice 2019–45 which  
22 is prescribed to treat an individual diag-  
23 nosed with the associated chronic condition  
24 specified in such Appendix for the purpose  
25 of preventing the exacerbation of such

1 chronic condition or the development of a  
 2 secondary condition, including any amend-  
 3 ment, addition, removal, or other modifica-  
 4 tion made by the Secretary (pursuant to  
 5 the authority granted to the Secretary  
 6 under paragraph (2)(C)) to the items or  
 7 services specified in such Appendix subse-  
 8 quent to the date of publication of such  
 9 Notice.”.

10 (b) EFFECTIVE DATE.—The amendments made by  
 11 this section shall apply to months in taxable years begin-  
 12 ning after December 31, 2025.

13 **SEC. 110208. CERTAIN AMOUNTS PAID FOR PHYSICAL AC-**  
 14 **TIVITY, FITNESS, AND EXERCISE TREATED AS**  
 15 **AMOUNTS PAID FOR MEDICAL CARE.**

16 (a) IN GENERAL.—Section 223(d)(2)(A) is amended  
 17 by adding at the end the following: “For purposes of this  
 18 subparagraph, amounts paid for qualified sports and fit-  
 19 ness expenses shall be treated as paid for medical care.”.

20 (b) QUALIFIED SPORTS AND FITNESS EXPENSES.—  
 21 Section 223(d)(2) is amended by adding at the end the  
 22 following new subparagraph:

23 “(E) QUALIFIED SPORTS AND FITNESS EX-  
 24 PENSES.—For purposes of this paragraph—

1 “(i) IN GENERAL.—The term ‘quali-  
2 fied sports and fitness expenses’ means  
3 amounts paid exclusively for the sole pur-  
4 pose of participating in a physical activity  
5 including—

6 “(I) for membership at a fitness  
7 facility, or

8 “(II) for participation or instruc-  
9 tion in physical exercise or physical  
10 activity.

11 “(ii) OVERALL DOLLAR LIMITA-  
12 TION.—

13 “(I) IN GENERAL.—The aggre-  
14 gate amount treated as qualified  
15 sports and fitness expenses with re-  
16 spect to any taxpayer for any taxable  
17 year shall not exceed \$500 (\$1,000 in  
18 the case of a joint return or a head of  
19 household (as defined in section  
20 2(b))).

21 “(II) MONTHLY LIMIT.—The  
22 amount taken into account under sub-  
23 paragraph (A) as paid for partici-  
24 pating in a physical activity during a  
25 month beginning during the taxable

1 year shall not exceed an amount equal  
2 to 1/12 of the amount in effect with  
3 respect to the taxpayer for the taxable  
4 year under subclause (I).

5 “(iii) FITNESS FACILITY.—For pur-  
6 poses of clause (i)(I), the term ‘fitness fa-  
7 cility’ means a facility—

8 “(I) which provides instruction in  
9 a program of physical exercise, offers  
10 facilities for the preservation, mainte-  
11 nance, encouragement, or development  
12 of physical fitness, or serves as the  
13 site of such a program of a State or  
14 local government,

15 “(II) which is not a private club  
16 owned and operated by its members,

17 “(III) which does not offer golf,  
18 hunting, sailing, or riding facilities,

19 “(IV) the health or fitness com-  
20 ponent of which is not incidental to its  
21 overall function and purpose, and

22 “(V) which is fully compliant  
23 with the State of jurisdiction and  
24 Federal anti-discrimination laws.



1                   “(iv) TREATMENT OF PERSONAL  
2 TRAINERS, EXERCISE VIDEOS, ETC.—The  
3 term ‘qualified sports and fitness expenses’  
4 shall not include any amount paid for—

5                   “(I) videos, books, or similar ma-  
6 terials,

7                   “(II) remote or virtual instruc-  
8 tion in a physical exercise or physical  
9 activity, unless such instruction is live,  
10 or

11                   “(III) one-on-one personal train-  
12 ing.

13                   “(v) PROGRAMS WHICH INCLUDE  
14 COMPONENTS OTHER THAN PHYSICAL EX-  
15 ERCISE AND PHYSICAL ACTIVITY.—Rules  
16 similar to the rules of section 213(d)(6)  
17 shall apply in the case of any program that  
18 includes physical exercise or physical activ-  
19 ity and also other components. For pur-  
20 poses of the preceding sentence, travel and  
21 accommodations shall be treated as a sepa-  
22 rate component.

23                   “(vi) MEMBERSHIP, PARTICIPATION,  
24 AND INSTRUCTION MUST BE CON-  
25 TINUING.—An amount shall not be treated

1 as paid for the purpose of participating in  
2 a physical activity unless—

3 “(I) in the case of a membership  
4 at a fitness facility, such membership  
5 is for more than 1 day, and

6 “(II) in the case of participation  
7 or instruction in physical exercise or  
8 physical activity, the amount paid  
9 constitutes payment for more than 1  
10 occasion of such participation or in-  
11 struction.

12 “(vii) COST-OF-LIVING ADJUST-  
13 MENT.—In the case of any taxable year be-  
14 ginning in a calendar year after 2026, each  
15 dollar amount in clause (ii)(I) shall be in-  
16 creased by an amount equal to—

17 “(I) such dollar amount, multi-  
18 plied by

19 “(II) the cost-of-living adjust-  
20 ment determined under section 1(f)(3)  
21 for the calendar year in which such  
22 taxable year begins by substituting  
23 ‘calendar year 2025’ for ‘calendar  
24 year 2016’ in subparagraph (A)(ii)  
25 thereof.

1           If any increase under the preceding sen-  
2           tence is not a multiple of \$50, such in-  
3           crease shall be rounded to the nearest mul-  
4           tiple of \$50.”.

5           (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2025.

8 **SEC. 110209. ALLOW BOTH SPOUSES TO MAKE CATCH-UP**  
9 **CONTRIBUTIONS TO THE SAME HEALTH SAV-**  
10 **INGS ACCOUNT.**

11          (a) IN GENERAL.—Section 223(b)(5) is amended to  
12 read as follows:

13           “(5) SPECIAL RULE FOR MARRIED INDIVIDUALS  
14 WITH FAMILY COVERAGE.—

15           “(A) IN GENERAL.—In the case of individ-  
16 uals who are married to each other, if both  
17 spouses are eligible individuals and either  
18 spouse has family coverage under a high de-  
19 ductible health plan as of the first day of any  
20 month—

21           “(i) the limitation under paragraph  
22 (1) shall be applied by not taking into ac-  
23 count any other high deductible health  
24 plan coverage of either spouse (and if such  
25 spouses both have family coverage under

1           separate high deductible health plans, only  
2           one such coverage shall be taken into ac-  
3           count),

4           “(ii) such limitation (after application  
5           of clause (i)) shall be reduced by the ag-  
6           gregate amount paid to Archer MSAs of  
7           such spouses for the taxable year, and

8           “(iii) such limitation (after application  
9           of clauses (i) and (ii)) shall be divided  
10          equally between such spouses unless they  
11          agree on a different division.

12          “(B) TREATMENT OF ADDITIONAL CON-  
13          TRIBUTION AMOUNTS.—If both spouses referred  
14          to in subparagraph (A) have attained age 55  
15          before the close of the taxable year, the limita-  
16          tion referred to in subparagraph (A)(iii) which  
17          is subject to division between the spouses shall  
18          include the additional contribution amounts de-  
19          termined under paragraph (3) for both spouses.  
20          In any other case, any additional contribution  
21          amount determined under paragraph (3) shall  
22          not be taken into account under subparagraph  
23          (A)(iii) and shall not be subject to division be-  
24          tween the spouses.”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2025.

4 **SEC. 110210. FSA AND HRA TERMINATIONS OR CONVER-**  
5 **SIONS TO FUND HSAs.**

6 (a) IN GENERAL.—Section 106(e)(2) is amended to  
7 read as follows:

8 “(2) QUALIFIED HSA DISTRIBUTION.—For  
9 purposes of this subsection—

10 “(A) IN GENERAL.—The term ‘qualified  
11 HSA distribution’ means, with respect to any  
12 employee, a distribution from a health flexible  
13 spending arrangement or health reimbursement  
14 arrangement of such employee contributed di-  
15 rectly to a health savings account of such em-  
16 ployee if—

17 “(i) such distribution is made in con-  
18 nection with such employee establishing  
19 coverage under a high deductible health  
20 plan (as defined in section 223(c)(2)) if  
21 during the 4-year period preceding the  
22 date the employee so establishes coverage  
23 the employee was not covered under such  
24 a high deductible health plan, and

1                   “(ii) such arrangement is described in  
2                   section 223(c)(1)(B)(v) with respect to any  
3                   portion of the plan year remaining after  
4                   such distribution is made, if such employee  
5                   remains enrolled in such arrangement.

6                   “(B) DOLLAR LIMITATION.—The aggre-  
7                   gate amount of distributions from health flexi-  
8                   ble spending arrangements and health reim-  
9                   bursement arrangements of any employee which  
10                  may be treated as qualified HSA distributions  
11                  in connection with an establishment of coverage  
12                  described in subparagraph (A)(i) shall not ex-  
13                  ceed the dollar amount in effect under section  
14                  125(i)(1) (twice such amount in the case of cov-  
15                  erage which is described in section  
16                  223(b)(2)(B)).”.

17               (b) PARTIAL REDUCTION OF LIMITATION ON DE-  
18               DUCTIBLE HSA CONTRIBUTIONS.—Section 223(b)(4) is  
19               amended by striking “and” at the end of subparagraph  
20               (B), by striking the period at the end of subparagraph  
21               (C) and inserting “, and”, and by inserting after subpara-  
22               graph (C) the following new subparagraph:

23                   “(D) so much of any qualified HSA dis-  
24                   tribution (as defined in section 106(e)(2)) made  
25                   to a health savings account of such individual

1           during the taxable year as does not exceed the  
2           aggregate increases in the balance of the ar-  
3           rangement from which such distribution is  
4           made which occur during the portion of the  
5           plan year which precedes such distribution  
6           (other than any balance carried over to such  
7           plan year and determined without regard to any  
8           decrease in such balance during such portion of  
9           the plan year).”.

10       (c) CONVERSION TO HSA-COMPATIBLE ARRANGE-  
11       MENT FOR REMAINDER OF PLAN YEAR.—Section  
12       223(c)(1)(B), as amended by this preceding provisions of  
13       this Act, is amended by striking “and” at the end of clause  
14       (iii), by striking the period at the end of clause (iv) and  
15       inserting “, and”, and by adding at the end the following  
16       new clause:

17                       “(v) coverage under a health flexible  
18                       spending arrangement or health reimburse-  
19                       ment arrangement for the portion of the  
20                       plan year after a qualified HSA distribu-  
21                       tion (as defined in section 106(e)(2) deter-  
22                       mined without regard to subparagraph  
23                       (A)(ii) thereof) is made, if the terms of  
24                       such arrangement which apply for such  
25                       portion of the plan year are such that, if

1           such terms applied for the entire plan  
2           year, then such arrangement would not be  
3           taken into account under subparagraph  
4           (A)(ii) of this paragraph for such plan  
5           year.”.

6           (d) INCLUSION OF QUALIFIED HSA DISTRIBUTIONS  
7   ON W-2.—

8           (1) IN GENERAL.—Section 6051(a), as amend-  
9           ed by the preceding provisions of this Act, is amend-  
10          ed by striking “and” at the end of paragraph (19),  
11          by striking the period at the end of paragraph (20)  
12          and inserting “, and”, and by inserting after para-  
13          graph (20) the following new paragraph:

14               “(21) the amount of any qualified HSA dis-  
15               tribution (as defined in section 106(e)(2)) with re-  
16               spect to such employee.”.

17           (2) CONFORMING AMENDMENT.—Section  
18           6051(a)(12) is amended by inserting “(other than  
19           any qualified HSA distribution, as defined in section  
20           106(e)(2))” before the comma at the end.

21           (e) EFFECTIVE DATE.—The amendments made by  
22           this section shall apply to distributions made after Decem-  
23           ber 31, 2025.



1 **SEC. 110211. SPECIAL RULE FOR CERTAIN MEDICAL EX-**  
2 **PENSES INCURRED BEFORE ESTABLISHMENT**  
3 **OF HEALTH SAVINGS ACCOUNT.**

4 (a) IN GENERAL.—Section 223(d)(2), as amended by  
5 the preceding provisions of this Act, is amended by adding  
6 at the end the following new subparagraph:

7 “(F) TREATMENT OF CERTAIN MEDICAL  
8 EXPENSES INCURRED BEFORE ESTABLISHMENT  
9 OF ACCOUNT.—If a health savings account is  
10 established during the 60-day period beginning  
11 on the date that coverage of the account bene-  
12 ficiary under a high deductible health plan be-  
13 gins, then, solely for purposes of determining  
14 whether an amount paid is used for a qualified  
15 medical expense, such account shall be treated  
16 as having been established on the date that  
17 such coverage begins.”.

18 (b) EFFECTIVE DATE.—The amendment made by  
19 this section shall apply with respect to coverage beginning  
20 after December 31, 2025.

21 **SEC. 110212. CONTRIBUTIONS PERMITTED IF SPOUSE HAS**  
22 **HEALTH FLEXIBLE SPENDING ARRANGE-**  
23 **MENT.**

24 (a) CONTRIBUTIONS PERMITTED IF SPOUSE HAS A  
25 HEALTH FLEXIBLE SPENDING ARRANGEMENT.—Section  
26 223(c)(1)(B), as amended by this preceding provisions of

1 this Act, is amended by striking “and” at the end of clause  
 2 (iv), by striking the period at the end of clause (v) and  
 3 inserting “, and”, and by adding at the end the following  
 4 new clause:

5 “(vi) coverage under a health flexible  
 6 spending arrangement of the spouse of the  
 7 individual for any plan year of such ar-  
 8 rangement if the aggregate reimburse-  
 9 ments under such arrangement for such  
 10 year do not exceed the aggregate expenses  
 11 which would be eligible for reimbursement  
 12 under such arrangement if such expenses  
 13 were determined without regard to any ex-  
 14 penses paid or incurred with respect to  
 15 such individual.”.

16 (b) EFFECTIVE DATE.—The amendment made by  
 17 this section shall apply to plan years beginning after De-  
 18 cember 31, 2025.

19 **SEC. 110213. INCREASE IN HEALTH SAVINGS ACCOUNT CON-**  
 20 **TRIBUTION LIMITATION FOR CERTAIN INDI-**  
 21 **VIDUALS.**

22 (a) INCREASE.—

23 (1) IN GENERAL.—Section 223(b) is amended  
 24 by adding at the end the following new paragraph:

1           “(9) INCREASE IN LIMITATION FOR CERTAIN  
2       TAXPAYERS.—

3           “(A) IN GENERAL.—The applicable limita-  
4       tion under subparagraphs (A) and (B) of para-  
5       graph (2) shall be increased by \$4,300 and  
6       \$8,550, respectively.

7           “(B) LIMITATION BASED ON MODIFIED  
8       ADJUSTED GROSS INCOME.—The amount of the  
9       increase under subparagraph (A) (determined  
10      without regard to this subparagraph) shall be  
11      reduced (but not below zero) by the amount  
12      which bears the same ratio to the amount of  
13      such increase (as so determined) as—

14           “(i) the excess (if any) of—

15               “(I) the taxpayer’s adjusted  
16              gross income for such taxable year,  
17              over

18               “(II) \$75,000 (\$150,000 in the  
19              case of a joint return, if the eligible  
20              individual has family coverage), bears  
21              to

22               “(ii) \$25,000 (\$50,000 in the case of  
23              a joint return, if the eligible individual has  
24              family coverage).

1           For purposes of the preceding sentence, ad-  
2           justed gross income shall be determined in the  
3           same manner as under section 219(g)(3)(A),  
4           except determined without regard to any deduc-  
5           tion allowed under this section.”.

6           (2) ONLY TO APPLY TO EMPLOYEE CONTRIBU-  
7           TIONS.—Section 106(d)(1) is amended by inserting  
8           “and section 223(b)(9)” after “determined without  
9           regard to this subsection”.

10          (b) INFLATION ADJUSTMENT.—Section 223(g), as  
11          amended by the preceding provisions of this Act, is amend-  
12          ed—

13               (1) by inserting “, (b)(9)(A), (b)(9)(B)(i)(II),”  
14               before “and (c)(2)(A)” each place it appears,

15               (2) by striking “clauses (ii) and (ii)” in para-  
16               graph (1)(B)(i) and inserting “clauses (ii), (iii), and  
17               (iv)”,

18               (3) by striking “and” at the end of paragraph  
19               (1)(B)(ii),

20               (4) by striking the period at the end of para-  
21               graph (1)(B)(iii) and inserting “, and”, and

22               (5) by inserting after paragraph (1)(B)(iii) the  
23               following new clause:

1 “(iv) in the case of the dollar amounts  
 2 in subsections (b)(9)(A) and  
 3 (b)(9)(B)(i)(II), ‘calendar year 2025’.”.

4 (c) EFFECTIVE DATE.—

5 (1) SUBSECTION (a).—The amendments made  
 6 by subsection (a) shall apply to taxable years begin-  
 7 ning after December 31, 2025.

8 (2) SUBSECTION (b).—The amendments made  
 9 by subsection (b) shall apply to taxable years begin-  
 10 ning after December 31, 2026.

11 **SEC. 110214. REGULATIONS.**

12 The Secretary of the Treasury and the Secretary of  
 13 Health and Human Services may each prescribe such rules  
 14 and other guidance as may be necessary or appropriate  
 15 to carry out the amendments made by this part.

16 **Subtitle B—Make Rural America**  
 17 **and Main Street Grow Again**

18 **PART 1—EXTENSION OF TAX CUTS AND JOBS ACT**  
 19 **REFORMS FOR RURAL AMERICA AND MAIN**  
 20 **STREET**

21 **SEC. 111001. EXTENSION OF SPECIAL DEPRECIATION AL-**  
 22 **LOWANCE FOR CERTAIN PROPERTY.**

23 (a) IN GENERAL.—Section 168(k) is amended—

24 (1) in paragraph (2)—

1 (A) by striking “January 1, 2027” each  
2 place it appears and inserting “January 1,  
3 2030”, and

4 (B) in subparagraph (B)—

5 (i) in clause (i)(II), by striking “Janu-  
6 ary 1, 2028” and inserting “January 1,  
7 2031”, and

8 (ii) in the heading of clause (ii), by  
9 striking “PRE-JANUARY 1, 2027 BASIS” and  
10 inserting “PRE-JANUARY 1, 2030 BASIS”,

11 (2) in paragraph (5)(A), by striking “January  
12 1, 2027” and inserting “January 1, 2030”, and

13 (3) in paragraph (6)—

14 (A) in subparagraph (A)—

15 (i) by inserting “in the case of prop-  
16 erty acquired by the taxpayer before Janu-  
17 ary 20, 2025,” after “Except as otherwise  
18 provided in this paragraph,” and

19 (ii) by striking “and” at the end of  
20 clause (iv), by striking the period at the  
21 end of clause (v) and inserting “, and”,  
22 and by adding at the end the following new  
23 clause:

1 “(vi) in the case of property placed in  
2 service after December 31, 2026, 0 per-  
3 cent.”,

4 (B) in subparagraph (B)—

5 (i) by striking “In the case of prop-  
6 erty described” and inserting “In the case  
7 of property acquired by the taxpayer before  
8 January 20, 2025 and described”, and

9 (ii) by striking “and” at the end of  
10 clause (iv), by striking the period at the  
11 end of clause (v) and inserting “, and”,  
12 and by adding at the end the following new  
13 clause:

14 “(vi) in the case of property placed in  
15 service after December 31, 2027, 0 per-  
16 cent.”,

17 (C) in subparagraph (C), by inserting  
18 “and” at the end of clause (iii), by striking  
19 clauses (iv) and (v), and by adding at the end  
20 the following new clause:

21 “(iv) in the case of a plant which is  
22 planted or grafted after January 19, 2025,  
23 and before January 1, 2030, 100 per-  
24 cent.”, and

1 (D) by adding at the end the following new  
2 subparagraph:

3 “(D) RULE FOR PROPERTY ACQUIRED  
4 AFTER JANUARY 19, 2025.—

5 “(i) IN GENERAL.—In the case of  
6 property acquired by the taxpayer after  
7 January 19, 2025 and placed in service  
8 after such date and before January 1,  
9 2030 (January 1, 2031, in the case of  
10 property described in subparagraph (B) or  
11 (C) of paragraph (2)), the term ‘applicable  
12 percentage’ means 100 percent.

13 “(ii) ACQUISITION DATE DETERMINA-  
14 TION.—For purposes of clause (i), property  
15 shall not be treated as acquired after the  
16 date on which a written binding contract is  
17 entered into for such acquisition.”.

18 (b) CONFORMING AMENDMENT.—Section  
19 460(c)(6)(B) is amended by striking “which” and all that  
20 follows through the period and inserting “which has a re-  
21 covery period of 7 years or less.”.

22 (c) EFFECTIVE DATES.—

23 (1) IN GENERAL.—Except as provided by para-  
24 graph (2), the amendments made by this section



1        shall apply to property acquired after January 19,  
2        2025 and placed in service after such date.

3            (2) SPECIFIED PLANTS.—The amendments  
4        made by this section shall apply to specified plants  
5        planted or grafted after January 19, 2025.

6   **SEC. 111002. DEDUCTION OF DOMESTIC RESEARCH AND EX-**  
7            **PERIMENTAL EXPENDITURES.**

8        (a) SUSPENSION OF AMORTIZATION FOR DOMESTIC  
9        RESEARCH AND EXPERIMENTAL EXPENDITURES.—Sec-  
10       tion 174 is amended by adding at the end the following  
11       new subsection:

12       “(e) SUSPENSION OF APPLICATION TO DOMESTIC  
13       RESEARCH AND EXPERIMENTAL EXPENDITURES.—In the  
14       case of any domestic research or experimental expendi-  
15       tures (as defined in section 174A(b)), this section shall  
16       not apply to such expenditures paid or incurred in taxable  
17       years beginning after December 31, 2024, and before Jan-  
18       uary 1, 2030.”.

19       (b) REINSTATEMENT OF EXPENSING FOR DOMESTIC  
20       RESEARCH AND EXPERIMENTAL EXPENDITURES.—Part  
21       VI of subchapter B of chapter 1 is amended by inserting  
22       after section 174 the following new section:

1   **“SEC. 174A. TEMPORARY RULES FOR DOMESTIC RESEARCH**  
2                   **AND EXPERIMENTAL EXPENDITURES.**

3           “(a) TREATMENT AS EXPENSES.—Notwithstanding  
4 section 263, there shall be allowed as a deduction any do-  
5 mestic research or experimental expenditures which are  
6 paid or incurred by the taxpayer during the taxable year.

7           “(b) DOMESTIC RESEARCH OR EXPERIMENTAL EX-  
8 PENDITURES.—For purposes of this section, the term ‘do-  
9 mestic research or experimental expenditures’ means re-  
10 search or experimental expenditures paid or incurred by  
11 the taxpayer in connection with the taxpayer’s trade or  
12 business other than such expenditures which are attrib-  
13 utable to foreign research (within the meaning of section  
14 41(d)(4)(F)).

15           “(c) AMORTIZATION OF CERTAIN DOMESTIC RE-  
16 SEARCH AND EXPERIMENTAL EXPENDITURES.—

17           “(1) IN GENERAL.—At the election of the tax-  
18 payer, made in accordance with regulations or other  
19 guidance provided by the Secretary, in the case of  
20 domestic research or experimental expenditures  
21 which would (but for subsection (a)) be chargeable  
22 to capital account but not chargeable to property of  
23 a character which is subject to the allowance under  
24 section 167 (relating to allowance for depreciation,  
25 etc.) or section 611 (relating to allowance for deple-

1       tion), subsection (a) shall not apply and the tax-  
2       payer shall—

3               “(A) charge such expenditures to capital  
4       account, and

5               “(B) be allowed an amortization deduction  
6       of such expenditures ratably over such period of  
7       not less than 60 months as may be selected by  
8       the taxpayer (beginning with the midpoint of  
9       the taxable year in which such expenditures are  
10      paid or incurred).

11              “(2) TIME FOR AND SCOPE OF ELECTION.—The  
12      election provided by paragraph (1) may be made for  
13      any taxable year, but only if made not later than the  
14      time prescribed by law for filing the return for such  
15      taxable year (including extensions thereof). The  
16      method so elected, and the period selected by the  
17      taxpayer, shall be adhered to in computing taxable  
18      income for the taxable year for which the election is  
19      made and for all subsequent taxable years unless,  
20      with the approval of the Secretary, a change to a  
21      different method (or to a different period) is author-  
22      ized with respect to part or all of such expenditures.  
23      The election shall not apply to any expenditure paid  
24      or incurred during any taxable year before the tax-  
25      able year for which the taxpayer makes the election.

1 “(d) SPECIAL RULES.—

2 “(1) LAND AND OTHER PROPERTY.—This sec-  
3 tion shall not apply to any expenditure for the acqui-  
4 sition or improvement of land, or for the acquisition  
5 or improvement of property to be used in connection  
6 with the research or experimentation and of a char-  
7 acter which is subject to the allowance under section  
8 167 (relating to allowance for depreciation, etc.) or  
9 section 611 (relating to allowance for depletion); but  
10 for purposes of this section allowances under section  
11 167, and allowances under section 611, shall be con-  
12 sidered as expenditures.

13 “(2) EXPLORATION EXPENDITURES.—This sec-  
14 tion shall not apply to any expenditure paid or in-  
15 curred for the purpose of ascertaining the existence,  
16 location, extent, or quality of any deposit of ore or  
17 other mineral (including oil and gas).

18 “(3) SOFTWARE DEVELOPMENT.—For purposes  
19 of this section, any amount paid or incurred in con-  
20 nection with the development of any software shall  
21 be treated as a research or experimental expendi-  
22 ture.

23 “(e) TERMINATION.—

1           “(1) IN GENERAL.—This section shall not apply  
2           to amounts paid or incurred in taxable years begin-  
3           ning after December 31, 2029.

4           “(2) CHANGE IN METHOD OF ACCOUNTING.—In  
5           the case of a taxpayer’s first taxable year beginning  
6           after December 31, 2029, paragraph (1) (and the  
7           corresponding application of section 174) shall be  
8           treated as a change in method of accounting for pur-  
9           poses of section 481 and—

10                 “(A) such change shall be treated as initi-  
11                 ated by the taxpayer,

12                 “(B) such change shall be treated as made  
13                 with the consent of the Secretary, and

14                 “(C) such change shall be applied only on  
15                 a cut-off basis for any domestic research or ex-  
16                 perimental expenditures paid or incurred in tax-  
17                 able years beginning after December 31, 2029,  
18                 and no adjustment under section 481(a) shall  
19                 be made.”.

20           (c) TREATMENT OF FOREIGN RESEARCH OR EXPERI-  
21           MENTAL EXPENDITURES UPON DISPOSITION.—Section  
22           174(d) is amended by inserting “or reduction to amount  
23           realized” after “no deduction”.

24           (d) COORDINATION WITH CERTAIN OTHER PROVI-  
25           SIONS.—

1 (1) RESEARCH CREDIT.—

2 (A) Section 41(d)(1)(A) is amended by in-  
3 serting “or domestic research or experimental  
4 expenditures under section 174A” after “sec-  
5 tion 174”.

6 (B) Section 280C(c) is amended by adding  
7 at the end the following new paragraph:

8 “(4) DOMESTIC RESEARCH OR EXPERIMENTAL  
9 EXPENDITURES.—The domestic research or experi-  
10 mental expenditures otherwise taken into account  
11 under section 174A shall be reduced by the amount  
12 of the credit allowed under section 41(a).”.

13 (C) Section 280C(c) is amended—

14 (i) in paragraph (1)(B)—

15 (I) by striking “a deduction” and  
16 inserting “an amortization deduc-  
17 tion”, and

18 (II) by inserting “under section  
19 174” after “basic research expenses”,  
20 and

21 (ii) in paragraph (2)(A)(i), by striking  
22 “paragraph (1)” and inserting “para-  
23 graphs (1) and (4)”.

24 (2) AMT ADJUSTMENT.—Section 56(b)(2) is  
25 amended—

1 (A) by striking “174(a)” each place it ap-  
2 pears and inserting “174A(a)”, and

3 (B) by adding at the end of subparagraph  
4 (A) the following new flush sentence:

5 “In the case of research and experimental ex-  
6 penditures charged to capital account and am-  
7 ortized under section 174 or 174A, such  
8 amounts shall be amortized for purposes of this  
9 subsection as provided in clause (ii).”.

10 (3) OPTIONAL 10-YEAR WRITEOFF.—Section  
11 59(e)(2)(B) is amended by striking “section 174(a)  
12 (relating to research and experimental expendi-  
13 tures)” and inserting “section 174A(a) (relating to  
14 temporary rules for domestic research and experi-  
15 mental expenditures)”.

16 (4) QUALIFIED SMALL ISSUE BONDS.—Section  
17 144(a)(4)(C)(iv) is amended by inserting “or  
18 174A(a)” after “174(a)”.

19 (5) START-UP EXPENDITURES.—Section  
20 195(c)(1) is amended by striking “or 174” in the  
21 last sentence and inserting “174, or 174A”.

22 (6) CAPITAL EXPENDITURES.—

23 (A) Section 263(a)(1)(B) is amended by  
24 inserting “ or 174A” after “174”.

1 (B) Section 263A(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—

7               (1) by striking “37.5 percent” in paragraph  
8       (1)(A) and inserting “36.5 percent”,

9               (2) by striking “50 percent” in paragraph  
10      (1)(B) and inserting “49.2 percent”, and

11              (3) by striking paragraph (3).

12      (b) EFFECTIVE DATE.—The amendments made by  
13      this section shall apply to taxable years beginning after  
14      December 31, 2025.

15   **SEC. 111005. EXTENSION OF BASE EROSION MINIMUM TAX**  
16                   **AMOUNT.**

17      (a) IN GENERAL.—Section 59A(b) is amended—

18              (1) by striking “10 percent” in paragraph (1)  
19      and inserting “10.1 percent”, and

20              (2) by striking paragraph (2) and by redesignig-  
21      nating paragraphs (3) and (4) as paragraphs (2)  
22      and (3), respectively.

23      (b) CONFORMING AMENDMENTS.—

1           (1) Section 59A(b)(1) is amended by striking  
2           “Except as provided in paragraphs (2) and (3)” and  
3           inserting “Except as provided in paragraph (2)”.

4           (2) Section 59A(b)(2), as redesignated by sub-  
5           section (a)(2), is amended by striking “the percent-  
6           age otherwise in effect under paragraphs (1)(A) and  
7           (2)(A) shall each be increased” and inserting “the  
8           percentages otherwise in effect under paragraph  
9           (1)(A) shall be increased”.

10          (3) Section 59A(e)(1)(C) is amended by strik-  
11          ing “in the case of a taxpayer described in sub-  
12          section (b)(3)(B)” and inserting “in the case of a  
13          taxpayer described in subsection (b)(2)(B)”.

14          (c) EFFECTIVE DATE.—The amendments made by  
15          this section shall apply to taxable years beginning after  
16          December 31, 2025.

17       **SEC. 111006. EXCEPTION TO DENIAL OF DEDUCTION FOR**  
18       **BUSINESS MEALS.**

19          (a) IN GENERAL.—Section 274(o) is amended by  
20          striking “No deduction” and inserting “Except in the case  
21          of an expense described in subsection (e)(8), no deduc-  
22          tion”.

23          (b) EFFECTIVE DATE.—The amendment made by  
24          this section shall apply to amounts paid or incurred after  
25          December 31, 2025.

1     **PART 2—ADDITIONAL TAX RELIEF FOR RURAL**  
2                     **AMERICA AND MAIN STREET**  
3     **SEC. 111101. SPECIAL DEPRECIATION ALLOWANCE FOR**  
4                     **QUALIFIED PRODUCTION PROPERTY.**

5             (a) IN GENERAL.—Section 168 is amended by adding  
6     at the end the following new subsection:

7             “(n) SPECIAL ALLOWANCE FOR QUALIFIED PRODUC-  
8     TION PROPERTY.—

9                 “(1) IN GENERAL.—In the case of any qualified  
10     production property—

11                     “(A) the depreciation deduction provided  
12             by section 167(a) for the taxable year in which  
13             such property is placed in service shall include  
14             an allowance equal to 100 percent of the ad-  
15             justed basis of the qualified production prop-  
16             erty, and

17                     “(B) the adjusted basis of the qualified  
18             production property shall be reduced by the  
19             amount of such deduction before computing the  
20             amount otherwise allowable as a depreciation  
21             deduction under this chapter for such taxable  
22             year and any subsequent taxable year.

23             “(2) QUALIFIED PRODUCTION PROPERTY.—For  
24     purposes of this subsection—

1           “(A) IN GENERAL.—The term ‘qualified  
2           production property’ means that portion of any  
3           nonresidential real property—

4                   “(i) to which this section applies,

5                   “(ii) which is used by the taxpayer as  
6           an integral part of a qualified production  
7           activity,

8                   “(iii) which is placed in service in the  
9           United States or any possession of the  
10          United States,

11                  “(iv) the original use of which com-  
12          mences with the taxpayer,

13                  “(v) the construction of which begins  
14          after January 19, 2025, and before Janu-  
15          ary 1, 2029,

16                  “(vi) with respect to which the tax-  
17          payer has elected the application of this  
18          subsection, and

19                  “(vii) which is placed in service before  
20          January 1, 2033.

21           “(B) SPECIAL RULE FOR CERTAIN PROP-  
22          PERTY NOT PREVIOUSLY USED IN QUALIFIED  
23          PRODUCTION ACTIVITIES.—

24                  “(i) IN GENERAL.—In the case of  
25          property acquired by the taxpayer during

1 the period described in subparagraph  
2 (A)(v), the requirements of clauses (iv) and  
3 (v) of subparagraph (A) shall be treated as  
4 satisfied if such property was not used in  
5 a qualified production activity (determined  
6 without regard to the second sentence of  
7 subparagraph (D)) by any person at any  
8 time during the period beginning on Janu-  
9 ary 1, 2021, and ending on May 12, 2025.

10 “(ii) WRITTEN BINDING CON-  
11 TRACTS.—For purposes of determining  
12 under clause (i)—

13 “(I) whether such property is ac-  
14 quired before the period described in  
15 subparagraph (A)(v), such property  
16 shall be treated as acquired not later  
17 than the date on which the taxpayer  
18 enters into a written binding contract  
19 for such acquisition, and

20 “(II) whether such property is  
21 acquired after such period, such prop-  
22 erty shall be treated as acquired not  
23 earlier than such date.

24 “(C) EXCLUSION OF OFFICE SPACE,  
25 ETC.—The term ‘qualified production property’



1 shall not include that portion of any nonresi-  
2 dential real property which is used for offices,  
3 administrative services, lodging, parking, sales  
4 activities, research activities, software engineer-  
5 ing activities, or other functions unrelated to  
6 manufacturing, production, or refining of tan-  
7 gible personal property.

8 “(D) QUALIFIED PRODUCTION ACTIVITY.—

9 The term ‘qualified production activity’ means  
10 the manufacturing, production, or refining of a  
11 qualified product. The activities of any taxpayer  
12 do not constitute manufacturing, production, or  
13 refining of a qualified product unless the activi-  
14 ties of such taxpayer result in a substantial  
15 transformation of the property comprising the  
16 product.

17 “(E) PRODUCTION.—The term ‘produc-

18 tion’ shall not include activities other than agri-  
19 cultural production and chemical production.

20 “(F) QUALIFIED PRODUCT.—The term

21 ‘qualified product’ means any tangible personal  
22 property.

23 “(G) SYNDICATION.—For purposes of sub-

24 paragraph (A)(iv), rules similar to the rules of  
25 subsection (k)(2)(E)(iii) shall apply.

1           “(3) DEDUCTION ALLOWED IN COMPUTING  
2       MINIMUM TAX.—For purposes of determining alter-  
3       native minimum taxable income under section 55,  
4       the deduction under section 167 for qualified pro-  
5       duction property shall be determined under this sec-  
6       tion without regard to any adjustment under section  
7       56.

8           “(4) COORDINATION WITH CERTAIN OTHER  
9       PROVISIONS.—

10           “(A) OTHER SPECIAL DEPRECIATION AL-  
11       LOWANCES.—The term ‘qualified production  
12       property’ shall not include any property to  
13       which subsection (k), (l), or (m) applies. For  
14       purposes of subsections (k)(7), (l)(3)(D), and  
15       (m)(2)(B)(iii), qualified production property to  
16       which this subsection applies shall be treated as  
17       a separate class of property.

18           “(B) ALTERNATIVE DEPRECIATION PROP-  
19       ERTY.—The term ‘qualified production prop-  
20       erty’ shall not include any property to which the  
21       alternative depreciation system under sub-  
22       section (g) applies. For purposes of subsection  
23       (g)(7)(A), qualified production property to  
24       which this subsection applies shall be treated as  
25       separate nonresidential real property.

1           “(5) RECAPTURE.—If, at any time during the  
2       10-year period beginning on the date that any quali-  
3       fied production property is placed in service by the  
4       taxpayer, such property ceases to be used as de-  
5       scribed in paragraph (2)(A)(ii) and is used by the  
6       taxpayer in a productive use not described in para-  
7       graph (2)(A)(ii)—

8           “(A) section 1245 shall be applied—

9           “(i) by treating such property as hav-  
10       ing been disposed of by the taxpayer as of  
11       the first time such property is so used in  
12       a productive use not described in para-  
13       graph (2)(A)(ii), and

14          “(ii) by treating the amount described  
15       in subparagraph (B) of section 1245(a)(1)  
16       with respect to such disposition as being  
17       not less than the amount described in sub-  
18       paragraph (A) of such section, and

19          “(B) the basis of the taxpayer in such  
20       property, and the taxpayer’s allowance for de-  
21       preciation with respect to such property, shall  
22       be appropriately adjusted to take into account  
23       amounts recognized by reason of subparagraph  
24       (A).

1           “(6) REGULATIONS.—The Secretary shall issue  
2           such regulations or other guidance as may be nec-  
3           essary or appropriate to carry out the purposes of  
4           this subsection, including regulations or other guid-  
5           ance—

6                   “(A) regarding what constitutes a substan-  
7                   tial transformation of property, and

8                   “(B) providing for the application of para-  
9                   graph (5) with respect to a change in use de-  
10                  scribed in such paragraph by a transferee fol-  
11                  lowing a fully or partially tax free transfer of  
12                  qualified production property.”.

13           (b) TREATMENT OF QUALIFIED PRODUCTION PROP-  
14   ERTY AS SECTION 1245 PROPERTY.—Section 1245(a)(3)  
15   is amended by striking “or” at the end of subparagraph  
16   (E), by striking the period at the end of subparagraph  
17   (F) and inserting “, or”, and by adding at the end the  
18   following new subparagraph:

19                   “(G) any qualified production property (as  
20                   defined in section 168(n)(2)).”.

21           (c) EFFECTIVE DATE.—The amendments made by  
22   this section shall apply to property placed in service after  
23   the date of the enactment of this Act.

1 **SEC. 111102. RENEWAL AND ENHANCEMENT OF OPPOR-**  
2 **TUNITY ZONES.**

3 (a) MODIFICATION OF LOW-INCOME COMMUNITY  
4 DEFINITION.—Section 1400Z-1(c)(1) is amended—

5 (1) by striking “COMMUNITIES.—The term”  
6 and inserting the following: “COMMUNITIES.—

7 “(A) IN GENERAL.—The term”, and

8 (2) by adding at the end the following:

9 “(B) MODIFICATIONS.—For purposes of  
10 subparagraph (A), section 45D(e)(1) shall be  
11 applied in subparagraph (B) thereof, by sub-  
12 stituting ‘70 percent’ for ‘80 percent’ each  
13 place it appears.

14 “(C) CERTAIN CENSUS TRACTS DIS-  
15 ALLOWED.—The term ‘low-income community’  
16 shall not include any population census tract  
17 if—

18 “(i) in the case of a tract not located  
19 within a metropolitan area, the median  
20 family income for such tract is at least 125  
21 percent of statewide median family income,  
22 or

23 “(ii) in the case of a tract located  
24 within a metropolitan area, the median  
25 family income for such tract is at least 125

1                   percent of the metropolitan area median  
2                   family income.”.

3           (b) NEW ROUND OF QUALIFIED OPPORTUNITY ZONE  
4 DESIGNATIONS.—

5           (1) IN GENERAL.—Section 1400Z–1 is amended  
6           by adding at the end the following new subsection:

7           “(g) NEW ROUND OF QUALIFIED OPPORTUNITY  
8 ZONE DESIGNATIONS.—

9           “(1) IN GENERAL.—In addition to designations  
10           under subsection (b), and under rules similar to the  
11           rules of such subsection, the Secretary shall des-  
12           ignate tracts nominated by the chief executive offi-  
13           cers of States for purposes of this section.

14           “(2) NUMBER OF DESIGNATIONS; PROPORTION  
15           OF RURAL AREAS DESIGNATED.—

16           “(A) IN GENERAL.—Of the low-income  
17           communities within a State, the Secretary may  
18           designate under this subsection not more than  
19           25 percent as qualified opportunity zones, of  
20           which at least the lesser of the following shall  
21           be qualified opportunity zones which are com-  
22           prised entirely of a rural area:

23           “(i) The applicable percentage of the  
24           total number of qualified opportunity zone

1                   designations which may be made within  
2                   the State under this subsection.

3                   “(ii) All low-income communities with-  
4                   in the State which are comprised entirely  
5                   of a rural area.

6                   “(B)    APPLICABLE    PERCENTAGE.—For  
7                   purposes of this paragraph, the applicable per-  
8                   centage shall be, for any calendar year during  
9                   which a designation is made, the greater of—

10                   “(i) 33 percent, or

11                   “(ii) the percentage of the United  
12                   States population living within a rural area  
13                   for the preceding calendar year.

14                   “(3) RURAL AREA.—Whether a low-income  
15                   community is comprised entirely of a rural area shall  
16                   be determined by the Secretary in consultation with  
17                   the Secretary of Agriculture. For purposes of this  
18                   subsection, the term ‘rural area’ has the meaning  
19                   given such term by section 343(a)(13)(A) of the  
20                   Consolidated Farm and Rural Development Act.

21                   “(4) PERIOD FOR WHICH DESIGNATION IS IN  
22                   EFFECT.—A designation as a qualified opportunity  
23                   zone under this subsection shall remain in effect for  
24                   the period beginning on January 1, 2027, and end-  
25                   ing on December 31, 2033.

1           “(5) CONTIGUOUS TRACTS NOT ELIGIBLE.—  
2       Subsection (e) shall not apply to designations made  
3       under this subsection.”.

4           (2) ELECTION WITH RESPECT TO NEW ROUND  
5       OF ZONES.—Section 1400Z–2(a)(2)(B) is amended  
6       by striking “December 31, 2026” and inserting  
7       “December 31, 2033”.

8           (3) YEAR OF INCLUSION.—Section 1400Z–  
9       2(b)(1)(B) is amended to read as follows:

10           “(B)(i) December 31, 2026, in the case of  
11           an amount invested before January 1, 2027,  
12           and

13           “(ii) December 31, 2033, in the case of an  
14           amount invested after December 31, 2026, and  
15           before January 1, 2034.”.

16           (4) WINDING DOWN INITIAL ZONE DESIGNA-  
17       TIONS.—Section 1400Z–1(f) is amended—

18           (A) by striking “and ending” and all that  
19           follows and inserting the following: “and ending  
20           on December 31, 2026.”, and

21           (B) by striking “A designation” and in-  
22           serting “Except as provided in subsection  
23           (g)(4), a designation”.

24       (c) MODIFICATION OF OPPORTUNITY ZONE INVEST-  
25       MENT INCENTIVES.—



1           (1) CONSOLIDATED BASIS INCREASES; RURAL  
2       ZONE BASIS INCREASE.—Section 1400Z-2(b)(2)(B)  
3       is amended by adding at the end the following new  
4       clauses:

5                   “(v) CONSOLIDATED BASIS INCREASE  
6       FOR INVESTMENTS AFTER 2026.—In the  
7       case of investments made after December  
8       31, 2026—

9                   “(I) clauses (iii) and (iv) shall  
10       not apply, and

11                   “(II) for any such investment  
12       held by the taxpayer for at least 5  
13       years, the basis of such adjustment  
14       shall be increased by an amount equal  
15       to 10 percent of the amount of gain  
16       deferred by reason of subsection  
17       (a)(1)(A).

18                   “(vi) SPECIAL RULE FOR RURAL OP-  
19       PORTUNITY FUNDS.—Clause (v) shall be  
20       applied by substituting ‘30 percent’ for ‘10  
21       percent’ in the case of an investment in a  
22       qualified rural opportunity fund.

23                   “(vii) QUALIFIED RURAL OPPOR-  
24       TUNITY FUND.—For purposes of clause  
25       (vi), a ‘qualified rural opportunity fund’

1 means a qualified opportunity fund that  
2 holds at least 90 percent of its assets in  
3 qualified opportunity zone property  
4 which—

5 “(I) is qualified opportunity zone  
6 business property substantially all of  
7 the use of which, during substantially  
8 all of the fund’s holding period for  
9 such property, was in a qualified op-  
10 portunity zone comprised entirely of a  
11 rural area, or

12 “(II) is qualified opportunity  
13 zone stock, or a qualified opportunity  
14 zone partnership interest, in a quali-  
15 fied opportunity zone business in  
16 which substantially all of the tangible  
17 property owned or leased is qualified  
18 opportunity zone business property  
19 described in subsection (d)(3)(A)(i)  
20 and substantially all the use of which  
21 is in a qualified opportunity zone com-  
22 prised entirely of a rural area.

23 For purposes of the preceding sentence,  
24 property held in the fund shall be meas-

1           ured under rules similar to the rules of  
2           subsection (d)(1).”.

3           (2) LIMITED TREATMENT OF ORDINARY IN-  
4           COME.—Section 1400Z–2(a) is amended by adding  
5           at the end the following new paragraph:

6           “(3) SPECIAL RULE FOR ORDINARY INCOME.—  
7           In the case of any ordinary income of the taxpayer  
8           for the taxable year—

9           “(A) the taxpayer may elect the applica-  
10          tion of paragraph (1) with respect to so much  
11          of ordinary income as does not exceed \$10,000  
12          (reduced by the amount of any income with re-  
13          spect to which an election pursuant to this  
14          paragraph has previously been made), and

15          “(B) subsection (b)(2)(B) shall not apply  
16          to the investment with respect to such elec-  
17          tion.”.

18          (3) SPECIAL RULE FOR IMPROVEMENT OF EX-  
19          ISTING STRUCTURES IN RURAL AREAS, INCLUDING  
20          FOR DATA CENTERS.—Section 1400Z–2(d)(2)(D)(ii)  
21          is amended by inserting “(50 percent of such ad-  
22          justed basis in the case of property in a qualified op-  
23          portunity zone comprised entirely of a rural area)”  
24          after “the adjusted basis of such property”.

1 (d) INFORMATION REPORTING ON QUALIFIED OP-  
 2 PORTUNITY FUNDS AND QUALIFIED RURAL OPPOR-  
 3 TUNITY FUNDS.—

4 (1) FILING REQUIREMENTS FOR FUNDS AND  
 5 INVESTORS.—Subpart A of part III of subchapter A  
 6 of chapter 61 is amended by inserting after section  
 7 6039J the following new sections:

8 **“SEC. 6039K. RETURNS WITH RESPECT TO QUALIFIED OP-**  
 9 **PORTUNITY FUNDS AND QUALIFIED RURAL**  
 10 **OPPORTUNITY FUNDS.**

11 “(a) IN GENERAL.—Every qualified opportunity fund  
 12 shall file an annual return (at such time and in such man-  
 13 ner as the Secretary may prescribe) containing the infor-  
 14 mation described in subsection (b).

15 “(b) INFORMATION FROM QUALIFIED OPPORTUNITY  
 16 FUNDS.—The information described in this subsection  
 17 is—

18 “(1) the name, address, and taxpayer identifica-  
 19 tion number of the qualified opportunity fund,

20 “(2) whether the qualified opportunity fund is  
 21 organized as a corporation or a partnership,

22 “(3) the value of the total assets held by the  
 23 qualified opportunity fund as of each date described  
 24 in section 1400Z–2(d)(1),

1           “(4) the value of all qualified opportunity zone  
2           property held by the qualified opportunity fund on  
3           each such date,

4           “(5) with respect to each investment held by  
5           the qualified opportunity fund in qualified oppor-  
6           tunity zone stock or a qualified opportunity zone  
7           partnership interest—

8           “(A) the name, address, and taxpayer  
9           identification number of the corporation in  
10          which such stock is held or the partnership in  
11          which such interest is held, as the case may be,

12          “(B) each North American Industry Clas-  
13          sification System (NAICS) code that applies to  
14          the trades or businesses conducted by such cor-  
15          poration or partnership,

16          “(C) the population census tracts in which  
17          the qualified opportunity zone business property  
18          of such corporation or partnership is located,

19          “(D) the amount of the investment in such  
20          stock or partnership interest as of each date de-  
21          scribed in section 1400Z-2(d)(1),

22          “(E) the value of tangible property held by  
23          such corporation or partnership on each such  
24          date which is owned by such corporation or  
25          partnership,

1           “(F) the value of tangible property held by  
2           such corporation or partnership on each such  
3           date which is leased by such corporation or  
4           partnership,

5           “(G) the approximate number of residen-  
6           tial units (if any) for any real property held by  
7           such corporation or partnership, and

8           “(H) the approximate average monthly  
9           number of full-time equivalent employees of  
10          such corporation or partnership for the year  
11          (within numerical ranges identified by the Sec-  
12          retary) or such other indication of the employ-  
13          ment impact of such corporation or partnership  
14          as determined appropriate by the Secretary,

15          “(6) with respect to the items of qualified op-  
16          portunity zone business property held by the quali-  
17          fied opportunity fund—

18                 “(A) the North American Industry Classi-  
19                 fication System (NAICS) code that applies to  
20                 the trades or businesses in which such property  
21                 is held,

22                 “(B) the population census tract in which  
23                 the property is located,

24                 “(C) whether the property is owned or  
25                 leased,

1           “(D) the aggregate value of the items of  
2           qualified opportunity zone property held by the  
3           qualified opportunity fund as of each date de-  
4           scribed in section 1400Z–2(d)(1), and

5           “(E) in the case of real property, number  
6           of residential units (if any),

7           “(7) the approximate average monthly number  
8           of full-time equivalent employees for the year of the  
9           trades or businesses of the qualified opportunity  
10          fund in which qualified opportunity zone business  
11          property is held (within numerical ranges identified  
12          by the Secretary) or such other indication of the em-  
13          ployment impact of such trades or businesses as de-  
14          termined appropriate by the Secretary,

15          “(8) with respect to each person who disposed  
16          of an investment in the qualified opportunity fund  
17          during the year—

18                 “(A) the name and taxpayer identification  
19                 number of such person,

20                 “(B) the date or dates on which the invest-  
21                 ment disposed was acquired, and

22                 “(C) the date or dates on which any such  
23                 investment was disposed and the amount of the  
24                 investment disposed, and

1           “(9) such other information as the Secretary  
2           may require.

3           “(c) STATEMENT REQUIRED TO BE FURNISHED TO  
4 INVESTORS.—Every person required to make a return  
5 under subsection (a) shall furnish to each person whose  
6 name is required to be set forth in such return by reason  
7 of subsection (b)(8) a written statement showing—

8           “(1) the name, address and phone number of  
9           the information contact of the person required to  
10          make such return, and

11          “(2) the information required to be shown on  
12          such return by reason of subsection (b)(8) with re-  
13          spect to the person whose name is required to be so  
14          set forth.

15          “(d) DEFINITIONS.—For purposes of this section—

16          “(1) IN GENERAL.—Any term used in this sec-  
17          tion which is also used in subchapter Z of chapter  
18          1 shall have the meaning given such term under  
19          such subchapter.

20          “(2) FULL-TIME EQUIVALENT EMPLOYEES.—  
21          The term ‘full-time equivalent employees’ means,  
22          with respect to any month, the sum of—

23                  “(A) the number of full-time employees (as  
24                  defined in section 4980H(c)(4)) for the month,  
25                  plus



1           “(B) the number of employees determined  
2           (under rules similar to the rules of section  
3           4980H(c)(2)(E)) by dividing the aggregate  
4           number of hours of service of employees who  
5           are not full-time employees for the month by  
6           120.

7           “(e) APPLICATION TO QUALIFIED RURAL OPPOR-  
8   TUNITY FUNDS.—Every qualified rural opportunity fund  
9   (as defined in section 1400Z–2(b)(2)(B)(vii)) shall file the  
10   annual return required under subsection (a), and the  
11   statements required under subsection (c), applied—

12           “(1) by substituting ‘qualified rural oppor-  
13   tunity’ for ‘qualified opportunity’ each place it ap-  
14   pears,

15           “(2) by substituting ‘section 1400Z–  
16   2(b)(2)(B)(vii)’ for ‘section 1400Z–2(d)(1)’ each  
17   place it appears, and

18           “(3) by treating any reference (after the appli-  
19   cation of paragraph (1)) to qualified rural oppor-  
20   tunity zone stock, a qualified rural opportunity zone  
21   partnership interest, a qualified rural opportunity  
22   zone business, or qualified opportunity zone business  
23   property as stock, an interest, a business, or prop-  
24   erty, respectively, described in subclause (I) or (II),

1 as the case may be, of section 1400Z–  
 2 2(b)(2)(B)(vii).

3 **“SEC. 6039L. INFORMATION REQUIRED FROM QUALIFIED**  
 4 **OPPORTUNITY ZONE BUSINESSES AND**  
 5 **QUALIFIED RURAL OPPORTUNITY ZONE**  
 6 **BUSINESSES.**

7 “(a) IN GENERAL.—Every applicable qualified oppor-  
 8 tunity zone business shall furnish to the qualified oppor-  
 9 tunity fund described in subsection (b) a written state-  
 10 ment in such manner and setting forth such information  
 11 as the Secretary may by regulations prescribe for purposes  
 12 of enabling such qualified opportunity fund to meet the  
 13 requirements of section 6039K(b)(5).

14 “(b) APPLICABLE QUALIFIED OPPORTUNITY ZONE  
 15 BUSINESS.—For purposes of subsection (a), the term ‘ap-  
 16 plicable qualified opportunity zone business’ means any  
 17 qualified opportunity zone business—

18 “(1) which is a trade or business of a qualified  
 19 opportunity fund,

20 “(2) in which a qualified opportunity fund holds  
 21 qualified opportunity zone stock, or

22 “(3) in which a qualified opportunity fund holds  
 23 a qualified opportunity zone partnership interest.

1       “(c) OTHER TERMS.—Any term used in this section  
2 which is also used in subchapter Z of chapter 1 shall have  
3 the meaning given such term under such subchapter.

4       “(d) APPLICATION TO QUALIFIED RURAL OPPOR-  
5 TUNITY BUSINESSES.—Every applicable qualified rural  
6 opportunity zone business (as defined in subsection (b) de-  
7 termined after application of the substitutions described  
8 in this sentence) shall furnish the written statement re-  
9 quired under subsection (a), applied—

10           “(1) by substituting ‘qualified rural oppor-  
11 tunity’ for ‘qualified opportunity’ each place it ap-  
12 pears, and

13           “(2) by treating any reference (after the appli-  
14 cation of paragraph (1)) to qualified rural oppor-  
15 tunity zone stock, a qualified rural opportunity zone  
16 partnership interest, or a qualified rural opportunity  
17 zone business as stock, an interest, or a business, re-  
18 spectively, described in subclause (I) or (II), as the  
19 case may be, of section 1400Z–2(b)(2)(B)(vii).”.

20       (2) PENALTIES.—

21           (A) IN GENERAL.—Part II of subchapter  
22 B of chapter 68 is amended by inserting after  
23 section 6725 the following new section:

1 **“SEC. 6726. FAILURE TO COMPLY WITH INFORMATION RE-**  
2 **PORTING REQUIREMENTS RELATING TO**  
3 **QUALIFIED OPPORTUNITY FUNDS AND**  
4 **QUALIFIED RURAL OPPORTUNITY FUNDS.**

5 “(a) IN GENERAL.—In the case of any person re-  
6 quired to file a return under section 6039K fails to file  
7 a complete and correct return under such section in the  
8 time and in the manner prescribed therefor, such person  
9 shall pay a penalty of \$500 for each day during which  
10 such failure continues.

11 “(b) LIMITATION.—

12 “(1) IN GENERAL.—The maximum penalty  
13 under this section on failures with respect to any 1  
14 return shall not exceed \$10,000.

15 “(2) LARGE QUALIFIED OPPORTUNITY  
16 FUNDS.—In the case of any failure described in sub-  
17 section (a) with respect to a fund the gross assets  
18 of which (determined on the last day of the taxable  
19 year) are in excess of \$10,000,000, paragraph (1)  
20 shall be applied by substituting ‘\$50,000’ for  
21 ‘\$10,000’.

22 “(c) PENALTY IN CASES OF INTENTIONAL DIS-  
23 REGARD.—If a failure described in subsection (a) is due  
24 to intentional disregard, then—

25 “(1) subsection (a) shall be applied by sub-  
26 stituting ‘\$2,500’ for ‘\$500’,

1 “(2) subsection (b)(1) shall be applied by sub-  
2 stituting ‘\$50,000’ for ‘\$10,000’, and

3 “(3) subsection (b)(2) shall be applied by sub-  
4 stituting ‘\$250,000’ for ‘\$50,000’.

5 “(d) INFLATION ADJUSTMENT.—

6 “(1) IN GENERAL.—In the case of any failure  
7 relating to a return required to be filed in a calendar  
8 year beginning after 2025, each of the dollar  
9 amounts in subsections (a), (b), and (c) shall be in-  
10 creased by an amount equal to such dollar amount  
11 multiplied by the cost-of-living adjustment deter-  
12 mined under section 1(f)(3) for the calendar year  
13 determined by substituting ‘calendar year 2024’ for  
14 ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

15 “(2) ROUNDING.—

16 “(A) IN GENERAL.—If the \$500 dollar  
17 amount in subsection (a) and (c)(1) or the  
18 \$2,500 amount in subsection (c)(1), after being  
19 increased under paragraph (1), is not a mul-  
20 tiple of \$10, such dollar amount shall be round-  
21 ed to the next lowest multiple of \$10.

22 “(B) ASSET THRESHOLD.—If the  
23 \$10,000,000 dollar amount in subsection (b)(2),  
24 after being increased under paragraph (1), is  
25 not a multiple of \$10,000, such dollar amount

1 shall be rounded to the next lowest multiple of  
2 \$10,000.

3 “(C) OTHER DOLLAR AMOUNTS.—If any  
4 dollar amount in subsection (b) or (c) (other  
5 than any amount to which subparagraph (A) or  
6 (B) applies), after being increased under para-  
7 graph (1), is not a multiple of \$1,000, such dol-  
8 lar amount shall be rounded to the next lowest  
9 multiple of \$1,000.”.

10 (B) INFORMATION REQUIRED TO BE SENT  
11 TO OTHER TAXPAYERS.—Section 6724(d)(2), as  
12 amended by the preceding provisions of this  
13 Act, is amended—

14 (i) by striking “or” at the end of sub-  
15 paragraph (LL),

16 (ii) by striking the period at the end  
17 of the subparagraph (MM) and inserting a  
18 comma, and

19 (iii) by inserting after subparagraph  
20 (MM) the following new subparagraphs:

21 “(NN) section 6039K(c) (relating to dis-  
22 position of qualified opportunity fund invest-  
23 ments), or

24 “(OO) section 6039L (relating to informa-  
25 tion required from certain qualified opportunity

1           zone businesses and qualified rural opportunity  
2           zone businesses).”.

3           (3) ELECTRONIC FILING.—Section 6011(e) is  
4           amended by adding at the end the following new  
5           paragraph:

6           “(8) QUALIFIED OPPORTUNITY FUNDS AND  
7           QUALIFIED RURAL OPPORTUNITY FUNDS.—Notwith-  
8           standing paragraphs (1) and (2), any return filed by  
9           a qualified opportunity fund or qualified rural oppor-  
10          tunity fund shall be filed on magnetic media or other  
11          machine-readable form.”.

12          (4) CLERICAL AMENDMENTS.—

13                (A) The table of sections for subpart A of  
14                part III of subchapter A of chapter 61 is  
15                amended by inserting after the item relating to  
16                section 6039J the following new items:

“Sec. 6039K. Returns with respect to qualified opportunity funds and qualified  
rural opportunity funds.

“Sec. 6039L. Information required from qualified opportunity zone businesses  
and qualified rural opportunity zone businesses.”.

17                (B) The table of sections for part II of  
18                subchapter B of chapter 68 is amended by in-  
19                serting after the item relating to section 6725  
20                the following new item:

“Sec. 6726. Failure to comply with information reporting requirements relating  
to qualified opportunity funds and qualified rural opportunity  
funds.”.

1           (5) EFFECTIVE DATE.—The amendments made  
2       by this subsection shall apply to taxable years begin-  
3       ning after the date of the enactment of this Act.

4       (e) SECRETARY REPORTING OF DATA ON OPPOR-  
5       TUNITY ZONE AND RURAL OPPORTUNITY ZONE TAX IN-  
6       CENTIVES.—

7           (1) IN GENERAL.—As soon as practical after  
8       the date of the enactment of this Act, and annually  
9       thereafter, the Secretary of the Treasury, or the  
10      Secretary’s delegate (referred to in this section as  
11      the “Secretary”) shall make publicly available a re-  
12      port on qualified opportunity funds.

13          (2) INFORMATION INCLUDED.—The report re-  
14      quired under paragraph (1) shall include, to the ex-  
15      tent available, the following information:

16            (A) The number of qualified opportunity  
17      funds.

18            (B) The aggregate dollar amount of assets  
19      held in qualified opportunity funds.

20            (C) The aggregate dollar amount of invest-  
21      ments made by qualified opportunity funds in  
22      qualified opportunity fund property, stated sep-  
23      arately for each North American Industry Clas-  
24      sification System (NAICS) code.



1           (D) The percentage of population census  
2           tracts designated as qualified opportunity zones  
3           that have received qualified opportunity fund  
4           investments.

5           (E) For each population census tract des-  
6           ignated as a qualified opportunity zone, the ap-  
7           proximate average monthly number of full-time  
8           equivalent employees of the qualified oppor-  
9           tunity zone businesses in such qualified oppor-  
10          tunity zone for the preceding 12-month period  
11          (within numerical ranges identified by the Sec-  
12          retary) or such other indication of the employ-  
13          ment impact of such qualified opportunity fund  
14          businesses as determined appropriate by the  
15          Secretary.

16          (F) The percentage of the total amount of  
17          investments made by qualified opportunity  
18          funds in—

19                 (i) qualified opportunity zone property  
20                 which is real property; and

21                 (ii) other qualified opportunity zone  
22                 property.

23          (G) For each population census tract, the  
24          aggregate approximate number of residential

1 units resulting from investments made by quali-  
2 fied opportunity funds in real property.

3 (H) The aggregate dollar amount of in-  
4 vestments made by qualified opportunity funds  
5 in each population census tract.

6 (3) ADDITIONAL INFORMATION.—

7 (A) IN GENERAL.—Beginning with the re-  
8 port submitted under paragraph (1) for the 6th  
9 year after the date of the enactment of this Act,  
10 the Secretary shall include in such report the  
11 impacts and outcomes of a designation of a  
12 population census tract as a qualified oppor-  
13 tunity zone as measured by economic indicators,  
14 such as job creation, poverty reduction, new  
15 business starts, and other metrics as deter-  
16 mined by the Secretary.

17 (B) SEMI-DECENNIAL INFORMATION.—

18 (i) IN GENERAL.—In the case of any  
19 report submitted under paragraph (1) in  
20 the 6th year or the 11th year after the  
21 date of the enactment of this Act, the Sec-  
22 retary shall include the following informa-  
23 tion:

24 (I) For population census tracts  
25 designated as a qualified opportunity

1 zone, a comparison (based on aggre-  
2 gate information) of the factors listed  
3 in clause (iii) between the 5-year pe-  
4 riod ending on the date of the enact-  
5 ment of Public Law 115–97 and the  
6 most recent 5-year period for which  
7 data is available.

8 (II) For population census tracts  
9 designated as a qualified opportunity  
10 zone, a comparison (based on aggre-  
11 gate information) of the factors listed  
12 in clause (iii) for the most recent 5-  
13 year period for which data is available  
14 between such population census tracts  
15 and a similar population census tracts  
16 that were not designated as a quali-  
17 fied opportunity zone.

18 (ii) CONTROL GROUPS.—For purposes  
19 of clause (i), the Secretary may combine  
20 population census tracts into such groups  
21 as the Secretary determines appropriate  
22 for purposes of making comparisons.

23 (iii) FACTORS LISTED.—The factors  
24 listed in this clause are the following:

25 (I) The unemployment rate.

1           (II) The number of persons  
2           working in the population census  
3           tract, including the percentage of such  
4           persons who were not residents in the  
5           population census tract in the pre-  
6           ceding year.

7           (III) Individual, family, and  
8           household poverty rates.

9           (IV) Median family income of  
10          residents of the population census  
11          tract.

12          (V) Demographic information on  
13          residents of the population census  
14          tract, including age, income, edu-  
15          cation, race, and employment.

16          (VI) The average percentage of  
17          income of residents of the population  
18          census tract spent on rent annually.

19          (VII) The number of residences  
20          in the population census tract.

21          (VIII) The rate of home owner-  
22          ship in the population census tract.

23          (IX) The average value of resi-  
24          dential property in the population cen-  
25          sus tract.

1 (X) The number of affordable  
2 housing units in the population census  
3 tract.

4 (XI) The number and percentage  
5 of residents in the population census  
6 tract that were not employed for the  
7 preceding year.

8 (XII) The number of new busi-  
9 ness starts in the population census  
10 tract.

11 (XIII) The distribution of em-  
12 ployees in the population census tract  
13 by North American Industry Classi-  
14 fication System (NAICS) code.

15 (4) PROTECTION OF IDENTIFIABLE RETURN IN-  
16 FORMATION.—In making reports required under this  
17 subsection, the Secretary—

18 (A) shall establish appropriate procedures  
19 to ensure that any amounts reported do not dis-  
20 close taxpayer return information that can be  
21 associated with any particular taxpayer or com-  
22 petitive or proprietary information, and

23 (B) if necessary to protect taxpayer return  
24 information, may combine information required

1           with respect to individual population census  
2           tracts into larger geographic areas.

3           (5) DEFINITIONS.—Any term used in this sub-  
4           section which is also used in subchapter Z of chapter  
5           1 of the Internal Revenue Code of 1986 shall have  
6           the meaning given such term under such subchapter.

7           (6) REPORTS ON QUALIFIED RURAL OPPOR-  
8           TUNITY FUNDS.—The Secretary shall make publicly  
9           available, with respect to qualified rural opportunity  
10          funds, separate reports as required under this sub-  
11          section, applied—

12                 (A) by substituting “qualified rural oppor-  
13                 tunity” for “qualified opportunity” each place it  
14                 appears,

15                 (B) by substituting a reference to this Act  
16                 for “Public Law 115–97”, and

17                 (C) by treating any reference (after the ap-  
18                 plication of subparagraph (A)) to qualified rural  
19                 opportunity zone stock, qualified rural oppor-  
20                 tunity zone partnership interest, qualified rural  
21                 opportunity zone business, or qualified oppor-  
22                 tunity zone business property as stock, interest,  
23                 business, or property, respectively, described in  
24                 subclause (I) or (II), as the case may be, of sec-

1           tion 1400Z–2(b)(2)(B)(vii) of the Internal Rev-  
2           enue Code of 1986.

3 **SEC. 111103. INCREASED DOLLAR LIMITATIONS FOR EX-**  
4 **PENSING OF CERTAIN DEPRECIABLE BUSI-**  
5 **NESS ASSETS.**

6       (a) IN GENERAL.—Section 179(b) is amended—

7           (1) in paragraph (1), by striking “\$1,000,000”  
8           and inserting “\$2,500,000”, and

9           (2) in paragraph (2), by striking “\$2,500,000”  
10          and inserting “\$4,000,000”.

11       (b)       CONFORMING        AMENDMENTS.—Section  
12 179(b)(6)(A) is amended—

13           (1) by inserting “(2025 in the case of the dollar  
14           amounts in paragraphs (1) and (2))” after “In the  
15           case of any taxable year beginning after 2018”, and

16           (2) in clause (ii), by striking “determined by  
17           substituting ‘calendar year 2017’ for ‘calendar year  
18           2016’ in subparagraph (A)(ii) thereof.” and insert-  
19           ing “determined by substituting in subparagraph  
20           (A)(ii) thereof—

21                       “(I) in the case of amounts in  
22                       paragraphs (1) and (2), ‘calendar year  
23                       2024’ for ‘calendar year 2016’, and

1 “(II) in the case of the amount  
2 in paragraph (5)(A), ‘calendar year  
3 2017’ for ‘calendar year 2016’.”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to property placed in service in  
6 taxable years beginning after December 31, 2024.

7 **SEC. 111104. REPEAL OF REVISION TO DE MINIMIS RULES**  
8 **FOR THIRD PARTY NETWORK TRANS-**  
9 **ACTIONS.**

10 (a) REINSTATEMENT OF EXCEPTION FOR DE MINI-  
11 MIS PAYMENTS AS IN EFFECT PRIOR TO ENACTMENT OF  
12 AMERICAN RESCUE PLAN ACT OF 2021.—

13 (1) IN GENERAL.—Section 6050W(e) is amend-  
14 ed to read as follows:

15 “(e) EXCEPTION FOR DE MINIMIS PAYMENTS BY  
16 THIRD PARTY SETTLEMENT ORGANIZATIONS.—A third  
17 party settlement organization shall be required to report  
18 any information under subsection (a) with respect to third  
19 party network transactions of any participating payee only  
20 if—

21 “(1) the amount which would otherwise be re-  
22 ported under subsection (a)(2) with respect to such  
23 transactions exceeds \$20,000, and

24 “(2) the aggregate number of such transactions  
25 exceeds 200.”.



1           (2) EFFECTIVE DATE.—The amendment made  
2       by this subsection shall take effect as if included in  
3       section 9674 of the American Rescue Plan Act.

4       (b) APPLICATION OF DE MINIMIS RULE FOR THIRD  
5 PARTY NETWORK TRANSACTIONS TO BACKUP WITH-  
6 HOLDING.—

7           (1) IN GENERAL.—Section 3406(b) is amended  
8       by adding at the end the following new paragraph:

9           “(8) OTHER REPORTABLE PAYMENTS INCLUDE  
10       PAYMENTS IN SETTLEMENT OF THIRD PARTY NET-  
11       WORK TRANSACTIONS ONLY WHERE AGGREGATE  
12       TRANSACTIONS EXCEED REPORTING THRESHOLD  
13       FOR THE CALENDAR YEAR.—

14           “(A) IN GENERAL.—Any payment in set-  
15       tlement of a third party network transaction re-  
16       quired to be shown on a return required under  
17       section 6050W which is made during any cal-  
18       endar year shall be treated as a reportable pay-  
19       ment only if—

20           “(i) the aggregate number of trans-  
21       actions with respect to the participating  
22       payee during such calendar year exceeds  
23       the number of transactions specified in  
24       section 6050W(e)(2), and

1 “(ii) the aggregate amount of trans-  
2 actions with respect to the participating  
3 payee during such calendar year exceeds  
4 the dollar amount specified in section  
5 6050W(e)(1) at the time of such payment.

6 “(B) EXCEPTION IF THIRD PARTY NET-  
7 WORK TRANSACTIONS MADE IN PRIOR YEAR  
8 WERE REPORTABLE.—Subparagraph (A) shall  
9 not apply with respect to payments to any par-  
10 ticipating payee during any calendar year if one  
11 or more payments in settlement of third party  
12 network transactions made by the payor to the  
13 participating payee during the preceding cal-  
14 endar year were reportable payments.”.

15 (2) EFFECTIVE DATE.—The amendment made  
16 by this subsection shall apply to calendar years be-  
17 ginning after December 31, 2024.

18 **SEC. 111105. INCREASE IN THRESHOLD FOR REQUIRING IN-**  
19 **FORMATION REPORTING WITH RESPECT TO**  
20 **CERTAIN PAYEES.**

21 (a) IN GENERAL.—Section 6041(a) is amended by  
22 striking “\$600” and inserting “\$2,000”.

23 (b) INFLATION ADJUSTMENT.—Section 6041 is  
24 amended by adding at the end the following new sub-  
25 section:

1       “(h) INFLATION ADJUSTMENT.—In the case of any  
2 calendar year after 2026, the dollar amount in subsection  
3 (a) shall be increased by an amount equal to—

4               “(1) such dollar amount, multiplied by

5               “(2) the cost-of-living adjustment determined  
6 under section 1(f)(3) for such calendar year, deter-  
7 mined by substituting ‘calendar year 2025’ for ‘cal-  
8 endar year 2016’ in subparagraph (A)(ii) thereof.

9 If any increase under the preceding sentence is not a mul-  
10 tiple of \$100, such increase shall be rounded to the nearest  
11 multiple of \$100.”.

12       (c) APPLICATION TO REPORTING ON REMUNERATION  
13 FOR SERVICES.—Section 6041A(a)(2) is amended by  
14 striking “is \$600 or more” and inserting “equals or ex-  
15 ceeds the dollar amount in effect for such calendar year  
16 under section 6041(a)”.

17       (d) APPLICATION TO BACKUP WITHHOLDING.—Sec-  
18 tion 3406(b)(6) is amended—

19               (1) by striking “\$600” in subparagraph (A)  
20 and inserting “the dollar amount in effect for such  
21 calendar year under section 6041(a)”, and

22               (2) by striking “ONLY WHERE AGGREGATE FOR  
23 CALENDAR YEAR IS \$600 OR MORE” in the heading  
24 and inserting “ONLY IF IN EXCESS OF THRESHOLD”.

25       (e) CONFORMING AMENDMENTS.—

1           (1) The heading of section 6041(a) is amended  
2           by striking “OF \$600 OR MORE” and inserting “EX-  
3           CEEDING THRESHOLD”.

4           (2) Section 6041(a) is amended by striking  
5           “taxable year” and inserting “calendar year”.

6           (f) EFFECTIVE DATE.—The amendments made by  
7           this section shall apply with respect to payments made  
8           after December 31, 2025.

9   **SEC. 111106. EXCLUSION OF INTEREST ON LOANS SECURED**  
10                   **BY RURAL OR AGRICULTURAL REAL PROP-**  
11                   **ERTY.**

12           (a) IN GENERAL.—Part III of subchapter B of chap-  
13           ter 1, as amended by the preceding provisions of this Act,  
14           is amended by inserting after section 139J the following  
15           new section:

16   **“SEC. 139K. INTEREST ON LOANS SECURED BY RURAL OR**  
17                   **AGRICULTURAL REAL PROPERTY.**

18           “(a) IN GENERAL.—Gross income shall not include  
19           25 percent of the interest received by a qualified lender  
20           on any qualified real estate loan.

21           “(b) QUALIFIED LENDER.—For purposes of this sec-  
22           tion, the term ‘qualified lender’ means—

23                   “(1) any bank or savings association the depos-  
24                   its of which are insured under the Federal Deposit  
25                   Insurance Act (12 U.S.C. 1811 et seq.),

1           “(2) any State- or federally-regulated insurance  
2       company,

3           “(3) any entity wholly owned, directly or indi-  
4       rectly, by a company that is treated as a bank hold-  
5       ing company for purposes of section 8 of the Inter-  
6       national Banking Act of 1978 (12 U.S.C. 3106) if—

7           “(A) such entity is organized, incor-  
8       porated, or established under the laws of the  
9       United States or any State of the United  
10      States, and

11          “(B) the principal place of business of  
12      such entity is in the United States (including  
13      any territory of the United States),

14          “(4) any entity wholly owned, directly or indi-  
15      rectly, by a company that is considered an insurance  
16      holding company under the laws of any State if such  
17      entity satisfies the requirements described in sub-  
18      paragraphs (A) and (B) of paragraph (3), and

19          “(5) with respect to interest received on a quali-  
20      fied real estate loan secured by real estate described  
21      in subsection (c)(3)(A), any federally chartered in-  
22      strumentality of the United States established under  
23      section 8.1(a) of the Farm Credit Act of 1971 (12  
24      U.S.C. 2279aa-1(a)).

1       “(c) QUALIFIED REAL ESTATE LOAN.—For purposes  
2 of this section—

3               “(1) IN GENERAL.—The term ‘qualified real es-  
4       tate loan’ means any loan—

5                       “(A) secured by—

6                               “(i) rural or agricultural real estate,  
7                               or

8                               “(ii) a leasehold mortgage (with a sta-  
9                               tus as a lien) on rural or agricultural real  
10                              estate,

11                           “(B) made to a person other than a speci-  
12                           fied foreign entity (as defined in section  
13                           7701(a)(51)), and

14                           “(C) made after the date of the enactment  
15                           of this section and before January 1, 2029.

16       For purposes of the preceding sentence, the deter-  
17       mination of whether property securing such loan is  
18       rural or agricultural real estate shall be made as of  
19       the time the interest income on such loan is accrued.

20               “(2) REFINANCINGS.—For purposes of sub-  
21       paragraphs (A) and (C) of paragraph (1), a loan  
22       shall not be treated as made after the date of the  
23       enactment of this section to the extent that the pro-  
24       ceeds of such loan are used to refinance a loan  
25       which was made on or before the date of the enact-

1       ment of this section (or, in the case of any series of  
2       refinancings, the original loan was made on or be-  
3       fore such date).

4               “(3) RURAL OR AGRICULTURAL REAL ES-  
5       TATE.—The term ‘rural or agricultural real estate’  
6       means—

7               “(A) any real property which is substan-  
8       tially used for the production of one or more  
9       agricultural products,

10              “(B) any real property which is substan-  
11       tially used in the trade or business of fishing or  
12       seafood processing, and

13              “(C) any aquaculture facility.

14       Such term shall not include any property which is  
15       not located in a State or a possession of the United  
16       States.

17              “(4) AQUACULTURE FACILITY.—The term  
18       ‘aquaculture facility’ means any land, structure, or  
19       other appurtenance that is used for aquaculture (in-  
20       cluding any hatchery, rearing pond, raceway, pen, or  
21       incubator).

22       “(d) COORDINATION WITH SECTION 265.—Qualified  
23       real estate loans shall be treated as obligations described  
24       in section 265(a)(2) the interest on which is wholly exempt  
25       from the taxes imposed by this subtitle.”.

1 (b) CLERICAL AMENDMENT.—The table of sections  
 2 for part III of subchapter B of chapter 1, as amended  
 3 by the preceding provisions of this Act, is amended by in-  
 4 serting after the item relating to section 139J the fol-  
 5 lowing new item:

“Sec. 139K. Interest on loans secured by rural or agricultural real property.”.

6 (c) EFFECTIVE DATE.—The amendments made by  
 7 this section shall apply to taxable years ending after the  
 8 date of the enactment of this Act.

9 **SEC. 111107. TREATMENT OF CERTAIN QUALIFIED SOUND**  
 10 **RECORDING PRODUCTIONS.**

11 (a) ELECTION TO TREAT COSTS AS EXPENSES.—  
 12 Section 181(a)(1) is amended by striking “qualified film  
 13 or television production, and any qualified live theatrical  
 14 production,” and inserting “qualified film or television  
 15 production, any qualified live theatrical production, and  
 16 any qualified sound recording production”.

17 (b) DOLLAR LIMITATION.—Section 181(a)(2) is  
 18 amended by adding at the end the following new subpara-  
 19 graph:

20 “(C) QUALIFIED SOUND RECORDING PRO-  
 21 Duction.—Paragraph (1) shall not apply to so  
 22 much of the aggregate cost of any qualified  
 23 sound recording production, or to so much of  
 24 the aggregate, cumulative cost of all such quali-



1           fied sound recording productions in the taxable  
2           year, as exceeds \$150,000.”.

3           (c) NO OTHER DEDUCTION OR AMORTIZATION DE-  
4 DEDUCTION ALLOWABLE.—Section 181(b) is amended by  
5 striking “qualified film or television production or any  
6 qualified live theatrical production” and inserting “quali-  
7 fied film or television production, any qualified live theat-  
8 rical production, or any qualified sound recording produc-  
9 tion”.

10          (d) ELECTION.—Section 181(c)(1) is amended by  
11 striking “qualified film or television production or any  
12 qualified live theatrical production” and inserting “quali-  
13 fied film or television production, any qualified live theat-  
14 rical production, or any qualified sound recording produc-  
15 tion”.

16          (e) QUALIFIED SOUND RECORDING PRODUCTION  
17 DEFINED.—Section 181 is amended by redesignating sub-  
18 sections (f) and (g) as subsections (g) and (h), respec-  
19 tively, and by inserting after subsection (e) the following  
20 new subsection:

21          “(f) QUALIFIED SOUND RECORDING PRODUCTION.—  
22 For purposes of this section, the term ‘qualified sound re-  
23 cording production’ means a sound recording (as defined  
24 in section 101 of title 17, United States Code) produced  
25 and recorded in the United States.”.

1 (f) APPLICATION OF TERMINATION.—Section 181(g)  
 2 is amended by striking “qualified film and television pro-  
 3 ductions or qualified live theatrical productions” and in-  
 4 serting “qualified film and television productions, qualified  
 5 live theatrical productions, and qualified sound recording  
 6 productions”.

7 (g) BONUS DEPRECIATION.—

8 (1) QUALIFIED SOUND RECORDING PRODUC-  
 9 TION AS QUALIFIED PROPERTY.—Section  
 10 168(k)(2)(A)(i) is amended—

11 (A) by striking “or” at the end of sub-  
 12 clause (IV), by inserting “or” at the end of sub-  
 13 clause (V), and by inserting after subclause (V)  
 14 the following:

15 “(VI) which is a qualified sound  
 16 recording production (as defined in  
 17 subsection (f) of section 181) which is  
 18 placed in service before January 1,  
 19 2029, for which a deduction would  
 20 have been allowable under section 181  
 21 without regard to subsections (a)(2)  
 22 and (h) of such section or this sub-  
 23 section, and”, and

24 (B) in subclauses (IV) and (V) (as so  
 25 amended) by striking “without regard to sub-

1           sections (a)(2) and (g)” both places it appears  
 2           and inserting “without regard to subsections  
 3           (a)(2) and (h)”.

4           (2) PRODUCTION PLACED IN SERVICE.—Section  
 5           168(k)(2)(H) is amended by striking “and” at the  
 6           end of clause (i), by striking the period at the end  
 7           of clause (ii) and inserting “, and”, and by adding  
 8           after clause (ii) the following:

9                       “(iii) a qualified sound recording pro-  
 10                      duction shall be considered to be placed in  
 11                      service at the time of initial release or  
 12                      broadcast.”.

13          (h) CONFORMING AMENDMENTS.—

14           (1) The heading for section 181 is amended to  
 15           read as follows: “**TREATMENT OF CERTAIN**  
 16           **QUALIFIED PRODUCTIONS.**”.

17           (2) The table of sections for part VI of sub-  
 18           chapter B of chapter 1 is amended by striking the  
 19           item relating to section 181 and inserting the fol-  
 20           lowing new item:

“Sec. 181. Treatment of certain qualified productions.”.

21          (i) EFFECTIVE DATE.—The amendments made by  
 22           this section shall apply to productions commencing in tax-  
 23           able years ending after the date of the enactment of this  
 24           Act.

1 **SEC. 111108. MODIFICATIONS TO LOW-INCOME HOUSING**  
2 **CREDIT.**

3 (a) STATE HOUSING CREDIT CEILING INCREASE FOR  
4 LOW-INCOME HOUSING CREDIT.—

5 (1) IN GENERAL.—Section 42(h)(3)(I) is  
6 amended—

7 (A) by striking “and 2021,” and inserting  
8 “2021, 2026, 2027, 2028, and 2029,” and

9 (B) by striking “2018, 2019, 2020, AND  
10 2021” in the heading and inserting “CERTAIN  
11 CALENDAR YEARS”.

12 (2) EFFECTIVE DATE.—The amendments made  
13 by this subsection shall apply to calendar years after  
14 2025.

15 (b) TAX-EXEMPT BOND FINANCING REQUIRE-  
16 MENT.—

17 (1) IN GENERAL.—Section 42(h)(4) is amended  
18 by striking subparagraph (B) and inserting the fol-  
19 lowing:

20 “(B) SPECIAL RULE WHERE MINIMUM  
21 PERCENT OF BUILDINGS IS FINANCED WITH  
22 TAX-EXEMPT BONDS SUBJECT TO VOLUME  
23 CAP.—For purposes of subparagraph (A), para-  
24 graph (1) shall not apply to any portion of the  
25 credit allowable under subsection (a) with re-  
26 spect to a building if—

1 “(i) 50 percent or more of the aggre-  
 2 gate basis of such building and the land on  
 3 which the building is located is financed by  
 4 1 or more obligations described in subpara-  
 5 graph (A), or

6 “(ii)(I) 25 percent or more of the ag-  
 7 gregate basis of such building and the land  
 8 on which the building is located is financed  
 9 by 1 or more qualified obligations, and

10 “(II) 1 or more of such qualified obli-  
 11 gations—

12 “(aa) are part of an issue the  
 13 issue date of which is after December  
 14 31, 2025, and

15 “(bb) provide the financing for  
 16 not less than 5 percent of the aggre-  
 17 gate basis of such building and the  
 18 land on which the building is located.

19 “(C) QUALIFIED OBLIGATION.—For pur-  
 20 poses of subparagraph (B)(ii), the term ‘quali-  
 21 fied obligation’ means an obligation which is de-  
 22 scribed in subparagraph (A) and which is part  
 23 of an issue the issue date of which is before  
 24 January 1, 2030.”.

25 (2) EFFECTIVE DATE.—

1           (A) IN GENERAL.—The amendment made  
2           by this subsection shall apply to buildings  
3           placed in service in taxable years beginning  
4           after December 31, 2025.

5           (B) REHABILITATION EXPENDITURES  
6           TREATED AS SEPARATE NEW BUILDING.—In  
7           the case of any building with respect to which  
8           any expenditures are treated as a separate new  
9           building under section 42(e) of the Internal  
10          Revenue Code of 1986, for purposes of sub-  
11          paragraph (A), both the existing building and  
12          the separate new building shall be treated as  
13          having been placed in service on the date such  
14          expenditures are treated as placed in service  
15          under section 42(e)(4) of such Code.

16          (c) TEMPORARY INCLUSION OF INDIAN AREAS AND  
17          RURAL AREAS AS DIFFICULT DEVELOPMENT AREAS FOR  
18          PURPOSES OF CERTAIN BUILDINGS.—

19           (1) IN GENERAL.—Section 42(d)(5)(B)(iii)(I) is  
20           amended by inserting before the period the fol-  
21           lowing: “, and, in the case of buildings placed in  
22           service after December 31, 2025 and before January  
23           1, 2030, any Indian area or rural area”.

24           (2) INDIAN AREA; RURAL AREA.—Section  
25           42(d)(5)(B)(iii) is amended by redesignating sub-

1 clause (II) as subclause (IV) and by inserting after  
2 subclause (I) the following new subclauses:

3 “(II) INDIAN AREA.—For pur-  
4 poses of subclause (I), the term ‘In-  
5 dian area’ means any Indian area (as  
6 defined in section 4(11) of the Native  
7 American Housing Assistance and  
8 Self Determination Act of 1996 (25  
9 U.S.C. 4103(11))) and any housing  
10 area (as defined in section 801(5) of  
11 such Act (25 U.S.C. 4221(5))).

12 “(III) RURAL AREA.—For pur-  
13 poses of subclause (I), the term ‘rural  
14 area’ means any non-metropolitan  
15 area, or any rural area as defined by  
16 section 520 of the Housing Act of  
17 1949, which is identified by the quali-  
18 fied allocation plan under subsection  
19 (m)(1)(B).”.

20 (3) ELIGIBLE BUILDINGS.—Section  
21 42(d)(5)(B)(iii), as amended by paragraph (2), is  
22 further amended by adding at the end the following  
23 new subclause:

24 “(V) SPECIAL RULE FOR BUILD-  
25 INGS IN INDIAN AREAS.—In the case

1 of an area which is a difficult develop-  
 2 ment area solely because it is an In-  
 3 dian area under this section, a build-  
 4 ing shall not be treated as located in  
 5 such area unless such building is as-  
 6 sisted or financed under the Native  
 7 American Housing Assistance and  
 8 Self Determination Act of 1996 (25  
 9 U.S.C. 4101 et seq.) or the project  
 10 sponsor is an Indian tribe (as defined  
 11 in section 45A(c)(6)), a tribally des-  
 12 ignated housing entity (as defined in  
 13 section 4(22) of such Act (25 U.S.C.  
 14 4103(22))), or wholly owned or con-  
 15 trolled by such an Indian tribe or trib-  
 16 ally designated housing entity.”.

17 (4) EFFECTIVE DATE.—The amendments made  
 18 by this subsection shall apply to buildings placed in  
 19 service after December 31, 2025.

20 **SEC. 111109. INCREASED GROSS RECEIPTS THRESHOLD**  
 21 **FOR SMALL MANUFACTURING BUSINESSES.**

22 (a) IN GENERAL.—Section 448(c) is amended by re-  
 23 designating paragraph (4) as paragraph (5) and by insert-  
 24 ing after paragraph (3) the following new paragraph:



1           “(4) GROSS RECEIPTS TEST FOR MANUFAC-  
2           TURING TAXPAYERS.—In the case of a manufac-  
3           turing taxpayer, paragraph (1) shall be applied by  
4           substituting ‘\$80,000,000’ for ‘\$25,000,000’.”.

5           (b) INFLATION ADJUSTMENT.—Section 448(c)(5) (as  
6           so redesignated) is amended by striking “the dollar  
7           amount in paragraph (1) shall be increased” and inserting  
8           “the dollar amounts in paragraphs (1) and (4) shall each  
9           be increased”.

10          (c) MANUFACTURING TAXPAYER DEFINED.—Section  
11           448(d) is amended by redesignating paragraph (8) as  
12           paragraph (9) and by inserting after paragraph (7) the  
13           following new paragraph:

14           “(8) MANUFACTURING TAXPAYER.—

15                   “(A) IN GENERAL.—The term ‘manufac-  
16           turing taxpayer’ means a corporation or part-  
17           nership substantially all the gross receipts of  
18           which during the 3-taxable-year period de-  
19           scribed in subsection (c)(1) are derived from  
20           the lease, rental, license, sale, exchange, or  
21           other disposition of qualified products.

22                   “(B) QUALIFIED PRODUCT.—For purposes  
23           of subparagraph (A), the term ‘qualified prod-  
24           uct’ means a product that is both—

1           “(i) tangible personal property which  
2           is not a food or beverage prepared in the  
3           same building as a retail establishment in  
4           which substantially similar property is sold  
5           to the public, and

6           “(ii) produced or manufactured by the  
7           taxpayer in a manner which results in a  
8           substantial transformation (within the  
9           meaning of section 168(n)(2)(D)) of the  
10          property comprising the product.

11          “(C) AGGREGATION RULE.—Solely for pur-  
12          poses of determining whether a taxpayer is a  
13          manufacturing taxpayer under subparagraph  
14          (A)—

15               “(i) gross receipts shall be determined  
16               under the rules of paragraphs (2) and (3)  
17               of subsection (c), and

18               “(ii) for purposes of subsection (c)(2),  
19               in applying section 52(b), the term ‘trade  
20               or business’ shall include any activity  
21               treated as a trade or business under para-  
22               graph (5) or (6) of section 469(c) (deter-  
23               mined without regard to the phrase ‘To  
24               the extent provided in regulations’ in such  
25               paragraph (6)).’.

1 (d) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to taxable years beginning after  
 3 December 31, 2025.

4 **SEC. 111110. GLOBAL INTANGIBLE LOW-TAXED INCOME DE-**  
 5 **TERMINED WITHOUT REGARD TO CERTAIN**  
 6 **INCOME DERIVED FROM SERVICES PER-**  
 7 **FORMED IN THE VIRGIN ISLANDS.**

8 (a) IN GENERAL.—Section 951A(c)(2)(A)(i) is  
 9 amended by striking “and” at the end of subclause (IV),  
 10 by striking “, over” at the end of subclause (V) and insert-  
 11 ing “, and”, and by adding at the end the following new  
 12 subclause:

13 “(VI) in the case of any specified  
 14 United States shareholder, any quali-  
 15 fied Virgin Islands services income,  
 16 over”.

17 (b) DEFINITIONS AND SPECIAL RULES.—Section  
 18 951A(c)(2) is amended by adding at the end the following  
 19 new subparagraph:

20 “(C) PROVISIONS RELATED TO QUALIFIED  
 21 VIRGIN ISLANDS SERVICES INCOME.—For pur-  
 22 poses of subparagraph (A)(i)(VI)—

23 “(i) QUALIFIED VIRGIN ISLANDS  
 24 SERVICES INCOME.—The term ‘qualified  
 25 Virgin Islands services income’ means any

1 gross income which satisfies all of the fol-  
2 lowing requirements:

3 “(I) Such gross income is com-  
4 pensation for labor or personal serv-  
5 ices performed in the Virgin Islands  
6 by a corporation formed under the  
7 laws of the Virgin Islands.

8 “(II) Such gross income is attrib-  
9 utable to services performed from  
10 within the Virgin Islands by individ-  
11 uals for the benefit of such corpora-  
12 tion.

13 “(III) Such gross income is effec-  
14 tively connected with the conduct of a  
15 trade or business within the Virgin Is-  
16 lands.

17 “(ii) SPECIFIED UNITED STATES  
18 SHAREHOLDER.—The term ‘specified  
19 United States shareholder’ means any  
20 United States shareholder which is—

21 “(I) an individual, trust, or es-  
22 tate, or

23 “(II) a closely held C corporation  
24 (as defined in section 469(j)(1)) if  
25 such corporation acquired its direct or

1 indirect equity interest in the foreign  
2 corporation which derived the quali-  
3 fied Virgin Islands services income be-  
4 fore December 31, 2023.

5 “(iii) REGULATIONS.—The Secretary  
6 shall prescribe such regulations or other  
7 guidance as may be necessary or appro-  
8 priate to carry out this subparagraph and  
9 subparagraph (A)(i)(VI), including regula-  
10 tions or other guidance to prevent the  
11 abuse of such subparagraphs.”.

12 (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years of foreign corpora-  
14 tions beginning after the date of the enactment of this  
15 Act, and to taxable years of United States shareholders  
16 with or within which such taxable years of foreign corpora-  
17 tions end.

18 **SEC. 111111. EXTENSION AND MODIFICATION OF CLEAN**  
19 **FUEL PRODUCTION CREDIT.**

20 (a) PROHIBITION ON FOREIGN FEEDSTOCKS.—

21 (1) IN GENERAL.—Section 45Z(f)(1)(A) is  
22 amended—

23 (A) in clause (i)(II)(bb), by striking “and”  
24 at the end,

1 (B) in clause (ii), by striking the period at  
2 the end and inserting “, and”, and

3 (C) by adding at the end the following new  
4 clause:

5 “(iii) such fuel is exclusively derived  
6 from a feedstock which was produced or  
7 grown in the United States, Mexico, or  
8 Canada.”.

9 (2) EFFECTIVE DATE.—The amendments made  
10 by this subsection shall apply to transportation fuel  
11 sold after December 31, 2025.

12 (b) DETERMINATION OF EMISSIONS RATE.—

13 (1) IN GENERAL.—Section 45Z(b)(1)(B) is  
14 amended by adding at the end the following new  
15 clauses:

16 “(iv) EXCLUSION OF INDIRECT LAND  
17 USE CHANGES.—Notwithstanding clauses  
18 (ii) and (iii), the lifecycle greenhouse gas  
19 emissions shall be adjusted as necessary to  
20 exclude any emissions attributed to indi-  
21 rect land use change. Any such adjustment  
22 shall be based on regulations or methodolo-  
23 gies determined by the Secretary in con-  
24 sultation with the Administrator of the En-

1                   vironmental Protection Agency and the  
2                   Secretary of Agriculture.

3                   “(v) ANIMAL MANURES.—For pur-  
4                   poses of the table described in clause (i),  
5                   with respect to any transportation fuels  
6                   which are derived from animal manure, a  
7                   distinct emissions rate shall be provided  
8                   with respect to each of the specific feed-  
9                   stocks used to such produce such fuel,  
10                  which shall include dairy manure, swine  
11                  manure, poultry manure, and such other  
12                  sources as are determined appropriate by  
13                  the Secretary.”.

14               (2) CONFORMING AMENDMENT.—Section  
15               45Z(b)(1)(B)(i) is amended by striking “clauses (ii)  
16               and (iii)” and inserting “clauses (ii), (iii), (iv), and  
17               (v)”.

18               (3) EFFECTIVE DATE.—The amendments made  
19               by this subsection shall apply to emissions rates pub-  
20               lished for taxable years beginning after December  
21               31, 2025.

22               (c) EXTENSION OF CLEAN FUEL PRODUCTION  
23               CREDIT.—Section 45Z(g) is amended by striking “Decem-  
24               ber 31, 2027” and inserting “December 31, 2031”.

1       (d) RESTRICTIONS RELATING TO PROHIBITED FOR-  
2 EIGN ENTITIES.—

3           (1) IN GENERAL.—Section 45Z(f) is amended  
4 by adding at the end the following new paragraph:

5           “(8) RESTRICTIONS RELATING TO PROHIBITED  
6 FOREIGN ENTITIES.—

7           “(A) IN GENERAL.—No credit determined  
8 under subsection (a) shall be allowed under sec-  
9 tion 38 for any taxable year beginning after the  
10 date of enactment of this paragraph if the tax-  
11 payer is a specified foreign entity (as defined in  
12 section 7701(a)(51)(B)).

13           “(B) OTHER PROHIBITED FOREIGN ENTI-  
14 TIES.—No credit determined under subsection  
15 (a) shall be allowed under section 38 for any  
16 taxable year beginning after the date which is  
17 2 years after the date of enactment of this  
18 paragraph if the taxpayer is a foreign-influ-  
19 enced entity (as defined in section  
20 7701(a)(51)(D)).”.

21           (2) EFFECTIVE DATE.—The amendment made  
22 by this subsection shall apply to taxable years begin-  
23 ning after the date of enactment of this Act.



1 **SEC. 111112. RESTORATION OF TAXABLE REIT SUBSIDIARY**  
 2 **ASSET TEST.**

3 (a) IN GENERAL.—Section 856(c)(4)(B)(ii) is  
 4 amended by striking “20 percent” and inserting “25 per-  
 5 cent”.

6 (b) EFFECTIVE DATE.—The amendment made by  
 7 this section shall apply to taxable years beginning after  
 8 December 31, 2025.

9 **PART 3—INVESTING IN THE HEALTH OF RURAL**  
 10 **AMERICA AND MAIN STREET**

11 **SEC. 111201. EXPANDING THE DEFINITION OF RURAL**  
 12 **EMERGENCY HOSPITAL UNDER THE MEDI-**  
 13 **CARE PROGRAM.**

14 (a) IN GENERAL.—Section 1861(kkk) of the Social  
 15 Security Act (42 U.S.C. 1395x(kkk)) is amended—

16 (1) in paragraph (2)—

17 (A) in subparagraph (A), by striking “the  
 18 detailed transition plan” and all that follows  
 19 through “such paragraph” and inserting “the  
 20 detailed transition plan described in clause  
 21 (i)(I) of such paragraph or the assessment of  
 22 health care needs described in clause (i)(II) of  
 23 such paragraph, as applicable,”;

24 (B) in subparagraph (D)(vi), by striking  
 25 the period at the end and inserting “; and”;  
 26 and

1 (C) by adding at the end the following new  
2 subparagraph:

3 “(E) in the case of a facility described in para-  
4 graph (3)(B)—

5 “(i) submits an application under section  
6 1866(j) to enroll under this title as a rural  
7 emergency hospital—

8 “(I) in the case that such facility is  
9 located in a State that, as of January 1,  
10 2027, provides for the licensing of rural  
11 emergency hospitals under State or appli-  
12 cable local law (as described in paragraph  
13 (5)(A)), not later than December 31, 2027;  
14 and

15 “(II) in the case that such facility is  
16 located in a State that, as of January 1,  
17 2027, does not provide for the licensing of  
18 such rural emergency hospitals under State  
19 or applicable local law (as so described),  
20 not later than the date that is 1 year after  
21 the date on which such State begins to  
22 provide for such licensing; and

23 “(ii) in the case that such facility is lo-  
24 cated less than 35 miles away from the nearest  
25 hospital, critical access hospital, or rural emer-

1           agency hospital as of the date on which such fa-  
2           cility submits an application under section  
3           1866(j) to enroll under this title as a rural  
4           emergency hospital, beginning not later than 1  
5           year after the end of the first full cost reporting  
6           period for which the facility is so enrolled, dem-  
7           onstrates annually, in a form and manner de-  
8           termined appropriate by the Secretary, that  
9           more than 50 percent of the services furnished  
10          for the most recent cost reporting period (as de-  
11          termined by the Secretary) were services de-  
12          scribed in paragraph (1)(A)(i), as determined  
13          based on discharges of individuals entitled to  
14          benefits under part A or enrolled under part B  
15          during such cost reporting period.”;

16          (2) in paragraph (3)—

17                (A) by redesignating subparagraphs (A)  
18                and (B) as clauses (i) and (ii), respectively, and  
19                adjusting the margins accordingly;

20                (B) by striking “A facility” and inserting:  
21                “(A) IN GENERAL.—A facility”; and

22                (C) by adding at the end the following new  
23                subparagraph:

1           “(B)    ADDITIONAL    FACILITIES.—Beginning  
2           January 1, 2027, a facility described in this para-  
3           graph shall also include a facility that—

4                   “(i) at any time during the period begin-  
5                   ning January 1, 2014, and ending December  
6                   26, 2020—

7                           “(I) was a critical access hospital; or

8                           “(II) was a subsection (d) hospital (as  
9                           defined in section 1886(d)(1)(B)) with not  
10                          more than 50 beds located in a county (or  
11                          equivalent unit of local government) in a  
12                          rural area (as defined in section  
13                          1886(d)(2)(D)); and

14                          “(ii) as of December 27, 2020, was not en-  
15                          rolled in the program under this title under sec-  
16                          tion 1866(j).”; and

17                          (3) in paragraph (4)—

18                           (A) in subparagraph (A)(i)—

19                                   (i) in subclause (IV), by striking the  
20                                   period at the end and inserting “; and”;

21                                   (ii) by redesignating subclauses (I)  
22                                   through (IV) as items (aa) through (dd),  
23                                   respectively, and adjusting the margins ac-  
24                                   cordingly;

1 (iii) by striking “including a detailed”  
2 and inserting “including—

3 “(I) except in the case of a facility de-  
4 scribed in paragraph (3)(B), a detailed”;  
5 and

6 (iv) by adding at the end the following  
7 new subclause:

8 “(II) in the case of a facility described  
9 in paragraph (3)(B), an assessment of the  
10 health care needs of the county (or equiva-  
11 lent unit of local government) in which  
12 such facility is located, which shall in-  
13 clude—

14 “(aa) a description of the services  
15 furnished by the facility during the  
16 period that such facility was enrolled  
17 in the program under this title under  
18 section 1866(j);

19 “(bb) a description of the reasons  
20 that the facility, as of December 27,  
21 2020, was no longer so enrolled;

22 “(cc) the population of such  
23 county (or equivalent unit);

24 “(dd) the percentage of such pop-  
25 ulation who are individuals entitled to

1 benefits under part A or enrolled  
2 under part B; and

3 “(ee) a description of any lack of  
4 access to health care services experi-  
5 enced by such individuals, and an ex-  
6 planation of how reopening the facility  
7 as a rural emergency hospital would  
8 mitigate such lack of access.”.

9 (b) AMENDMENTS TO PAYMENT RULES.—Section  
10 1834(x) of the Social Security Act (42 U.S.C. 1395m(x))  
11 is amended—

12 (1) in paragraph (1), by inserting “, except  
13 that, in the case of a facility described in section  
14 1861(kkk)(3)(B) that, as of the date on which such  
15 facility submits an application under section 1866(j)  
16 to enroll under this title as a rural emergency hos-  
17 pital, is located less than 35 miles away from the  
18 nearest hospital, critical access hospital, or rural  
19 emergency hospital, such increase shall not apply”  
20 before the period at the end; and

21 (2) in paragraph (2)(A), by inserting “(other  
22 than a facility described in section 1861(kkk)(3)(B)  
23 that, as of the date on which such facility submits  
24 an application under section 1866(j) to enroll under  
25 this title as a rural emergency hospital, is located

1 less than 10 miles away from the nearest hospital,  
 2 critical access hospital, or rural emergency hos-  
 3 pital)” after “rural emergency hospital”.

## 4 **Subtitle C—Make America Win** 5 **Again**

### 6 **PART 1—WORKING FAMILIES OVER ELITES**

#### 7 **SEC. 112001. TERMINATION OF PREVIOUSLY-OWNED CLEAN** 8 **VEHICLE CREDIT.**

9 (a) IN GENERAL.—Section 25E(g) is amended by  
 10 striking “December 31, 2032” and inserting “December  
 11 31, 2025”.

12 (b) EFFECTIVE DATE.—The amendment made by  
 13 this section shall apply to vehicles acquired after Decem-  
 14 ber 31, 2025.

#### 15 **SEC. 112002. TERMINATION OF CLEAN VEHICLE CREDIT.**

16 (a) IN GENERAL.—Section 30D is amended—

17 (1) by redesignating subsection (h) as sub-  
 18 section (i), and

19 (2) in subsection (i), as so redesignated, by  
 20 striking “December 31, 2032” and inserting “De-  
 21 cember 31, 2026”.

22 (b) SPECIAL RULE FOR TAXABLE YEAR 2026.—Sec-  
 23 tion 30D is amended by inserting after subsection (g) the  
 24 following new subsection:

25 “(h) SPECIAL RULE FOR TAXABLE YEAR 2026.—

1           “(1) IN GENERAL.—With respect to any vehicle  
2           placed in service after December 31, 2025, such ve-  
3           hicle shall not be treated as a new clean vehicle for  
4           purposes of this section if, during the period begin-  
5           ning on December 31, 2009, and ending on Decem-  
6           ber 31, 2025, the number of covered vehicles manu-  
7           factured by the manufacturer of such vehicle which  
8           are sold for use in the United States is greater than  
9           200,000.

10           “(2) COVERED VEHICLES.—For purposes of  
11           this subsection, the term ‘covered vehicles’ means—

12                   “(A) with respect to vehicles placed in  
13                   service before January 1, 2023, new qualified  
14                   plug-in electric drive motor vehicles (as defined  
15                   in subsection (d)(1), as in effect on December  
16                   31, 2022), and

17                   “(B) new clean vehicles.

18           “(3) CONTROLLED GROUPS.—Rules similar to  
19           the rules of section 30B(f)(4) shall apply for pur-  
20           poses of this subsection.”.

21           (c) CONFORMING AMENDMENTS.—Section 30D(e) is  
22           amended—

23                   (1) in paragraph (1)(B)—

24                           (A) in clause (iii), by inserting “and” after  
25                   the comma at the end,



1 (B) in clause (iv), by striking “, and” and  
2 inserting a period, and

3 (C) by striking clause (v), and  
4 (2) in paragraph (2)(B)—

5 (A) in clause (ii), by inserting “and” after  
6 the comma at the end,

7 (B) in clause (iii), by striking the comma  
8 at the end and inserting a period, and

9 (C) by striking clauses (iv) through (vi).

10 (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to vehicles placed in service after  
12 December 31, 2025.

13 **SEC. 112003. TERMINATION OF QUALIFIED COMMERCIAL**  
14 **CLEAN VEHICLES CREDIT.**

15 (a) IN GENERAL.—Section 45W(g) is amended to  
16 read as follows:

17 “(g) TERMINATION.—

18 “(1) IN GENERAL.—No credit shall be deter-  
19 mined under this section with respect to any vehicle  
20 acquired after December 31, 2025.

21 “(2) EXCEPTION FOR BINDING CONTRACTS.—  
22 Paragraph (1) shall not apply with respect to vehi-  
23 cles placed in service before January 1, 2033, and  
24 acquired pursuant to a written binding contract en-  
25 tered into before May 12, 2025.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to vehicles acquired after Decem-  
3 ber 31, 2025.

4 **SEC. 112004. TERMINATION OF ALTERNATIVE FUEL VEHI-**  
5 **CLE REFUELING PROPERTY CREDIT.**

6 (a) IN GENERAL.—Section 30C(i) is amended by  
7 striking “December 31, 2032” and inserting “December  
8 31, 2025”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to property placed in service after  
11 December 31, 2025.

12 **SEC. 112005. TERMINATION OF ENERGY EFFICIENT HOME**  
13 **IMPROVEMENT CREDIT.**

14 (a) IN GENERAL.—Section 25C(i) is amended to read  
15 as follows:

16 “(i) TERMINATION.—This section shall not apply  
17 with respect to any property placed in service after Decem-  
18 ber 31, 2025.”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) Section 25C(d)(2)(C) is amended to read as  
21 follows:

22 “(C) Any oil furnace or hot water boiler  
23 which is placed in service before January 1,  
24 2026, and—

1 “(i) meets or exceeds 2021 Energy  
2 Star efficiency criteria, and  
3 “(ii) is rated by the manufacturer for  
4 use with fuel blends at least 20 percent of  
5 the volume of which consists of an eligible  
6 fuel.”.

7 (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to property placed in service after  
9 December 31, 2025.

10 **SEC. 112006. TERMINATION OF RESIDENTIAL CLEAN EN-**  
11 **ERGY CREDIT.**

12 (a) IN GENERAL.—Section 25D(h) is amended by  
13 striking “December 31, 2034” and inserting “December  
14 31, 2025”.

15 (b) CONFORMING AMENDMENTS.—Section 25D(g) is  
16 amended—

17 (1) in paragraph (2), by inserting “and” after  
18 the comma at the end,

19 (2) in paragraph (3), by striking “January 1,  
20 2033, 30 percent,” and inserting “January 1, 2026,  
21 30 percent.”, and

22 (3) by striking paragraphs (4) and (5).

23 (c) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to property placed in service after  
25 December 31, 2025.

1 **SEC. 112007. TERMINATION OF NEW ENERGY EFFICIENT**  
2 **HOME CREDIT.**

3 (a) IN GENERAL.—Section 45L(h) is amended to  
4 read as follows:

5 “(h) TERMINATION.—This section shall not apply to  
6 any qualified new energy efficient home acquired after De-  
7 cember 31, 2025 (December 31, 2026, in the case of any  
8 home for which construction began before May 12,  
9 2025).”.

10 (b) EFFECTIVE DATE.—The amendment made by  
11 this section shall apply to homes acquired after December  
12 31, 2025.

13 **SEC. 112008. RESTRICTIONS ON CLEAN ELECTRICITY PRO-**  
14 **DUCTION CREDIT.**

15 (a) TERMINATION OF CREDIT.—Section 45Y is  
16 amended by striking subsection (d) and by adding at the  
17 end the following new subsection:

18 “(h) TERMINATION OF CREDIT.—

19 “(1) IN GENERAL.—Except as provided in para-  
20 graphs (2) and (3), no credit shall be allowed under  
21 this section for any qualified facility—

22 “(A) the construction of which begins after  
23 the date which is 60 days after the date of the  
24 enactment of this subsection, or

25 “(B) which is placed in service after De-  
26 cember 31, 2028.

1           “(2) ADVANCED NUCLEAR FACILITIES.—In the  
2           case of any qualified facility that is an advanced nu-  
3           clear facility (as defined in section 45J(d)(2))—

4                   “(A) paragraph (1) shall not apply, and

5                   “(B) no credit shall be allowed under this  
6           section for any such facility the construction of  
7           which begins after December 31, 2028.

8           “(3) EXPANSION OF NUCLEAR FACILITIES.—In  
9           the case of any nuclear facility the reactor design for  
10          which is approved by the Nuclear Regulatory Com-  
11          mission—

12                   “(A) paragraph (1) shall not apply, and

13                   “(B) no credit shall be allowed under this  
14          section for any such facility the expansion of  
15          which begins after December 31, 2028.”.

16          (b) RESTRICTIONS RELATING TO PROHIBITED FOR-  
17          EIGN ENTITIES.—Section 45Y is amended—

18                   (1) in subsection (b)(1), by adding at the end  
19          the following new subparagraph:

20                   “(E) MATERIAL ASSISTANCE FROM PRO-  
21          HIBITED FOREIGN ENTITIES.—The term ‘quali-  
22          fied facility’ shall not include any facility for  
23          which construction begins after December 31,  
24          2025 if the construction of such facility in-  
25          cludes any material assistance from a prohib-

1           ited foreign entity (as defined in section  
2           7701(a)(52)).”, and

3           (2) in subsection (g), by adding at the end the  
4           following new paragraph:

5           “(13) RESTRICTIONS RELATING TO PROHIB-  
6           ITED FOREIGN ENTITIES.—

7                   “(A) IN GENERAL.—No credit determined  
8                   under subsection (a) shall be allowed under sec-  
9                   tion 38 for any taxable year beginning after the  
10                  date of enactment of this paragraph if the tax-  
11                  payer is a specified foreign entity (as defined in  
12                  section 7701(a)(51)(B)).

13                  “(B) OTHER PROHIBITED FOREIGN ENTI-  
14                  TIES.—No credit determined under subsection  
15                  (a) shall be allowed under section 38 for any  
16                  taxable year beginning after the date which is  
17                  2 years after the date of enactment of this  
18                  paragraph if—

19                          “(i) the taxpayer is a foreign-influ-  
20                          enced entity (as defined in section  
21                          7701(a)(51)(D)), or

22                          “(ii) during such taxable year, the  
23                          taxpayer—

24                                  “(I) makes a payment of divi-  
25                                  dends, interest, compensation for serv-

1           ices, rentals or royalties, guarantees  
2           or any other fixed, determinable, an-  
3           nual, or periodic amount to a prohib-  
4           ited foreign entity (as defined in sec-  
5           tion 7701(a)(51)) in an amount which  
6           is equal to or greater than 5 percent  
7           of the total of such payments made by  
8           such taxpayer during such taxable  
9           year which are related to the produc-  
10          tion of electricity, or

11                   “(II) makes payments described  
12           in subclause (I) to more than 1 pro-  
13           hibited foreign entity (as so defined)  
14           in an amount which, in the aggregate,  
15           is equal to or greater than 15 percent  
16           of the total of such payments made by  
17           such taxpayer during such taxable  
18           year which are related to the produc-  
19           tion of electricity.”.

20           (c) DEFINITIONS RELATING TO PROHIBITED FOR-  
21   EIGN ENTITIES.—Section 7701(a) is amended by adding  
22   at the end the following new paragraphs:

23                   “(51) PROHIBITED FOREIGN ENTITY.—

1           “(A) IN GENERAL.—The term ‘prohibited  
2 foreign entity’ means a specified foreign entity  
3 or a foreign-influenced entity.

4           “(B) SPECIFIED FOREIGN ENTITY.—For  
5 purposes of subparagraph (A), the term ‘speci-  
6 fied foreign entity’ means—

7               “(i) a foreign entity of concern de-  
8 scribed in subparagraph (A), (B), (D), or  
9 (E) of section 9901(8) of the William M.  
10 (Mac) Thornberry National Defense Au-  
11 thorization Act for Fiscal Year 2021 (Pub-  
12 lic Law 116–283; 15 U.S.C. 4651),

13               “(ii) an entity identified as a Chinese  
14 military company operating in the United  
15 States in accordance with section 1260H  
16 of the William M. (Mac) Thornberry Na-  
17 tional Defense Authorization Act for Fiscal  
18 Year 2021 (Public Law 116–283; 10  
19 U.S.C. 113 note),

20               “(iii) an entity included on a list re-  
21 quired by clause (i), (ii), (iv), or (v) of sec-  
22 tion 2(d)(2)(B) of Public Law 117–78  
23 (135 Stat. 1527),

24               “(iv) an entity specified under section  
25 154(b) of the National Defense Authoriza-



tion Act for Fiscal Year 2024 (Public Law  
118–31; 10 U.S.C. note prec. 4651), or

“(v) a foreign-controlled entity.

“(C) FOREIGN-CONTROLLED ENTITY.—For  
purposes of subparagraph (B), the term ‘for-  
eign-controlled entity’ means—

“(i) the government of a covered na-  
tion (as defined in section 4872(f)(2) of  
title 10, United States Code),

“(ii) a person who is a citizen, na-  
tional, or resident of a covered nation, pro-  
vided that such person is not an individual  
who is a citizen or lawful permanent resi-  
dent of the United States,

“(iii) an entity or a qualified business  
unit (as defined in section 989(a)) incor-  
porated or organized under the laws of, or  
having its principal place of business in, a  
covered nation, or

“(iv) an entity (including subsidiary  
entities) controlled (as determined under  
subparagraph (F)) by an entity described  
in clause (i), (ii), or (iii).

1           “(D) FOREIGN-INFLUENCED ENTITY.—For  
2           purposes of subparagraph (A), the term ‘for-  
3           eign-influenced entity’ means an entity—

4                   “(i) with respect to which, during the  
5           taxable year—

6                           “(I) a specified foreign entity has  
7                           the direct or indirect authority to ap-  
8                           point a covered officer of such entity,

9                           “(II) a single specified foreign  
10                          entity owns at least 10 percent of  
11                          such entity,

12                          “(III) one or more specified for-  
13                          eign entities own in the aggregate at  
14                          least 25 percent of such entity, or

15                          “(IV) at least 25 percent of the  
16                          debt of such entity is held in the ag-  
17                          gregate by one or more specified for-  
18                          eign entities, or

19                          “(ii) which, during the previous tax-  
20           able year—

21                           “(I) makes a payment of divi-  
22                           dends, interest, compensation for serv-  
23                           ices, rentals or royalties, guarantees  
24                           or any other fixed, determinable, an-  
25                           nual, or periodic amount to a specified

1 foreign entity in an amount which is  
2 equal to or greater than 10 percent of  
3 the total of such payments made by  
4 such entity during such taxable year,  
5 or

6 “(II) makes payments described  
7 in subclause (I) to more than 1 speci-  
8 fied foreign entity in an amount  
9 which, in the aggregate, is equal to or  
10 greater than 25 percent of the total of  
11 such payments made by such entity  
12 during such taxable year.

13 Clause (ii) shall not apply unless such enti-  
14 ty makes such payments knowingly (or has  
15 reason to know).

16 “(E) COVERED OFFICER.—For purposes of  
17 this paragraph, the term ‘covered officer’  
18 means, with respect to an entity—

19 “(i) a member of the board of direc-  
20 tors, board of supervisors, or equivalent  
21 governing body,

22 “(ii) an executive-level officer, includ-  
23 ing the president, chief executive officer,  
24 chief operating officer, chief financial offi-

cer, general counsel, or senior vice president, or

“(iii) an individual having powers or responsibilities similar to those of officers or members described in clause (i) or (ii).

“(F) DETERMINATION OF CONTROL.—For purposes of subparagraph (C)(iv), the term ‘control’ means—

“(i) in the case of a corporation, ownership (by vote or value) of more than 50 percent of the stock in such corporation,

“(ii) in the case of a partnership, ownership of more than 50 percent of the profits interests or capital interests in such partnership, or

“(iii) in any other case, ownership of more than 50 percent of the beneficial interests in the entity.

“(G) DETERMINATION OF OWNERSHIP.—For purposes of this section, section 318 (other than subsection (a)(3) thereof) shall apply for purposes of determining ownership of stock in a corporation. Similar principles shall apply for purposes of determining ownership of interests in any other entity.

1           “(H) REGULATIONS AND GUIDANCE.—The  
2           Secretary may prescribe such regulations and  
3           guidance as may be necessary or appropriate to  
4           carry out the provisions of this paragraph.

5           “(52) MATERIAL ASSISTANCE FROM A PROHIB-  
6           ITED FOREIGN ENTITY.—

7           “(A) IN GENERAL.—The term ‘material  
8           assistance from a prohibited foreign entity’  
9           means, with respect to any property—

10           “(i) any component, subcomponent, or  
11           applicable critical mineral (as defined in  
12           section 45X(c)(6)) included in such prop-  
13           erty that is extracted, processed, recycled,  
14           manufactured, or assembled by a prohib-  
15           ited foreign entity, or

16           “(ii) any design of such property  
17           which is based on any copyright or patent  
18           held by a prohibited foreign entity or any  
19           know-how or trade secret provided by a  
20           prohibited foreign entity.

21           “(B) EXCLUSION.—

22           “(i) IN GENERAL.—The term ‘mate-  
23           rial assistance from a prohibited foreign  
24           entity’ shall not include any assembly part  
25           or constituent material, provided that such

1 part or material is not acquired directly  
2 from a prohibited foreign entity.

3 “(ii) ASSEMBLY PART.—For purposes  
4 of this subparagraph, the term ‘assembly  
5 part’ means a subcomponent or collection  
6 of subcomponents which is—

7 “(I) not uniquely designed for  
8 use in the construction of a qualified  
9 facility described in section 45Y or  
10 48E or an eligible component de-  
11 scribed in section 45X, and

12 “(II) not exclusively or predomi-  
13 nantly produced by prohibited foreign  
14 entities.

15 “(iii) CONSTITUENT MATERIAL.—For  
16 purposes of this subparagraph, the term  
17 ‘constituent material’ means any material  
18 which is—

19 “(I) not uniquely formulated for  
20 use in a qualified facility described in  
21 section 45Y or 48E or an eligible  
22 component described in section 45X,  
23 and

1                   “(II) not exclusively or predomi-  
 2                   nantly produced, processed, or ex-  
 3                   tracted by prohibited foreign entities.

4                   “(iv) REGULATIONS AND GUID-  
 5                   ANCE.—The Secretary may prescribe such  
 6                   regulations and guidance as may be nec-  
 7                   essary or appropriate to carry out the pro-  
 8                   visions of this paragraph.”.

9           (d) DENIAL OF CREDIT FOR EXPENDITURES FOR  
 10 CERTAIN WIND AND SOLAR LEASING ARRANGEMENTS.—  
 11 Section 45Y, as amended by subsection (a), is amended  
 12 by inserting after subsection (c) the following new sub-  
 13 section:

14           “(d) DENIAL OF CREDIT FOR EXPENDITURES FOR  
 15 WIND AND SOLAR LEASING ARRANGEMENTS.—No credit  
 16 shall be allowed under this section for any investment dur-  
 17 ing the taxable year with respect to property described in  
 18 paragraph (1), (2), or (4) of section 25D(d) if—

19                   “(1) the taxpayer rents or leases such property  
 20                   to a third party during such taxable year, and

21                   “(2) the lessee would qualify for a credit under  
 22                   section 25D with respect to such property if the les-  
 23                   see owned such property.”.

24           (e) EFFECTIVE DATES.—

1           (1) IN GENERAL.—Except as provided in para-  
 2           graph (2), the amendments made by this section  
 3           shall apply to taxable years beginning after the date  
 4           of enactment of this Act.

5           (2) TERMINATION OF CREDIT.—The amend-  
 6           ment made by subsection (a) shall apply to facilities  
 7           for which construction begins after the date that is  
 8           60 days after the date of enactment of this Act.

9   **SEC. 112009. RESTRICTIONS ON CLEAN ELECTRICITY IN-**  
 10           **VESTMENT CREDIT.**

11          (a) TERMINATION OF CREDIT.—Section 48E is  
 12          amended by striking subsection (e) and by adding at the  
 13          end the following new subsection:

14          “(j) TERMINATION OF CREDIT.—

15               “(1) IN GENERAL.—Except as provided in para-  
 16               graph (2), no credit shall be allowed under this sec-  
 17               tion for any qualified facility or energy storage tech-  
 18               nology—

19                       “(A) the construction of which begins after  
 20                       the date which is 60 days after the date of the  
 21                       enactment of this subsection, or

22                       “(B) which is placed in service after De-  
 23                       cember 31, 2028.



1           “(2) ADVANCED NUCLEAR FACILITY.—In the  
2           case of any qualified facility that is an advanced nu-  
3           clear facility (as defined in section 45J(d)(2))—

4                   “(A) paragraph (1) shall not apply, and

5                   “(B) no credit shall be allowed under this  
6           section for any such facility the construction of  
7           which begins after December 31, 2028.”.

8           (b) RESTRICTIONS RELATING TO PROHIBITED FOR-  
9           EIGN ENTITIES.—

10           (1) IN GENERAL.—Section 48E is amended—

11                   (A) in subsection (b)(3), by adding at the  
12           end the following new subparagraph:

13                   “(D) MATERIAL ASSISTANCE FROM PRO-  
14           HIBITED FOREIGN ENTITIES.—The term ‘quali-  
15           fied facility’ shall not include any facility the  
16           construction of which begins after December  
17           31, 2025 if the construction of such facility in-  
18           cludes any material assistance from a prohib-  
19           ited foreign entity (as defined in section  
20           7701(a)(52)).”, and

21                   (B) in subsection (c), by adding at the end  
22           the following new paragraph:

23                   “(3) MATERIAL ASSISTANCE FROM PROHIBITED  
24           FOREIGN ENTITIES.—The term ‘energy storage tech-  
25           nology’ shall not include any property the construc-

tion of which begins after December 31, 2025 if the construction of such property includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52)).”.

(2) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 48E(d) is amended by adding at the end the following new paragraph:

“(6) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

“(A) IN GENERAL.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is a specified foreign entity (as defined in section 7701(a)(51)(B)).

“(B) OTHER PROHIBITED FOREIGN ENTITIES.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph if—

“(i) the taxpayer is a foreign-influenced entity (as defined in section 7701(a)(51)(D)), or

1 “(ii) during such taxable year, the  
2 taxpayer—

3 “(I) makes a payment of divi-  
4 dends, interest, compensation for serv-  
5 ices, rentals or royalties, guarantees  
6 or any other fixed, determinable, an-  
7 nual, or periodic amount to a prohib-  
8 ited foreign entity (as defined in sec-  
9 tion 7701(a)(51)) in an amount which  
10 is equal to or greater than 5 percent  
11 of the total of such payments made by  
12 such taxpayer during such taxable  
13 year which are related to the produc-  
14 tion of electricity or storage of energy,  
15 or

16 “(II) makes payments described  
17 in subclause (I) to more than 1 pro-  
18 hibited foreign entity (as so defined)  
19 in an amount which, in the aggregate,  
20 is equal to or greater than 15 percent  
21 of the total of such payments made by  
22 such taxpayer during such taxable  
23 year which are related to the produc-  
24 tion of electricity or storage of en-  
25 ergy.”.

1           (3) RECAPTURE.—Section 50(a) is amended—

2                   (A) by redesignating paragraphs (4)  
3           through (6) as paragraphs (5) through (7), re-  
4           spectively,

5                   (B) by inserting after paragraph (3) the  
6           following new paragraph:

7           “(4) PAYMENTS TO PROHIBITED FOREIGN EN-  
8           TITIES.—

9                   “(A) IN GENERAL.—If there is an applica-  
10          ble payment made by a specified taxpayer be-  
11          fore the close of the 10-year period beginning  
12          on the date such taxpayer placed in service in-  
13          vestment credit property which is eligible for  
14          the clean electricity investment credit under  
15          section 48E(a), then the tax under this chapter  
16          for the taxable year in which such applicable  
17          payment occurs shall be increased by 100 per-  
18          cent of the aggregate decrease in the credits al-  
19          lowed under section 38 for all prior taxable  
20          years which would have resulted solely from re-  
21          ducing to zero any credit determined under sec-  
22          tion 46 which is attributable to the clean elec-  
23          tricity investment credit under section 48E(a)  
24          with respect to such property.

1           “(B) APPLICABLE PAYMENT.—For pur-  
 2           poses of this paragraph, the term ‘applicable  
 3           payment’ means, with respect to any taxable  
 4           year, a payment or payments described in sub-  
 5           clause (I) or (II) of section 48E(d)(6)(B)(ii).

6           “(C) SPECIFIED TAXPAYER.—For pur-  
 7           poses of this paragraph, the term ‘specified tax-  
 8           payer’ means any taxpayer who has been al-  
 9           lowed a credit under section 48E(a) for any  
 10          taxable year beginning after the date which is  
 11          2 years after the date of enactment of this  
 12          paragraph.”,

13          (C) in paragraph (5), as redesignated by  
 14          subparagraph (A), by striking “or any applica-  
 15          ble transaction to which paragraph (3)(A) ap-  
 16          plies,” and inserting “any applicable trans-  
 17          action to which paragraph (3)(A) applies, or  
 18          any applicable payment to which paragraph  
 19          (4)(A) applies,” and

20          (D) in paragraph (7), as redesignated by  
 21          subparagraph (A), by striking “or (3)” and in-  
 22          serting “(3), or (4)”.

23          (c) DENIAL OF CREDIT FOR EXPENDITURES FOR  
 24          CERTAIN WIND AND SOLAR LEASING ARRANGEMENTS.—  
 25          Section 48E, as amended by subsection (a), is amended

1 by inserting after subsection (d) the following new sub-  
2 section:

3 “(e) DENIAL OF CREDIT FOR EXPENDITURES FOR  
4 WIND AND SOLAR LEASING ARRANGEMENTS.—No credit  
5 shall be allowed under this section for any investment dur-  
6 ing the taxable year with respect to property described in  
7 paragraph (1), (2), or (4) of section 25D(d) if—

8 “(1) the taxpayer rents or leases such property  
9 to a third party during such taxable year, and

10 “(2) the lessee would qualify for a credit under  
11 section 25D with respect to such property if the les-  
12 see owned such property.”.

13 (d) CONFORMING AMENDMENTS.—Section 48E(h)(4)  
14 is amended—

15 (1) in subparagraph (C), by striking “December  
16 31 of the applicable year (as defined in section  
17 45Y(d)(3))” and inserting “December 31, 2028”,

18 (2) in subparagraph (D), by striking “the third  
19 calendar year following the applicable year (as de-  
20 fined in section 45Y(d)(3))” and inserting “2028”,  
21 and

22 (3) in subparagraph (E)(i), by striking “after  
23 the date that is 4 years after the date of the alloca-  
24 tion with respect to the facility of which such prop-  
25 erty is a part” and inserting “the earlier of—

1 “(I) the date that is 4 years after  
2 the date of the allocation with respect  
3 to the facility of which such property  
4 is a part, or

5 “(II) December 31, 2028.”.

6 (e) EFFECTIVE DATES.—

7 (1) IN GENERAL.—Except as provided in para-  
8 graph (2), the amendments made by this section  
9 shall apply to taxable years beginning after the date  
10 of enactment of this Act.

11 (2) TERMINATION OF CREDIT.—The amend-  
12 ment made by subsection (a) shall apply to facilities  
13 and energy storage technology for which construc-  
14 tion begins after the date that is 60 days after the  
15 date of enactment of this Act.

16 **SEC. 112010. REPEAL OF TRANSFERABILITY OF CLEAN**  
17 **FUEL PRODUCTION CREDIT.**

18 (a) IN GENERAL.—Section 6418(f)(1)(A) is amended  
19 by striking clause (viii).

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to fuel produced after December  
22 31, 2027.

1 **SEC. 112011. RESTRICTIONS ON CARBON OXIDE SEQUES-**  
2 **TRATION CREDIT.**

3 (a) RESTRICTIONS RELATING TO PROHIBITED FOR-  
4 EIGN ENTITIES.—Section 45Q(f) is amended by adding  
5 at the end the following new paragraph:

6 “(10) RESTRICTIONS RELATING TO PROHIB-  
7 ITED FOREIGN ENTITIES.—

8 “(A) IN GENERAL.—No credit determined  
9 under subsection (a) shall be allowed under sec-  
10 tion 38 for any taxable year beginning after the  
11 date of enactment of this paragraph if the tax-  
12 payer is a specified foreign entity (as defined in  
13 section 7701(a)(51)(B)).

14 “(B) OTHER PROHIBITED FOREIGN ENTI-  
15 TIES.—No credit determined under subsection  
16 (a) shall be allowed under section 38 for any  
17 taxable year beginning after the date which is  
18 2 years after the date of enactment of this  
19 paragraph if the taxpayer is a foreign-influ-  
20 enced entity (as defined in section  
21 7701(a)(51)(D)).”.

22 (b) REPEAL OF TRANSFERABILITY.—Section  
23 6418(f)(1), as amended by section 112010, is amended—

24 (1) in subparagraph (A), by striking clause (iii),  
25 and

26 (2) in subparagraph (B)—



1 (A) in the matter preceding clause (i), by  
 2 striking “clause (ii), (iii), or (v)” and inserting  
 3 “clause (ii) or (v)”, and

4 (B) in clause (ii), by striking “(or, in the  
 5 case” and all that follows through “at such fa-  
 6 cility)”.

7 (c) EFFECTIVE DATES.—

8 (1) RESTRICTIONS RELATING TO PROHIBITED  
 9 FOREIGN ENTITIES.—The amendments made by  
 10 subsection (a) shall apply to taxable years beginning  
 11 after the date of enactment of this Act.

12 (2) REPEAL OF TRANSFERABILITY.—The  
 13 amendments made by subsection (b) shall apply to  
 14 carbon capture equipment the construction of which  
 15 begins after the date that is 2 years after the date  
 16 of enactment of this Act.

17 **SEC. 112012. RESTRICTIONS ON ZERO-EMISSION NUCLEAR**  
 18 **POWER PRODUCTION CREDIT.**

19 (a) RESTRICTIONS RELATING TO PROHIBITED FOR-  
 20 EIGN ENTITIES.—Section 45U(c) is amended by adding  
 21 at the end the following new paragraph:

22 “(3) RESTRICTIONS RELATING TO PROHIBITED  
 23 FOREIGN ENTITIES.—

24 “(A) IN GENERAL.—No credit determined  
 25 under subsection (a) shall be allowed under sec-

tion 38 for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is a specified foreign entity (as defined in section 7701(a)(51)(B)).

“(B) OTHER PROHIBITED FOREIGN ENTITIES.—No credit determined under subsection (a) shall be allowed under section 38 for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph if the taxpayer is a foreign-influenced entity (as defined in section 7701(a)(51)(D)).”.

(b) TERMINATION OF CREDIT.—Section 45U(e) is amended by striking “December 31, 2032” and inserting “December 31, 2031”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

**SEC. 112013. TERMINATION OF CLEAN HYDROGEN PRODUCTION CREDIT.**

(a) TERMINATION.—Section 45V(c)(3)(C) is amended by striking “January 1, 2033” and inserting “January 1, 2026”.

1 (b) EFFECTIVE DATE.—The amendment made by  
 2 this section shall apply to facilities the construction of  
 3 which begins after December 31, 2025.

4 **SEC. 112014. PHASE-OUT AND RESTRICTIONS ON AD-**  
 5 **VANCED MANUFACTURING PRODUCTION**  
 6 **CREDIT.**

7 (a) PHASE-OUT.—Section 45X(b)(3) is amended—

8 (1) in subparagraph (B)—

9 (A) in clause (ii), by adding “and” at the  
 10 end,

11 (B) in clause (iii), by striking “during cal-  
 12 endar year 2032, 25 percent,” and inserting  
 13 “after December 31, 2031, 0 percent.”, and

14 (C) by striking clause (iv), and

15 (2) by striking subparagraph (C) and inserting  
 16 the following:

17 “(C) TERMINATION FOR WIND ENERGY  
 18 COMPONENTS.—This section shall not apply to  
 19 wind energy components sold after December  
 20 31, 2027.”.

21 (b) RESTRICTIONS RELATING TO PROHIBITED FOR-  
 22 EIGN ENTITIES.—Section 45X is amended—

23 (1) in subsection (c)(1), by adding at the end  
 24 the following new subparagraph:

1           “(C) MATERIAL ASSISTANCE FROM PRO-  
2           HIBITED FOREIGN ENTITIES.—In the case of  
3           taxable years beginning after the date which is  
4           2 years after the date of enactment of this sub-  
5           paragraph, the term ‘eligible component’ shall  
6           not include any property which—

7                   “(i) includes any material assistance  
8                   from a prohibited foreign entity (as defined  
9                   in section 7701(a)(52)), or

10                   “(ii) is produced subject to a licensing  
11                   agreement with a prohibited foreign entity  
12                   (as defined in section 7701(a)(51)) for  
13                   which the value of such agreement is in ex-  
14                   cess of \$1,000,000.”, and

15           (2) in subsection (d), by adding at the end the  
16           following new paragraph:

17                   “(5) RESTRICTIONS RELATING TO PROHIBITED  
18                   FOREIGN ENTITIES.—

19                   “(A) IN GENERAL.—No credit determined  
20                   under subsection (a) shall be allowed under sec-  
21                   tion 38 for any taxable year beginning after the  
22                   date of enactment of this paragraph if the tax-  
23                   payer is a specified foreign entity (as defined in  
24                   section 7701(a)(51)(B)).

1           “(B) OTHER PROHIBITED FOREIGN ENTI-  
2           TIES.—No credit determined under subsection  
3           (a) shall be allowed under section 38 for any  
4           taxable year beginning after the date which is  
5           2 years after the date of enactment of this  
6           paragraph if the taxpayer is a foreign-influ-  
7           enced entity (as defined in section  
8           7701(a)(51)(D)).

9           “(C) PAYMENTS TO PROHIBITED FOREIGN  
10          ENTITIES.—

11           “(i) IN GENERAL.—If, for any taxable  
12           year beginning after the date that is 2  
13           years after the date of the enactment of  
14           this paragraph, a taxpayer is described in  
15           clause (ii) for such taxable year with re-  
16           spect to any eligible component category,  
17           no credit shall be determined under sub-  
18           section (a) for eligible components in such  
19           eligible component category for such tax-  
20           able year.

21           “(ii) TAXPAYER DESCRIBED.—A tax-  
22           payer is described in this clause for a tax-  
23           able year with respect to any eligible com-  
24           ponent category if such taxpayer—

1           “(I) makes a payment of divi-  
2           dends, interest, compensation for serv-  
3           ices, rentals or royalties, guarantees  
4           or any other fixed, determinable, an-  
5           nual, or periodic amount to a prohib-  
6           ited foreign entity (as defined in sec-  
7           tion 7701(a)(51)) in an amount which  
8           is equal to or greater than 5 percent  
9           of the total of such payments made by  
10          such taxpayer during such taxable  
11          year which are related to the produc-  
12          tion of eligible components included  
13          within such eligible component cat-  
14          egory, or

15          “(II) makes payments described  
16          in subclause (I) to more than 1 pro-  
17          hibited foreign entity (as so defined)  
18          in an amount which, in the aggregate,  
19          is equal to or greater than 15 percent  
20          of such payments made by such tax-  
21          payer during such taxable year which  
22          are related to the production of eligi-  
23          ble components included within such  
24          eligible component category.

1 “(iii) ELIGIBLE COMPONENT CAT-  
 2 EGORY.—For purposes of this subpara-  
 3 graph, the term ‘eligible component cat-  
 4 egory’ means eligible components which  
 5 are included within each respective clause  
 6 under subsection (c)(1)(A).”.

7 (c) REPEAL OF TRANSFERABILITY.—Section 6418,  
 8 as amended by sections 112010, 112011, and 112012 is  
 9 amended—

10 (1) in subsection (f)(1)—

11 (A) in subparagraph (A)—

12 (i) by striking clause (vi), and

13 (ii) by redesignating clauses (iv), (v),

14 (vii), (ix), (x), and (xi) as clauses (iii), (iv),

15 (v), (vi), (vii), and (viii), respectively, and

16 (B) in subparagraph (B), by striking

17 “clause (ii) or (v)” and inserting “clause (ii) or

18 (iv)”, and

19 (2) in subsection (g)(3), by striking “clause (ix)

20 or (x)” and inserting “clause (vi) or (vii)”.

21 (d) EFFECTIVE DATES.—

22 (1) IN GENERAL.—Except as provided in para-

23 graph (2), the amendments made by this section

24 shall apply to taxable years beginning after the date

25 of enactment of this Act.

1           (2) REPEAL OF TRANSFERABILITY.—The  
2       amendments made by subsection (c) shall apply to  
3       components sold after December 31, 2027.

4 **SEC. 112015. PHASE-OUT OF CREDIT FOR CERTAIN ENERGY**  
5 **PROPERTY.**

6       (a) PHASE-OUT.—Section 48(a) is amended—

7           (1) in paragraph (3)(vii), by striking “the con-  
8       struction of which begins before January 1, 2035”  
9       and inserting “the construction of which begins be-  
10      fore January 1, 2032”, and

11          (2) by striking paragraph (7) and inserting the  
12      following new paragraph:

13           “(7) PHASE-OUT FOR CERTAIN ENERGY PROP-  
14      PERTY.—In the case of any energy property described  
15      in clause (vii) of paragraph (3)(A), the energy per-  
16      centage determined under paragraph (2) shall be  
17      equal to—

18           “(A) in the case of any property the con-  
19      struction of which begins before January 1,  
20      2030, and which is placed in service after De-  
21      cember 31, 2021, 6 percent,

22           “(B) in the case of any property the con-  
23      struction of which begins after December 31,  
24      2029, and before January 1, 2031, 5.2 percent,  
25      and



1           “(C) in the case of any property the con-  
2           struction of which begins after December 31,  
3           2030, and before January 1, 2032, 4.4 per-  
4           cent.”.

5           (b) RESTRICTIONS RELATING TO PROHIBITED FOR-  
6           EIGN ENTITIES.—Section 48(a) is amended by redesignig-  
7           nating paragraph (16) as paragraph (17) and by inserting  
8           after paragraph (15) the following new paragraph:

9           “(16) RESTRICTIONS RELATING TO PROHIB-  
10          ITED FOREIGN ENTITIES.—

11           “(A) IN GENERAL.—No credit determined  
12           under this subsection for energy property de-  
13           scribed in paragraph (3)(A)(vii) shall be allowed  
14           under section 38 for any taxable year beginning  
15           after the date of enactment of this paragraph  
16           if the taxpayer is a specified foreign entity (as  
17           defined in section 7701(a)(51)(B)).

18           “(B) OTHER PROHIBITED FOREIGN ENTI-  
19           TIES.—No credit determined under this sub-  
20           section for energy property described in para-  
21           graph (3)(A)(vii) shall be allowed under section  
22           38 for any taxable year beginning after the date  
23           which is 2 years after the date of enactment of  
24           this paragraph if the taxpayer is a foreign-influ-

1           enced entity (as defined in section  
2           7701(a)(51)(D)).”.

3           (c) REPEAL OF TRANSFERABILITY.—Section  
4   6418(f)(1)(A)(iii), as redesignated by section 112014, is  
5   amended by inserting “(except so much of the credit as  
6   is determined under paragraph (3)(A)(vii) of such sec-  
7   tion)” after “section 48”.

8           (d) EFFECTIVE DATES.—

9           (1) IN GENERAL.—Except as provided in para-  
10   graph (2), the amendments made by this section  
11   shall apply to taxable years beginning after the date  
12   of the enactment of this Act.

13          (2) REPEAL OF TRANSFERABILITY.—The  
14   amendments made by subsection (c) shall apply to  
15   property the construction of which begins after the  
16   date that is 2 years after the date of enactment of  
17   this Act.

18   **SEC. 112016. INCOME FROM HYDROGEN STORAGE, CARBON**  
19                           **CAPTURE ADDED TO QUALIFYING INCOME OF**  
20                           **CERTAIN PUBLICLY TRADED PARTNERSHIPS**  
21                           **TREATED AS CORPORATIONS.**

22          (a) IN GENERAL.—Section 7704(d)(1)(E) is amend-  
23   ed—

1           (1) by striking “income and gains derived from  
2           the exploration” and inserting “income and gains  
3           derived from—

4                       “(i) the exploration”,

5           (2) by inserting “or” before “industrial  
6           source”, and

7           (3) by striking “the transportation or storage”  
8           and all that follows and inserting the following:

9                       “(ii) the transportation or storage  
10                      of—

11                               “(I) any fuel described in sub-  
12                               section (b), (c), (d), (e), or (k) of sec-  
13                               tion 6426, or any alcohol fuel defined  
14                               in section 6426(b)(4)(A) or any bio-  
15                               diesel fuel as defined in section  
16                               40A(d)(1) or sustainable aviation fuel  
17                               as defined in section 40B(d)(1), or

18                               “(II) liquified hydrogen or com-  
19                               pressed hydrogen, or

20                               “(iii) in the case of a qualified facility  
21                               (as defined in section 45Q(d), without re-  
22                               gard to any date by which construction of  
23                               the facility is required to begin) not less  
24                               than 50 percent of the total carbon oxide

1 production of which is qualified carbon  
 2 oxide (as defined in section 45Q(c))—

3 “(I) the generation, availability  
 4 for such generation, or storage of elec-  
 5 tric power at such facility, or

6 “(II) the capture of carbon diox-  
 7 ide by such facility,”.

8 (b) EFFECTIVE DATE.—The amendments made by  
 9 this section shall apply to taxable years beginning after  
 10 December 31, 2025.

11 **SEC. 112017. LIMITATION ON AMORTIZATION OF CERTAIN**  
 12 **SPORTS FRANCHISES.**

13 (a) IN GENERAL.—Section 197 is amended by 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—

24           “(I) half the dollar amount in ef-  
25           fect under subclause (II), in the case

1 of a married individual filing a sepa-  
2 rate return, and

3 “(II) \$40,400, in the case of any  
4 other taxpayer.

5 “(B) PHASEDOWN BASED ON MODIFIED  
6 ADJUSTED GROSS INCOME.—

7 “(i) IN GENERAL.—Except as pro-  
8 vided in clause (ii), the limitation otherwise  
9 in effect under subparagraph (A)(ii) shall  
10 be reduced by 30 percent of the excess (if  
11 any) of the taxpayer’s modified adjusted  
12 gross income over—

13 “(I) half the dollar amount in ef-  
14 fect under subclause (II), in the case  
15 of a married individual filing a sepa-  
16 rate return, and

17 “(II) \$505,000, in the case of  
18 any other taxpayer.

19 “(ii) LIMITATION ON REDUCTION.—  
20 The reduction under clause (i) shall not re-  
21 sult in—

22 “(I) the limitation in effect under  
23 subparagraph (A)(ii)(I) being less  
24 than \$5,000, or

1 “(II) the limitation in effect  
2 under subparagraph (A)(ii)(II) being  
3 less than \$10,000.

4 “(C) MODIFIED ADJUSTED GROSS IN-  
5 COME.—For purposes of this paragraph, the  
6 term ‘modified adjusted gross income’ means  
7 adjusted gross income increased by any amount  
8 excluded from gross income under section 911,  
9 931, or 933.

10 “(D) ADJUSTMENT OF CERTAIN DOLLAR  
11 AMOUNTS.—

12 “(i) IN GENERAL.—In the case of any  
13 taxable year beginning after December 31,  
14 2026, and before January 1, 2034, the dol-  
15 lar amount in effect under subparagraph  
16 (A)(ii)(II), and the dollar amount in effect  
17 under subparagraph (B)(i)(II), shall each  
18 be equal to 101 percent of such dollar  
19 amount as in effect for taxable years be-  
20 ginning in the preceding taxable year.

21 “(ii) MAINTENANCE OF INCREASE  
22 THEREAFTER.—In the case of any taxable  
23 year beginning after December 31, 2033,  
24 the dollar amounts referred to in clause (i)

1           shall be equal to such dollar amounts as in  
2           effect for taxable years beginning in 2033.

3           “(2) DISALLOWED FOREIGN REAL PROPERTY  
4       TAX.—For purposes of this subsection, the term  
5       ‘disallowed foreign real property tax’ means any tax  
6       which—

7           “(A) is a foreign real property tax de-  
8           scribed in section 164(a)(1) or 216(a)(1), and

9           “(B) is not an excepted tax.

10          “(3) SPECIFIED TAX.—For purposes of this  
11       subsection, the term ‘specified tax’ means—

12          “(A) any tax which—

13               “(i) is described in paragraph (1), (2),  
14               or (3) of section 164(a) or section  
15               216(a)(1), or is taken into account under  
16               section 164(b)(5), and

17               “(ii) is not an excepted tax or a dis-  
18               allowed foreign real property tax, and

19          “(B) any substitute payment.

20          “(4) EXCEPTED TAX.—For purposes of this  
21       subsection—

22          “(A) IN GENERAL.—The term ‘excepted  
23       tax’ means—

24               “(i) any foreign tax described in sec-  
25               tion 164(a)(3),



1           “(ii) any tax described in section  
2           164(a)(3) which is paid or accrued by a  
3           qualifying entity with respect to carrying  
4           on a qualified trade or business (as defined  
5           in section 199A(d), without regard to sec-  
6           tion 199A(b)(3)), and

7           “(iii) any tax described in paragraph  
8           (1) or (2) of section 164(a), or section  
9           216(a)(1), which is paid or accrued in car-  
10          rying on a trade or business or an activity  
11          described in section 212.

12          “(B) QUALIFYING ENTITY.—For purposes  
13          of subparagraph (A), the term ‘qualifying enti-  
14          ty’ means any partnership or S corporation  
15          with gross receipts for the taxable year (within  
16          the meaning of section 448(c)) if at least 75  
17          percent of such gross receipts are derived in a  
18          qualified trade or business (as defined in sec-  
19          tion 199A(d), without regard to section  
20          199A(b)(3)). For purposes of the preceding  
21          sentence, the gross receipts of all trades or  
22          businesses which are under common control  
23          (within the meaning of section 52(b)) with any  
24          trade or business of the partnership or S cor-

poration shall be taken into account as gross receipts of the entity.

“(5) SUBSTITUTE PAYMENT.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘substitute payment’ means any amount (other than a tax described in paragraph (3)(A) or (4)(A)(ii)) paid, incurred, or accrued to any entity referred to in section 164(b)(2) if, under the laws of one or more entities referred to in section 164(b)(2), one or more persons would (if the assumptions described in subparagraphs (B) and (C) applied) be entitled to specified tax benefits the aggregate dollar value of which equals or exceeds 25 percent of such amount.

“(B) ASSUMPTION REGARDING DOLLAR VALUE OF TAX BENEFITS.—The assumption described in this subparagraph is that the dollar value of a specified tax benefit is—

“(i) in the case of a credit or refund, the amount of such credit or refund,

“(ii) in the case of a deduction or exclusion, 15 percent of the amount of such deduction or exclusion, and

1                   “(iii) in any other case, an amount  
2                   determined in such manner as the Sec-  
3                   retary may provide consistent with the  
4                   principles of clauses (i) and (ii).

5                   “(C) ASSUMPTION REGARDING STATUS OF  
6                   PARTNERS OR SHAREHOLDERS.—The assump-  
7                   tion described in this subparagraph is, in the  
8                   case of any amount referred to in subparagraph  
9                   (A) which is paid, incurred, or accrued by a  
10                  partnership or S corporation, that all of the  
11                  partners or shareholders of such partnership or  
12                  S corporation, respectively, are individuals who  
13                  are residents of the jurisdiction of the entity or  
14                  entities providing the specified tax benefits (and  
15                  possess such other characteristics as the laws of  
16                  such entities may require for entitlement to  
17                  such benefits).

18                  “(D) SPECIFIED TAX BENEFIT.—For pur-  
19                  poses of subparagraph (A), the term ‘specified  
20                  tax benefit’ means any benefit which—

21                         “(i) is determined with respect to the  
22                         amount referred to in subparagraph (A),  
23                         and

1                   “(ii) is allowed against, or determined  
2                   by reference to, a tax described in para-  
3                   graph (3)(A) or section 164(b)(5).

4                   “(E) EXCEPTION FOR NON-DEDUCTIBLE  
5                   PAYMENTS.—To the extent that a deduction for  
6                   an amount described in subparagraph (A) is  
7                   not allowed under this chapter (determined  
8                   without regard to this subsection, section  
9                   170(b)(1), section 703(a), section 704(d), and  
10                  section 1363(b)), the term ‘substitute payment’  
11                  shall not include such amount.

12                  “(F) EXCEPTION FOR CERTAIN WITH-  
13                  HOLDING TAXES.—To the extent provided in  
14                  regulations issued by the Secretary, the term  
15                  ‘substitute payment’ shall not include an  
16                  amount withheld on behalf of another person if  
17                  all of such amount is included in the gross in-  
18                  come of such person (determined under this  
19                  chapter).

20                  “(6) REGULATIONS.—The Secretary shall issue  
21                  such regulations or other guidance as may be nec-  
22                  essary or appropriate to carry out the purposes of  
23                  this subsection, including regulations or other guid-  
24                  ance—

1           “(A) to treat as a tax described in para-  
 2           graph (3) of section 164(a) any tax that is, in  
 3           substance, based on general tax principles, de-  
 4           scribed in such paragraph,

5           “(B) to treat as a substitute payment any  
 6           amount that, in substance, substitutes for a  
 7           specified tax,

8           “(C) to provide for the proper allocation,  
 9           for purposes of paragraph (4)(A)(ii), of taxes  
 10          described in section 164(a)(3) between trades  
 11          or business described in section 199A(d)(1) and  
 12          trades or business not so described, and

13          “(D) to otherwise prevent the avoidance of  
 14          the purposes of this subsection.”.

15          (b) STATE AND LOCAL INCOME TAXES PAID BY  
 16          PARTNERSHIPS AND S CORPORATIONS TAKEN INTO AC-  
 17          COUNT SEPARATELY BY PARTNERS AND SHARE-  
 18          HOLDERS.—

19               (1) IN GENERAL.—Section 702(a)(6) is amend-  
 20          ed to read as follows:

21               “(6)(A) taxes, described in section 901, paid or  
 22          accrued to foreign countries,

23               “(B) taxes, described in section 901, paid or ac-  
 24          crued to possessions of the United States,

1           “(C) specified taxes (within the meaning of sec-  
2           tion 275(b)), other than taxes described in subpara-  
3           graph (B), and

4           “(D) taxes described in section 275(b)(2),”.

5           (2) TREATMENT OF SUBSTITUTE PAYMENTS.—

6           Section 702 is amended by redesignating subsection  
7           (d) as subsection (e) and by inserting after sub-  
8           section (c) the following new subsection:

9           “(d) TREATMENT OF SUBSTITUTE PAYMENTS.—Any  
10          substitute payment (as defined in section 275(b)(5)) shall  
11          be taken into account under subsection (a)(6)(C) and not  
12          under any other paragraph of subsection (a).”.

13          (3) DISALLOWANCE OF DEDUCTION TO PART-  
14          NERSHIPS.—Section 703(a)(2)(B) is amended to  
15          read as follows:

16                 “(B) any deduction under this chapter  
17                 with respect to taxes or payments described in  
18                 section 702(a)(6),”.

19          (4) S CORPORATIONS.—For corresponding pro-  
20          visions related to S corporations which apply by rea-  
21          son of the amendments made by paragraphs (1)  
22          through (3), see sections 1366(a)(1) and 1363(b)(2)  
23          of the Internal Revenue Code of 1986.

24          (5) ALLOWABLE SALT DEDUCTIONS TAKEN  
25          INTO ACCOUNT FOR PURPOSES OF LIMITATION ON

1       PARTNERSHIP   LOSSES.—Section   704(d)(3)   is  
 2       amended by striking subparagraph (A), by redesignig-  
 3       nating subparagraph (B) as subparagraph (C), and  
 4       by inserting before subparagraph (C) (as so redesignig-  
 5       nated) the following new subparagraphs:

6               “(A) IN GENERAL.—In determining the  
 7               amount of any loss under paragraph (1), there  
 8               shall be taken into account—

9                       “(i) the partner’s distributive share of  
 10                      amounts described in paragraphs (4) and  
 11                      (6)(A) of section 702(a),

12                     “(ii) if the taxpayer chooses to take to  
 13                     any extent the benefits of section 901, the  
 14                     partner’s distributive share of amounts de-  
 15                     scribed in section 702(a)(6)(B), and

16                     “(iii) the amount by which the deduc-  
 17                     tions allowed under this chapter (deter-  
 18                     mined without regard to this subsection) to  
 19                     the partner would decrease if the partner’s  
 20                     distributive share of amounts described in  
 21                     section 702(a)(6)(C) were not taken into  
 22                     account.

23               “(B) TREATMENT OF POSSESSION TAXES  
 24               IN EVENT PARTNER DOES NOT ELECT THE  
 25               FOREIGN TAX CREDIT.—In the case of a tax-

1           payer not described in subparagraph (A)(ii),  
 2           subparagraph (A)(iii) shall be applied by sub-  
 3           stituting ‘subparagraphs (B) and (C) of section  
 4           702(a)(6)’ for ‘section 702(a)(6)(C)’.”.

5           (6) CONFORMING AMENDMENT.—Section  
 6           56(b)(1)(A)(ii) is amended by inserting “or for any  
 7           substitute payment (as defined in section  
 8           275(b)(5))” before the period at the end.

9           (c) ADDITION TO TAX FOR STATE AND LOCAL TAX  
 10          ALLOCATION MISMATCH.—

11           (1) IN GENERAL.—Part I of subchapter A of  
 12          chapter 68 is amended by adding at the end the fol-  
 13          lowing new section:

14          **“SEC. 6659. STATE AND LOCAL TAX ALLOCATION MIS-**  
 15                 **MATCH.**

16           “(a) IN GENERAL.—In the case of any covered indi-  
 17          vidual, there shall be added to the tax imposed under sec-  
 18          tion 1 for the taxable year an amount equal to the product  
 19          of—

20                 “(1) the highest rate of tax in effect under such  
 21          section for such taxable year, multiplied by

22                 “(2) the sum of the State and local tax alloca-  
 23          tion mismatches for such taxable year with respect  
 24          to each partnership specified tax payment with re-



1       spect to which such individual is a covered indi-  
2       vidual.

3       “(b) COVERED INDIVIDUAL.—For purposes of this  
4       section, the term ‘covered individual’ means, with respect  
5       to any partnership specified tax payment, any individual  
6       (or estate or trust) who—

7               “(1) is entitled (directly or indirectly) to one or  
8       more specified tax benefits with respect to such pay-  
9       ment, and

10              “(2) takes into account (directly or indirectly)  
11       any item of income, gain, deduction, loss, or credit  
12       of the partnership which made such payment.

13       “(c) STATE AND LOCAL TAX ALLOCATION MIS-  
14       MATCH.—For purposes of this section—

15              “(1) IN GENERAL.—The term ‘State and local  
16       tax allocation mismatch’ means, with respect to any  
17       partnership specified tax payment, the excess (if  
18       any) of—

19                   “(A) the aggregate dollar value of the  
20       specified tax benefits of the covered individual  
21       with respect to such payment, over

22                   “(B) the amount of such payment taken  
23       into account by such individual under section  
24       702(a) (without regard to sections 275(b) and  
25       704(d)).

1           “(2) TAXABLE YEAR OF INDIVIDUAL IN WHICH  
2       MISMATCH TAKEN INTO ACCOUNT.—In the case of  
3       any partnership specified tax payment paid, in-  
4       curred, or accrued in any taxable year of the part-  
5       nership, the State and local tax allocation mismatch  
6       determined under paragraph (1) with respect to  
7       such payment shall be taken into account under sub-  
8       section (a) by the covered individual for the taxable  
9       year of such individual in which such individual  
10      takes into account the items referred to in sub-  
11      section (b)(2) which are determined with respect to  
12      such partnership taxable year.

13       “(d) DETERMINATION OF DOLLAR VALUE OF SPECI-  
14      FIED TAX BENEFITS.—

15           “(1) IN GENERAL.—Except in the case of a cov-  
16      ered individual who elects the application of para-  
17      graph (3) for any taxable year, the dollar value of  
18      any specified tax benefit shall be the sum of—

19           “(A) the aggregate increase in tax liability  
20           (and reduction in credit or refund) for taxes de-  
21           scribed in section 275(b)(3)(A) for the taxable  
22           year and all prior taxable years that would re-  
23           sult if such specified tax benefit were not taken  
24           into account with respect to such taxes, plus

1           “(B) the deemed value of any carryforward  
2           of such specified tax benefit (including any tax  
3           attribute derived from such benefit) to any sub-  
4           sequent taxable year.

5           “(2) DEEMED VALUE OF CARRYFORWARDS.—  
6           For purposes of paragraph (1), the deemed value of  
7           any carryforward is—

8           “(A) in the case of a credit or refund, the  
9           amount of such credit or refund,

10           “(B) in the case of a deduction or exclu-  
11           sion, the product of—

12           “(i) the highest rate of tax which may  
13           be imposed on individuals under the tax re-  
14           ferred to in subsection (e)(3)(B) with re-  
15           spect to the specified tax benefit, multi-  
16           plied by

17           “(ii) the amount of such deduction or  
18           exclusion, and

19           “(C) in any other case, an amount deter-  
20           mined in such manner as the Secretary may  
21           provide consistent with the principles of sub-  
22           paragraphs (A) and (B).

23           “(3) ELECTION OF SIMPLIFIED METHOD.—In  
24           the case of a covered individual who elects the appli-  
25           cation of this paragraph for any taxable year, the

1 dollar value of any specified tax benefit shall be de-  
2 termined under the assumptions described in section  
3 275(b)(5)(B).

4 “(e) OTHER DEFINITIONS AND SPECIAL RULES.—  
5 For purposes of this section—

6 “(1) PARTNERSHIP SPECIFIED TAX PAY-  
7 MENT.—The term ‘partnership specified tax pay-  
8 ment’ means any specified tax paid, incurred, or ac-  
9 crued by a partnership.

10 “(2) SPECIFIED TAX.—The term ‘specified tax’  
11 has the meaning given such term by section  
12 275(b)(3).

13 “(3) SPECIFIED TAX BENEFIT.—The term  
14 ‘specified tax benefit’ means any benefit which—

15 “(A) is determined with respect to a part-  
16 nership specified tax payment, and

17 “(B) is allowed against, or determined by  
18 reference to, a tax described in section  
19 275(b)(3)(A).

20 “(f) REGULATIONS.—The Secretary shall issue such  
21 regulations or other guidance as may be necessary or ap-  
22 propriate to carry out the purposes of this section, includ-  
23 ing regulations or other guidance preventing avoidance of  
24 the addition to tax prescribed by this section through part-

nership allocations that achieve similar tax reductions as a State and local tax allocation mismatch.”.

(2) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 68 is amended by adding at the end the following new item:

“Sec. 6659. State and local tax allocation mismatch.”.

(d) LIMITATION ON CAPITALIZATION OF SPECIFIED TAXES.—Section 275, as amended by the preceding provisions of this section, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

“(c) LIMITATIONS ON CAPITALIZATION OF SPECIFIED TAXES.—Notwithstanding any other provision of this chapter, in the case of an individual, specified taxes (as defined in subsection (b)) shall not be treated as chargeable to capital account.”.

(e) REPORTING BY PARTNERSHIPS AND S CORPORATIONS WITH RESPECT TO SPECIFIED SERVICE TRADE OR BUSINESS INCOME.—

(1) PARTNERSHIPS.—Section 6031 is amended by adding at the end the following new subsection:

“(g) SPECIFIED SERVICE TRADE OR BUSINESS INCOME.—Returns required under subsection (a), and copies required to be furnished under subsection (b), shall include a statement of whether or not the partnership had

1 any gross receipts (within the meaning of section 448(c))  
 2 from a trade or business described in subsection  
 3 199A(d)(2).”.

4 (2) S CORPORATIONS.—Section 6037 is amend-  
 5 ed by adding at the end the following new sub-  
 6 section:

7 “(d) SPECIFIED SERVICE TRADE OR BUSINESS IN-  
 8 COME.—Returns required under subsection (a), and copies  
 9 required to be furnished under subsection (b), shall in-  
 10 clude a statement of whether or not the S corporation had  
 11 any gross receipts (within the meaning of section 448(c))  
 12 from a trade or business described in subsection  
 13 199A(d)(2).”.

14 (f) TEMPORARY INCREASE FOR 2025.—

15 (1) IN GENERAL.—Section 164(b)(6) is amend-  
 16 ed by striking “\$10,000 (\$5,000 in the case of a  
 17 married individual filing a separate return)” and in-  
 18 serting “applicable limitation amount”.

19 (2) APPLICABLE LIMITATION AMOUNT.—Sec-  
 20 tion 164(b) is amended by adding at the end the fol-  
 21 lowing new paragraph:

22 “(7) APPLICABLE LIMITATION AMOUNT.—

23 “(A) IN GENERAL.—For purposes of para-  
 24 graph (6), the term ‘applicable limitation  
 25 amount’ means—

1 “(i) \$20,000, in the case of a married  
2 individual filing a separate return, and

3 “(ii) \$40,000, in the case of any other  
4 taxpayer.

5 “(B) PHASEDOWN BASED ON MODIFIED  
6 ADJUSTED GROSS INCOME.—

7 “(i) IN GENERAL.—Except as pro-  
8 vided in clause (ii), the \$20,000 amount in  
9 subparagraph (A)(i) and the \$40,000  
10 amount in subparagraph (A)(ii) shall each  
11 be reduced by 30 percent of the excess (if  
12 any) of the taxpayer’s modified adjusted  
13 gross income over—

14 “(I) \$250,000, in the case of a  
15 married individual filing a separate  
16 return, and

17 “(II) \$500,000, in the case of  
18 any other taxpayer.

19 “(ii) LIMITATION ON REDUCTION.—  
20 The reduction under clause (i) shall not re-  
21 sult in—

22 “(I) the dollar amount in effect  
23 under subparagraph (A)(i) being less  
24 than \$5,000, or

1 “(II) the dollar amount in effect  
2 under subparagraph (A)(ii) being less  
3 than \$10,000.

4 “(C) MODIFIED ADJUSTED GROSS IN-  
5 COME.—For purposes of this paragraph, the  
6 term ‘modified adjusted gross income’ means  
7 adjusted gross income increased by any amount  
8 excluded from gross income under section 911,  
9 931, or 933.”.

10 (3) REPEAL AFTER 2025.—Section 164(b), as  
11 amended by paragraphs (1) and (2), is amended by  
12 striking paragraphs (6) and (7).

13 (g) EFFECTIVE DATE.—

14 (1) IN GENERAL.—Except as otherwise pro-  
15 vided in this subsection, the amendments made by  
16 this section shall apply to taxable years beginning  
17 after December 31, 2025.

18 (2) TEMPORARY INCREASE FOR 2025.—The  
19 amendments made by paragraphs (1) and (2) of  
20 subsection (f) shall apply to taxable years beginning  
21 after December 31, 2024.



1 **SEC. 112019. EXCESSIVE EMPLOYEE REMUNERATION FROM**  
2 **CONTROLLED GROUP MEMBERS AND ALLO-**  
3 **CATION OF DEDUCTION.**

4 (a) APPLICATION OF AGGREGATION RULES.—Section  
5 162(m) is amended by adding at the end the following new  
6 paragraph:

7 “(7) REMUNERATION FROM CONTROLLED  
8 GROUP MEMBERS.—

9 “(A) IN GENERAL.—In the case of any  
10 publicly held corporation which is a member of  
11 a controlled group—

12 “(i) paragraph (1) shall be applied by  
13 substituting ‘specified covered employee’  
14 for ‘covered employee’, and

15 “(ii) if any person which is a member  
16 of such controlled group (other than such  
17 publicly held corporation) provides applica-  
18 ble employee remuneration to an individual  
19 who is a specified covered employee of such  
20 controlled group and the aggregate amount  
21 described in subparagraph (B)(ii) with re-  
22 spect to such specified covered employee  
23 exceeds \$1,000,000—

24 “(I) paragraph (1) shall apply to  
25 such person with respect to such re-  
26 muneration, and

1                   “(II) paragraph (1) shall apply  
2                   to such publicly held corporation and  
3                   to each such related person by sub-  
4                   stituting ‘the allocable limitation  
5                   amount’ for ‘\$1,000,000’.

6                   “(B) ALLOCABLE LIMITATION AMOUNT.—  
7                   For purposes of this paragraph, the term ‘allo-  
8                   cable limitation amount’ means, with respect to  
9                   any member of the controlled group referred to  
10                  in subparagraph (A) with respect to any speci-  
11                  fied covered employee of such controlled group,  
12                  the amount which bears the same ratio to  
13                  \$1,000,000 as—

14                  “(i) the amount of applicable em-  
15                  ployee remuneration provided by such  
16                  member with respect to such specified cov-  
17                  ered employee, bears to

18                  “(ii) the aggregate amount of applica-  
19                  ble employee remuneration provided by all  
20                  such members with respect to such speci-  
21                  fied covered employee.

22                  “(C) SPECIFIED COVERED EMPLOYEE.—  
23                  For purposes of this paragraph, the term ‘spec-  
24                  ified covered employee’ means, with respect to  
25                  any controlled group—

1 “(i) any employee described in sub-  
 2 paragraph (A), (B), or (D) of paragraph  
 3 (3), with respect to the publicly held cor-  
 4 poration which is a member of such con-  
 5 trolled group, and

6 “(ii) any employee who would be de-  
 7 scribed in subparagraph (C) of paragraph  
 8 (3) if such subparagraph were applied by  
 9 taking into account the employees of all  
 10 members of the controlled group.

11 “(D) CONTROLLED GROUP.—For purposes  
 12 of this paragraph, the term ‘controlled group’  
 13 means any group treated as a single employer  
 14 under subsection (b), (c), (m), or (o) of section  
 15 414.”.

16 (b) EFFECTIVE DATE.—The amendment made by  
 17 this section shall apply to taxable years beginning after  
 18 December 31, 2025.

19 **SEC. 112020. EXPANDING APPLICATION OF TAX ON EXCESS**  
 20 **COMPENSATION WITHIN TAX-EXEMPT ORGA-**  
 21 **NIZATIONS.**

22 (a) IN GENERAL.—Section 4960(c)(2) is amended to  
 23 read as follows:

24 “(2) COVERED EMPLOYEE.—For purposes of  
 25 this section, the term ‘covered employee’ means any

1 employee (including any former employee) of an ap-  
2 plicable tax-exempt organization.”.

3 (b) EFFECTIVE DATE.—The amendment made by  
4 subsection (a) shall apply to taxable years beginning after  
5 December 31, 2025.

6 **SEC. 112021. MODIFICATION OF EXCISE TAX ON INVEST-**  
7 **MENT INCOME OF CERTAIN PRIVATE COL-**  
8 **LEGES AND UNIVERSITIES.**

9 (a) IN GENERAL.—Section 4968 is amended to read  
10 as follows:

11 **“SEC. 4968. EXCISE TAX BASED ON INVESTMENT INCOME**  
12 **OF PRIVATE COLLEGES AND UNIVERSITIES.**

13 “(a) TAX IMPOSED.—There is hereby imposed on  
14 each applicable educational institution for the taxable year  
15 a tax equal to the applicable percentage of the net invest-  
16 ment income of such institution for the taxable year.

17 “(b) APPLICABLE PERCENTAGE.—For purposes of  
18 this section, the term ‘applicable percentage’ means—

19 “(1) 1.4 percent in the case of an institution  
20 with a student adjusted endowment in excess of  
21 \$500,000, and not in excess of \$750,000,

22 “(2) 7 percent in the case of an institution with  
23 a student adjusted endowment in excess of  
24 \$750,000, and not in excess of \$1,250,000,

1           “(3) 14 percent in the case of an institution  
2           with a student adjusted endowment in excess of  
3           \$1,250,000, and not in excess of \$2,000,000, and

4           “(4) 21 percent in the case of an institution  
5           with a student adjusted endowment in excess of  
6           \$2,000,000.

7           “(c) APPLICABLE EDUCATIONAL INSTITUTION.—For  
8           purposes of this subchapter—

9           “(1) IN GENERAL.—The term ‘applicable edu-  
10          cational institution’ means an eligible educational in-  
11          stitution (as defined in section 25A(f)(2))—

12                 “(A) which had at least 500 tuition-paying  
13                 students during the preceding taxable year,

14                 “(B) more than 50 percent of the tuition-  
15                 paying students of which are located in the  
16                 United States,

17                 “(C) which is not—

18                         “(i) described in the first sentence of  
19                         section 511(a)(2)(B) (relating to State col-  
20                         leges and universities), or

21                         “(ii) a qualified religious institution,  
22                         and

23                 “(D) the student adjusted endowment of  
24                 which is at least \$500,000.

1           “(2) QUALIFIED RELIGIOUS INSTITUTION.—For  
2           purposes of this subsection, the term ‘qualified reli-  
3           gious institution’ means any institution—

4                   “(A) established after July 4, 1776,

5                   “(B) that was established by or in associa-  
6           tion with and has continuously maintained an  
7           affiliation with an organization described in sec-  
8           tion 170(b)(1)(A)(i), and

9                   “(C) which maintains a published institu-  
10          tional mission that is approved by the governing  
11          body of such institution and that includes, re-  
12          fers to, or is predicated upon religious tenets,  
13          beliefs, or teachings.

14          “(d) STUDENT ADJUSTED ENDOWMENT.—For pur-  
15          poses of this section—

16                   “(1) IN GENERAL.—The term ‘student adjusted  
17          endowment’ means, with respect to any institution  
18          for any taxable year—

19                   “(A) the aggregate fair market value of  
20          the assets of such institution (determined as of  
21          the end of the preceding taxable year), other  
22          than those assets which are used directly in car-  
23          rying out the institution’s exempt purpose, di-  
24          vided by

1                   “(B) the number of eligible students of  
2                   such institution.

3                   “(2) ELIGIBLE STUDENT.—For purposes of  
4                   this subsection, the term ‘eligible student’ means a  
5                   student of the institution that meets the student eli-  
6                   gibility requirements under section 484(a)(5) of the  
7                   Higher Education Act of 1965.

8                   “(e) DETERMINATION OF NUMBER OF STUDENTS.—  
9                   For purposes of subsections (c)(1) and (d), the number  
10                  of students of an institution (including for purposes of de-  
11                  termining the number of students at a particular location)  
12                  shall be based on the daily average number of full-time  
13                  students attending such institution (with part-time stu-  
14                  dents taken into account on a full-time student equivalent  
15                  basis).

16                  “(f) NET INVESTMENT INCOME.—For purposes of  
17                  this section—

18                         “(1) IN GENERAL.—Net investment income  
19                         shall be determined under rules similar to the rules  
20                         of section 4940(c).

21                         “(2) OVERRIDE OF CERTAIN REGULATORY EX-  
22                         CEPTIONS.—

23                                 “(A) STUDENT LOAN INTEREST.—Net in-  
24                                 vestment income shall be determined by taking  
25                                 into account any interest income from a student

1 loan made by the applicable educational institu-  
2 tion (or any related organization) as gross in-  
3 vestment income.

4 “(B) FEDERALLY-SUBSIDIZED ROYALTY  
5 INCOME.—

6 “(i) IN GENERAL.—Net investment in-  
7 come shall be determined by taking into  
8 account any Federally-subsidized royalty  
9 income as gross investment income.

10 “(ii) FEDERALLY-SUBSIDIZED ROY-  
11 ALTY INCOME.—For purposes of this sub-  
12 paragraph—

13 “(I) IN GENERAL.—The term  
14 ‘Federally-subsidized royalty income’  
15 means any otherwise-regulatory-ex-  
16 empt royalty income if any Federal  
17 funds were used in the research, de-  
18 velopment, or creation of the patent,  
19 copyright, or other intellectual or in-  
20 tangible property from which such  
21 royalty income is derived.

22 “(II) OTHERWISE-REGULATORY-  
23 EXEMPT ROYALTY INCOME.—For pur-  
24 poses of this subparagraph, the term  
25 ‘otherwise-regulatory-exempt royalty



1 income' means royalty income which  
2 (but for this subparagraph) would not  
3 be taken into account as gross invest-  
4 ment income by reason of being de-  
5 rived from patents, copyrights, or  
6 other intellectual or intangible prop-  
7 erty which resulted from the work of  
8 students or faculty members in their  
9 capacities as such with the applicable  
10 educational institution.

11 “(III) FEDERAL FUNDS.—The  
12 term ‘Federal funds’ includes any  
13 grant made by, and any payment  
14 made under any contract with, any  
15 Federal agency to the applicable edu-  
16 cational institution, any related orga-  
17 nization, or any student or faculty  
18 member referred to in subclause (II).

19 “(g) ASSETS AND NET INVESTMENT INCOME OF RE-  
20 LATED ORGANIZATIONS.—

21 “(1) IN GENERAL.—For purposes of sub-  
22 sections (d) and (f), assets and net investment in-  
23 come of any related organization with respect to an  
24 educational institution shall be treated as assets and

1 net investment income, respectively, of the edu-  
2 cational institution, except that—

3 “(A) no such amount shall be taken into  
4 account with respect to more than 1 educational  
5 institution, and

6 “(B) unless such organization is controlled  
7 by such institution or is described in section  
8 509(a)(3) with respect to such institution for  
9 the taxable year, assets and net investment in-  
10 come which are not intended or available for  
11 the use or benefit of the educational institution  
12 shall not be taken into account.

13 “(2) RELATED ORGANIZATION.—For purposes  
14 of this subsection, the term ‘related organization’  
15 means, with respect to an educational institution,  
16 any organization which—

17 “(A) controls, or is controlled by, such in-  
18 stitution,

19 “(B) is controlled by 1 or more persons  
20 which also control such institution, or

21 “(C) is a supported organization (as de-  
22 fined in section 509(f)(3)), or an organization  
23 described in section 509(a)(3), during the tax-  
24 able year with respect to such institution.

1       “(h) REGULATIONS.—The Secretary shall prescribe  
2 such regulations or other guidance as may be necessary  
3 to prevent avoidance of the tax under this section, includ-  
4 ing regulations or other guidance to prevent avoidance of  
5 such tax through the restructuring of endowment funds  
6 or other arrangements designed to reduce or eliminate the  
7 value of net investment income or assets subject to the  
8 tax imposed by this section.”.

9       (b) REQUIREMENT TO REPORT CERTAIN INFORMA-  
10 TION WITH RESPECT TO APPLICATION OF EXCISE TAX  
11 BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES  
12 AND UNIVERSITIES.—Section 6033 is amended by 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 this  
19                 subsection and subsection (c), assets and net  
20                 investment income of any related organization  
21                 with respect to a private foundation shall be  
22                 treated as assets and net investment income,  
23                 respectively, of the private foundation, except  
24                 that—

1 “(i) no such amount shall be taken  
2 into account with respect to more than 1  
3 private foundation, and

4 “(ii) unless such organization is con-  
5 trolled by such private foundation, assets  
6 and net investment income which are not  
7 intended or available for the use or benefit  
8 of the private foundation shall not be  
9 taken into account.

10 “(B) RELATED ORGANIZATION.—For pur-  
11 poses of this paragraph, the term ‘related orga-  
12 nization’ means, with respect to a private foun-  
13 dation, any organization which—

14 “(i) controls, or is controlled by, such  
15 private foundation, or

16 “(ii) is controlled by 1 or more per-  
17 sons which also control such private foun-  
18 dation.”.

19 (c) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to taxable years beginning after  
21 the date of the enactment of this Act.

1 **SEC. 112023. CERTAIN PURCHASES OF EMPLOYEE-OWNED**  
2 **STOCK DISREGARDED FOR PURPOSES OF**  
3 **FOUNDATION TAX ON EXCESS BUSINESS**  
4 **HOLDINGS.**

5 (a) IN GENERAL.—Section 4943(c)(4)(A) is amended  
6 by adding at the end the following new clauses:

7 “(v) For purposes of clause (i), subpara-  
8 graph (D), and paragraph (2), any voting stock  
9 which—

10 “(I) is not readily tradable on an es-  
11 tablished securities market,

12 “(II) is purchased by the business en-  
13 terprise on or after January 1, 2020, from  
14 an employee stock ownership plan (as de-  
15 fined in section 4975(e)(7)) in which em-  
16 ployees of such business enterprise partici-  
17 pate, in connection with a distribution  
18 from such plan, and

19 “(III) is held by the business enter-  
20 prise as treasury stock, cancelled, or re-  
21 tired,

22 shall be treated as outstanding voting stock, but  
23 only to the extent so treating such stock would  
24 not result in permitted holdings exceeding 49  
25 percent (determined without regard to this  
26 clause). The preceding sentence shall not apply

1 with respect to the purchase of stock from a  
 2 plan during the 10-year period beginning on the  
 3 date the plan is established.

4 “(vi) Section 4943(c)(4)(A)(ii) shall not  
 5 apply with respect to any decrease in the per-  
 6 centage of holdings in a business enterprise by  
 7 reason of the application of clause (v).”.

8 (b) EFFECTIVE DATE.—The amendment made by  
 9 this section shall apply to taxable years ending after the  
 10 date of the enactment of this Act and to purchases by  
 11 a business enterprise of voting stock in taxable years be-  
 12 ginning after December 31, 2019.

13 **SEC. 112024. UNRELATED BUSINESS TAXABLE INCOME IN-**  
 14 **CREASED BY AMOUNT OF CERTAIN FRINGE**  
 15 **BENEFIT EXPENSES FOR WHICH DEDUCTION**  
 16 **IS DISALLOWED.**

17 (a) IN GENERAL.—Section 512(a) is amended by  
 18 adding at the end the following new paragraph:

19 “(7) INCREASE IN UNRELATED BUSINESS TAX-  
 20 ABLE INCOME BY DISALLOWED FRINGE.—

21 “(A) IN GENERAL.—Unrelated business  
 22 taxable income of an organization shall be in-  
 23 creased by any amount—

24 “(i) which is paid or incurred by such  
 25 organization for any qualified transpor-



1           tation fringe (as defined in section 132(f))  
2           or any parking facility used in connection  
3           with qualified parking (as defined in sec-  
4           tion 132(f)(5)(C)),

5           “(ii) which is not directly connected  
6           with an unrelated trade or business which  
7           is regularly carried on by the organization,  
8           and

9           “(iii) for which a deduction is not al-  
10          lowable under this chapter by reason of  
11          section 274.

12          “(B) EXCEPTION FOR CHURCH ORGANIZA-  
13          TIONS.—Subparagraph (A) shall not apply to—

14               “(i) any organization to which section  
15               6033(a)(1) does not apply by reason of  
16               clause (i) or (iii) of section 6033(a)(3)(A),  
17               and

18               “(ii) any church-affiliated organiza-  
19               tion described in section 501(c) which is  
20               not required to file an annual return under  
21               section 6033(a)(1) by reason of section  
22               6033(a)(3)(B).

23          “(C) TREATMENT AS INCOME FROM SEPA-  
24          RATE TRADE OR BUSINESS.—For purposes of  
25          paragraph (6), any increase under subpara-

1 graph (A) shall be treated as unrelated business  
2 taxable income with respect to an unrelated  
3 trade or business separate from any other unre-  
4 lated trade or business of the organization.

5 “(D) REGULATIONS.— The Secretary shall  
6 issue such regulations or other guidance as may  
7 be necessary or appropriate to carry out the  
8 purposes of this paragraph, including regula-  
9 tions or other guidance providing for the appro-  
10 priate allocation of costs with respect to facili-  
11 ties used for parking.”.

12 (b) EFFECTIVE DATE.—The amendment made by  
13 this section shall apply to amounts paid or incurred after  
14 December 31, 2025.

15 **SEC. 112025. EXCLUSION OF RESEARCH INCOME LIMITED**  
16 **TO PUBLICLY AVAILABLE RESEARCH.**

17 (a) IN GENERAL.—Section 512(b)(9) is amended by  
18 striking “from research” and inserting “from such re-  
19 search”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to amounts received or accrued  
22 after December 31, 2025.

1 **SEC. 112026. LIMITATION ON EXCESS BUSINESS LOSSES OF**  
2 **NONCORPORATE TAXPAYERS.**

3 (a) **RULE MADE PERMANENT.**—Section 461(l)(1) is  
4 amended by striking “and before January 1, 2029,” each  
5 place it appears.

6 (b) **EXCESS BUSINESS LOSS DETERMINED ON A CU-**  
7 **MULATIVE BASIS WITH RESPECT TO PERIODS AFTER**  
8 **2024.**—Section 461(l)(2) is amended to read as follows:

9 “(2) **DISALLOWED LOSS CARRYOVER.**—Any loss  
10 disallowed under paragraph (1) for any taxable year  
11 shall be treated for purposes of this title as a loss  
12 attributable to a trade or business of the taxpayer  
13 (other than a trade or business described in the last  
14 sentence of paragraph (3)(A)) arising in the subse-  
15 quent taxable year. To the extent provided by the  
16 Secretary, for purposes of applying section 1341 and  
17 subtitle F, a loss treated as arising under the pre-  
18 ceding sentence shall be treated (to the extent not  
19 inconsistent with the purposes of this subsection) in  
20 a manner similar to the manner in which net oper-  
21 ating losses are treated for purposes of such provi-  
22 sions.”.

23 (c) **EFFECTIVE DATE.**—The amendments made by  
24 this section shall apply to losses arising (or treated as aris-  
25 ing under section 461(l)(2) of the Internal Revenue Code

1 of 1986, as amended by this section) in taxable years be-  
 2 ginning after December 31, 2024.

3 **SEC. 112027. 1-PERCENT FLOOR ON DEDUCTION OF CHARI-**  
 4 **TABLE CONTRIBUTIONS MADE BY CORPORA-**  
 5 **TIONS.**

6 (a) IN GENERAL.—Section 170(b)(2)(A) is amended  
 7 to read as follows:

8 “(A) IN GENERAL.—Any charitable con-  
 9 tribution (other than any contribution to which  
 10 subparagraph (B) or subparagraph (C) applies  
 11 or any contribution for which a deduction is not  
 12 allowable under this section without regard to  
 13 this paragraph) shall be allowed as a deduction  
 14 under this subsection (a) only to the extent that  
 15 the aggregate of such contributions—

16 “(i) exceeds 1 percent of the tax-  
 17 payer’s taxable income, and

18 “(ii) does not exceed 10 percent of the  
 19 taxpayer’s taxable income.”.

20 (b) APPLICATION OF CARRYFORWARD.—Section  
 21 170(d)(2) is amended to read as follows:

22 “(2) CORPORATIONS.—

23 “(A) IN GENERAL.—Any charitable con-  
 24 tribution taken into account under subsection  
 25 (b)(2)(A) for any taxable year which is not al-

1           lowed as a deduction by reason of clause (ii)  
2           thereof shall be taken into account as a chari-  
3           table contribution for the succeeding taxable  
4           year, except that, for purposes of determining  
5           under this subparagraph whether such contribu-  
6           tion is allowed in such succeeding taxable year,  
7           contributions in such succeeding taxable year  
8           (determined without regard to this paragraph)  
9           shall be taken into account under subsection  
10          (b)(2)(A) before any contribution taken into ac-  
11          count by reason of this paragraph.

12                 “(B) 5-YEAR CARRYFORWARD.—No chari-  
13           table contribution may be carried forward under  
14           subparagraph (A) to any taxable year following  
15           the fifth taxable year after the taxable year in  
16           which the charitable contribution was first  
17           taken into account. For purposes of the pre-  
18           ceding sentence, contributions shall be treated  
19           as allowed on a first-in first-out basis.

20                 “(C) CONTRIBUTIONS DISALLOWED BY 1-  
21           PERCENT FLOOR CARRIED FORWARD ONLY  
22           FROM YEARS IN WHICH 10 PERCENT LIMITA-  
23           TION IS EXCEEDED.—In the case of any taxable  
24           year from which a charitable contribution is  
25           carried forward under subparagraph (A) (deter-

mined without regard this subparagraph), subparagraph (A) shall be applied by substituting ‘clause (i) or (ii)’ for ‘clause (ii)’.

“(D) SPECIAL RULE FOR NET OPERATING LOSS CARRYOVERS.—The amount of charitable contributions carried forward under subparagraph (A) shall be reduced to the extent that such carryforward would (but for this subparagraph) reduce taxable income (as computed for purposes of the second sentence of section 172(b)(2)) and increase a net operating loss carryover under section 172 to a succeeding taxable year.”.

(c) CONFORMING AMENDMENTS.—Subparagraph (B)(ii) and (C)(ii) of section 170(b)(2) are each amended by inserting “other than subparagraph (C) thereof” after “subsection (d)(2)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

**SEC. 112028. ENFORCEMENT OF REMEDIES AGAINST UNFAIR FOREIGN TAXES.**

(a) IN GENERAL.—Subpart D of part II of subchapter N of chapter 1 is amended by adding at the end 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  
16 ‘10.1 percent’ in subparagraph (A), and

17 “(ii) by treating the amount described  
18 in section 59A(b)(1)(B)(ii) as being zero,

19 “(C) subsections (c)(2)(B), (c)(4)(B)(ii),  
20 and (d)(5) of section 59A shall not apply, and

21 “(D) if any amount (other than the pur-  
22 chase price of depreciable or amortizable prop-  
23 erty or inventory) would have been a base ero-  
24 sion payment described in section 59A(d)(1)  
25 but for the fact that the taxpayer capitalizes

1 the amount, then solely for purposes of calcu-  
2 lating the taxpayer's base erosion payments  
3 (within the meaning of section 59A(d)) and  
4 base erosion tax benefits (within the meaning of  
5 section 59A(c)(2)), such amount shall be treat-  
6 ed as if it had been deducted rather than cap-  
7 italized.

8 “(3) WITHHOLDING TAXES.—

9 “(A) IN GENERAL.—In the case of any  
10 payment to an applicable person, each rate of  
11 tax specified in section 1441(a) or 1442(a) (or  
12 any rate of tax applicable in lieu of such statu-  
13 tory rate) shall be increased by the applicable  
14 number of percentage points. The preceding  
15 sentence shall not apply to the 14 percent rate  
16 of tax specified in section 1441(a).

17 “(B) DISPOSITION OF UNITED STATES  
18 REAL PROPERTY INTERESTS.—In the case of  
19 any disposition of a United States real property  
20 interest (as defined in section 897(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. 112029. MODIFICATION OF TREATMENT OF SILENC-**  
12 **ERS.**

13 (a) IN GENERAL.—Section 5845(a) is amended by  
14 striking “(7) any silencer” and all that follows through  
15 “; and (8)” and inserting “and (7)”.

16 (b) TRANSFER TAX.—Section 5811(a) is amended to  
17 read as follows:

18 “(a) RATE.—There shall be levied, collected, and paid  
19 on firearms transferred a tax at the rate of—

20 “(1) \$5 for each firearm transferred in the case  
21 of a weapon classified as any other weapon under  
22 section 5845(e),

23 “(2) \$0 for each firearm transferred in the case  
24 of a silencer (as defined in section 921 of title 18,  
25 United States Code), and

1 “(3) \$200 for any other firearm transferred.”.

2 (c) MAKING TAX.—Section 5821(a) is amended to  
3 read as follows:

4 “(a) RATE.—There shall be levied, collected, and paid  
5 upon the making of a firearm a tax at the rate of—

6 “(1) \$0 for each silencer (as defined in section  
7 921 of title 18, United States Code) made, and

8 “(2) \$200 for any other firearm made.”.

9 (d) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to calendar quarters beginning  
11 more than 90 days after the date of the enactment of this  
12 Act.

13 **SEC. 112030. MODIFICATIONS TO DE MINIMIS ENTRY PRIVI-**  
14 **LEGE FOR COMMERCIAL SHIPMENTS.**

15 (a) CIVIL PENALTY.—

16 (1) ADDITIONAL PENALTY IMPOSED.—Section  
17 321 of the Tariff Act of 1930 (19 U.S.C. 1321) is  
18 amended by adding at the end the following new  
19 subsection:

20 “(c) Any person who enters, introduces, facilitates,  
21 or attempts to introduce an article into the United States  
22 using the privilege of this section, the importation of which  
23 violates any other provision of United States customs law,  
24 shall be assessed, in addition to any other penalty per-  
25 mitted by law, a civil penalty of up to \$5,000 for the first

1 violation and up to \$10,000 for each subsequent viola-  
 2 tion.”.

3 (2) EFFECTIVE DATE.—The amendment made  
 4 by paragraph (1) shall take effect 30 days after the  
 5 date of the enactment of this Act.

6 (b) REPEAL OF COMMERCIAL SHIPMENT EXCEP-  
 7 TION.—

8 (1) REPEAL.—Section 321(a)(2)(B) of such Act  
 9 (19 U.S.C. 1321(a)(2)(B)) is amended by striking  
 10 “of this Act, or” and all that follows through “sub-  
 11 division (2); and” and inserting “of this Act; and”.

12 (2) CONFORMING REPEAL.—Subsection (c) of  
 13 such section 321, as added by subsection (a) of this  
 14 section, is repealed.

15 (3) EFFECTIVE DATE.—The amendments made  
 16 by this subsection shall take effect on July 1, 2027.

17 **SEC. 112031. LIMITATION ON DRAWBACK OF TAXES PAID**  
 18 **WITH RESPECT TO SUBSTITUTED MERCHAN-**  
 19 **DISE.**

20 Effective for claims filed on or after July 1, 2026,  
 21 for purposes of drawback of internal revenue tax imposed  
 22 under chapter 52 of the Internal Revenue Code of 1986,  
 23 the amount of drawback granted under such Code, or the  
 24 Tariff Act of 1930, on the export or destruction of sub-  
 25 stituted merchandise may not exceed the amount of taxes

1 paid (and not returned by refund, credit, or drawback)  
2 on the substituted merchandise.

3 **SEC. 112032. TREATMENT OF PAYMENTS FROM PARTNER-**  
4 **SHIPS TO PARTNERS FOR PROPERTY OR**  
5 **SERVICES.**

6 (a) IN GENERAL.—Section 707(a)(2) is amended by  
7 striking “Under regulations prescribed” and inserting  
8 “Except as provided”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to services performed, and property  
11 transferred, after the date of the enactment of this Act.

12 (c) RULE OF CONSTRUCTION.—Nothing in this sec-  
13 tion, or the amendments made by this section, shall be  
14 construed to create any inference with respect to the prop-  
15 er treatment under section 707(a) of the Internal Revenue  
16 Code of 1986 with respect to payments from a partnership  
17 to a partner for services performed, or property trans-  
18 ferred, on or before the date of the enactment of this Act.

19 **PART 2—REMOVING TAXPAYER BENEFITS FOR**  
20 **ILLEGAL IMMIGRANTS**

21 **SEC. 112101. PERMITTING PREMIUM TAX CREDIT ONLY FOR**  
22 **CERTAIN INDIVIDUALS.**

23 (a) IN GENERAL.—Section 36B(e)(1) is amended by  
24 inserting “or, in the case of aliens who are lawfully

1 present, are not eligible aliens” after “individuals who are  
2 not lawfully present”.

3 (b) ELIGIBLE ALIENS.—Section 36B(e)(2) is amend-  
4 ed—

5 (1) by striking “For purposes of this section,  
6 an individual” and inserting the following: “For pur-  
7 poses of this section—

8 “(A) IN GENERAL.—An individual”, and

9 (2) by adding at the end the following new sub-  
10 paragraph:

11 “(B) ELIGIBLE ALIENS.—An individual  
12 who is an alien and lawfully present shall be  
13 treated as an eligible alien if and only if such  
14 individual is, and is reasonably expected to be  
15 for the entire period of enrollment for which the  
16 credit under this section is being claimed—

17 “(i) an alien who is lawfully admitted  
18 for permanent residence under the Immi-  
19 gration and Nationality Act (8 U.S.C.  
20 1101 et seq.),

21 “(ii) an alien who—

22 “(I) is a citizen or national of the  
23 Republic of Cuba,

24 “(II) is the beneficiary of an ap-  
25 proved petition under section 203(a)

1 of the Immigration and Nationality  
2 Act (8 U.S.C. 1153(a)),

3 “(III) meets all eligibility re-  
4 quirements for an immigrant visa but  
5 for whom such a visa is not imme-  
6 diately available,

7 “(IV) is not otherwise inadmis-  
8 sible under section 212(a) of such Act  
9 (8 U.S.C. 1182(a)), and

10 “(V) is physically present in the  
11 United States pursuant to a grant of  
12 parole in furtherance of the commit-  
13 ment of the United States to the min-  
14 imum level of annual legal migration  
15 of Cuban nationals to the United  
16 States specified in the U.S.-Cuba  
17 Joint Communiqué on Migration,  
18 done at New York September 9, 1994,  
19 and reaffirmed in the Cuba-United  
20 States: Joint Statement on Normal-  
21 ization of Migration, Building on the  
22 Agreement of September 9, 1994,  
23 done at New York May 2, 1995, or

24 “(iii) an individual who lawfully re-  
25 sides in the United States in accordance

1 with a Compact of Free Association re-  
2 ferred to in section 402(b)(2)(G) of the  
3 Personal Responsibility and Work Oppor-  
4 tunity Reconciliation Act of 1996 (8  
5 U.S.C. 1612(b)(2)(G)).”.

6 (c) CONFORMING AMENDMENTS.—

7 (1) VERIFICATION OF INFORMATION.—Section  
8 1411 of the Patient Protection and Affordable Care  
9 Act (42 U.S.C. 18081) is amended—

10 (A) in subsection (a)—

11 (i) in paragraph (1), by striking “and  
12 section 36B(e) of the Internal Revenue  
13 Code of 1986”; and

14 (ii) in paragraph (2)—

15 (I) in subparagraph (A), by strik-  
16 ing “and” at the end;

17 (II) in subparagraph (B), by add-  
18 ing “and” at the end; and

19 (III) by adding at the end the  
20 following new subparagraph:

21 “(C) in the case such individual is an alien  
22 lawfully present in the United States, whether  
23 such individual is an eligible alien (within the  
24 meaning of section 36B(e)(2) of such Code);”;

1 (B) in subsection (b)(3), by adding at the  
2 end the following new subparagraph:

3 “(D) IMMIGRATION STATUS.—In the case  
4 the individual’s eligibility is based on an attes-  
5 tation of the enrollee’s immigration status, an  
6 attestation that such individual is an eligible  
7 alien (within the meaning of 36B(e)(2) of the  
8 Internal Revenue Code of 1986).”; and

9 (C) in subsection (c)(2)(B)(ii), by adding  
10 at the end the following new subclause:

11 “(III) In the case of an indi-  
12 vidual described in clause (i)(I) with  
13 respect to whom a premium tax credit  
14 or reduced cost-sharing under section  
15 36B of the Internal Revenue Code of  
16 1986 or section 1402 is being claimed,  
17 the attestation that the individual is  
18 an eligible alien (within the meaning  
19 of section 36B(e)(2) of such Code).”.

20 (2) ADVANCE DETERMINATIONS.—Section  
21 1412(d) of the Patient Protection and Affordable  
22 Care Act (42 U.S.C. 18082(d)) is amended by in-  
23 serting before the period at the end the following:  
24 “or, in the case of aliens who are lawfully present,



1 are not eligible aliens (within the meaning of section  
2 36B(e)(2) of the Internal Revenue Code of 1986)”.  
3

4 (3) COST-SHARING REDUCTIONS.—Section  
5 1402(e) of the Patient Protection and Affordable  
6 Care Act (42 U.S.C. 18071(e)) is amended—

7 (A) in the header, by inserting “OR NOT  
8 ELIGIBLE ALIENS” after “INDIVIDUALS NOT  
9 LAWFULLY PRESENT”;

10 (B) in paragraph (1), in the matter pre-  
11 ceding subparagraph (A), by inserting “or, in  
12 the case of an alien who is lawfully present, is  
13 not an eligible alien (within the meaning of sec-  
14 tion 36B(e)(2) of the Internal Revenue Code of  
15 1986)” after “not lawfully present”; and

16 (C) by amending paragraph (2) to read as  
17 follows:

18 “(2) ELIGIBLE ALIENS.—For purposes of this  
19 section, an individual shall be treated as an eligible  
20 alien (within the meaning of section 36B(e)(2) of  
21 the Internal Revenue Code of 1986) if, and only if,  
22 the individual is, and for the entire period of enroll-  
23 ment for which the cost-sharing reduction under this  
24 section is being claimed is reasonably expected to be,  
such an alien.”.

1           (4) BASIC HEALTH PROGRAMS.—Section  
2       1331(e)(1) of the Patient Protection and Affordable  
3       Care Act (42 U.S.C. 18051(e)(1)) is amended by in-  
4       serting before the period at the end the following:  
5       “or, in the case of an alien who is lawfully present,  
6       an individual who is not an eligible alien (as defined  
7       in section 36B(e)(2) of the Internal Revenue Code  
8       of 1986”.

9           (5) EFFECTIVE DATE.—The amendments made  
10      by this subsection shall apply with respect to plan  
11      years beginning on or after January 1, 2027.

12      (d) CLERICAL AMENDMENTS.—

13           (1) The heading for section 36B(e) is amended  
14      by inserting “AND NOT ELIGIBLE ALIENS” after  
15      “INDIVIDUALS NOT LAWFULLY PRESENT”.

16           (2) The heading for section 36B(e)(2) is  
17      amended by inserting “; ELIGIBLE ALIENS” after  
18      “LAWFULLY PRESENT”.

19      (e) REQUIREMENT TO MAINTAIN MINIMUM ESSEN-  
20      TIAL COVERAGE.—Section 5000A(d)(3) is amended by  
21      striking “an alien lawfully present in the United States”  
22      and inserting “an eligible alien (within the meaning of sec-  
23      tion 36B(e)(2))”.

24      (f) REGULATIONS.—The Secretary of the Treasury  
25      and the Secretary of Health and Human Services may

1 each prescribe such rules and other guidance as may be  
2 necessary or appropriate to carry out the amendments  
3 made by this section.

4 (g) EFFECTIVE DATE.—The amendments made by  
5 this section (other than the amendments made by sub-  
6 section (c)) shall apply to taxable years beginning after  
7 December 31, 2026.

8 **SEC. 112102. DISALLOWING PREMIUM TAX CREDIT DURING**  
9 **PERIODS OF MEDICAID INELIGIBILITY DUE**  
10 **TO ALIEN STATUS.**

11 (a) IN GENERAL.—Section 36B(c)(1) is amended by  
12 striking subparagraph (B) and by redesignating subpara-  
13 graphs (C), (D), and (E) as subparagraphs (B), (C), and  
14 (D), respectively.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 36B(g)(4)(A) is amended by strik-  
17 ing “subsection (c)(1)(C)” and inserting “subsection  
18 (c)(1)(B)”.

19 (2) Section 1331(e)(1)(B) of the Patient Pro-  
20 tection and Affordable Care Act (42 U.S.C.  
21 18051(e)(1)(B)) is amended by striking “, or, in the  
22 case of” and all that follows through “such alien  
23 status”.

1           (3) 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. 112103. 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.—Subject to subsection (b), an in-  
20      dividual may be entitled to, or enrolled for, benefits under  
21      this title only if the individual is—

22           “(1) a citizen or national of the United States;  
23           “(2) an alien who is lawfully admitted for per-  
24      manent residence under the Immigration and Na-  
25      tionality Act;

1 “(3) an alien who—

2 “(A) is a citizen or national of the Repub-  
3 lic of Cuba;

4 “(B) is the beneficiary of an approved peti-  
5 tion under section 203(a) of the Immigration  
6 and Nationality Act;

7 “(C) meets all eligibility requirements for  
8 an immigrant visa but for whom such a visa is  
9 not immediately available;

10 “(D) is not otherwise inadmissible under  
11 section 212(a) of such Act; and

12 “(E) is physically present in the United  
13 States pursuant to a grant of parole in further-  
14 ance of the commitment of the United States to  
15 the minimum level of annual legal migration of  
16 Cuban nationals to the United States specified  
17 in the U.S.-Cuba Joint Communiqué on Migra-  
18 tion, done at New York September 9, 1994, and  
19 reaffirmed in the Cuba-United States: Joint  
20 Statement on Normalization of Migration,  
21 Building on the Agreement of September 9,  
22 1994, done at New York May 2, 1995; or

23 “(4) an individual who lawfully resides in the  
24 United States in accordance with a Compact of Free  
25 Association referred to in section 402(b)(2)(G) of

1 the Personal Responsibility and Work Opportunity  
2 Reconciliation Act of 1996.

3 “(b) APPLICATION TO INDIVIDUALS CURRENTLY EN-  
4 TITLED TO OR ENROLLED FOR BENEFITS.—

5 “(1) IN GENERAL.—In the case of an individual  
6 who is entitled to, or enrolled for, benefits under this  
7 title as of the date of the enactment of this section,  
8 subsection (a) shall apply beginning on the date that  
9 is 1 year after such date of enactment.

10 “(2) REVIEW BY COMMISSIONER OF SOCIAL SE-  
11 CURITY.—

12 “(A) IN GENERAL.—Not later than 6  
13 months after the date of the enactment of this  
14 section, the Commissioner of Social Security  
15 shall complete a review of individuals entitled  
16 to, or enrolled for, benefits under this title as  
17 of such date of enactment for purposes of iden-  
18 tifying individuals not described in any of para-  
19 graphs (1) through (4) of subsection (a).

20 “(B) NOTICE.—The Commissioner of So-  
21 cial Security shall notify each individual identi-  
22 fied under the review conducted under subpara-  
23 graph (A) that such individual’s entitlement to,  
24 or enrollment for, benefits under this title will  
25 be terminated as of the date that is 1 year after

1 the date of the enactment of this section. Such  
2 notification shall be made as soon as practicable  
3 after such identification and in a manner de-  
4 signed to ensure such individual's comprehen-  
5 sion of such notification.”.

6 **SEC. 112104. EXCISE TAX ON REMITTANCE TRANSFERS.**

7 (a) IN GENERAL.—Chapter 36 is amended by insert-  
8 ing after subchapter B the following new subchapter:

9 **“Subchapter C—Remittance Transfers**

“Sec. 4475. Imposition of tax.

10 **“SEC. 4475. IMPOSITION OF TAX.**

11 “(a) IN GENERAL.—There is hereby imposed on any  
12 remittance transfer a tax equal to 3.5 percent of the  
13 amount of such transfer.

14 “(b) PAYMENT OF TAX.—

15 “(1) IN GENERAL.—The tax imposed by this  
16 section with respect to any remittance transfer shall  
17 be paid by the sender with respect to such transfer.

18 “(2) COLLECTION.—The remittance transfer  
19 provider with respect to any remittance transfer  
20 shall collect the amount of the tax imposed under  
21 subsection (a) with respect to such transfer from the  
22 sender and remit such tax quarterly to the Secretary  
23 at such time and in such manner as provided by the  
24 Secretary.

1           “(3) SECONDARY LIABILITY.—Where any tax  
2           imposed by subsection (a) is not paid at the time the  
3           transfer is made, then to the extent that such tax  
4           is not collected, such tax shall be paid by the remit-  
5           tance transfer provider.

6           “(c) EXCEPTION FOR REMITTANCE TRANSFERS  
7           SENT BY CITIZENS AND NATIONALS OF THE UNITED  
8           STATES THROUGH CERTAIN PROVIDERS.—

9           “(1) IN GENERAL.—Subsection (a) shall not  
10          apply to any remittance transfer with respect to  
11          which the remittance transfer provider is a qualified  
12          remittance transfer provider and the sender is a  
13          verified United States sender.

14          “(2) QUALIFIED REMITTANCE TRANSFER PRO-  
15          VIDER.—For purposes of this subsection, the term  
16          ‘qualified remittance transfer provider’ means any  
17          remittance transfer provider which enters into a  
18          written agreement with the Secretary pursuant to  
19          which such provider agrees to verify the status of  
20          senders as citizens or nationals of the United States  
21          in such manner, and in accordance with such proce-  
22          dures, as the Secretary may specify.

23          “(3) VERIFIED UNITED STATES SENDER.—For  
24          purposes of this subsection, the term ‘verified United  
25          States sender’ means any sender who is verified by



1 a qualified remittance transfer provider as being a  
 2 citizen or national of the United States pursuant to  
 3 an agreement described in paragraph (2).

4 “(d) DEFINITIONS.—For purposes of this section, the  
 5 terms ‘remittance transfer’, ‘remittance transfer provider’,  
 6 ‘designated recipient’, and ‘sender’ shall each have the re-  
 7 spective meanings given such terms by section 920(g) of  
 8 the Electronic Fund Transfer Act (15 U.S.C. 1693o-1; re-  
 9 lating to “Remittance Transfers”).

10 “(e) APPLICATION OF ANTI-CONDUIT RULES.—For  
 11 purposes of section 7701(l) with respect to any multiple-  
 12 party arrangements involving the sender, a remittance  
 13 transfer shall be treated as a financing transaction.”.

14 (b) REFUNDABLE INCOME TAX CREDIT ALLOWED  
 15 TO CITIZENS AND NATIONALS OF THE UNITED STATES  
 16 FOR EXCISE TAX ON REMITTANCE TRANSFERS.—Subpart  
 17 C of part IV of subchapter A of chapter 1 is amended  
 18 by inserting after section 36B the following new section:  
 19 **“SEC. 36C. CREDIT FOR EXCISE TAX ON REMITTANCE**  
 20 **TRANSFERS OF CITIZENS AND NATIONALS OF**  
 21 **THE UNITED STATES.**

22 “(a) IN GENERAL.—In the case of any individual,  
 23 there shall be allowed as a credit against the tax imposed  
 24 by this subtitle for any taxable year an amount equal to

1 the aggregate amount of taxes paid by such individual  
2 under section 4475 during such taxable year.

3 “(b) SOCIAL SECURITY NUMBER REQUIREMENT.—

4 “(1) IN GENERAL.—No credit shall be allowed  
5 under this section unless the taxpayer includes on  
6 the return of tax for the taxable year—

7 “(A) the individual’s social security num-  
8 ber, and

9 “(B) if the individual is married, the social  
10 security number of such individuals’s spouse.

11 “(2) SOCIAL SECURITY NUMBER.—For pur-  
12 poses of this subsection, the term ‘social security  
13 number’ has the meaning given such term in section  
14 24(h)(7).

15 “(3) MARRIED INDIVIDUALS.—Rules similar to  
16 the rules of section 32(d) shall apply to this section.

17 “(c) SUBSTANTIATION REQUIREMENTS.—No credit  
18 shall be allowed under this section unless the taxpayer  
19 demonstrates to the satisfaction of the Secretary that the  
20 tax under section 4475 with respect to which such credit  
21 is determined—

22 “(1) was paid by the taxpayer, and

23 “(2) is with respect to a remittance transfer  
24 with respect to which the taxpayer provided to the

1 remittance transfer provider the certification and in-  
 2 formation referred to in section 6050BB(a)(2).

3 “(d) DEFINITIONS.—Any term used in this section  
 4 which is also used in section 4475 shall have the meaning  
 5 given such term in section 4475.

6 “(e) APPLICATION OF ANTI-CONDUIT RULES.—For  
 7 rules providing for the application of the anti-conduit rules  
 8 of section 7701(l) to remittance transfers, see section  
 9 4475(e).”.

10 (c) REPORTING BY REMITTANCE TRANSFER PRO-  
 11 VIDERS.—

12 (1) IN GENERAL.—Subpart B of part III of  
 13 subchapter A of chapter 61, as amended by the pre-  
 14 ceding provisions of this Act, is amended by adding  
 15 at the end the following new section:

16 **“SEC. 6050BB. RETURNS RELATING TO REMITTANCE**  
 17 **TRANSFERS.**

18 “(a) IN GENERAL.—Each remittance transfer pro-  
 19 vider shall make a return at such time as the Secretary  
 20 may provide setting forth—

21 “(1) in the case of a qualified remittance trans-  
 22 fer provider with respect to remittance transfers to  
 23 which section 4475(a) does not apply by reason of  
 24 section 4475(c), the aggregate number and value of  
 25 such transfers,

1           “(2) in the case of any remittance transfer not  
2           described in paragraph (1) and with respect to  
3           which the sender certifies to the remittance transfer  
4           provider an intent to claim the credit under section  
5           36C and provides the information described in para-  
6           graph (1)—

7                   “(A) the name, address, and social security  
8           number of the sender,

9                   “(B) the amount of tax paid by the sender  
10           under section 4475(b)(1), and

11                   “(C) the amount of tax remitted by the re-  
12           mittance transfer provider under section  
13           4475(b)(2), and

14           “(3) in the case of any remittance transfer not  
15           included under paragraph (1) or (2)—

16                   “(A) the aggregate amount of tax paid  
17           under section 4475(b)(1) with respect to such  
18           transfers, and

19                   “(B) the aggregate amount of tax remitted  
20           under section 4475(b)(2) with respect to such  
21           transfers.

22           “(b) STATEMENT TO BE FURNISHED TO NAMED  
23   PERSONS.—Every person required to make a return under  
24   subsection (a) shall furnish, at such time as the Secretary

1 may provide, to each person whose name is required to  
 2 be set forth in such return a written statement showing—

3 “(1) the name and address of the information  
 4 contact of the required reporting person, and

5 “(2) the information described in subsection  
 6 (a)(2) which relates to such person.

7 “(c) DEFINITIONS.—Any term used in this section  
 8 which is also used in section 4475 shall have the meaning  
 9 given such term in such section.”.

10 (2) PENALTIES.—Section 6724(d), as amended  
 11 by the preceding provisions of this Act, is amend-  
 12 ed—

13 (A) in paragraph (1)(B), by striking “or”  
 14 at the end of clause (xxviii), by striking “and”  
 15 at the end of clause (xxix) and inserting “or”,  
 16 and by adding at the end the following new  
 17 clause:

18 “(xxx) section 6050BB(a) (relating to  
 19 returns relating to remittance transfers),  
 20 and”, and

21 (B) in paragraph (2), by striking “or” at  
 22 the end of subparagraph (NN), by striking the  
 23 period at the end of subparagraph (OO) and in-  
 24 serting “, or”, and by inserting after subpara-  
 25 graph (OO) the following new subparagraph:

1                   “(PP) section 6050BB(b) (relating to  
2                   statements relating to remittance transfers).”.

3           (d) CONFORMING AMENDMENTS.—

4           (1) Section 6211(b)(4)(A) is amended by insert-  
5           ing “36C,” after “36B,”.

6           (2) Section 6213(g)(2), as amended by the pre-  
7           ceding provisions of this Act, is amended by striking  
8           “and” at the end of subparagraph (Z), by the strik-  
9           ing the period at the end of subparagraph (AA) and  
10          inserting “, and”, and by inserting after subpara-  
11          graph (AA) the following new subparagraph:

12                   “(BB) an omission of a correct social secu-  
13                   rity number under section 36C(b) to be in-  
14                   cluded on a return.”.

15          (3) Section 1324(b)(2) of title 31, United  
16          States Code, is amended by inserting “36C,” after  
17          “36B,”.

18          (4) The table of sections for subpart C of part  
19          IV of subchapter A of chapter 1 is amended by in-  
20          serting after the item relating to section 36B the fol-  
21          lowing new item:

                  “Sec. 36C. Credit for excise tax on remittance transfers of citizens and nation-  
                  als of the United States.”.

1           (5) The table of sections for subpart B of part  
 2           III of subchapter A of chapter 61 is amended by  
 3           adding at the end the following new item:

“Sec. 6050BB. Returns relating to remittance transfers.”.

4           (6) The table of subchapters for chapter 36 is  
 5           amended by inserting after the item relating to sub-  
 6           chapter B the following new item:

“SUBCHAPTER C—REMITTANCE TRANSFERS”.

7           (e) EFFECTIVE DATE.—

8           (1) IN GENERAL.—Except as otherwise pro-  
 9           vided in this subsection, the amendments made by  
 10          this section shall apply to transfers made after De-  
 11          cember 31, 2025.

12          (2) TAX CREDIT.—The amendments made by  
 13          subsection (b), and paragraphs (1) through (4) of  
 14          subsection (d), shall apply to taxable years ending  
 15          after December 31, 2025.

16 **SEC. 112105. SOCIAL SECURITY NUMBER REQUIREMENT**  
 17 **FOR AMERICAN OPPORTUNITY AND LIFE-**  
 18 **TIME LEARNING CREDITS.**

19          (a) SOCIAL SECURITY NUMBER OF TAXPAYER RE-  
 20          QUIRED.—Section 25A(g)(1) is amended to read as fol-  
 21          lows:

22               “(1) IDENTIFICATION REQUIREMENT.—

23               “(A) SOCIAL SECURITY NUMBER REQUIRE-  
 24          MENT.—No credit shall be allowed under sub-

1 section (a) to a taxpayer unless the taxpayer in-  
2 cludes on the return of tax for the taxable  
3 year—

4 “(i) such individual’s social security  
5 number,

6 “(ii) if the individual is married, the  
7 social security number of such individual’s  
8 spouse, and

9 “(iii) in the case of a credit with re-  
10 spect to the qualified tuition and related  
11 expenses of an individual other than the  
12 taxpayer or the taxpayer’s spouse, the  
13 name and social security number of such  
14 individual.

15 “(B) INSTITUTION.—No American Oppor-  
16 tunity Tax Credit shall be allowed under this  
17 section unless the taxpayer includes the em-  
18 ployer identification number of any institution  
19 to which the taxpayer paid qualified tuition and  
20 related expenses taken into account under this  
21 section on the return of tax for the taxable  
22 year.

23 “(C) SOCIAL SECURITY NUMBER DE-  
24 FINED.—For purposes of this paragraph, the



1 term ‘social security number’ shall have the  
 2 meaning given such term in section 24(h)(7).”.

3 (b) RULES RELATED TO MARRIED INDIVIDUALS.—

4 Section 25A(g)(6) is amended to read as follows:

5 “(6) RULES RELATED TO MARRIED INDIVID-  
 6 UALS.—Rules similar to the rules of section 32(d)  
 7 shall apply to this section.”.

8 (c) OMISSION TREATED AS MATHEMATICAL OR  
 9 CLERICAL ERROR.—Section 6213(g)(2)(J) is amended by  
 10 striking “TIN” and inserting “social security number or  
 11 employer identification number”.

12 (d) EFFECTIVE DATE.—The amendments made by  
 13 this section shall apply to taxable years beginning after  
 14 December 31, 2025.

15 **PART 3—PREVENTING FRAUD, WASTE, AND**  
 16 **ABUSE**

17 **SEC. 112201. REQUIRING EXCHANGE VERIFICATION OF ELI-**  
 18 **GIBILITY FOR HEALTH PLAN.**

19 (a) IN GENERAL.—Section 36B(c) is amended by  
 20 adding at the end the following new paragraphs:

21 “(5) EXCHANGE ENROLLMENT VERIFICATION  
 22 REQUIREMENT.—

23 “(A) IN GENERAL.—The term ‘coverage  
 24 month’ shall not include, with respect to any in-  
 25 dividual covered by a qualified health plan en-

1 rolled in through an Exchange, any month be-  
2 ginning before the Exchange verifies, using ap-  
3 plicable enrollment information that shall be  
4 provided or verified by the applicant, such indi-  
5 vidual's eligibility—

6 “(i) to enroll in the plan through the  
7 Exchange,

8 “(ii) for any advance payment under  
9 section 1412 of the Patient Protection and  
10 Affordable Care Act of the credit allowed  
11 under this section, and

12 “(iii) for any reduced cost-sharing  
13 under section 1402 of such Act.

14 “(B) APPLICABLE ENROLLMENT INFORMA-  
15 TION.—For purposes of subparagraph (A), ap-  
16 plicable enrollment information shall at least in-  
17 clude affirmation of the following information  
18 (to the extent relevant in determining eligibility  
19 described in subparagraph (A)):

20 “(i) Income.

21 “(ii) Any immigration status.

22 “(iii) Any health coverage status or  
23 eligibility for coverage.

24 “(iv) Place of residence.

25 “(v) Family size.

1           “(vi) Such other information as may  
2           be determined by the Secretary (in con-  
3           sultation with the Secretary of Health and  
4           Human Services) as necessary to the  
5           verification prescribed under subparagraph  
6           (A).

7           “(C) VERIFICATION OF PAST MONTHS.—In  
8           the case of a month that begins before  
9           verification prescribed by subparagraph (A),  
10          such month shall be treated as a coverage  
11          month if, and only if, the Exchange verifies for  
12          such month (using applicable enrollment infor-  
13          mation that shall be provided or verified by the  
14          applicant) such individual’s eligibility to have so  
15          enrolled, for any such advance payment, and for  
16          any such reduced cost-sharing.

17          “(D) EXCHANGE PARTICIPATION; COORDI-  
18          NATION WITH OTHER PROCEDURES FOR DETER-  
19          MINING ELIGIBILITY.—An individual shall not,  
20          solely by reason of failing to meet the require-  
21          ments of this paragraph with respect to a  
22          month, be treated for such month as ineligible  
23          to enroll in a qualified health plan through an  
24          Exchange.

1           “(6) EXCHANGE COMPLIANCE WITH FILING RE-  
 2           QUIREMENTS.—The term ‘coverage month’ shall not  
 3           include, with respect to any individual covered by a  
 4           qualified health plan enrolled in through an Ex-  
 5           change, any month for which the Exchange does not  
 6           meet the requirements of section 155.305(f)(4) of  
 7           title 45, Code of Federal Regulations (as published  
 8           in the Federal Register on March 19, 2025 (90 FR  
 9           12942)), with respect to the individual.”.

10          (b) PRE-ENROLLMENT VERIFICATION PROCESS RE-  
 11         QUIRED.—Section 36B(c)(3)(A) is amended—

12                 (1) by striking “HEALTH PLAN.—The term”  
 13                 and inserting the following: “HEALTH PLAN.—

14                         “(i) IN GENERAL.—The term”, and

15                 (2) by adding at the end the following new  
 16                 clause:

17                         “(ii) PRE-ENROLLMENT VERIFICATION  
 18                         PROCESS REQUIRED.—Such term shall not  
 19                         include any plan enrolled in through an  
 20                         Exchange, unless such Exchange provides  
 21                         a process for pre-enrollment verification  
 22                         through which any applicant may, begin-  
 23                         ning not later than August 1, verify with  
 24                         the Exchange the applicant’s eligibility for  
 25                         enrollment in such plan for plan years be-

1           ginning in the subsequent year, for any ad-  
 2           vance payment of the credit allowed under  
 3           this section, and for reduced cost-sharing  
 4           under section 1402 of the Patient Protec-  
 5           tion and Affordable Care Act.”.

6           (c) REGULATIONS.—The Secretary of the Treasury  
 7           and the Secretary of Health and Human Services may  
 8           each prescribe such rules and other guidance as may be  
 9           necessary or appropriate to carry out the amendments  
 10          made by this section.

11          (d) EFFECTIVE DATE.—The amendments made by  
 12          this section shall apply to taxable years beginning after  
 13          December 31, 2027.

14   **SEC. 112202. DISALLOWING PREMIUM TAX CREDIT IN CASE**  
 15                           **OF CERTAIN COVERAGE ENROLLED IN DUR-**  
 16                           **ING SPECIAL ENROLLMENT PERIOD.**

17          (a) IN GENERAL.—Section 36B(c)(3)(A), as amend-  
 18          ed by the preceding provisions of this Act, is amended by  
 19          adding at the end the following new clause:

20                           “(iii) EXCEPTION IN CASE OF CER-  
 21                           TAIN SPECIAL ENROLLMENT PERIODS.—  
 22                           Such term shall not include any plan en-  
 23                           rolled in during a special enrollment period  
 24                           provided for by an Exchange—

1                   “(I) on the basis of the relation-  
2                   ship of the individual’s expected  
3                   household income to such a percent-  
4                   age of the poverty line (or such other  
5                   amount) as is prescribed by the Sec-  
6                   retary of Health and Human Services  
7                   for purposes of such period, and  
8                   “(II) not in connection with the  
9                   occurrence of an event or change in  
10                  circumstances specified by the Sec-  
11                  retary of Health and Human Services  
12                  for such purposes.”.

13           (b) REGULATIONS.—The Secretary of Treasury and  
14 the Secretary of Health and Human Services shall pre-  
15 scribe such rules (including interim final and temporary  
16 regulations) and other guidance as may be necessary to  
17 carry out the purposes of the amendments made by this  
18 section.

19           (c) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply with respect to plans enrolled in  
21 during calendar months beginning after the third calendar  
22 month ending after the date of the enactment of this Act.

1 **SEC. 112203. ELIMINATING LIMITATION ON RECAPTURE OF**  
2 **ADVANCE PAYMENT OF PREMIUM TAX CRED-**  
3 **IT.**

4 (a) IN GENERAL.—Section 36B(f)(2) is amended by  
5 striking subparagraph (B).

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 36B(f)(2) is amended by striking  
8 “ADVANCE PAYMENTS.—” and all that follows  
9 through “If the advance payments” and inserting  
10 the following: “ADVANCE PAYMENTS.—If the ad-  
11 vance payments”.

12 (2) Section 35(g)(12)(B)(ii) is amended by  
13 striking “then section 36B(f)(2)(B) shall be applied  
14 by substituting the amount determined under clause  
15 (i) for the amount determined under section  
16 36B(f)(2)(A)” and inserting “then the amount de-  
17 termined under clause (i) shall be substituted for the  
18 amount determined under section 36B(f)(2)”.

19 (c) EFFECTIVE DATE.—The amendment made by  
20 this section shall apply to taxable years beginning after  
21 December 31, 2025.

1 **SEC. 112204. IMPLEMENTING ARTIFICIAL INTELLIGENCE**  
2 **TOOLS FOR PURPOSES OF REDUCING AND**  
3 **RECOUPING IMPROPER PAYMENTS UNDER**  
4 **MEDICARE.**

5 (a) IN GENERAL.—Part E of title XVIII of the Social  
6 Security Act (42 U.S.C. 1395x et seq.), as amended by  
7 the preceding provisions of this Act, is amended by adding  
8 at the end the following new section:

9 **“SEC. 1899D. IMPLEMENTING ARTIFICIAL INTELLIGENCE**  
10 **TOOLS FOR PURPOSES OF REDUCING AND**  
11 **RECOUPING IMPROPER PAYMENTS.**

12 “(a) IN GENERAL.—Not later than January 1, 2027,  
13 the Secretary shall implement such artificial intelligence  
14 tools determined appropriate by the Secretary for pur-  
15 poses of—

16 “(1) reducing improper payments made under  
17 parts A and B; and

18 “(2) identifying any such improper payments so  
19 made.

20 “(b) CONTRACTS.—The Secretary shall seek to con-  
21 tract with a vendor of artificial intelligence tools and with  
22 data scientists for purposes of implementing the artificial  
23 intelligence tools required under subsection (a).

24 “(c) RECOUPMENT.—The Secretary shall, to the ex-  
25 tent practicable, recoup payments identified using the arti-  
26 ficial intelligence tools implemented under subsection (a).



1       “(d) REPORT.—Not later than January 1, 2029, and  
2 not less frequently than annually thereafter, the Secretary  
3 shall report to Congress on the implementation of artificial  
4 intelligence tools under subsection (a) and the recoupment  
5 of improper payments under subsection (c). Such report  
6 shall include—

7           “(1) a description of any opportunities for fur-  
8 ther reducing rates of improper payments described  
9 in subsection (a)(1) or further increasing rates of  
10 recoupment of such payments;

11          “(2) the total dollar amount of improper pay-  
12 ments recouped in the most recent year for which  
13 data is available; and

14          “(3) in the case that the Secretary fails to re-  
15 duce the rate of improper payments by 50 percent  
16 in such most recent year as compared to the year  
17 prior to such most recent year, a description of the  
18 reasons for such failure.”.

19       (b) IMPLEMENTATION FUNDING.—

20           (1) FEDERAL HOSPITAL INSURANCE TRUST  
21 FUND.—The Secretary of Health and Human Serv-  
22 ices shall provide for the transfer from the Federal  
23 Hospital Insurance Trust Fund established under  
24 section 1817 of the Social Security Act (42 U.S.C.  
25 1395i) to the Centers for Medicare & Medicaid Serv-

1        ices Program Management Account of \$12,500,000  
2        for fiscal year 2025 for purposes of carrying out the  
3        amendment made by this section, to remain available  
4        until expended.

5            (2) FEDERAL SUPPLEMENTARY MEDICAL IN-  
6        SURANCE TRUST FUND.—The Secretary of Health  
7        and Human Services shall provide for the transfer,  
8        from the Federal Supplementary Medical Insurance  
9        Trust Fund established under section 1841 of the  
10       Social Security Act (42 U.S.C. 1395t) to the Cen-  
11       ters for Medicare & Medicaid Services Program  
12       Management Account of \$12,500,000 for fiscal year  
13       2025 for purposes of carrying out the amendment  
14       made by this section, to remain available until ex-  
15       pended.

16 **SEC. 112205. ENFORCEMENT PROVISIONS WITH RESPECT**  
17 **TO COVID-RELATED EMPLOYEE RETENTION**  
18 **CREDITS.**

19        (a) INCREASE IN ASSESSABLE PENALTY ON COVID-  
20       ERTC PROMOTERS FOR AIDING AND ABETTING UNDER-  
21       STATEMENTS OF TAX LIABILITY.—

22            (1) IN GENERAL.—If any COVID-ERTC pro-  
23       moter is subject to penalty under section 6701(a) of  
24       the Internal Revenue Code of 1986 with respect to  
25       any COVID-ERTC document, notwithstanding

1 paragraphs (1) and (2) of section 6701(b) of such  
2 Code, the amount of the penalty imposed under such  
3 section 6701(a) shall be the greater of—

4 (A) \$200,000 (\$10,000, in the case of a  
5 natural person), or

6 (B) 75 percent of the gross income derived  
7 (or to be derived) by such promoter with re-  
8 spect to the aid, assistance, or advice referred  
9 to in section 6701(a)(1) of such Code with re-  
10 spect to such document.

11 (2) NO INFERENCE.—Paragraph (1) shall not  
12 be construed to create any inference with respect to  
13 the proper application of the knowledge requirement  
14 of section 6701(a)(3) of the Internal Revenue Code  
15 of 1986.

16 (b) FAILURE TO COMPLY WITH DUE DILIGENCE RE-  
17 QUIREMENTS TREATED AS KNOWLEDGE FOR PURPOSES  
18 OF ASSESSABLE PENALTY FOR AIDING AND ABETTING  
19 UNDERSTATEMENT OF TAX LIABILITY.—In the case of  
20 any COVID–ERTC promoter, the knowledge requirement  
21 of section 6701(a)(3) of the Internal Revenue Code of  
22 1986 shall be treated as satisfied with respect to any  
23 COVID–ERTC document with respect to which such pro-  
24 moter provided aid, assistance, or advice, if such promoter

1 fails to comply with the due diligence requirements re-  
2 ferred to in subsection (c)(1).

3 (c) ASSESSABLE PENALTY FOR FAILURE TO COMPLY  
4 WITH DUE DILIGENCE REQUIREMENTS.—

5 (1) IN GENERAL.—Any COVID-ERTC pro-  
6 moter which provides aid, assistance, or advice with  
7 respect to any COVID-ERTC document and which  
8 fails to comply with due diligence requirements im-  
9 posed by the Secretary with respect to determining  
10 eligibility for, or the amount of, any COVID-related  
11 employee retention tax credit, shall pay a penalty of  
12 \$1,000 for each such failure.

13 (2) DUE DILIGENCE REQUIREMENTS.—Except  
14 as otherwise provided by the Secretary, the due dili-  
15 gence requirements referred to in paragraph (1)  
16 shall be similar to the due diligence requirements  
17 imposed under section 6695(g) of the Internal Rev-  
18 enue Code of 1986.

19 (3) RESTRICTION TO DOCUMENTS USED IN  
20 CONNECTION WITH RETURNS OR CLAIMS FOR RE-  
21 FUND.—Paragraph (1) shall not apply with respect  
22 to any COVID-ERTC document unless such docu-  
23 ment constitutes, or relates to, a return or claim for  
24 refund.

1           (4) TREATMENT AS ASSESSABLE PENALTY,  
2       ETC.—For purposes of the Internal Revenue Code of  
3       1986, the penalty imposed under paragraph (1) shall  
4       be treated in the same manner as a penalty imposed  
5       under section 6695(g) of such Code.

6           (5) SECRETARY.—For purposes of this sub-  
7       section, the term “Secretary” means the Secretary  
8       of the Treasury or the Secretary’s delegate.

9       (d) ASSESSABLE PENALTIES FOR FAILURE TO DIS-  
10   CLOSE INFORMATION, MAINTAIN CLIENT LISTS, ETC.—  
11   For purposes of sections 6111, 6112, 6707 and 6708 of  
12   the Internal Revenue Code of 1986—

13           (1) any COVID-related employee retention tax  
14       credit (whether or not the taxpayer claims such  
15       COVID-related employee retention tax credit) shall  
16       be treated as a listed transaction (and as a report-  
17       able transaction) with respect to any COVID–ERTC  
18       promoter if such promoter provides any aid, assist-  
19       ance, or advice with respect to any COVID–ERTC  
20       document relating to such COVID-related employee  
21       retention tax credit, and

22           (2) such COVID–ERTC promoter shall be  
23       treated as a material advisor with respect to such  
24       transaction.

1 (e) COVID-ERTC PROMOTER.—For purposes of  
2 this section—

3 (1) IN GENERAL.—The term “COVID-ERTC  
4 promoter” means, with respect to any COVID-  
5 ERTC document, any person which provides aid, as-  
6 sistance, or advice with respect to such document  
7 if—

8 (A) such person charges or receives a fee  
9 for such aid, assistance, or advice which is  
10 based on the amount of the refund or credit  
11 with respect to such document and, with respect  
12 to such person’s taxable year in which such per-  
13 son provided such assistance or the preceding  
14 taxable year, the aggregate gross receipts of  
15 such person for aid, assistance, and advice with  
16 respect to all COVID-ERTC documents exceeds  
17 20 percent of the gross receipts of such person  
18 for such taxable year, or

19 (B) with respect to such person’s taxable  
20 year in which such person provided such assist-  
21 ance or the preceding taxable year—

22 (i) the aggregate gross receipts of  
23 such person for aid, assistance, and advice  
24 with respect to all COVID-ERTC docu-  
25 ments exceeds 50 percent of the gross re-

1                    ceipts of such person for such taxable year,

2                    or

3                    (ii) both—

4                    (I) such aggregate gross receipts

5                    exceeds 20 percent of the gross re-

6                    ceipts of such person for such taxable

7                    year, and

8                    (II) the aggregate gross receipts

9                    of such person for aid, assistance, and

10                  advice with respect to all COVID–

11                  ERTC documents (determined after

12                  application of paragraph (3)) exceeds

13                  \$500,000.

14                  (2) EXCEPTION FOR CERTIFIED PROFESSIONAL

15                  EMPLOYER ORGANIZATIONS.—The term “COVID–

16                  ERTC promoter” shall not include a certified profes-

17                  sional employer organization (as defined in section

18                  7705 of the Internal Revenue Code of 1986).

19                  (3) AGGREGATION RULE.—For purposes of

20                  paragraph (1)(B)(ii)(II), all persons treated as a

21                  single employer under subsection (a) or (b) of sec-

22                  tion 52 of the Internal Revenue Code of 1986, or

23                  subsection (m) or (o) of section 414 of such Code,

24                  shall be treated as 1 person.

1           (4) SHORT TAXABLE YEARS.—In the case of  
2           any taxable year of less than 12 months, paragraph  
3           (1) shall be applied with respect to the calendar year  
4           in which such taxable year begins (in addition to ap-  
5           plying to such taxable year).

6           (f) COVID-ERTC DOCUMENT.—For purposes of  
7           this section, the term “COVID-ERTC document” means  
8           any return, affidavit, claim, or other document related to  
9           any COVID-related employee retention tax credit, includ-  
10          ing any document related to eligibility for, or the calcula-  
11          tion or determination of any amount directly related to  
12          any COVID-related employee retention tax credit.

13          (g) COVID-RELATED EMPLOYEE RETENTION TAX  
14          CREDIT.—For purposes of this section, the term  
15          “COVID-related employee retention tax credit” means—

16                (1) any credit, or advance payment, under sec-  
17                tion 3134 of the Internal Revenue Code of 1986,  
18                and

19                (2) any credit, or advance payment, under sec-  
20                tion 2301 of the CARES Act.

21          (h) LIMITATION ON CREDIT AND REFUND OF  
22          COVID-RELATED EMPLOYEE RETENTION TAX CRED-  
23          ITS.—Notwithstanding section 6511 of the Internal Rev-  
24          enue Code of 1986, no credit or refund of any COVID-  
25          related employee retention tax credit shall be allowed or



1 made after the date of the enactment of this Act, unless  
2 a claim for such credit or refund is filed by the taxpayer  
3 on or before January 31, 2024.

4 (i) AMENDMENTS TO EXTEND LIMITATION ON AS-  
5 SESSMENT.—

6 (1) IN GENERAL.—Section 3134(l) is amended  
7 to read as follows:

8 “(1) EXTENSION OF LIMITATION ON ASSESSMENT.—

9 “(1) IN GENERAL.—Notwithstanding section  
10 6501, the limitation on the time period for the as-  
11 sessment of any amount attributable to a credit  
12 claimed under this section shall not expire before the  
13 date that is 6 years after the latest of—

14 “(A) the date on which the original return  
15 which includes the calendar quarter with re-  
16 spect to which such credit is determined is filed,

17 “(B) the date on which such return is  
18 treated as filed under section 6501(b)(2), or

19 “(C) the date on which the claim for credit  
20 or refund with respect to such credit is made.

21 “(2) DEDUCTION FOR WAGES TAKEN INTO AC-  
22 COUNT IN DETERMINING IMPROPERLY CLAIMED  
23 CREDIT.—

24 “(A) IN GENERAL.—Notwithstanding sec-  
25 tion 6511, in the case of an assessment attrib-

1           utable to a credit claimed under this section,  
 2           the limitation on the time period for credit or  
 3           refund of any amount attributable to a deduc-  
 4           tion for improperly claimed ERTC wages shall  
 5           not expire before the time period for such as-  
 6           sessment expires under paragraph (1).

7           “(B)     IMPROPERLY     CLAIMED     ERTC  
 8           WAGES.—For purposes of this paragraph, the  
 9           term ‘improperly claimed ERTC wages’ means,  
 10          with respect to an assessment attributable to a  
 11          credit claimed under this section, the wages  
 12          with respect to which a deduction would not  
 13          have been allowed if the portion of the credit to  
 14          which such assessment relates had been prop-  
 15          erly claimed.”.

16          (2) APPLICATION TO CARES ACT CREDIT.—Sec-  
 17          tion 2301 of the CARES Act is amended by adding  
 18          at the end the following new subsection:

19          “(o) EXTENSION OF LIMITATION ON ASSESSMENT.—

20                 “(1) IN GENERAL.—Notwithstanding section  
 21          6501 of the Internal Revenue Code of 1986, the lim-  
 22          itation on the time period for the assessment of any  
 23          amount attributable to a credit claimed under this  
 24          section shall not expire before the date that is 6  
 25          years after the latest of—

1           “(A) the date on which the original return  
2           which includes the calendar quarter with re-  
3           spect to which such credit is determined is filed,

4           “(B) the date on which such return is  
5           treated as filed under section 6501(b)(2) of  
6           such Code, or

7           “(C) the date on which the claim for credit  
8           or refund with respect to such credit is made.

9           “(2) DEDUCTION FOR WAGES TAKEN INTO AC-  
10          COUNT IN DETERMINING IMPROPERLY CLAIMED  
11          CREDIT.—

12           “(A) IN GENERAL.—Notwithstanding sec-  
13          tion 6511 of such Code, in the case of an as-  
14          sessment attributable to a credit claimed under  
15          this section, the limitation on the time period  
16          for credit or refund of any amount attributable  
17          to a deduction for improperly claimed ERTC  
18          wages shall not expire before the time period  
19          for such assessment expires under paragraph  
20          (1).

21           “(B) IMPROPERLY CLAIMED ERTC  
22          WAGES.—For purposes of this paragraph, the  
23          term ‘improperly claimed ERTC wages’ means,  
24          with respect to an assessment attributable to a  
25          credit claimed under this section, the wages

1           with respect to which a deduction would not  
2           have been allowed if the portion of the credit to  
3           which such assessment relates had been prop-  
4           erly claimed.”.

5       (j) EFFECTIVE DATES.—

6           (1) IN GENERAL.—Except as otherwise pro-  
7           vided in this subsection, the provisions of this sec-  
8           tion shall apply to aid, assistance, and advice pro-  
9           vided after March 12, 2020.

10          (2) DUE DILIGENCE REQUIREMENTS.—Sub-  
11          sections (b) and (c) shall apply to aid, assistance,  
12          and advice provided after the date of the enactment  
13          of this Act.

14          (3) LIMITATION ON CREDIT AND REFUND OF  
15          COVID-RELATED EMPLOYEE RETENTION TAX CRED-  
16          ITS.—Subsection (h) shall apply to credits and re-  
17          funds allowed or made after the date of the enact-  
18          ment of this Act.

19          (4) AMENDMENTS TO EXTEND LIMITATION ON  
20          ASSESSMENT.—The amendments made by subsection  
21          (i) shall apply to assessments made after the date of  
22          the enactment of this Act.

23          (k) TRANSITION RULE WITH RESPECT TO REQUIRE-  
24          MENTS TO DISCLOSE INFORMATION, MAINTAIN CLIENT  
25          LISTS, ETC.—Any return under section 6111 of the Inter-

1   nal Revenue Code of 1986, or list under section 6112 of  
2   such Code, required by reason of subsection (d) of this  
3   section to be filed or maintained, respectively, with respect  
4   to any aid, assistance, or advice provided by a COVID-  
5   ERTC promoter with respect to a COVID-ERTC docu-  
6   ment before the date of the enactment of this Act, shall  
7   not be required to be so filed or maintained (with respect  
8   to such aid, assistance or advice) before the date which  
9   is 90 days after the date of the enactment of this Act.

10       (l) PROVISIONS NOT TO BE CONSTRUED TO CREATE  
11   NEGATIVE INFERENCES.—

12           (1) NO INFERENCE WITH RESPECT TO APPLICA-  
13   TION OF KNOWLEDGE REQUIREMENT TO PRE-EN-  
14   ACTMENT CONDUCT OF COVID-ERTC PROMOTERS,  
15   ETC.—Subsection (b) shall not be construed to cre-  
16   ate any inference with respect to the proper applica-  
17   tion of section 6701(a)(3) of the Internal Revenue  
18   Code of 1986 with respect to any aid, assistance, or  
19   advice provided by any COVID-ERTC promoter on  
20   or before the date of the enactment of this Act (or  
21   with respect to any other aid, assistance, or advice  
22   to which such subsection does not apply).

23           (2) REQUIREMENTS TO DISCLOSE INFORMA-  
24   TION, MAINTAIN CLIENT LISTS, ETC.—Subsections  
25   (d) and (k) shall not be construed to create any in-

1       ference with respect to whether any COVID-related  
 2       employee retention tax credit is (without regard to  
 3       subsection (d)) a listed transaction (or reportable  
 4       transaction) with respect to any COVID-ERTC pro-  
 5       moter; and, for purposes of subsection (k), a return  
 6       or list shall not be treated as required (with respect  
 7       to such aid, assistance, or advice) by reason of sub-  
 8       section (d) if such return or list would be so re-  
 9       quired without regard to subsection (d).

10       (m) REGULATIONS.—The Secretary (as defined in  
 11       subsection (c)(5)) shall issue such regulations or other  
 12       guidance as may be necessary or appropriate to carry out  
 13       the purposes of this section (and the amendments made  
 14       by this section).

15       **SEC. 112206. EARNED INCOME TAX CREDIT REFORMS.**

16       (a) EARNED INCOME TAX CREDIT CERTIFICATION  
 17       PROGRAM.—

18               (1) ESTABLISHMENT OF PROGRAM.—

19                       (A) IN GENERAL.—Chapter 77 is amended  
 20       by adding at the end the following new section:

21       **“SEC. 7531. EARNED INCOME TAX CREDIT CERTIFICATION**  
 22               **PROGRAM.**

23       “(a) IN GENERAL.—To avoid duplicative and other  
 24       erroneous claims under section 32 with respect to a child  
 25       of the taxpayer, for taxable years beginning after Decem-

ber 31, 2027, the Secretary shall establish a program under which, on the taxpayer's application with respect to the child, the Secretary shall issue an EITC certificate for purposes of section 32 establishing such child's status as a qualifying child only of the taxpayer for a taxable year.

“(b) APPLICATION REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary shall not issue to a taxpayer an EITC certificate with respect to a child for a taxable year unless the taxpayer applies under the program with respect to the child and provides such information and supporting documentation as the Secretary shall by regulation prescribe as necessary to establish such child as a qualifying child only of the taxpayer for the taxable year.

“(2) TIME AND MANNER OF APPLICATION.—

Such application shall be made, and such information and supporting documentation shall be provided—

“(A) in such manner as may be provided by the Secretary for purposes of this section (including establishing an on-line portal), and

“(B) not later than the due date for the return of tax for the taxable year or (if later) when the return is filed.

1           “(3) COMPETING CLAIMS.—In the case of more  
2           than 1 taxpayer making an application with respect  
3           to a child under the program for a taxable year be-  
4           ginning during a calendar year, the Secretary shall  
5           not issue an EITC certificate to any such taxpayer  
6           with respect to such child for such a taxable year  
7           unless the Secretary can establish such child, based  
8           on information and supporting documentation pro-  
9           vided under paragraph (1), as the qualifying child  
10          only of one such taxpayer for such a taxable year.

11          “(c) TREATMENT OF CREDIT WITHOUT CERTIFI-  
12          CATION UNDER PROGRAM.—For taxable years beginning  
13          after December 31, 2027—

14               “(1) IN GENERAL.—In the case of a taxpayer  
15               who takes into account as a qualifying child under  
16               section 32 a child for whom an EITC certificate has  
17               not been issued for the taxable year to the tax-  
18               payer—

19                       “(A) the Secretary shall not credit the por-  
20                       tion of any overpayment for such taxable year  
21                       that is attributable to the taxpayer taking into  
22                       account such child as a qualifying child, unless  
23                       the taxpayer obtains, not later than the due  
24                       date for the return for the taxable year, an



1 EITC certificate with respect to such child for  
2 such taxable year, and

3 “(B) if the taxpayer fails to so obtain an  
4 EITC certificate, such failure shall be treated—

5 “(i) as an omission of information re-  
6 quired by section 32 with respect to such  
7 child, and

8 “(ii) as arising out of a mathematical  
9 or clerical error and assessed according to  
10 section 6213(b)(1).

11 “(2) TERMINATION OF CERTIFICATION.—In the  
12 case of a taxpayer who for a taxable year takes into  
13 account as a qualifying child under section 32 a  
14 child for whom an EITC certificate is terminated for  
15 such taxable year, such termination shall be treated  
16 in the same manner as a failure to obtain an EITC  
17 certificate under paragraph (1)(B).

18 “(d) TRANSITION RULES FOR TAXABLE YEARS BE-  
19 GINNING BEFORE 2028.—

20 “(1) IN GENERAL.—If for any taxable year be-  
21 ginning after December 31, 2023, and before Janu-  
22 ary 1, 2027, more than 1 taxpayer makes a claim  
23 for credit under section 32 taking into account the  
24 same child as a qualifying child, then the Secretary  
25 shall send notice to each such taxpayer (by certified

1 or registered mail to the last known address of the  
2 taxpayer) detailing the resultant treatment of such  
3 taxpayers under paragraph (2) with respect to such  
4 child for any subsequent taxable years beginning be-  
5 fore 2028.

6 “(2) SUBSEQUENT TAXABLE YEARS BEGINNING  
7 BEFORE 2028.—In the case of a child with respect  
8 to whom paragraph (1) applied by reason of claims  
9 for credit for a taxable year, for any subsequent tax-  
10 able years beginning before January 1, 2028—

11 “(A) subject to subparagraph (B), the Sec-  
12 retary shall not credit the portion of any over-  
13 payment for the taxable year that is attrib-  
14 utable to a taxpayer taking into account such  
15 child as a qualifying child under section 32  
16 until the 15th day of October following the end  
17 of the taxable year, and

18 “(B) if more than one taxpayer makes a  
19 claim for such credit for the taxable year taking  
20 into account such child as a qualifying child, so  
21 taking such child into account shall be treat-  
22 ed—

23 “(i) as an omission of information re-  
24 quired by section 32 with respect to such  
25 child, and

1 “(ii) as arising out of a mathematical  
2 or clerical error and assessed according to  
3 section 6213(b)(1).

4 “(e) QUALIFYING CHILD.—For purposes of this sec-  
5 tion, the term ‘qualifying child’ has the meaning given  
6 such term under section 32(c)(3).

7 “(f) REBUTTAL OF TREATMENT.—Treatment under  
8 subsection (c) or (d)(2)(B) as having omitted information  
9 required by section 32 may be rebutted by providing such  
10 information and supporting documentation as satisfac-  
11 torily demonstrates the child is a qualifying child of the  
12 taxpayer for the taxable year.

13 “(g) RESTRICTIONS ON TAXPAYERS WHO IMPROP-  
14 ERLY USE PROGRAM.—

15 “(1) IN GENERAL.—A taxpayer shall not be  
16 permitted to apply for an EITC certificate under the  
17 program for any taxable year in the disallowance pe-  
18 riod.

19 “(2) DISALLOWANCE PERIOD.—For purposes of  
20 paragraph (1), the disallowance period is—

21 “(A) the period of 10 taxable years after  
22 the most recent taxable year for which there  
23 was a penalty imposed under 6720D on the tax-  
24 payer (but only if such penalty has been im-  
25 posed on such taxpayer more than once, at least

1           one instance of which was due to fraud under  
2           section 6720D(b)),

3           “(B) the period of 2 taxable years after  
4           the most recent taxable year for which there  
5           was a penalty imposed under 6720D on the tax-  
6           payer (but only if such penalty has been im-  
7           posed on such taxpayer more than once due to  
8           reckless or intentional disregard of rules and  
9           regulations (but not imposed due to fraud)),  
10          and

11          “(C) any disallowance period with respect  
12          to the taxpayer under section 32(k)(1).

13          “(h) REGULATIONS.—The Secretary shall prescribe  
14          such rules as may be necessary or appropriate to carry  
15          out the program and purposes of this section, including—

16               “(1) a process for establishing alternating tax-  
17               able year treatment of a child as a qualifying child  
18               under a custodial arrangement,

19               “(2) notwithstanding subsection (d)(2), a proc-  
20               ess for—

21                   “(A) establishing the status of a child as  
22                   a qualifying child of the taxpayer under section  
23                   32 for taxable years to which such subsection  
24                   applies, and

1           “(B) allowing credit or refunds attrib-  
2           utable to such status,

3           “(3) a simplified process for re-certifying a  
4           child as a qualifying child only of the taxpayer for  
5           a taxable year, and

6           “(4) a process for terminating EITC certifi-  
7           cates in the case of competing claims with respect to  
8           a child or in cases in which issuance of the certifi-  
9           cate is determined by the Secretary to be erro-  
10          neous.”.

11           (B) CONFORMING AMENDMENT.—Section  
12           32 amended by adding at the end the following  
13           new subsection:

14           “(o) EITC CERTIFICATE WITH RESPECT TO QUALI-  
15          FYING CHILDREN.—For rules relating to EITC certifi-  
16          cates with respect to qualifying children and duplicate  
17          claims for the credit allowed under this section, see section  
18          7531.”.

19           (C) CLERICAL AMENDMENT.—The table of  
20           sections for chapter 77 is amended by adding at  
21           the end the following new item:

“Sec. 7531. Earned income tax credit certification program.”.

22           (2) PENALTIES FOR IMPROPER USE OF EITC  
23          CERTIFICATE PROGRAM.—

1 (A) IN GENERAL.—Part I of subchapter B  
2 of chapter 68 is amended by adding at the end  
3 the following new section:

4 **“SEC. 6720D. PENALTIES WITH RESPECT TO EITC CERTIFI-**  
5 **CATE PROGRAM.**

6 “(a) RECKLESS OR INTENTIONAL DISREGARD.—If—

7 “(1) any person makes a material misstatement  
8 or inaccurate representation in an application under  
9 section 7531 for an EITC certificate, and

10 “(2) such misstatement or representation was  
11 due to reckless or intentional disregard of rules and  
12 regulations (but not due to fraud),

13 such person shall pay a penalty of \$100 for each EITC  
14 certificate with respect to which such misstatement or rep-  
15 resentation was made.

16 “(b) FRAUD.—If a misstatement or representation  
17 described in subsection (a)(1) is due to fraud on the part  
18 of the person making such misstatement or representa-  
19 tion, in addition to any criminal penalty, such person shall  
20 pay a penalty of \$500 for each EITC certificate with re-  
21 spect to which such a misstatement or representation was  
22 made.”.

23 (B) CLERICAL AMENDMENT.—The table of  
24 sections for part I of subchapter B of chapter

1           68 is amended by adding at the end the fol-  
2           lowing new item:

“Sec. 6720D. Penalties with respect to EITC certificate program.”.

3           (3) EFFECTIVE DATE.—The amendments made  
4           by this subsection shall apply to taxable years begin-  
5           ning after December 31, 2024.

6           (b) TASK FORCE TO DESIGN A PRIVATE DATA  
7 BOUNCING SYSTEM FOR IMPROVEMENTS TO THE EARNED  
8 INCOME TAX CREDIT.—Out of any money in the Treasury  
9 not otherwise appropriated, there is hereby appropriated  
10 \$10,000,000 for the fiscal year ending on September 30,  
11 2026, for necessary expenses of the Department of the  
12 Treasury, to establish, within 90 days following the date  
13 of the enactment of this Act, a task force to provide to  
14 the Secretary of the Treasury a report on the following  
15 with respect to the administration of the earned income  
16 tax credit:

17           (1) Recommendations for improvement of the  
18           integrity of such administration.

19           (2) The potential use of third-party payroll and  
20           consumption datasets to verify income.

21           (3) The integration of automated databases to  
22           allow horizontal verification to reduce improper pay-  
23           ments, fraud, and abuse.

24           (c) INCREASED EARNED INCOME TAX CREDIT FOR  
25 PURPLE HEART RECIPIENTS WHOSE SOCIAL SECURITY

1 DISABILITY BENEFITS ARE TERMINATED BY REASON OF  
2 WORK ACTIVITY.—

3 (1) IN GENERAL.—Section 32, as amended by  
4 the preceding provisions of this Act, is amended by  
5 adding at the end the following new subsection:

6 “(p) INCREASE IN CREDIT FOR PURPLE HEART RE-  
7 CIPIENTS WHOSE SOCIAL SECURITY DISABILITY BENE-  
8 FITS ARE TERMINATED BY REASON OF WORK ACTIV-  
9 ITY.—

10 “(1) IN GENERAL.—In the case of a specified  
11 Purple Heart recipient, the credit otherwise deter-  
12 mined under subsection (a) for the taxable year shall  
13 be increased (whether or not such specified Purple  
14 Heart recipient is an eligible individual) by the sum  
15 of the SSDI benefit substitution amounts with re-  
16 spect to qualified benefit termination months during  
17 such taxable year.

18 “(2) SPECIFIED PURPLE HEART RECIPIENT.—  
19 For purposes of this subsection, the term ‘specified  
20 Purple Heart recipient’ means any individual—

21 “(A) who received the Purple Heart,

22 “(B) who received disability insurance ben-  
23 efit payments under section 223(a) of the So-  
24 cial Security Act, and



1           “(C) with respect to whom such disability  
2           insurance benefit payments ceased to be pay-  
3           able by reason of section 223(e)(1) of such Act.

4           “(3) QUALIFIED BENEFIT TERMINATION  
5           MONTH.—For purposes of this subsection—

6           “(A) IN GENERAL.—The term ‘qualified  
7           benefit termination month’ means, with respect  
8           to any specified Purple Heart recipient, each  
9           month during the 12-month period beginning  
10          with the first month with respect to which dis-  
11          ability insurance benefit payments described in  
12          paragraph (2)(B) ceased to be payable as de-  
13          scribed in paragraph (2)(C).

14          “(B) EXCEPTION FOR MONTHS FOR WHICH  
15          BENEFITS ARE REINSTATED, ETC.—Such term  
16          shall not include any month if the specified  
17          Purple Heart recipient receives any benefit pay-  
18          ment under section 223(a) of the Social Secu-  
19          rity Act with respect to such month.

20          “(4) SSDI BENEFIT SUBSTITUTION AMOUNT.—  
21          For purposes of this subsection, the term ‘SSDI  
22          benefit substitution amount’ means, with respect to  
23          any specified Purple Heart recipient for any quali-  
24          fied benefit termination month, an amount equal to  
25          the disability insurance benefit payment received by

1 such recipient under section 223(a) of the Social Se-  
2 curity Act for the month immediately preceding the  
3 12-month period described in paragraph (3)(A).

4 “(5) CERTAIN EITC LIMITATIONS NOT APPLICA-  
5 BLE.—Subsections (a)(2), (d), (e), (f), and (i) shall  
6 not apply with respect to the increase under para-  
7 graph (1).”.

8 (2) EFFECTIVE DATE.—The amendment made  
9 by this subsection shall apply to taxable years end-  
10 ing after the date of the enactment of this Act.

11 (d) SOCIAL SECURITY NUMBER DEFINED.—

12 (1) IN GENERAL.—Section 32(m) is amended  
13 by striking “issued to an individual” and all that fol-  
14 lows and inserting “(as defined section 24(h)(7))”.

15 (2) EFFECTIVE DATE.—The amendment made  
16 by this section shall apply to taxable years beginning  
17 after December 31, 2024.

18 **SEC. 112207. TASK FORCE ON THE TERMINATION OF DI-**  
19 **RECT FILE.**

20 (a) TERMINATION OF DIRECT FILE.—As soon as  
21 practicable, and not later than 30 days after the date of  
22 the enactment of this Act, the Secretary of the Treasury  
23 shall ensure that the Internal Revenue Service Direct File  
24 program has been terminated.

1       (b) APPROPRIATION FOR TASK FORCE TO DESIGN A  
2 BETTER PUBLIC-PRIVATE PARTNERSHIP BETWEEN THE  
3 IRS AND PRIVATE SECTOR TAX PREPARATION SERVICES  
4 TO PROVIDE FOR FREE TAX FILING TO REPLACE THE  
5 EXISTING “FREE FILE” PROGRAM AND ANY “DIRECT  
6 EFILE” TAX RETURN SYSTEM.—Out of any money in the  
7 Treasury not otherwise appropriated, there is hereby ap-  
8 propriated for the fiscal year ending September 30, 2026,  
9 for necessary expenses of the Department of the Treasury  
10 to deliver to Congress, within 90 days following the date  
11 of the enactment of this Act, a report on (1) the cost of  
12 a new public-private partnership to provide for free tax  
13 filing for up to 70 percent of all taxpayers calculated by  
14 adjusted gross income to replace free file and any IRS-  
15 run direct file programs; (2) taxpayer opinions and pref-  
16 erences regarding a taxpayer-funded, government-run  
17 service or a free service provided by the private sector;  
18 (3) assessment of the feasibility of a new approach, how  
19 to make the options consistent and simple for taxpayers  
20 across all participating providers, how to provide features  
21 to address taxpayer needs; and (4) the cost (including op-  
22 tions for differential coverage based on taxpayer adjusted  
23 gross income and return complexity) of developing and  
24 running a free direct efile tax return system, including

1 costs to build and administer each release, \$15,000,000,  
2 to remain available until September 30, 2026.

3 **SEC. 112208. INCREASE IN PENALTIES FOR UNAUTHORIZED**  
4 **DISCLOSURES OF TAXPAYER INFORMATION.**

5 (a) IN GENERAL.—Paragraphs (1), (2), (3), (4), and  
6 (5) of section 7213(a) are each amended by striking  
7 “\$5,000, or imprisonment of not more than 5 years” and  
8 inserting “\$250,000, or imprisonment of not more than  
9 10 years”.

10 (b) DISCLOSURES OF RETURN INFORMATION OF  
11 MULTIPLE TAXPAYERS TREATED AS MULTIPLE VIOLA-  
12 TIONS.—Section 7213(a) is amended by adding at the end  
13 the following new paragraph:

14 “(6) DISCLOSURES OF RETURN INFORMATION  
15 OF MULTIPLE TAXPAYERS TREATED AS MULTIPLE  
16 VIOLATIONS.—For purposes of this subsection, a  
17 separate violation occurs with respect to each tax-  
18 payer whose return or return information is dis-  
19 closed in violation of this subsection.”.

20 (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to disclosures made after the date  
22 of the enactment of this Act.

1 **SEC. 112209. RESTRICTION ON REGULATION OF CONTIN-**  
2 **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.

Passed the House of Representatives May 22 (legis-  
lative day May 21), 2025.

Attest:

*Clerk.*

119TH CONGRESS  
1ST SESSION

# H. R. 1

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## AN ACT

To provide for reconciliation pursuant to title II of  
H. Con. Res. 14.