

## **Senate Amendment to House Amendment to Senate Amendment:**

1       *Resolved*, That the bill from the House of Representa-  
2 tives (H.R. 4853) entitled “An Act to amend the Internal  
3 Revenue Code of 1986 to extend the funding and expendi-  
4 ture authority of the Airport and Airway Trust Fund, to  
5 amend title 49, United States Code, to extend authoriza-  
6 tions for the airport improvement program, and for other  
7 purposes.”, do pass with the following:

8       In lieu of the matter proposed to be inserted, insert  
9 the following:

### **10 SECTION 1. SHORT TITLE; ETC.**

11       (a) **SHORT TITLE.**—This Act may be cited as the  
12 “Tax Relief, Unemployment Insurance Reauthorization,  
13 and Job Creation Act of 2010”.

14       (b) **AMENDMENT OF 1986 CODE.**—Except as other-  
15 wise expressly provided, whenever in this Act an amend-  
16 ment or repeal is expressed in terms of an amendment  
17 to, or repeal of, a section or other provision, the reference  
18 shall be considered to be made to a section or other provi-  
19 sion of the Internal Revenue Code of 1986.

20       (c) **TABLE OF CONTENTS.**—The table of contents for  
21 this Act is as follows:

Sec. 1. Short title; etc.

## 2

## TITLE I—TEMPORARY EXTENSION OF TAX RELIEF

- Sec. 101. Temporary extension of 2001 tax relief.
- Sec. 102. Temporary extension of 2003 tax relief.
- Sec. 103. Temporary extension of 2009 tax relief.

## TITLE II—TEMPORARY EXTENSION OF INDIVIDUAL AMT RELIEF

- Sec. 201. Temporary extension of increased alternative minimum tax exemption amount.
- Sec. 202. Temporary extension of alternative minimum tax relief for nonrefundable personal credits.

## TITLE III—TEMPORARY ESTATE TAX RELIEF

- Sec. 301. Reinstatement of estate tax; repeal of carryover basis.
- Sec. 302. Modifications to estate, gift, and generation-skipping transfer taxes.
- Sec. 303. Applicable exclusion amount increased by unused exclusion amount of deceased spouse.
- Sec. 304. Application of EGTRRA sunset to this title.

## TITLE IV—TEMPORARY EXTENSION OF INVESTMENT INCENTIVES

- Sec. 401. Extension of bonus depreciation; temporary 100 percent expensing for certain business assets.
- Sec. 402. Temporary extension of increased small business expensing.

## TITLE V—TEMPORARY EXTENSION OF UNEMPLOYMENT INSURANCE AND RELATED MATTERS

- Sec. 501. Temporary extension of unemployment insurance provisions.
- Sec. 502. Temporary modification of indicators under the extended benefit program.
- Sec. 503. Technical amendment relating to collection of unemployment compensation debts.
- Sec. 504. Technical correction relating to repeal of continued dumping and subsidy offset.
- Sec. 505. Additional extended unemployment benefits under the Railroad Unemployment Insurance Act.

## TITLE VI—TEMPORARY EMPLOYEE PAYROLL TAX CUT

- Sec. 601. Temporary employee payroll tax cut.

## TITLE VII—TEMPORARY EXTENSION OF CERTAIN EXPIRING PROVISIONS

## Subtitle A—Energy

- Sec. 701. Incentives for biodiesel and renewable diesel.
- Sec. 702. Credit for refined coal facilities.
- Sec. 703. New energy efficient home credit.
- Sec. 704. Excise tax credits and outlay payments for alternative fuel and alternative fuel mixtures.
- Sec. 705. Special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.

## 3

- Sec. 706. Suspension of limitation on percentage depletion for oil and gas from marginal wells.
- Sec. 707. Extension of grants for specified energy property in lieu of tax credits.
- Sec. 708. Extension of provisions related to alcohol used as fuel.
- Sec. 709. Energy efficient appliance credit.
- Sec. 710. Credit for nonbusiness energy property.
- Sec. 711. Alternative fuel vehicle refueling property.

## Subtitle B—Individual Tax Relief

- Sec. 721. Deduction for certain expenses of elementary and secondary school teachers.
- Sec. 722. Deduction of State and local sales taxes.
- Sec. 723. Contributions of capital gain real property made for conservation purposes.
- Sec. 724. Above-the-line deduction for qualified tuition and related expenses.
- Sec. 725. Tax-free distributions from individual retirement plans for charitable purposes.
- Sec. 726. Look-thru of certain regulated investment company stock in determining gross estate of nonresidents.
- Sec. 727. Parity for exclusion from income for employer-provided mass transit and parking benefits.
- Sec. 728. Refunds disregarded in the administration of Federal programs and federally assisted programs.

## Subtitle C—Business Tax Relief

- Sec. 731. Research credit.
- Sec. 732. Indian employment tax credit.
- Sec. 733. New markets tax credit.
- Sec. 734. Railroad track maintenance credit.
- Sec. 735. Mine rescue team training credit.
- Sec. 736. Employer wage credit for employees who are active duty members of the uniformed services.
- Sec. 737. 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements.
- Sec. 738. 7-year recovery period for motorsports entertainment complexes.
- Sec. 739. Accelerated depreciation for business property on an Indian reservation.
- Sec. 740. Enhanced charitable deduction for contributions of food inventory.
- Sec. 741. Enhanced charitable deduction for contributions of book inventories to public schools.
- Sec. 742. Enhanced charitable deduction for corporate contributions of computer inventory for educational purposes.
- Sec. 743. Election to expense mine safety equipment.
- Sec. 744. Special expensing rules for certain film and television productions.
- Sec. 745. Expensing of environmental remediation costs.
- Sec. 746. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
- Sec. 747. Modification of tax treatment of certain payments to controlling exempt organizations.
- Sec. 748. Treatment of certain dividends of regulated investment companies.
- Sec. 749. RIC qualified investment entity treatment under FIRPTA.
- Sec. 750. Exceptions for active financing income.

## 4

- Sec. 751. Look-thru treatment of payments between related controlled foreign corporations under foreign personal holding company rules.
- Sec. 752. Basis adjustment to stock of S corps making charitable contributions of property.
- Sec. 753. Empowerment zone tax incentives.
- Sec. 754. Tax incentives for investment in the District of Columbia.
- Sec. 755. Temporary increase in limit on cover over of rum excise taxes to Puerto Rico and the Virgin Islands.
- Sec. 756. American Samoa economic development credit.
- Sec. 757. Work opportunity credit.
- Sec. 758. Qualified zone academy bonds.
- Sec. 759. Mortgage insurance premiums.
- Sec. 760. Temporary exclusion of 100 percent of gain on certain small business stock.

## Subtitle D—Temporary Disaster Relief Provisions

## SUBPART A—NEW YORK LIBERTY ZONE

- Sec. 761. Tax-exempt bond financing.

## SUBPART B—GO ZONE

- Sec. 762. Increase in rehabilitation credit.
- Sec. 763. Low-income housing credit rules for buildings in GO zones.
- Sec. 764. Tax-exempt bond financing.
- Sec. 765. Bonus depreciation deduction applicable to the GO Zone.

## TITLE VIII—BUDGETARY PROVISIONS

- Sec. 801. Determination of budgetary effects.
- Sec. 802. Emergency designations.

1                   **TITLE I—TEMPORARY**  
 2                   **EXTENSION OF TAX RELIEF**

3   **SEC. 101. TEMPORARY EXTENSION OF 2001 TAX RELIEF.**

4           (a) TEMPORARY EXTENSION.—

5                   (1) IN GENERAL.—Section 901 of the Economic  
 6           Growth and Tax Relief Reconciliation Act of 2001 is  
 7           amended by striking “December 31, 2010” both  
 8           places it appears and inserting “December 31,  
 9           2012”.

10                   (2) EFFECTIVE DATE.—The amendment made  
 11           by this subsection shall take effect as if included in

1 the enactment of the Economic Growth and Tax Re-  
2 lief Reconciliation Act of 2001.

3 (b) SEPARATE SUNSET FOR EXPANSION OF ADOP-  
4 TION BENEFITS UNDER THE PATIENT PROTECTION AND  
5 AFFORDABLE CARE ACT.—

6 (1) IN GENERAL.—Subsection (c) of section  
7 10909 of the Patient Protection and Affordable Care  
8 Act is amended to read as follows:

9 “(c) SUNSET PROVISION.—Each provision of law  
10 amended by this section is amended to read as such provi-  
11 sion would read if this section had never been enacted.  
12 The amendments made by the preceding sentence shall  
13 apply to taxable years beginning after December 31,  
14 2011.”.

15 (2) CONFORMING AMENDMENT.—Subsection (d)  
16 of section 10909 of such Act is amended by striking  
17 “The amendments” and inserting “Except as pro-  
18 vided in subsection (c), the amendments”.

19 **SEC. 102. TEMPORARY EXTENSION OF 2003 TAX RELIEF.**

20 (a) IN GENERAL.—Section 303 of the Jobs and  
21 Growth Tax Relief Reconciliation Act of 2003 is amended  
22 by striking “December 31, 2010” and inserting “Decem-  
23 ber 31, 2012”.

24 (b) EFFECTIVE DATE.—The amendment made by  
25 this section shall take effect as if included in the enact-

1 ment of the Jobs and Growth Tax Relief Reconciliation  
2 Act of 2003.

3 **SEC. 103. TEMPORARY EXTENSION OF 2009 TAX RELIEF.**

4 (a) AMERICAN OPPORTUNITY TAX CREDIT.—

5 (1) IN GENERAL.—Section 25A(i) is amended  
6 by striking “or 2010” and inserting “, 2010, 2011,  
7 or 2012”.

8 (2) TREATMENT OF POSSESSIONS.—Section  
9 1004(c)(1) of the American Recovery and Reinvest-  
10 ment Tax Act of 2009 is amended by striking “and  
11 2010” each place it appears and inserting “, 2010,  
12 2011, and 2012”.

13 (b) CHILD TAX CREDIT.—Section 24(d)(4) is amend-  
14 ed—

15 (1) by striking “2009 AND 2010” in the head-  
16 ing and inserting “2009, 2010, 2011, AND 2012”,  
17 and

18 (2) by striking “or 2010” and inserting “,  
19 2010, 2011, or 2012”.

20 (c) EARNED INCOME TAX CREDIT.—Section 32(b)(3)  
21 is amended—

22 (1) by striking “2009 AND 2010” in the head-  
23 ing and inserting “2009, 2010, 2011, AND 2012”,  
24 and

1           (2) by striking “or 2010” and inserting “,  
2           2010, 2011, or 2012”.

3           (d) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2010.

6 **TITLE II—TEMPORARY EXTEN-**  
7 **SION OF INDIVIDUAL AMT RE-**  
8 **LIEF**

9 **SEC. 201. TEMPORARY EXTENSION OF INCREASED ALTER-**  
10 **NATIVE MINIMUM TAX EXEMPTION AMOUNT.**

11           (a) IN GENERAL.—Paragraph (1) of section 55(d) is  
12 amended—

13           (1) by striking “\$70,950” and all that follows  
14 through “2009” in subparagraph (A) and inserting  
15 “\$72,450 in the case of taxable years beginning in  
16 2010 and \$74,450 in the case of taxable years be-  
17 ginning in 2011”, and

18           (2) by striking “\$46,700” and all that follows  
19 through “2009” in subparagraph (B) and inserting  
20 “\$47,450 in the case of taxable years beginning in  
21 2010 and \$48,450 in the case of taxable years be-  
22 ginning in 2011”.

23           (b) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to taxable years beginning after  
25 December 31, 2009.

1 (c) REPEAL OF EGTRRA SUNSET.—Title IX of the  
2 Economic Growth and Tax Relief Reconciliation Act of  
3 2001 (relating to sunset of provisions of such Act) shall  
4 not apply to title VII of such Act (relating to alternative  
5 minimum tax).

6 **SEC. 202. TEMPORARY EXTENSION OF ALTERNATIVE MIN-**  
7 **IMUM TAX RELIEF FOR NONREFUNDABLE**  
8 **PERSONAL CREDITS.**

9 (a) IN GENERAL.—Paragraph (2) of section 26(a) is  
10 amended—

11 (1) by striking “or 2009” and inserting “2009,  
12 2010, or 2011”, and

13 (2) by striking “2009” in the heading thereof  
14 and inserting “2011”.

15 (b) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to taxable years beginning after  
17 December 31, 2009.

18 **TITLE III—TEMPORARY ESTATE**  
19 **TAX RELIEF**

20 **SEC. 301. REINSTATEMENT OF ESTATE TAX; REPEAL OF**  
21 **CARRYOVER BASIS.**

22 (a) IN GENERAL.—Each provision of law amended by  
23 subtitle A or E of title V of the Economic Growth and  
24 Tax Relief Reconciliation Act of 2001 is amended to read



1 as such provision would read if such subtitle had never  
2 been enacted.

3 (b) CONFORMING AMENDMENT.—On and after Janu-  
4 ary 1, 2011, paragraph (1) of section 2505(a) of the Inter-  
5 nal Revenue Code of 1986 is amended to read as such  
6 paragraph would read if section 521(b)(2) of the Eco-  
7 nomic Growth and Tax Relief Reconciliation Act of 2001  
8 had never been enacted.

9 (c) SPECIAL ELECTION WITH RESPECT TO ESTATES  
10 OF DECEDENTS DYING IN 2010.—Notwithstanding sub-  
11 section (a), in the case of an estate of a decedent dying  
12 after December 31, 2009, and before January 1, 2011,  
13 the executor (within the meaning of section 2203 of the  
14 Internal Revenue Code of 1986) may elect to apply such  
15 Code as though the amendments made by subsection (a)  
16 do not apply with respect to chapter 11 of such Code and  
17 with respect to property acquired or passing from such  
18 decedent (within the meaning of section 1014(b) of such  
19 Code). Such election shall be made at such time and in  
20 such manner as the Secretary of the Treasury or the Sec-  
21 retary's delegate shall provide. Such an election once made  
22 shall be revocable only with the consent of the Secretary  
23 of the Treasury or the Secretary's delegate. For purposes  
24 of section 2652(a)(1) of such Code, the determination of  
25 whether any property is subject to the tax imposed by such

1 chapter 11 shall be made without regard to any election  
2 made under this subsection.

3 (d) EXTENSION OF TIME FOR PERFORMING CERTAIN  
4 ACTS.—

5 (1) ESTATE TAX.—In the case of the estate of  
6 a decedent dying after December 31, 2009, and be-  
7 fore the date of the enactment of this Act, the due  
8 date for—

9 (A) filing any return under section 6018 of  
10 the Internal Revenue Code of 1986 (including  
11 any election required to be made on such a re-  
12 turn) as such section is in effect after the date  
13 of the enactment of this Act without regard to  
14 any election under subsection (c),

15 (B) making any payment of tax under  
16 chapter 11 of such Code, and

17 (C) making any disclaimer described in  
18 section 2518(b) of such Code of an interest in  
19 property passing by reason of the death of such  
20 decedent,

21 shall not be earlier than the date which is 9 months  
22 after the date of the enactment of this Act.

23 (2) GENERATION-SKIPPING TAX.—In the case  
24 of any generation-skipping transfer made after De-  
25 cember 31, 2009, and before the date of the enact-

1       ment of this Act, the due date for filing any return  
2       under section 2662 of the Internal Revenue Code of  
3       1986 (including any election required to be made on  
4       such a return) shall not be earlier than the date  
5       which is 9 months after the date of the enactment  
6       of this Act.

7       (e) EFFECTIVE DATE.—Except as otherwise provided  
8       in this section, the amendments made by this section shall  
9       apply to estates of decedents dying, and transfers made,  
10      after December 31, 2009.

11      **SEC. 302. MODIFICATIONS TO ESTATE, GIFT, AND GENERA-**  
12                                      **TION-SKIPPING TRANSFER TAXES.**

13      (a) MODIFICATIONS TO ESTATE TAX.—

14              (1)   \$5,000,000    APPLICABLE    EXCLUSION  
15      AMOUNT.—Subsection (c) of section 2010 is amend-  
16      ed to read as follows:

17      “(c) APPLICABLE CREDIT AMOUNT.—

18              “(1) IN GENERAL.—For purposes of this sec-  
19      tion, the applicable credit amount is the amount of  
20      the tentative tax which would be determined under  
21      section 2001(c) if the amount with respect to which  
22      such tentative tax is to be computed were equal to  
23      the applicable exclusion amount.

24              “(2) APPLICABLE EXCLUSION AMOUNT.—

1           “(A) IN GENERAL.—For purposes of this  
2 subsection, the applicable exclusion amount is  
3 \$5,000,000.

4           “(B) INFLATION ADJUSTMENT.—In the  
5 case of any decedent dying in a calendar year  
6 after 2011, the dollar amount in subparagraph  
7 (A) shall be increased by an amount equal to—  
8           “(i) such dollar amount, multiplied by  
9           “(ii) the cost-of-living adjustment de-  
10           termined under section 1(f)(3) for such  
11           calendar year by substituting ‘calendar  
12           year 2010’ for ‘calendar year 1992’ in sub-  
13           paragraph (B) thereof.

14           If any amount as adjusted under the preceding  
15 sentence is not a multiple of \$10,000, such  
16 amount shall be rounded to the nearest multiple  
17 of \$10,000.”.

18           (2) MAXIMUM ESTATE TAX RATE EQUAL TO 35  
19 PERCENT.—Subsection (c) of section 2001 is amend-  
20 ed—

21           (A) by striking “Over \$500,000” and all  
22 that follows in the table contained in paragraph  
23 (1) and inserting the following:

“Over \$500,000 .....	\$155,800, plus 35 percent of the ex- cess of such amount over \$500,000.”,
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1 (B) by striking “(1) IN GENERAL.—”, and

2 (C) by striking paragraph (2).

3 (b) MODIFICATIONS TO GIFT TAX.—

4 (1) RESTORATION OF UNIFIED CREDIT AGAINST  
5 GIFT TAX.—

6 (A) IN GENERAL.—Paragraph (1) of sec-  
7 tion 2505(a), after the application of section  
8 301(b), is amended by striking “(determined as  
9 if the applicable exclusion amount were  
10 \$1,000,000)”.

11 (B) EFFECTIVE DATE.—The amendment  
12 made by this paragraph shall apply to gifts  
13 made after December 31, 2010.

14 (2) MODIFICATION OF GIFT TAX RATE.—On  
15 and after January 1, 2011, subsection (a) of section  
16 2502 is amended to read as such subsection would  
17 read if section 511(d) of the Economic Growth and  
18 Tax Relief Reconciliation Act of 2001 had never  
19 been enacted.

20 (c) MODIFICATION OF GENERATION-SKIPPING  
21 TRANSFER TAX.—In the case of any generation-skipping  
22 transfer made after December 31, 2009, and before Janu-  
23 ary 1, 2011, the applicable rate determined under section  
24 2641(a) of the Internal Revenue Code of 1986 shall be  
25 zero.

1 (d) MODIFICATIONS OF ESTATE AND GIFT TAXES TO  
2 REFLECT DIFFERENCES IN CREDIT RESULTING FROM  
3 DIFFERENT TAX RATES.—

4 (1) ESTATE TAX.—

5 (A) IN GENERAL.—Section 2001(b)(2) is  
6 amended by striking “if the provisions of sub-  
7 section (c) (as in effect at the decedent’s  
8 death)” and inserting “if the modifications de-  
9 scribed in subsection (g)”.

10 (B) MODIFICATIONS.—Section 2001 is  
11 amended by adding at the end the following  
12 new subsection:

13 “(g) MODIFICATIONS TO GIFT TAX PAYABLE TO RE-  
14 FLECT DIFFERENT TAX RATES.—For purposes of apply-  
15 ing subsection (b)(2) with respect to 1 or more gifts, the  
16 rates of tax under subsection (c) in effect at the decedent’s  
17 death shall, in lieu of the rates of tax in effect at the time  
18 of such gifts, be used both to compute—

19 “(1) the tax imposed by chapter 12 with respect  
20 to such gifts, and

21 “(2) the credit allowed against such tax under  
22 section 2505, including in computing—

23 “(A) the applicable credit amount under  
24 section 2505(a)(1), and

1           “(B) the sum of the amounts allowed as a  
2           credit for all preceding periods under section  
3           2505(a)(2).”.

4           (2) GIFT TAX.—Section 2505(a) is amended by  
5           adding at the end the following new flush sentence:  
6           “For purposes of applying paragraph (2) for any calendar  
7           year, the rates of tax in effect under section 2502(a)(2)  
8           for such calendar year shall, in lieu of the rates of tax  
9           in effect for preceding calendar periods, be used in deter-  
10          mining the amounts allowable as a credit under this sec-  
11          tion for all preceding calendar periods.”.

12          (e) CONFORMING AMENDMENT.—Section 2511 is  
13          amended by striking subsection (e).

14          (f) EFFECTIVE DATE.—Except as otherwise provided  
15          in this subsection, the amendments made by this section  
16          shall apply to estates of decedents dying, generation-skip-  
17          ping transfers, and gifts made, after December 31, 2009.

18          **SEC. 303. APPLICABLE EXCLUSION AMOUNT INCREASED BY**  
19                                   **UNUSED EXCLUSION AMOUNT OF DECEASED**  
20                                   **SPOUSE.**

21          (a) IN GENERAL.—Section 2010(c), as amended by  
22          section 302(a), is amended by striking paragraph (2) and  
23          inserting the following new paragraphs:

1           “(2) APPLICABLE EXCLUSION AMOUNT.—For  
2 purposes of this subsection, the applicable exclusion  
3 amount is the sum of—

4                   “(A) the basic exclusion amount, and

5                   “(B) in the case of a surviving spouse, the  
6 deceased spousal unused exclusion amount.

7           “(3) BASIC EXCLUSION AMOUNT.—

8                   “(A) IN GENERAL.—For purposes of this  
9 subsection, the basic exclusion amount is  
10 \$5,000,000.

11                   “(B) INFLATION ADJUSTMENT.—In the  
12 case of any decedent dying in a calendar year  
13 after 2011, the dollar amount in subparagraph  
14 (A) shall be increased by an amount equal to—

15                           “(i) such dollar amount, multiplied by

16                           “(ii) the cost-of-living adjustment de-  
17 termined under section 1(f)(3) for such  
18 calendar year by substituting ‘calendar  
19 year 2010’ for ‘calendar year 1992’ in sub-  
20 paragraph (B) thereof.

21           If any amount as adjusted under the preceding  
22 sentence is not a multiple of \$10,000, such  
23 amount shall be rounded to the nearest multiple  
24 of \$10,000.



1           “(4) DECEASED SPOUSAL UNUSED EXCLUSION  
2 AMOUNT.—For purposes of this subsection, with re-  
3 spect to a surviving spouse of a deceased spouse  
4 dying after December 31, 2010, the term ‘deceased  
5 spousal unused exclusion amount’ means the lesser  
6 of—

7                   “(A) the basic exclusion amount, or

8                   “(B) the excess of—

9                           “(i) the basic exclusion amount of the  
10 last such deceased spouse of such surviving  
11 spouse, over

12                           “(ii) the amount with respect to which  
13 the tentative tax is determined under sec-  
14 tion 2001(b)(1) on the estate of such de-  
15 ceased spouse.

16           “(5) SPECIAL RULES.—

17                   “(A) ELECTION REQUIRED.—A deceased  
18 spousal unused exclusion amount may not be  
19 taken into account by a surviving spouse under  
20 paragraph (2) unless the executor of the estate  
21 of the deceased spouse files an estate tax return  
22 on which such amount is computed and makes  
23 an election on such return that such amount  
24 may be so taken into account. Such election,  
25 once made, shall be irrevocable. No election

1           may be made under this subparagraph if such  
2           return is filed after the time prescribed by law  
3           (including extensions) for filing such return.

4           “(B) EXAMINATION OF PRIOR RETURNS  
5           AFTER EXPIRATION OF PERIOD OF LIMITATIONS  
6           WITH RESPECT TO DECEASED SPOUSAL UN-  
7           USED EXCLUSION AMOUNT.—Notwithstanding  
8           any period of limitation in section 6501, after  
9           the time has expired under section 6501 within  
10          which a tax may be assessed under chapter 11  
11          or 12 with respect to a deceased spousal unused  
12          exclusion amount, the Secretary may examine a  
13          return of the deceased spouse to make deter-  
14          minations with respect to such amount for pur-  
15          poses of carrying out this subsection.

16          “(6) REGULATIONS.—The Secretary shall pre-  
17          scribe such regulations as may be necessary or ap-  
18          propriate to carry out this subsection.”.

19          (b) CONFORMING AMENDMENTS.—

20                 (1) Paragraph (1) of section 2505(a), as  
21                 amended by section 302(b)(1), is amended to read  
22                 as follows:

23                         “(1) the applicable credit amount in effect  
24                         under section 2010(c) which would apply if the

1 donor died as of the end of the calendar year, re-  
2 duced by”.

3 (2) Section 2631(c) is amended by striking “the  
4 applicable exclusion amount” and inserting “the  
5 basic exclusion amount”.

6 (3) Section 6018(a)(1) is amended by striking  
7 “applicable exclusion amount” and inserting “basic  
8 exclusion amount”.

9 (c) EFFECTIVE DATES.—

10 (1) IN GENERAL.—Except as provided in para-  
11 graph (2), the amendments made by this section  
12 shall apply to estates of decedents dying and gifts  
13 made after December 31, 2010.

14 (2) CONFORMING AMENDMENT RELATING TO  
15 GENERATION-SKIPPING TRANSFERS.—The amend-  
16 ment made by subsection (b)(2) shall apply to gen-  
17 eration-skipping transfers after December 31, 2010.

18 **SEC. 304. APPLICATION OF EGTRRA SUNSET TO THIS TITLE.**

19 Section 901 of the Economic Growth and Tax Relief  
20 Reconciliation Act of 2001 shall apply to the amendments  
21 made by this section.

1 **TITLE IV—TEMPORARY EXTEN-**  
2 **SION OF INVESTMENT INCEN-**  
3 **TIVES**

4 **SEC. 401. EXTENSION OF BONUS DEPRECIATION; TEM-**  
5 **PORARY 100 PERCENT EXPENSING FOR CER-**  
6 **TAIN BUSINESS ASSETS.**

7 (a) IN GENERAL.—Paragraph (2) of section 168(k)  
8 is amended—

9 (1) by striking “January 1, 2012” in subpara-  
10 graph (A)(iv) and inserting “January 1, 2014”, and

11 (2) by striking “January 1, 2011” each place  
12 it appears and inserting “January 1, 2013”.

13 (b) TEMPORARY 100 PERCENT EXPENSING.—Sub-  
14 section (k) of section 168 is amended by adding at the  
15 end the following new paragraph:

16 “(5) SPECIAL RULE FOR PROPERTY ACQUIRED  
17 DURING CERTAIN PRE-2012 PERIODS.—In the case of  
18 qualified property acquired by the taxpayer (under  
19 rules similar to the rules of clauses (ii) and (iii) of  
20 paragraph (2)(A)) after September 8, 2010, and be-  
21 fore January 1, 2012, and which is placed in service  
22 by the taxpayer before January 1, 2012 (January 1,  
23 2013, in the case of property described in subpara-  
24 graph (2)(B) or (2)(C)), paragraph (1)(A) shall be

1 applied by substituting ‘100 percent’ for ‘50 per-  
2 cent’.”.

3 (c) EXTENSION OF ELECTION TO ACCELERATE THE  
4 AMT CREDIT IN LIEU OF BONUS DEPRECIATION.—

5 (1) EXTENSION.—Clause (iii) of section  
6 168(k)(4)(D) is amended by striking “or produc-  
7 tion” and all that follows and inserting “or produc-  
8 tion—

9 “(I) after March 31, 2008, and  
10 before January 1, 2010, and

11 “(II) after December 31, 2010,  
12 and before January 1, 2013,

13 shall be taken into account under subpara-  
14 graph (B)(ii) thereof,”.

15 (2) RULES FOR ROUND 2 EXTENSION PROP-  
16 erty.—Paragraph (4) of section 168(k) is amended  
17 by adding at the end the following new subpara-  
18 graph:

19 “(I) SPECIAL RULES FOR ROUND 2 EXTEN-  
20 sion PROPERTY.—

21 “(i) IN GENERAL.—In the case of  
22 round 2 extension property, this paragraph  
23 shall be applied without regard to—

24 “(I) the limitation described in  
25 subparagraph (B)(i) thereof, and

1                   “(II) the business credit increase  
2                   amount under subparagraph (E)(iii)  
3                   thereof.

4                   “(ii) TAXPAYERS PREVIOUSLY ELECT-  
5                   ING ACCELERATION.—In the case of a tax-  
6                   payer who made the election under sub-  
7                   paragraph (A) for its first taxable year  
8                   ending after March 31, 2008, or a tax-  
9                   payer who made the election under sub-  
10                  paragraph (H)(ii) for its first taxable year  
11                  ending after December 31, 2008—

12                  “(I) the taxpayer may elect not  
13                  to have this paragraph apply to round  
14                  2 extension property, but

15                  “(II) if the taxpayer does not  
16                  make the election under subclause (I),  
17                  in applying this paragraph to the tax-  
18                  payer the bonus depreciation amount,  
19                  maximum amount, and maximum in-  
20                  crease amount shall be computed and  
21                  applied to eligible qualified property  
22                  which is round 2 extension property.

23                  The amounts described in subclause (II)  
24                  shall be computed separately from any  
25                  amounts computed with respect to eligible

1 qualified property which is not round 2 ex-  
2 tension property.

3 “(iii) TAXPAYERS NOT PREVIOUSLY  
4 ELECTING ACCELERATION.—In the case of  
5 a taxpayer who neither made the election  
6 under subparagraph (A) for its first tax-  
7 able year ending after March 31, 2008,  
8 nor made the election under subparagraph  
9 (H)(ii) for its first taxable year ending  
10 after December 31, 2008—

11 “(I) the taxpayer may elect to  
12 have this paragraph apply to its first  
13 taxable year ending after December  
14 31, 2010, and each subsequent tax-  
15 able year, and

16 “(II) if the taxpayer makes the  
17 election under subclause (I), this  
18 paragraph shall only apply to eligible  
19 qualified property which is round 2  
20 extension property.

21 “(iv) ROUND 2 EXTENSION PROP-  
22 erty.—For purposes of this subpara-  
23 graph, the term ‘round 2 extension prop-  
24 erty’ means property which is eligible  
25 qualified property solely by reason of the

1 extension of the application of the special  
2 allowance under paragraph (1) pursuant to  
3 the amendments made by section 401(a) of  
4 the Tax Relief, Unemployment Insurance  
5 Reauthorization, and Job Creation Act of  
6 2010 (and the application of such exten-  
7 sion to this paragraph pursuant to the  
8 amendment made by section 401(e)(1) of  
9 such Act).”.

10 (d) CONFORMING AMENDMENTS.—

11 (1) The heading for subsection (k) of section  
12 168 is amended by striking “JANUARY 1, 2011” and  
13 inserting “JANUARY 1, 2013”.

14 (2) The heading for clause (ii) of section  
15 168(k)(2)(B) is amended by striking “PRE-JANUARY  
16 1, 2011” and inserting “PRE-JANUARY 1, 2013”.

17 (3) Subparagraph (D) of section 168(k)(4) is  
18 amended—

19 (A) by striking clauses (iv) and (v),

20 (B) by inserting “and” at the end of clause  
21 (ii), and

22 (C) by striking the comma at the end of  
23 clause (iii) and inserting a period.

24 (4) Paragraph (5) of section 168(l) is amend-  
25 ed—



1 (A) by inserting “and” at the end of sub-  
2 paragraph (A),

3 (B) by striking subparagraph (B), and

4 (C) by redesignating subparagraph (C) as  
5 subparagraph (B).

6 (5) Subparagraph (C) of section 168(n)(2) is  
7 amended by striking “January 1, 2011” and insert-  
8 ing “January 1, 2013”.

9 (6) Subparagraph (D) of section 1400L(b)(2) is  
10 amended by striking “January 1, 2011” and insert-  
11 ing “January 1, 2013”.

12 (7) Subparagraph (B) of section 1400N(d)(3)  
13 is amended by striking “January 1, 2011” and in-  
14 serting “January 1, 2013”.

15 (e) EFFECTIVE DATES.—

16 (1) IN GENERAL.—Except as provided in para-  
17 graph (2), the amendments made by this section  
18 shall apply to property placed in service after De-  
19 cember 31, 2010, in taxable years ending after such  
20 date.

21 (2) TEMPORARY 100 PERCENT EXPENSING.—  
22 The amendment made by subsection (b) shall apply  
23 to property placed in service after September 8,  
24 2010, in taxable years ending after such date.

1 **SEC. 402. TEMPORARY EXTENSION OF INCREASED SMALL**  
2 **BUSINESS EXPENSING.**

3 (a) DOLLAR LIMITATION.—Section 179(b)(1) is  
4 amended by striking “and” at the end of subparagraph  
5 (B) and by striking subparagraph (C) and inserting the  
6 following new subparagraphs:

7 “(C) \$125,000 in the case of taxable years  
8 beginning in 2012, and

9 “(D) \$25,000 in the case of taxable years  
10 beginning after 2012.”.

11 (b) REDUCTION IN LIMITATION.—Section 179(b)(2)  
12 is amended by striking “and” at the end of subparagraph  
13 (B) and by striking subparagraph (C) and inserting the  
14 following new subparagraphs:

15 “(C) \$500,000 in the case of taxable years  
16 beginning in 2012, and

17 “(D) \$200,000 in the case of taxable years  
18 beginning after 2012.”.

19 (c) INFLATION ADJUSTMENT.—Subsection (b) of sec-  
20 tion 179 is amended by adding at the end the following  
21 new paragraph:

22 “(6) INFLATION ADJUSTMENT.—

23 “(A) IN GENERAL.—In the case of any  
24 taxable year beginning in calendar year 2012,  
25 the \$125,000 and \$500,000 amounts in para-

1           graphs (1)(C) and (2)(C) shall each be in-  
2           creased by an amount equal to—

3                   “(i) such dollar amount, multiplied by

4                   “(ii) the cost-of-living adjustment de-  
5                   termined under section 1(f)(3) for the cal-  
6                   endar year in which the taxable year be-  
7                   gins, by substituting ‘calendar year 2006’  
8                   for ‘calendar year 1992’ in subparagraph  
9                   (B) thereof.

10           “(B) ROUNDING.—

11                   “(i) DOLLAR LIMITATION.—If the  
12                   amount in paragraph (1) as increased  
13                   under subparagraph (A) is not a multiple  
14                   of \$1,000, such amount shall be rounded  
15                   to the nearest multiple of \$1,000.

16                   “(ii) PHASEOUT AMOUNT.—If the  
17                   amount in paragraph (2) as increased  
18                   under subparagraph (A) is not a multiple  
19                   of \$10,000, such amount shall be rounded  
20                   to the nearest multiple of \$10,000.”.

21           (d)           COMPUTER           SOFTWARE.—Section  
22 179(d)(1)(A)(ii) is amended by striking “2012” and in-  
23 serting “2013”.

24           (e) CONFORMING AMENDMENT.—Section 179(c)(2)  
25 is amended by striking “2012” and inserting “2013”.

1 (f) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2011.

4 **TITLE V—TEMPORARY EXTEN-**  
5 **SION OF UNEMPLOYMENT IN-**  
6 **SURANCE AND RELATED MAT-**  
7 **TERS**

8 **SEC. 501. TEMPORARY EXTENSION OF UNEMPLOYMENT IN-**  
9 **SURANCE PROVISIONS.**

10 (a) IN GENERAL.—(1) Section 4007 of the Supple-  
11 mental Appropriations Act, 2008 (Public Law 110–252;  
12 26 U.S.C. 3304 note) is amended—

13 (A) by striking “November 30, 2010” each  
14 place it appears and inserting “January 3, 2012”;

15 (B) in the heading for subsection (b)(2), by  
16 striking “NOVEMBER 30, 2010” and inserting “JANU-  
17 ARY 3, 2012”; and

18 (C) in subsection (b)(3), by striking “April 30,  
19 2011” and inserting “June 9, 2012”.

20 (2) Section 2005 of the Assistance for Unemployed  
21 Workers and Struggling Families Act, as contained in  
22 Public Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 444),  
23 is amended—

24 (A) by striking “December 1, 2010” each place  
25 it appears and inserting “January 4, 2012”; and

1 (B) in subsection (c), by striking “May 1,  
2 2011” and inserting “June 11, 2012”.

3 (3) Section 5 of the Unemployment Compensation  
4 Extension Act of 2008 (Public Law 110–449; 26 U.S.C.  
5 3304 note) is amended by striking “April 30, 2011” and  
6 inserting “June 10, 2012”.

7 (b) FUNDING.—Section 4004(e)(1) of the Supple-  
8 mental Appropriations Act, 2008 (Public Law 110–252;  
9 26 U.S.C. 3304 note) is amended—

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

12 (2) by inserting after subparagraph (F) the fol-  
13 lowing:

14 “(G) the amendments made by section  
15 501(a)(1) of the Tax Relief, Unemployment In-  
16 surance Reauthorization, and Job Creation Act  
17 of 2010; and”.

18 (c) EFFECTIVE DATE.—The amendments made by  
19 this section shall take effect as if included in the enact-  
20 ment of the Unemployment Compensation Extension Act  
21 of 2010 (Public Law 111–205).

22 **SEC. 502. TEMPORARY MODIFICATION OF INDICATORS**  
23 **UNDER THE EXTENDED BENEFIT PROGRAM.**

24 (a) INDICATOR.—Section 203(d) of the Federal-State  
25 Extended Unemployment Compensation Act of 1970 (26

1 U.S.C. 3304 note) is amended, in the flush matter fol-  
2 lowing paragraph (2), by inserting after the first sentence  
3 the following sentence: “Effective with respect to com-  
4 pensation for weeks of unemployment beginning after the  
5 date of enactment of the Tax Relief, Unemployment Insur-  
6 ance Reauthorization, and Job Creation Act of 2010 (or,  
7 if later, the date established pursuant to State law), and  
8 ending on or before December 31, 2011, the State may  
9 by law provide that the determination of whether there  
10 has been a state ‘on’ or ‘off’ indicator beginning or ending  
11 any extended benefit period shall be made under this sub-  
12 section as if the word ‘two’ were ‘three’ in subparagraph  
13 (1)(A).”.

14 (b) ALTERNATIVE TRIGGER.—Section 203(f) of the  
15 Federal-State Extended Unemployment Compensation Act  
16 of 1970 (26 U.S.C. 3304 note) is amended—

17 (1) by redesignating paragraph (2) as para-  
18 graph (3); and

19 (2) by inserting after paragraph (1) the fol-  
20 lowing new paragraph:

21 “(2) Effective with respect to compensation for weeks  
22 of unemployment beginning after the date of enactment  
23 of the Tax Relief, Unemployment Insurance Reauthoriza-  
24 tion, and Job Creation Act of 2010 (or, if later, the date  
25 established pursuant to State law), and ending on or be-

1 fore December 31, 2011, the State may by law provide  
2 that the determination of whether there has been a state  
3 ‘on’ or ‘off’ indicator beginning or ending any extended  
4 benefit period shall be made under this subsection as if  
5 the word ‘either’ were ‘any’, the word “both” were ‘all’,  
6 and the figure ‘2’ were ‘3’ in clause (1)(A)(ii).”.

7 **SEC. 503. TECHNICAL AMENDMENT RELATING TO COLLEC-**  
8 **TION OF UNEMPLOYMENT COMPENSATION**  
9 **DEBTS.**

10 (a) IN GENERAL.—Section 6402(f)(3)(C), as amend-  
11 ed by section 801 of the Claims Resolution Act of 2010,  
12 is amended by striking “is not a covered unemployment  
13 compensation debt” and inserting “is a covered unemploy-  
14 ment compensation debt”.

15 (b) EFFECTIVE DATE.—The amendment made by  
16 subsection (a) shall take effect as if included in section  
17 801 of the Claims Resolution Act of 2010.

18 **SEC. 504. TECHNICAL CORRECTION RELATING TO REPEAL**  
19 **OF CONTINUED DUMPING AND SUBSIDY OFF-**  
20 **SET.**

21 (a) IN GENERAL.—Section 822(2)(A) of the Claims  
22 Resolution Act of 2010 is amended by striking “or” and  
23 inserting “and”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall take effect as if included in the provi-  
3 sions of the Claims Resolution Act of 2010.

4 **SEC. 505. ADDITIONAL EXTENDED UNEMPLOYMENT BENE-**  
5 **FITS UNDER THE RAILROAD UNEMPLOY-**  
6 **MENT INSURANCE ACT.**

7 (a) EXTENSION.—Section 2(c)(2)(D)(iii) of the Rail-  
8 road Unemployment Insurance Act, as added by section  
9 2006 of the American Recovery and Reinvestment Act of  
10 2009 (Public Law 111–5) and as amended by section 9  
11 of the Worker, Homeownership, and Business Assistance  
12 Act of 2009 (Public Law 111–92), is amended—

13 (1) by striking “June 30, 2010” and inserting  
14 “June 30, 2011”; and

15 (2) by striking “December 31, 2010” and in-  
16 serting “December 31, 2011”.

17 (b) CLARIFICATION ON AUTHORITY TO USE  
18 FUNDS.—Funds appropriated under either the first or  
19 second sentence of clause (iv) of section 2(c)(2)(D) of the  
20 Railroad Unemployment Insurance Act shall be available  
21 to cover the cost of additional extended unemployment  
22 benefits provided under such section 2(c)(2)(D) by reason  
23 of the amendments made by subsection (a) as well as to  
24 cover the cost of such benefits provided under such section



1 2(c)(2)(D), as in effect on the day before the date of the  
2 enactment of this Act.

3 **TITLE VI—TEMPORARY**  
4 **EMPLOYEE PAYROLL TAX CUT**

5 **SEC. 601. TEMPORARY EMPLOYEE PAYROLL TAX CUT.**

6 (a) IN GENERAL.—Notwithstanding any other provi-  
7 sion of law, —

8 (1) with respect to any taxable year which be-  
9 gins in the payroll tax holiday period, the rate of tax  
10 under section 1401(a) of the Internal Revenue Code  
11 of 1986 shall be 10.40 percent, and

12 (2) with respect to remuneration received dur-  
13 ing the payroll tax holiday period, the rate of tax  
14 under 3101(a) of such Code shall be 4.2 percent (in-  
15 cluding for purposes of determining the applicable  
16 percentage under sections 3201(a) and 3211(a)(1)  
17 of such Code).

18 (b) COORDINATION WITH DEDUCTIONS FOR EM-  
19 PLOYMENT TAXES.—

20 (1) DEDUCTION IN COMPUTING NET EARNINGS  
21 FROM SELF-EMPLOYMENT.—For purposes of apply-  
22 ing section 1402(a)(12) of the Internal Revenue  
23 Code of 1986, the rate of tax imposed by subsection  
24 1401(a) of such Code shall be determined without

1 regard to the reduction in such rate under this sec-  
2 tion.

3 (2) INDIVIDUAL DEDUCTION.—In the case of  
4 the taxes imposed by section 1401 of such Code for  
5 any taxable year which begins in the payroll tax holi-  
6 day period, the deduction under section 164(f) with  
7 respect to such taxes shall be equal to the sum of—

8 (A) 59.6 percent of the portion of such  
9 taxes attributable to the tax imposed by section  
10 1401(a) (determined after the application of  
11 this section), plus

12 (B) one-half of the portion of such taxes  
13 attributable to the tax imposed by section  
14 1401(b).

15 (c) PAYROLL TAX HOLIDAY PERIOD.—The term  
16 “payroll tax holiday period” means calendar year 2011.

17 (d) EMPLOYER NOTIFICATION.—The Secretary of  
18 the Treasury shall notify employers of the payroll tax holi-  
19 day period in any manner the Secretary deems appro-  
20 priate.

21 (e) TRANSFERS OF FUNDS.—

22 (1) TRANSFERS TO FEDERAL OLD-AGE AND  
23 SURVIVORS INSURANCE TRUST FUND.—There are  
24 hereby appropriated to the Federal Old-Age and  
25 Survivors Trust Fund and the Federal Disability In-

1       surance Trust Fund established under section 201  
2       of the Social Security Act (42 U.S.C. 401) amounts  
3       equal to the reduction in revenues to the Treasury  
4       by reason of the application of subsection (a).  
5       Amounts appropriated by the preceding sentence  
6       shall be transferred from the general fund at such  
7       times and in such manner as to replicate to the ex-  
8       tent possible the transfers which would have oc-  
9       curred to such Trust Fund had such amendments  
10      not been enacted.

11           (2) TRANSFERS TO SOCIAL SECURITY EQUIVA-  
12      LENT BENEFIT ACCOUNT.—There are hereby appro-  
13      priated to the Social Security Equivalent Benefit Ac-  
14      count established under section 15A(a) of the Rail-  
15      road Retirement Act of 1974 (45 U.S.C. 231n–1(a))  
16      amounts equal to the reduction in revenues to the  
17      Treasury by reason of the application of subsection  
18      (a)(2). Amounts appropriated by the preceding sen-  
19      tence shall be transferred from the general fund at  
20      such times and in such manner as to replicate to the  
21      extent possible the transfers which would have oc-  
22      curred to such Account had such amendments not  
23      been enacted.

24           (3) COORDINATION WITH OTHER FEDERAL  
25      LAWS.—For purposes of applying any provision of

1 Federal law other than the provisions of the Internal  
2 Revenue Code of 1986, the rate of tax in effect  
3 under section 3101(a) of such Code shall be deter-  
4 mined without regard to the reduction in such rate  
5 under this section.

6 **TITLE VII—TEMPORARY EXTEN-**  
7 **SION OF CERTAIN EXPIRING**  
8 **PROVISIONS**

9 **Subtitle A—Energy**

10 **SEC. 701. INCENTIVES FOR BIODIESEL AND RENEWABLE**  
11 **DIESEL.**

12 (a) CREDITS FOR BIODIESEL AND RENEWABLE DIE-  
13 SEL USED AS FUEL.—Subsection (g) of section 40A is  
14 amended by striking “December 31, 2009” and inserting  
15 “December 31, 2011”.

16 (b) EXCISE TAX CREDITS AND OUTLAY PAYMENTS  
17 FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIX-  
18 TURES.—

19 (1) Paragraph (6) of section 6426(c) is amend-  
20 ed by striking “December 31, 2009” and inserting  
21 “December 31, 2011”.

22 (2) Subparagraph (B) of section 6427(e)(6) is  
23 amended by striking “December 31, 2009” and in-  
24 serting “December 31, 2011”.

1           (c) SPECIAL RULE FOR 2010.—Notwithstanding any  
2 other provision of law, in the case of any biodiesel mixture  
3 credit properly determined under section 6426(c) of the  
4 Internal Revenue Code of 1986 for periods during 2010,  
5 such credit shall be allowed, and any refund or payment  
6 attributable to such credit (including any payment under  
7 section 6427(e) of such Code) shall be made, only in such  
8 manner as the Secretary of the Treasury (or the Sec-  
9 retary’s delegate) shall provide. Such Secretary shall issue  
10 guidance within 30 days after the date of the enactment  
11 of this Act providing for a one-time submission of claims  
12 covering periods during 2010. Such guidance shall provide  
13 for a 180-day period for the submission of such claims  
14 (in such manner as prescribed by such Secretary) to begin  
15 not later than 30 days after such guidance is issued. Such  
16 claims shall be paid by such Secretary not later than 60  
17 days after receipt. If such Secretary has not paid pursuant  
18 to a claim filed under this subsection within 60 days after  
19 the date of the filing of such claim, the claim shall be paid  
20 with interest from such date determined by using the over-  
21 payment rate and method under section 6621 of such  
22 Code.

23           (d) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to fuel sold or used after December  
25 31, 2009.

1 **SEC. 702. CREDIT FOR REFINED COAL FACILITIES.**

2 (a) IN GENERAL.—Subparagraph (B) of section  
3 45(d)(8) is amended by striking “January 1, 2010” and  
4 inserting “January 1, 2012”.

5 (b) EFFECTIVE DATE.—The amendment made by  
6 this section shall apply to facilities placed in service after  
7 December 31, 2009.

8 **SEC. 703. NEW ENERGY EFFICIENT HOME CREDIT.**

9 (a) IN GENERAL.—Subsection (g) of section 45L is  
10 amended by striking “December 31, 2009” and inserting  
11 “December 31, 2011”.

12 (b) EFFECTIVE DATE.—The amendment made by  
13 this section shall apply to homes acquired after December  
14 31, 2009.

15 **SEC. 704. EXCISE TAX CREDITS AND OUTLAY PAYMENTS**  
16 **FOR ALTERNATIVE FUEL AND ALTERNATIVE**  
17 **FUEL MIXTURES.**

18 (a) IN GENERAL.—Sections 6426(d)(5), 6426(e)(3),  
19 and 6427(e)(6)(C) are each amended by striking “Decem-  
20 ber 31, 2009” and inserting “December 31, 2011”.

21 (b) EXCLUSION OF BLACK LIQUOR FROM CREDIT  
22 ELIGIBILITY.—The last sentence of section 6426(d)(2) is  
23 amended by striking “or biodiesel” and inserting “bio-  
24 diesel, or any fuel (including lignin, wood residues, or  
25 spent pulping liquors) derived from the production of  
26 paper or pulp”.

1           (c) SPECIAL RULE FOR 2010.—Notwithstanding any  
2 other provision of law, in the case of any alternative fuel  
3 credit or any alternative fuel mixture credit properly deter-  
4 mined under subsection (d) or (e) of section 6426 of the  
5 Internal Revenue Code of 1986 for periods during 2010,  
6 such credit shall be allowed, and any refund or payment  
7 attributable to such credit (including any payment under  
8 section 6427(e) of such Code) shall be made, only in such  
9 manner as the Secretary of the Treasury (or the Sec-  
10 retary’s delegate) shall provide. Such Secretary shall issue  
11 guidance within 30 days after the date of the enactment  
12 of this Act providing for a one-time submission of claims  
13 covering periods during 2010. Such guidance shall provide  
14 for a 180-day period for the submission of such claims  
15 (in such manner as prescribed by such Secretary) to begin  
16 not later than 30 days after such guidance is issued. Such  
17 claims shall be paid by such Secretary not later than 60  
18 days after receipt. If such Secretary has not paid pursuant  
19 to a claim filed under this subsection within 60 days after  
20 the date of the filing of such claim, the claim shall be paid  
21 with interest from such date determined by using the over-  
22 payment rate and method under section 6621 of such  
23 Code.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to fuel sold or used after December  
3 31, 2009.

4 **SEC. 705. SPECIAL RULE FOR SALES OR DISPOSITIONS TO**  
5 **IMPLEMENT FERC OR STATE ELECTRIC RE-**  
6 **STRUCTURING POLICY FOR QUALIFIED ELEC-**  
7 **TRIC UTILITIES.**

8 (a) IN GENERAL.—Paragraph (3) of section 451(i)  
9 is amended by striking “January 1, 2010” and inserting  
10 “January 1, 2012”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to dispositions after December 31,  
13 2009.

14 **SEC. 706. SUSPENSION OF LIMITATION ON PERCENTAGE**  
15 **DEPLETION FOR OIL AND GAS FROM MAR-**  
16 **GINAL WELLS.**

17 (a) IN GENERAL.—Clause (ii) of section  
18 613A(c)(6)(H) is amended by striking “January 1, 2010”  
19 and inserting “January 1, 2012”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2009.



1 **SEC. 707. EXTENSION OF GRANTS FOR SPECIFIED ENERGY**  
2 **PROPERTY IN LIEU OF TAX CREDITS.**

3 (a) IN GENERAL.—Subsection (a) of section 1603 of  
4 division B of the American Recovery and Reinvestment  
5 Act of 2009 is amended—

6 (1) in paragraph (1), by striking “2009 or  
7 2010” and inserting “2009, 2010, or 2011”, and

8 (2) in paragraph (2)—

9 (A) by striking “after 2010” and inserting  
10 “after 2011”, and

11 (B) by striking “2009 or 2010” and in-  
12 serting “2009, 2010, or 2011”.

13 (b) CONFORMING AMENDMENT.—Subsection (j) of  
14 section 1603 of division B of such Act is amended by strik-  
15 ing “2011” and inserting “2012”.

16 **SEC. 708. EXTENSION OF PROVISIONS RELATED TO ALCO-**  
17 **HOL USED AS FUEL.**

18 (a) EXTENSION OF INCOME TAX CREDIT FOR ALCO-  
19 HOL USED AS FUEL.—

20 (1) IN GENERAL.—Paragraph (1) of section  
21 40(e) is amended—

22 (A) by striking “December 31, 2010” in  
23 subparagraph (A) and inserting “December 31,  
24 2011”, and

1 (B) by striking “January 1, 2011” in sub-  
2 paragraph (B) and inserting “January 1,  
3 2012”.

4 (2) REDUCED AMOUNT FOR ETHANOL BLEND-  
5 ERS.—Subsection (h) of section 40 is amended by  
6 striking “2010” both places it appears and inserting  
7 “2011”.

8 (3) EFFECTIVE DATE.—The amendments made  
9 by this subsection shall apply to periods after De-  
10 cember 31, 2010.

11 (b) EXTENSION OF EXCISE TAX CREDIT FOR ALCO-  
12 HOL USED AS FUEL.—

13 (1) IN GENERAL.—Paragraph (6) of section  
14 6426(b) is amended by striking “December 31,  
15 2010” and inserting “December 31, 2011”.

16 (2) EFFECTIVE DATE.—The amendment made  
17 by this subsection shall apply to periods after De-  
18 cember 31, 2010.

19 (c) EXTENSION OF PAYMENT FOR ALCOHOL FUEL  
20 MIXTURE.—

21 (1) IN GENERAL.—Subparagraph (A) of section  
22 6427(e)(6) is amended by striking “December 31,  
23 2010” and inserting “December 31, 2011”.

1           (2) EFFECTIVE DATE.—The amendment made  
2           by this subsection shall apply to sales and uses after  
3           December 31, 2010.

4           (d) EXTENSION OF ADDITIONAL DUTIES ON ETH-  
5           ANOL.—

6           (1) IN GENERAL.—Headings 9901.00.50 and  
7           9901.00.52 of the Harmonized Tariff Schedule of  
8           the United States are each amended in the effective  
9           period column by striking “1/1/2011” and inserting  
10          “1/1/2012”.

11          (2) EFFECTIVE DATE.—The amendments made  
12          by this subsection shall take effect on January 1,  
13          2011.

14   **SEC. 709. ENERGY EFFICIENT APPLIANCE CREDIT.**

15          (a) DISHWASHERS.—Paragraph (1) of section  
16          45M(b) is amended by striking “and” at the end of sub-  
17          paragraph (A), by striking the period at the end of sub-  
18          paragraph (B) and inserting a comma, and by adding at  
19          the end the following new subparagraphs:

20                   “(C) \$25 in the case of a dishwasher which  
21                   is manufactured in calendar year 2011 and  
22                   which uses no more than 307 kilowatt hours  
23                   per year and 5.0 gallons per cycle (5.5 gallons  
24                   per cycle for dishwashers designed for greater  
25                   than 12 place settings),

1           “(D) \$50 in the case of a dishwasher  
2           which is manufactured in calendar year 2011  
3           and which uses no more than 295 kilowatt  
4           hours per year and 4.25 gallons per cycle (4.75  
5           gallons per cycle for dishwashers designed for  
6           greater than 12 place settings), and

7           “(E) \$75 in the case of a dishwasher  
8           which is manufactured in calendar year 2011  
9           and which uses no more than 280 kilowatt  
10          hours per year and 4 gallons per cycle (4.5 gal-  
11          lons per cycle for dishwashers designed for  
12          greater than 12 place settings).”.

13          (b) CLOTHES WASHERS.—Paragraph (2) of section  
14 45M(b) is amended by striking “and” at the end of sub-  
15 paragraph (C), by striking the period at the end of sub-  
16 paragraph (D) and inserting a comma, and by adding at  
17 the end the following new subparagraphs:

18           “(E) \$175 in the case of a top-loading  
19           clothes washer manufactured in calendar year  
20           2011 which meets or exceeds a 2.2 modified en-  
21           ergy factor and does not exceed a 4.5 water  
22           consumption factor, and

23           “(F) \$225 in the case of a clothes washer  
24           manufactured in calendar year 2011—

1                   “(i) which is a top-loading clothes  
2 washer and which meets or exceeds a 2.4  
3 modified energy factor and does not exceed  
4 a 4.2 water consumption factor, or

5                   “(ii) which is a front-loading clothes  
6 washer and which meets or exceeds a 2.8  
7 modified energy factor and does not exceed  
8 a 3.5 water consumption factor.”.

9           (c) REFRIGERATORS.—Paragraph (3) of section  
10 45M(b) is amended by striking “and” at the end of sub-  
11 paragraph (C), by striking the period at the end of sub-  
12 paragraph (D) and inserting a comma, and by adding at  
13 the end the following new subparagraphs:

14                   “(E) \$150 in the case of a refrigerator  
15 manufactured in calendar year 2011 which con-  
16 sumes at least 30 percent less energy than the  
17 2001 energy conservation standards, and

18                   “(F) \$200 in the case of a refrigerator  
19 manufactured in calendar year 2011 which con-  
20 sumes at least 35 percent less energy than the  
21 2001 energy conservation standards.”.

22           (d) REBASING OF LIMITATIONS.—

23                   (1) IN GENERAL.—Paragraph (1) of section  
24 45M(e) is amended—

1 (A) by striking “\$75,000,000” and insert-  
2 ing “\$25,000,000”, and

3 (B) by striking “December 31, 2007” and  
4 inserting “December 31, 2010”.

5 (2) EXCEPTION FOR CERTAIN REFRIGERATORS  
6 AND CLOTHES WASHERS.—Paragraph (2) of section  
7 45M(e) is amended—

8 (A) by striking “subsection (b)(3)(D)” and  
9 inserting “subsection (b)(3)(F)”, and

10 (B) by striking “subsection (b)(2)(D)” and  
11 inserting “subsection (b)(2)(F)”.

12 (3) GROSS RECEIPTS LIMITATION.—Paragraph  
13 (3) of section 45M(e) is amended by striking “2 per-  
14 cent” and inserting “4 percent”.

15 (e) EFFECTIVE DATES.—

16 (1) IN GENERAL.—The amendments made by  
17 subsections (a), (b), and (c) shall apply to appliances  
18 produced after December 31, 2010.

19 (2) LIMITATIONS.—The amendments made by  
20 subsection (d) shall apply to taxable years beginning  
21 after December 31, 2010.

22 **SEC. 710. CREDIT FOR NONBUSINESS ENERGY PROPERTY.**

23 (a) EXTENSION.—Section 25C(g)(2) is amended by  
24 striking “2010” and inserting “2011”.

1 (b) RETURN TO PRE-ARRA LIMITATIONS AND  
2 STANDARDS.—

3 (1) IN GENERAL.—Subsections (a) and (b) of  
4 section 25C are amended to read as follows:

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
6 dividual, there shall be allowed as a credit against the tax  
7 imposed by this chapter for the taxable year an amount  
8 equal to the sum of—

9 “(1) 10 percent of the amount paid or incurred  
10 by the taxpayer for qualified energy efficiency im-  
11 provements installed during such taxable year, and

12 “(2) the amount of the residential energy prop-  
13 erty expenditures paid or incurred by the taxpayer  
14 during such taxable year.

15 “(b) LIMITATIONS.—

16 “(1) LIFETIME LIMITATION.—The credit al-  
17 lowed under this section with respect to any tax-  
18 payer for any taxable year shall not exceed the ex-  
19 cess (if any) of \$500 over the aggregate credits al-  
20 lowed under this section with respect to such tax-  
21 payer for all prior taxable years ending after Decem-  
22 ber 31, 2005.

23 “(2) WINDOWS.—In the case of amounts paid  
24 or incurred for components described in subsection  
25 (c)(2)(B) by any taxpayer for any taxable year, the

1 credit allowed under this section with respect to such  
2 amounts for such year shall not exceed the excess (if  
3 any) of \$200 over the aggregate credits allowed  
4 under this section with respect to such amounts for  
5 all prior taxable years ending after December 31,  
6 2005.

7 “(3) LIMITATION ON RESIDENTIAL ENERGY  
8 PROPERTY EXPENDITURES.—The amount of the  
9 credit allowed under this section by reason of sub-  
10 section (a)(2) shall not exceed—

11 “(A) \$50 for any advanced main air circu-  
12 lating fan,

13 “(B) \$150 for any qualified natural gas,  
14 propane, or oil furnace or hot water boiler, and

15 “(C) \$300 for any item of energy-efficient  
16 building property.”.

17 (2) MODIFICATION OF STANDARDS.—

18 (A) IN GENERAL.—Paragraph (1) of sec-  
19 tion 25C(c) is amended by striking “2000” and  
20 all that follows through “this section” and in-  
21 sserting “2009 International Energy Conserva-  
22 tion Code, as such Code (including supple-  
23 ments) is in effect on the date of the enactment  
24 of the American Recovery and Reinvestment  
25 Tax Act of 2009”.



1 (B) WOOD STOVES.—Subparagraph (E) of  
2 section 25C(d)(3) is amended by striking “, as  
3 measured using a lower heating value”.

4 (C) OIL FURNACES AND HOT WATER BOIL-  
5 ERS.—

6 (i) IN GENERAL.—Paragraph (4) of  
7 section 25C(d) is amended to read as fol-  
8 lows:

9 “(4) QUALIFIED NATURAL GAS, PROPANE, OR  
10 OIL FURNACE OR HOT WATER BOILER.—The term  
11 ‘qualified natural gas, propane, or oil furnace or hot  
12 water boiler’ means a natural gas, propane, or oil  
13 furnace or hot water boiler which achieves an annual  
14 fuel utilization efficiency rate of not less than 95.”.

15 (ii) CONFORMING AMENDMENT.—  
16 Clause (ii) of section 25C(d)(2)(A) is  
17 amended to read as follows:

18 “(ii) a qualified natural gas, propane,  
19 or oil furnace or hot water boiler, or”.

20 (D) EXTERIOR WINDOWS, DOORS, AND  
21 SKYLIGHTS.—

22 (i) IN GENERAL.—Subsection (c) of  
23 section 25C is amended by striking para-  
24 graph (4).

1                   (ii) APPLICATION OF ENERGY STAR  
2                   STANDARDS.—Paragraph (1) of section  
3                   25C(c) is amended by inserting “an exte-  
4                   rior window, a skylight, an exterior door,”  
5                   after “in the case of” in the matter pre-  
6                   ceding subparagraph (A).

7                   (E) INSULATION.—Subparagraph (A) of  
8                   section 25C(c)(2) is amended by striking “and  
9                   meets the prescriptive criteria for such material  
10                  or system established by the 2009 International  
11                  Energy Conservation Code, as such Code (in-  
12                  cluding supplements) is in effect on the date of  
13                  the enactment of the American Recovery and  
14                  Reinvestment Tax Act of 2009”.

15                  (3) SUBSIDIZED ENERGY FINANCING.—Sub-  
16                  section (e) of section 25C is amended by adding at  
17                  the end the following new paragraph:

18                  “(3) PROPERTY FINANCED BY SUBSIDIZED EN-  
19                  ERGY FINANCING.—For purposes of determining the  
20                  amount of expenditures made by any individual with  
21                  respect to any property, there shall not be taken into  
22                  account expenditures which are made from sub-  
23                  sidized energy financing (as defined in section  
24                  48(a)(4)(C)).”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to property placed in service after  
3 December 31, 2010.

4 **SEC. 711. ALTERNATIVE FUEL VEHICLE REFUELING PROP-**  
5 **ERTY.**

6 (a) EXTENSION OF CREDIT.—Paragraph (2) of sec-  
7 tion 30C(g) is amended by striking “December 31, 2010”  
8 and inserting “December 31, 2011.”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to property placed in service after  
11 December 31, 2010.

12 **Subtitle B—Individual Tax Relief**

13 **SEC. 721. DEDUCTION FOR CERTAIN EXPENSES OF ELE-**  
14 **MENTARY AND SECONDARY SCHOOL TEACH-**  
15 **ERS.**

16 (a) IN GENERAL.—Subparagraph (D) of section  
17 62(a)(2) is amended by striking “or 2009” and inserting  
18 “2009, 2010, or 2011”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall apply to taxable years beginning after  
21 December 31, 2009.

22 **SEC. 722. DEDUCTION OF STATE AND LOCAL SALES TAXES.**

23 (a) IN GENERAL.—Subparagraph (I) of section  
24 164(b)(5) is amended by striking “January 1, 2010” and  
25 inserting “January 1, 2012”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2009.

4 **SEC. 723. CONTRIBUTIONS OF CAPITAL GAIN REAL PROP-**  
5 **ERTY MADE FOR CONSERVATION PURPOSES.**

6 (a) IN GENERAL.—Clause (vi) of section  
7 170(b)(1)(E) is amended by striking “December 31,  
8 2009” and inserting “December 31, 2011”.

9 (b) CONTRIBUTIONS BY CERTAIN CORPORATE FARM-  
10 ERS AND RANCHERS.—Clause (iii) of section 170(b)(2)(B)  
11 is amended by striking “December 31, 2009” and insert-  
12 ing “December 31, 2011”.

13 (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to contributions made in taxable  
15 years beginning after December 31, 2009.

16 **SEC. 724. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED**  
17 **TUITION AND RELATED EXPENSES.**

18 (a) IN GENERAL.—Subsection (e) of section 222 is  
19 amended by striking “December 31, 2009” and inserting  
20 “December 31, 2011”.

21 (b) EFFECTIVE DATE.—The amendment made by  
22 this section shall apply to taxable years beginning after  
23 December 31, 2009.

1 **SEC. 725. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RE-**  
2 **TIREMENT PLANS FOR CHARITABLE PUR-**  
3 **POSES.**

4 (a) IN GENERAL.—Subparagraph (F) of section  
5 408(d)(8) is amended by striking “December 31, 2009”  
6 and inserting “December 31, 2011”.

7 (b) EFFECTIVE DATE; SPECIAL RULE.—

8 (1) EFFECTIVE DATE.—The amendment made  
9 by this section shall apply to distributions made in  
10 taxable years beginning after December 31, 2009.

11 (2) SPECIAL RULE.—For purposes of sub-  
12 sections (a)(6), (b)(3), and (d)(8) of section 408 of  
13 the Internal Revenue Code of 1986, at the election  
14 of the taxpayer (at such time and in such manner  
15 as prescribed by the Secretary of the Treasury) any  
16 qualified charitable distribution made after Decem-  
17 ber 31, 2010, and before February 1, 2011, shall be  
18 deemed to have been made on December 31, 2010.

19 **SEC. 726. LOOK-THRU OF CERTAIN REGULATED INVEST-**  
20 **MENT COMPANY STOCK IN DETERMINING**  
21 **GROSS ESTATE OF NONRESIDENTS.**

22 (a) IN GENERAL.—Paragraph (3) of section 2105(d)  
23 is amended by striking “December 31, 2009” and insert-  
24 ing “December 31, 2011”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to estates of decedents dying after  
3 December 31, 2009.

4 **SEC. 727. PARITY FOR EXCLUSION FROM INCOME FOR EM-**  
5 **PLOYER-PROVIDED MASS TRANSIT AND**  
6 **PARKING BENEFITS.**

7 (a) IN GENERAL.—Paragraph (2) of section 132(f)  
8 is amended by striking “January 1, 2011” and inserting  
9 “January 1, 2012”.

10 (b) EFFECTIVE DATE.—The amendment made by  
11 this section shall apply to months after December 31,  
12 2010.

13 **SEC. 728. REFUNDS DISREGARDED IN THE ADMINISTRA-**  
14 **TION OF FEDERAL PROGRAMS AND FEDER-**  
15 **ALLY ASSISTED PROGRAMS.**

16 (a) IN GENERAL.—Subchapter A of chapter 65 is  
17 amended by adding at the end the following new section:

18 **“SEC. 6409. REFUNDS DISREGARDED IN THE ADMINISTRA-**  
19 **TION OF FEDERAL PROGRAMS AND FEDER-**  
20 **ALLY ASSISTED PROGRAMS.**

21 “(a) IN GENERAL.—Notwithstanding any other pro-  
22 vision of law, any refund (or advance payment with respect  
23 to a refundable credit) made to any individual under this  
24 title shall not be taken into account as income, and shall  
25 not be taken into account as resources for a period of 12

1 months from receipt, for purposes of determining the eligi-  
2 bility of such individual (or any other individual) for bene-  
3 fits or assistance (or the amount or extent of benefits or  
4 assistance) under any Federal program or under any State  
5 or local program financed in whole or in part with Federal  
6 funds.

7 “(b) **TERMINATION.**—Subsection (a) shall not apply  
8 to any amount received after December 31, 2012.”.

9 (b) **CLERICAL AMENDMENT.**—The table of sections  
10 for such subchapter is amended by adding at the end the  
11 following new item:

“Sec. 6409. Refunds disregarded in the administration of Federal programs  
and federally assisted programs.”.

12 (c) **EFFECTIVE DATE.**—The amendments made by  
13 this section shall apply to amounts received after Decem-  
14 ber 31, 2009.

## 15 **Subtitle C—Business Tax Relief**

### 16 **SEC. 731. RESEARCH CREDIT.**

17 (a) **IN GENERAL.**—Subparagraph (B) of section  
18 41(h)(1) is amended by striking “December 31, 2009”  
19 and inserting “December 31, 2011”.

20 (b) **CONFORMING AMENDMENT.**—Subparagraph (D)  
21 of section 45C(b)(1) is amended by striking “December  
22 31, 2009” and inserting “December 31, 2011”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to amounts paid or incurred after  
3 December 31, 2009.

4 **SEC. 732. INDIAN EMPLOYMENT TAX CREDIT.**

5 (a) IN GENERAL.—Subsection (f) of section 45A is  
6 amended by striking “December 31, 2009” and inserting  
7 “December 31, 2011”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 this section shall apply to taxable years beginning after  
10 December 31, 2009.

11 **SEC. 733. NEW MARKETS TAX CREDIT.**

12 (a) IN GENERAL.—Paragraph (1) of section 45D(f)  
13 is amended—

14 (1) by striking “and” at the end of subpara-  
15 graph (E),

16 (2) by striking the period at the end of sub-  
17 paragraph (F), and

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

20 “(G) \$3,500,000,000 for 2010 and 2011.”.

21 (b) CONFORMING AMENDMENT.—Paragraph (3) of  
22 section 45D(f) is amended by striking “2014” and insert-  
23 ing “2016”.



1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to calendar years beginning after  
3 2009.

4 **SEC. 734. RAILROAD TRACK MAINTENANCE CREDIT.**

5 (a) IN GENERAL.—Subsection (f) of section 45G is  
6 amended by striking “January 1, 2010” and inserting  
7 “January 1, 2012”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 this section shall apply to expenditures paid or incurred  
10 in taxable years beginning after December 31, 2009.

11 **SEC. 735. MINE RESCUE TEAM TRAINING CREDIT.**

12 (a) IN GENERAL.—Subsection (e) of section 45N is  
13 amended by striking “December 31, 2009” and inserting  
14 “December 31, 2011”.

15 (b) EFFECTIVE DATE.—The amendment made by  
16 this section shall apply to taxable years beginning after  
17 December 31, 2009.

18 **SEC. 736. EMPLOYER WAGE CREDIT FOR EMPLOYEES WHO**  
19 **ARE ACTIVE DUTY MEMBERS OF THE UNI-**  
20 **FORMED SERVICES.**

21 (a) IN GENERAL.—Subsection (f) of section 45P is  
22 amended by striking “December 31, 2009” and inserting  
23 “December 31, 2011”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to payments made after December  
3 31, 2009.

4 **SEC. 737. 15-YEAR STRAIGHT-LINE COST RECOVERY FOR**  
5 **QUALIFIED LEASEHOLD IMPROVEMENTS,**  
6 **QUALIFIED RESTAURANT BUILDINGS AND IM-**  
7 **PROVEMENTS, AND QUALIFIED RETAIL IM-**  
8 **PROVEMENTS.**

9 (a) IN GENERAL.—Clauses (iv), (v), and (ix) of sec-  
10 tion 168(e)(3)(E) are each amended by striking “January  
11 1, 2010” and inserting “January 1, 2012”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Clause (i) of section 168(e)(7)(A) is amend-  
14 ed by striking “if such building is placed in service  
15 after December 31, 2008, and before January 1,  
16 2010.”.

17 (2) Paragraph (8) of section 168(e) is amended  
18 by striking subparagraph (E).

19 (3) Section 179(f)(2) is amended—

20 (A) by striking “(without regard to the  
21 dates specified in subparagraph (A)(i) thereof)”  
22 in subparagraph (B), and

23 (B) by striking “(without regard to sub-  
24 paragraph (E) thereof)” in subparagraph (C).

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to property placed in service after  
3 December 31, 2009.

4 **SEC. 738. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS**  
5 **ENTERTAINMENT COMPLEXES.**

6 (a) IN GENERAL.—Subparagraph (D) of section  
7 168(i)(15) is amended by striking “December 31, 2009”  
8 and inserting “December 31, 2011”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to property placed in service after  
11 December 31, 2009.

12 **SEC. 739. ACCELERATED DEPRECIATION FOR BUSINESS**  
13 **PROPERTY ON AN INDIAN RESERVATION.**

14 (a) IN GENERAL.—Paragraph (8) of section 168(j)  
15 is amended by striking “December 31, 2009” and insert-  
16 ing “December 31, 2011”.

17 (b) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply to property placed in service after  
19 December 31, 2009.

20 **SEC. 740. ENHANCED CHARITABLE DEDUCTION FOR CON-**  
21 **TRIBUTIONS OF FOOD INVENTORY.**

22 (a) IN GENERAL.—Clause (iv) of section  
23 170(e)(3)(C) is amended by striking “December 31,  
24 2009” and inserting “December 31, 2011”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to contributions made after De-  
3 cember 31, 2009.

4 **SEC. 741. ENHANCED CHARITABLE DEDUCTION FOR CON-**  
5 **TRIBUTIONS OF BOOK INVENTORIES TO PUB-**  
6 **LIC SCHOOLS.**

7 (a) IN GENERAL.—Clause (iv) of section  
8 170(e)(3)(D) is amended by striking “December 31,  
9 2009” and inserting “December 31, 2011”.

10 (b) EFFECTIVE DATE.—The amendment made by  
11 this section shall apply to contributions made after De-  
12 cember 31, 2009.

13 **SEC. 742. ENHANCED CHARITABLE DEDUCTION FOR COR-**  
14 **PORATE CONTRIBUTIONS OF COMPUTER IN-**  
15 **VENTORY FOR EDUCATIONAL PURPOSES.**

16 (a) IN GENERAL.—Subparagraph (G) of section  
17 170(e)(6) is amended by striking “December 31, 2009”  
18 and inserting “December 31, 2011”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall apply to contributions made in taxable  
21 years beginning after December 31, 2009.

1 **SEC. 743. ELECTION TO EXPENSE MINE SAFETY EQUIP-**  
2 **MENT.**

3 (a) IN GENERAL.—Subsection (g) of section 179E is  
4 amended by striking “December 31, 2009” and inserting  
5 “December 31, 2011”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 this section shall apply to property placed in service after  
8 December 31, 2009.

9 **SEC. 744. SPECIAL EXPENSING RULES FOR CERTAIN FILM**  
10 **AND TELEVISION PRODUCTIONS.**

11 (a) IN GENERAL.—Subsection (f) of section 181 is  
12 amended by striking “December 31, 2009” and inserting  
13 “December 31, 2011”.

14 (b) EFFECTIVE DATE.—The amendment made by  
15 this section shall apply to productions commencing after  
16 December 31, 2009.

17 **SEC. 745. EXPENSING OF ENVIRONMENTAL REMEDIATION**  
18 **COSTS.**

19 (a) IN GENERAL.—Subsection (h) of section 198 is  
20 amended by striking “December 31, 2009” and inserting  
21 “December 31, 2011”.

22 (b) EFFECTIVE DATE.—The amendment made by  
23 this section shall apply to expenditures paid or incurred  
24 after December 31, 2009.

1 **SEC. 746. DEDUCTION ALLOWABLE WITH RESPECT TO IN-**  
2 **COME ATTRIBUTABLE TO DOMESTIC PRO-**  
3 **DUCTION ACTIVITIES IN PUERTO RICO.**

4 (a) IN GENERAL.—Subparagraph (C) of section  
5 199(d)(8) is amended—

6 (1) by striking “first 4 taxable years” and in-  
7 sserting “first 6 taxable years”; and

8 (2) by striking “January 1, 2010” and insert-  
9 ing “January 1, 2012”.

10 (b) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to taxable years beginning after  
12 December 31, 2009.

13 **SEC. 747. MODIFICATION OF TAX TREATMENT OF CERTAIN**  
14 **PAYMENTS TO CONTROLLING EXEMPT ORGA-**  
15 **NIZATIONS.**

16 (a) IN GENERAL.—Clause (iv) of section  
17 512(b)(13)(E) is amended by striking “December 31,  
18 2009” and inserting “December 31, 2011”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall apply to payments received or accrued  
21 after December 31, 2009.

22 **SEC. 748. TREATMENT OF CERTAIN DIVIDENDS OF REGU-**  
23 **LATED INVESTMENT COMPANIES.**

24 (a) IN GENERAL.—Paragraphs (1)(C) and (2)(C) of  
25 section 871(k) are each amended by striking “December  
26 31, 2009” and inserting “December 31, 2011”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2009.

4 **SEC. 749. RIC QUALIFIED INVESTMENT ENTITY TREATMENT**  
5 **UNDER FIRPTA.**

6 (a) IN GENERAL.—Clause (ii) of section  
7 897(h)(4)(A) is amended by striking “December 31,  
8 2009” and inserting “December 31, 2011”.

9 (b) EFFECTIVE DATE.—

10 (1) IN GENERAL.—The amendment made by  
11 subsection (a) shall take effect on January 1, 2010.  
12 Notwithstanding the preceding sentence, such  
13 amendment shall not apply with respect to the with-  
14 holding requirement under section 1445 of the Inter-  
15 nal Revenue Code of 1986 for any payment made  
16 before the date of the enactment of this Act.

17 (2) AMOUNTS WITHHELD ON OR BEFORE DATE  
18 OF ENACTMENT.—In the case of a regulated invest-  
19 ment company—

20 (A) which makes a distribution after De-  
21 cember 31, 2009, and before the date of the en-  
22 actment of this Act; and

23 (B) which would (but for the second sen-  
24 tence of paragraph (1)) have been required to

1           withhold with respect to such distribution under  
2           section 1445 of such Code,  
3           such investment company shall not be liable to any  
4           person to whom such distribution was made for any  
5           amount so withheld and paid over to the Secretary  
6           of the Treasury.

7   **SEC. 750. EXCEPTIONS FOR ACTIVE FINANCING INCOME.**

8           (a) IN GENERAL.—Sections 953(e)(10) and  
9           954(h)(9) are each amended by striking “January 1,  
10          2010” and inserting “January 1, 2012”.

11          (b) CONFORMING AMENDMENT.—Section 953(e)(10)  
12          is amended by striking “December 31, 2009” and insert-  
13          ing “December 31, 2011”.

14          (c) EFFECTIVE DATE.—The amendments made by  
15          this section shall apply to taxable years of foreign corpora-  
16          tions beginning after December 31, 2009, and to taxable  
17          years of United States shareholders with or within which  
18          any such taxable year of such foreign corporation ends.

19   **SEC. 751. LOOK-THRU TREATMENT OF PAYMENTS BE-**  
20                   **TWEEN RELATED CONTROLLED FOREIGN**  
21                   **CORPORATIONS UNDER FOREIGN PERSONAL**  
22                   **HOLDING COMPANY RULES.**

23          (a) IN GENERAL.—Subparagraph (C) of section  
24          954(e)(6) is amended by striking “January 1, 2010” and  
25          inserting “January 1, 2012”.



1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to taxable years of foreign corpora-  
3 tions beginning after December 31, 2009, and to taxable  
4 years of United States shareholders with or within which  
5 any such taxable year of such foreign corporation ends.

6 **SEC. 752. BASIS ADJUSTMENT TO STOCK OF S CORPS MAK-**  
7 **ING CHARITABLE CONTRIBUTIONS OF PROP-**  
8 **ERTY.**

9 (a) IN GENERAL.—Paragraph (2) of section 1367(a)  
10 is amended by striking “December 31, 2009” and insert-  
11 ing “December 31, 2011”.

12 (b) EFFECTIVE DATE.—The amendment made by  
13 this section shall apply to contributions made in taxable  
14 years beginning after December 31, 2009.

15 **SEC. 753. EMPOWERMENT ZONE TAX INCENTIVES.**

16 (a) IN GENERAL.—Section 1391 is amended—

17 (1) by striking “December 31, 2009” in sub-  
18 section (d)(1)(A)(i) and inserting “December 31,  
19 2011”; and

20 (2) by striking the last sentence of subsection  
21 (h)(2).

22 (b) INCREASED EXCLUSION OF GAIN ON STOCK OF  
23 EMPOWERMENT ZONE BUSINESSES.—Subparagraph (C)  
24 of section 1202(a)(2) is amended—

1           (1) by striking “December 31, 2014” and in-  
2           serting “December 31, 2016”; and

3           (2) by striking “2014” in the heading and in-  
4           serting “2016”.

5           (c) TREATMENT OF CERTAIN TERMINATION DATES  
6 SPECIFIED IN NOMINATIONS.—In the case of a designa-  
7 tion of an empowerment zone the nomination for which  
8 included a termination date which is contemporaneous  
9 with the date specified in subparagraph (A)(i) of section  
10 1391(d)(1) of the Internal Revenue Code of 1986 (as in  
11 effect before the enactment of this Act), subparagraph (B)  
12 of such section shall not apply with respect to such des-  
13 ignation if, after the date of the enactment of this section,  
14 the entity which made such nomination amends the nomi-  
15 nation to provide for a new termination date in such man-  
16 ner as the Secretary of the Treasury (or the Secretary’s  
17 designee) may provide.

18           (d) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to periods after December 31,  
20 2009.

21 **SEC. 754. TAX INCENTIVES FOR INVESTMENT IN THE DIS-**  
22 **TRICT OF COLUMBIA.**

23           (a) IN GENERAL.—Subsection (f) of section 1400 is  
24 amended by striking “December 31, 2009” each place it  
25 appears and inserting “December 31, 2011”.

1 (b) TAX-EXEMPT DC EMPOWERMENT ZONE  
2 BONDS.—Subsection (b) of section 1400A is amended by  
3 striking “December 31, 2009” and inserting “December  
4 31, 2011”.

5 (c) ZERO-PERCENT CAPITAL GAINS RATE.—

6 (1) ACQUISITION DATE.—Paragraphs (2)(A)(i),  
7 (3)(A), (4)(A)(i), and (4)(B)(i)(I) of section  
8 1400B(b) are each amended by striking “January 1,  
9 2010” and inserting “January 1, 2012”.

10 (2) LIMITATION ON PERIOD OF GAINS.—

11 (A) IN GENERAL.—Paragraph (2) of sec-  
12 tion 1400B(e) is amended—

13 (i) by striking “December 31, 2014”  
14 and inserting “December 31, 2016”; and

15 (ii) by striking “2014” in the heading  
16 and inserting “2016”.

17 (B) PARTNERSHIPS AND S-CORPS.—Para-  
18 graph (2) of section 1400B(g) is amended by  
19 striking “December 31, 2014” and inserting  
20 “December 31, 2016”.

21 (d) FIRST-TIME HOMEBUYER CREDIT.—Subsection  
22 (i) of section 1400C is amended by striking “January 1,  
23 2010” and inserting “January 1, 2012”.

24 (e) EFFECTIVE DATES.—

1           (1) IN GENERAL.—Except as otherwise pro-  
2           vided in this subsection, the amendments made by  
3           this section shall apply to periods after December  
4           31, 2009.

5           (2) TAX-EXEMPT DC EMPOWERMENT ZONE  
6           BONDS.—The amendment made by subsection (b)  
7           shall apply to bonds issued after December 31,  
8           2009.

9           (3) ACQUISITION DATES FOR ZERO-PERCENT  
10          CAPITAL GAINS RATE.—The amendments made by  
11          subsection (c) shall apply to property acquired or  
12          substantially improved after December 31, 2009.

13          (4) HOMEBUYER CREDIT.—The amendment  
14          made by subsection (d) shall apply to homes pur-  
15          chased after December 31, 2009.

16 **SEC. 755. TEMPORARY INCREASE IN LIMIT ON COVER OVER**  
17                   **OF RUM EXCISE TAXES TO PUERTO RICO AND**  
18                   **THE VIRGIN ISLANDS.**

19          (a) IN GENERAL.—Paragraph (1) of section 7652(f)  
20          is amended by striking “January 1, 2010” and inserting  
21          “January 1, 2012”.

22          (b) EFFECTIVE DATE.—The amendment made by  
23          this section shall apply to distilled spirits brought into the  
24          United States after December 31, 2009.

1 **SEC. 756. AMERICAN SAMOA ECONOMIC DEVELOPMENT**  
2 **CREDIT.**

3 (a) IN GENERAL.—Subsection (d) of section 119 of  
4 division A of the Tax Relief and Health Care Act of 2006  
5 is amended—

6 (1) by striking “first 4 taxable years” and in-  
7 serting “first 6 taxable years”, and

8 (2) by striking “January 1, 2010” and insert-  
9 ing “January 1, 2012”.

10 (b) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to taxable years beginning after  
12 December 31, 2009.

13 **SEC. 757. WORK OPPORTUNITY CREDIT.**

14 (a) IN GENERAL.—Subparagraph (B) of section  
15 51(c)(4) is amended by striking “August 31, 2011” and  
16 inserting “December 31, 2011”.

17 (b) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply to individuals who begin work for  
19 the employer after the date of the enactment of this Act.

20 **SEC. 758. QUALIFIED ZONE ACADEMY BONDS.**

21 (a) IN GENERAL.—Section 54E(c)(1) is amended—

22 (1) by striking “2008 and” and inserting  
23 “2008,”, and

24 (2) by inserting “and \$400,000,000 for 2011”  
25 after “2010,”.

1 (b) REPEAL OF REFUNDABLE CREDIT FOR  
2 QZABS.—Paragraph (3) of section 6431(f) is amended by  
3 inserting “determined without regard to any allocation re-  
4 lating to the national zone academy bond limitation for  
5 2011 or any carryforward of such allocation” after  
6 “54E)” in subparagraph (A)(iii).

7 (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to obligations issued after Decem-  
9 ber 31, 2010.

10 **SEC. 759. MORTGAGE INSURANCE PREMIUMS.**

11 (a) IN GENERAL.—Clause (iv) of section  
12 163(h)(3)(E) is amended by striking “December 31,  
13 2010” and inserting “December 31, 2011”.

14 (b) EFFECTIVE DATE.—The amendment made by  
15 this section shall apply to amounts paid or accrued after  
16 December 31, 2010.

17 **SEC. 760. TEMPORARY EXCLUSION OF 100 PERCENT OF**  
18 **GAIN ON CERTAIN SMALL BUSINESS STOCK.**

19 (a) IN GENERAL.—Paragraph (4) of section 1202(a)  
20 is amended—

21 (1) by striking “January 1, 2011” and insert-  
22 ing “January 1, 2012”, and

23 (2) by inserting “AND 2011” after “2010” in the  
24 heading thereof.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to stock acquired after December  
3 31, 2010.

4 **Subtitle D—Temporary Disaster**  
5 **Relief Provisions**

6 **PART**

7 **Subpart A—New York Liberty Zone**

8 **SEC. 761. TAX-EXEMPT BOND FINANCING.**

9 (a) IN GENERAL.—Subparagraph (D) of section  
10 1400L(d)(2) is amended by striking “January 1, 2010”  
11 and inserting “January 1, 2012”.

12 (b) EFFECTIVE DATE.—The amendment made by  
13 this section shall apply to bonds issued after December  
14 31, 2009.

15 **Subpart B—GO Zone**

16 **SEC. 762. INCREASE IN REHABILITATION CREDIT.**

17 (a) IN GENERAL.—Subsection (h) of section 1400N  
18 is amended by striking “December 31, 2009” and insert-  
19 ing “December 31, 2011”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to amounts paid or incurred after  
22 December 31, 2009.

1 **SEC. 763. LOW-INCOME HOUSING CREDIT RULES FOR**  
2 **BUILDINGS IN GO ZONES.**

3 Section 1400N(c)(5) is amended by striking “Janu-  
4 ary 1, 2011” and inserting “January 1, 2012”.

5 **SEC. 764. TAX-EXEMPT BOND FINANCING.**

6 (a) IN GENERAL.—Paragraphs (2)(D) and (7)(C) of  
7 section 1400N(a) are each amended by striking “January  
8 1, 2011” and inserting “January 1, 2012”.

9 (b) CONFORMING AMENDMENTS.—Sections  
10 702(d)(1) and 704(a) of the Heartland Disaster Tax Re-  
11 lief Act of 2008 are each amended by striking “January  
12 1, 2011” each place it appears and inserting “January  
13 1, 2012”.

14 **SEC. 765. BONUS DEPRECIATION DEDUCTION APPLICABLE**  
15 **TO THE GO ZONE.**

16 (a) IN GENERAL.—Paragraph (6) of section  
17 1400N(d) is amended—

18 (1) by striking “December 31, 2010” both  
19 places it appears in subparagraph (B) and inserting  
20 “December 31, 2011”, and

21 (2) by striking “January 1, 2010” in the head-  
22 ing and the text of subparagraph (D) and inserting  
23 “January 1, 2012”.

24 (b) EFFECTIVE DATE.—The amendment made by  
25 this section shall apply to property placed in service after  
26 December 31, 2009.



1                   **TITLE VIII—BUDGETARY**  
2                                   **PROVISIONS**

3 **SEC. 801. DETERMINATION OF BUDGETARY EFFECTS.**

4           The budgetary effects of this Act, for the purpose of  
5 complying with the Statutory Pay-As-You-Go Act of 2010,  
6 shall be determined by reference to the latest statement  
7 titled “Budgetary Effects of PAYGO Legislation” for this  
8 Act, jointly submitted for printing in the Congressional  
9 Record by the Chairmen of the House and Senate Budget  
10 Committees, provided that such statement has been sub-  
11 mitted prior to the vote on passage in the House acting  
12 first on this conference report or amendment between the  
13 Houses.

14 **SEC. 802. EMERGENCY DESIGNATIONS.**

15           (a) STATUTORY PAYGO.—This Act is designated as  
16 an emergency requirement pursuant to section 4(g) of the  
17 Statutory Pay-As-You-Go Act of 2010 (Public Law 111–  
18 139; 2 U.S.C. 933(g)) except to the extent that the budg-  
19 etary effects of this Act are determined to be subject to  
20 the current policy adjustments under sections 4(c) and 7  
21 of the Statutory Pay-As-You-Go Act.

22           (b) SENATE.—In the Senate, this Act is designated  
23 as an emergency requirement pursuant to section 403(a)  
24 of S. Con. Res. 13 (111th Congress), the concurrent reso-  
25 lution on the budget for fiscal year 2010.

1           (c) HOUSE OF REPRESENTATIVES.—In the House of  
2 Representatives, every provision of this Act is expressly  
3 designated as an emergency for purposes of pay-as-you-  
4 go principles except to the extent that any such provision  
5 is subject to the current policy adjustments under section  
6 4(c) of the Statutory Pay-As-You-Go Act of 2010.