

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—111th Cong., 1st Sess.

H. R. 3548

To amend the Supplemental Appropriations Act, 2008 to provide for the temporary availability of certain additional emergency unemployment compensation, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by _____

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Worker, Homeowner-
5 ship, and Business Assistance Act of 2009”.

6 **SEC. 2. REVISIONS TO SECOND-TIER BENEFITS.**

7 (a) IN GENERAL.—Section 4002(c) of the Supple-
8 mental Appropriations Act, 2008 (Public Law 110–252;
9 26 U.S.C. 3304 note) is amended—

1 (1) in paragraph (1)—

2 (A) in the matter preceding subparagraph
3 (A), by striking “If” and all that follows
4 through “paragraph (2))” and inserting “At
5 the time that the amount established in an indi-
6 vidual’s account under subsection (b)(1) is ex-
7 hausted”;

8 (B) in subparagraph (A), by striking “50
9 percent” and inserting “54 percent”; and

10 (C) in subparagraph (B), by striking “13”
11 and inserting “14”;

12 (2) by striking paragraph (2); and

13 (3) by redesignating paragraph (3) as para-
14 graph (2).

15 (b) EFFECTIVE DATE.—The amendments made by
16 this section shall apply as if included in the enactment
17 of the Supplemental Appropriations Act, 2008, except that
18 no amount shall be payable by virtue of such amendments
19 with respect to any week of unemployment commencing
20 before the date of the enactment of this Act.

21 **SEC. 3. THIRD-TIER EMERGENCY UNEMPLOYMENT COM-**
22 **PENSATION.**

23 (a) IN GENERAL.—Section 4002 of the Supplemental
24 Appropriations Act, 2008 (Public Law 110–252; 26

1 U.S.C. 3304 note) is amended by adding at the end the
2 following new subsection:

3 “(d) **THIRD-TIER EMERGENCY UNEMPLOYMENT**
4 **COMPENSATION.**—

5 “(1) **IN GENERAL.**—If, at the time that the
6 amount added to an individual’s account under sub-
7 section (c)(1) (hereinafter ‘second-tier emergency
8 unemployment compensation’) is exhausted or at any
9 time thereafter, such individual’s State is in an ex-
10 tended benefit period (as determined under para-
11 graph (2)), such account shall be further augmented
12 by an amount (hereinafter ‘third-tier emergency un-
13 employment compensation’) equal to the lesser of—

14 “(A) 50 percent of the total amount of
15 regular compensation (including dependents’ al-
16 lowances) payable to the individual during the
17 individual’s benefit year under the State law; or

18 “(B) 13 times the individual’s average
19 weekly benefit amount (as determined under
20 subsection (b)(2)) for the benefit year.

21 “(2) **EXTENDED BENEFIT PERIOD.**—For pur-
22 poses of paragraph (1), a State shall be considered
23 to be in an extended benefit period, as of any given
24 time, if—

1 “(A) such a period would then be in effect
2 for such State under such Act if section 203(d)
3 of such Act—

4 “(i) were applied by substituting ‘4’
5 for ‘5’ each place it appears; and

6 “(ii) did not include the requirement
7 under paragraph (1)(A) thereof; or

8 “(B) such a period would then be in effect
9 for such State under such Act if—

10 “(i) section 203(f) of such Act were
11 applied to such State (regardless of wheth-
12 er the State by law had provided for such
13 application); and

14 “(ii) such section 203(f)—

15 “(I) were applied by substituting
16 ‘6.0’ for ‘6.5’ in paragraph (1)(A)(i)
17 thereof; and

18 “(II) did not include the require-
19 ment under paragraph (1)(A)(ii)
20 thereof.

21 “(3) LIMITATION.—The account of an indi-
22 vidual may be augmented not more than once under
23 this subsection.”.

24 (b) CONFORMING AMENDMENT TO NON-AUGMENTA-
25 TION RULE.—Section 4007(b)(2) of the Supplemental Ap-

1 appropriations Act, 2008 (Public Law 110–252; 26 U.S.C.
2 3304 note) is amended—

3 (1) by striking “then section 4002(c)” and in-
4 serting “then subsections (c) and (d) of section
5 4002”; and

6 (2) by striking “paragraph (2) of such section)”
7 and inserting “paragraph (2) of such subsection (c)
8 or (d) (as the case may be))”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply as if included in the enactment
11 of the Supplemental Appropriations Act, 2008, except that
12 no amount shall be payable by virtue of such amendments
13 with respect to any week of unemployment commencing
14 before the date of the enactment of this Act.

15 **SEC. 4. FOURTH-TIER EMERGENCY UNEMPLOYMENT COM-**
16 **PENSATION.**

17 (a) IN GENERAL.—Section 4002 of the Supplemental
18 Appropriations Act, 2008 (Public Law 110–252; 26
19 U.S.C. 3304 note), as amended by section 3(a), is amend-
20 ed by adding at the end the following new subsection:

21 “(e) FOURTH-TIER EMERGENCY UNEMPLOYMENT
22 COMPENSATION.—

23 “(1) IN GENERAL.—If, at the time that the
24 amount added to an individual’s account under sub-
25 section (d)(1) (third-tier emergency unemployment

1 compensation) is exhausted or at any time there-
2 after, such individual's State is in an extended ben-
3 efit period (as determined under paragraph (2)),
4 such account shall be further augmented by an
5 amount (hereinafter 'fourth-tier emergency unem-
6 ployment compensation') equal to the lesser of—

7 “(A) 24 percent of the total amount of
8 regular compensation (including dependents' al-
9 lowances) payable to the individual during the
10 individual's benefit year under the State law; or

11 “(B) 6 times the individual's average week-
12 ly benefit amount (as determined under sub-
13 section (b)(2)) for the benefit year.

14 “(2) EXTENDED BENEFIT PERIOD.—For pur-
15 poses of paragraph (1), a State shall be considered
16 to be in an extended benefit period, as of any given
17 time, if—

18 “(A) such a period would then be in effect
19 for such State under such Act if section 203(d)
20 of such Act—

21 “(i) were applied by substituting '6'
22 for '5' each place it appears; and

23 “(ii) did not include the requirement
24 under paragraph (1)(A) thereof; or

1 “(B) such a period would then be in effect
2 for such State under such Act if—

3 “(i) section 203(f) of such Act were
4 applied to such State (regardless of wheth-
5 er the State by law had provided for such
6 application); and

7 “(ii) such section 203(f)—

8 “(I) were applied by substituting
9 ‘8.5’ for ‘6.5’ in paragraph (1)(A)(i)
10 thereof; and

11 “(II) did not include the require-
12 ment under paragraph (1)(A)(ii)
13 thereof.

14 “(3) LIMITATION.—The account of an indi-
15 vidual may be augmented not more than once under
16 this subsection.”.

17 (b) CONFORMING AMENDMENT TO NON-AUGMENTA-
18 TION RULE.—Section 4007(b)(2) of the Supplemental Ap-
19 propriations Act, 2008 (Public Law 110–252; 26 U.S.C.
20 3304 note), as amended by section 3(b), is amended—

21 (1) by striking “and (d)” and inserting “, (d),
22 and (e) of section 4002”; and

23 (2) by striking “or (d)” and inserting “, (d), or
24 (e) (as the case may be))”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply as if included in the enactment
3 of the Supplemental Appropriations Act, 2008, except that
4 no amount shall be payable by virtue of such amendments
5 with respect to any week of unemployment commencing
6 before the date of the enactment of this Act.

7 **SEC. 5. COORDINATION.**

8 Section 4002 of the Supplemental Appropriations
9 Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note),
10 as amended by section 4, is amended by adding at the
11 end the following new subsection:

12 “(f) COORDINATION RULES.—

13 “(1) COORDINATION WITH EXTENDED COM-
14 PENSATION.—Notwithstanding an election under
15 section 4001(e) by a State to provide for the pay-
16 ment of emergency unemployment compensation
17 prior to extended compensation, such State may pay
18 extended compensation to an otherwise eligible indi-
19 vidual prior to any emergency unemployment com-
20 pensation under subsection (c), (d), or (e) (by reason
21 of the amendments made by sections 2, 3, and 4 of
22 the Worker, Homeownership, and Business Assist-
23 ance Act of 2009), if such individual claimed ex-
24 tended compensation for at least 1 week of unem-
25 ployment after the exhaustion of emergency unem-

1 ployment compensation under subsection (b) (as
2 such subsection was in effect on the day before the
3 date of the enactment of this subsection).

4 “(2) COORDINATION WITH TIERS II, III, AND
5 IV.—If a State determines that implementation of
6 the increased entitlement to second-tier emergency
7 unemployment compensation by reason of the
8 amendments made by section 2 of the Worker,
9 Homeownership, and Business Assistance Act of
10 2009 would unduly delay the prompt payment of
11 emergency unemployment compensation under this
12 title by reason of the amendments made by such
13 Act, such State may elect to pay third-tier emer-
14 gency unemployment compensation prior to the pay-
15 ment of such increased second-tier emergency unem-
16 ployment compensation until such time as such
17 State determines that such increased second-tier
18 emergency unemployment compensation may be paid
19 without such undue delay. If a State makes the elec-
20 tion under the preceding sentence, then, for pur-
21 poses of determining whether an account may be
22 augmented for fourth-tier emergency unemployment
23 compensation under subsection (e), such State shall
24 treat the date of exhaustion of such increased sec-
25 ond-tier emergency unemployment compensation as

1 the date of exhaustion of third-tier emergency unem-
2 ployment compensation, if such date is later than
3 the date of exhaustion of the third-tier emergency
4 unemployment compensation.”.

5 **SEC. 6. TRANSFER OF FUNDS.**

6 Section 4004(e)(1) of the Supplemental Appropria-
7 tions Act, 2008 (Public Law 110–252; 26 U.S.C. 3304
8 note) is amended by striking “Act;” and inserting “Act
9 and sections 2, 3, and 4 of the Worker, Homeownership,
10 and Business Assistance Act of 2009;”.

11 **SEC. 7. EXPANSION OF MODERNIZATION GRANTS FOR UN-**
12 **EMPLOYMENT RESULTING FROM COMPEL-**
13 **LING FAMILY REASON.**

14 (a) IN GENERAL.—Clause (i) of section 903(f)(3)(B)
15 of the Social Security Act (42 U.S.C. 1103(f)(3)(B)) is
16 amended to read as follows:

17 “(i) One or both of the following of-
18 fenses as selected by the State, but in
19 making such selection, the resulting
20 change in the State law shall not supercede
21 any other provision of law relating to un-
22 employment insurance to the extent that
23 such other provision provides broader ac-
24 cess to unemployment benefits for victims
25 of such selected offense or offenses:

1 “(I) Domestic violence, verified
2 by such reasonable and confidential
3 documentation as the State law may
4 require, which causes the individual
5 reasonably to believe that such indi-
6 vidual’s continued employment would
7 jeopardize the safety of the individual
8 or of any member of the individual’s
9 immediate family (as defined by the
10 Secretary of Labor); and

11 “(II) Sexual assault, verified by
12 such reasonable and confidential docu-
13 mentation as the State law may re-
14 quire, which causes the individual rea-
15 sonably to believe that such individ-
16 ual’s continued employment would
17 jeopardize the safety of the individual
18 or of any member of the individual’s
19 immediate family (as defined by the
20 Secretary of Labor).”.

21 (b) **EFFECTIVE DATE.**—The amendment made by
22 this section shall apply with respect to State applications
23 submitted on and after January 1, 2010.

1 **SEC. 8. TREATMENT OF ADDITIONAL REGULAR COMPENSA-**
2 **TION.**

3 The monthly equivalent of any additional compensa-
4 tion paid by reason of section 2002 of the Assistance for
5 Unemployed Workers and Struggling Families Act, as
6 contained in Public Law 111–5 (26 U.S.C. 3304 note; 123
7 Stat. 438) shall be disregarded after the date of the enact-
8 ment of this Act in considering the amount of income and
9 assets of an individual for purposes of determining such
10 individual’s eligibility for, or amount of, benefits under the
11 Supplemental Nutrition Assistance Program (SNAP).

12 **SEC. 9. ADDITIONAL EXTENDED UNEMPLOYMENT BENE-**
13 **FITS UNDER THE RAILROAD UNEMPLOY-**
14 **MENT INSURANCE ACT.**

15 (a) BENEFITS.—Section 2(c)(2)(D) of the Railroad
16 Unemployment Insurance Act, as added by section 2006
17 of the American Recovery and Reinvestment Act of 2009
18 (Public Law 111–5), is amended—

19 (1) in clause (iii)—

20 (A) by striking “June 30, 2009” and in-
21 serting “June 30, 2010”; and

22 (B) by striking “December 31, 2009” and
23 inserting “December 31, 2010”; and

24 (2) by adding at the end of clause (iv) the fol-
25 lowing: “In addition to the amount appropriated by
26 the preceding sentence, out of any funds in the

1 Treasury not otherwise appropriated, there are ap-
2 propriated \$175,000,000 to cover the cost of addi-
3 tional extended unemployment benefits provided
4 under this subparagraph, to remain available until
5 expended.”.

6 (b) ADMINISTRATIVE EXPENSES.—Section 2006 of
7 division B of the American Recovery and Reinvestment
8 Act of 2009 (Public Law 111–5; 123 Stat. 445) is amend-
9 ed by adding at the end of subsection (b) the following:
10 “In addition to funds appropriated by the preceding sen-
11 tence, out of any funds in the Treasury not otherwise ap-
12 propriated, there are appropriated to the Railroad Retire-
13 ment Board \$807,000 to cover the administrative ex-
14 penses associated with the payment of additional extended
15 unemployment benefits under section 2(c)(2)(D) of the
16 Railroad Unemployment Insurance Act, to remain avail-
17 able until expended.”.

18 **SEC. 10. 0.2 PERCENT FUTA SURTAX.**

19 (a) IN GENERAL.—Section 3301 of the Internal Rev-
20 enue Code of 1986 (relating to rate of tax) is amended—
21 (1) by striking “through 2009” in paragraph
22 (1) and inserting “through 2010 and the first 6
23 months of calendar year 2011”,

1 July 1, 2010, paragraph (1) shall be applied by sub-
2 stituting ‘July 1, 2010’ for ‘May 1, 2010’.”.

3 (2) WAIVER OF RECAPTURE.—

4 (A) IN GENERAL.—Subparagraph (D) of
5 section 36(f)(4) of such Code is amended by
6 striking “, and before December 1, 2009”.

7 (B) CONFORMING AMENDMENT.—The
8 heading of such subparagraph (D) is amended
9 by inserting “AND 2010” after “2009”.

10 (3) ELECTION TO TREAT PURCHASE IN PRIOR
11 YEAR.—Subsection (g) of section 36 of such Code is
12 amended to read as follows:

13 “(g) ELECTION TO TREAT PURCHASE IN PRIOR
14 YEAR.—In the case of a purchase of a principal residence
15 after December 31, 2008, a taxpayer may elect to treat
16 such purchase as made on December 31 of the calendar
17 year preceding such purchase for purposes of this section
18 (other than subsections (c), (f)(4)(D), and (h)).”.

19 (b) SPECIAL RULE FOR LONG-TIME RESIDENTS OF
20 SAME PRINCIPAL RESIDENCE.—Subsection (c) of section
21 36 of the Internal Revenue Code of 1986 is amended by
22 adding at the end the following new paragraph:

23 “(6) EXCEPTION FOR LONG-TIME RESIDENTS
24 OF SAME PRINCIPAL RESIDENCE.—In the case of an
25 individual (and, if married, such individual’s spouse)

1 who has owned and used the same residence as such
2 individual's principal residence for any 5-consecu-
3 tive-year period during the 8-year period ending on
4 the date of the purchase of a subsequent principal
5 residence, such individual shall be treated as a first-
6 time homebuyer for purposes of this section with re-
7 spect to the purchase of such subsequent resi-
8 dence.”.

9 (c) MODIFICATION OF DOLLAR AND INCOME LIMITA-
10 TIONS.—

11 (1) DOLLAR LIMITATION.—Subsection (b)(1) of
12 section 36 of the Internal Revenue Code of 1986 is
13 amended by adding at the end the following new
14 subparagraph:

15 “(D) SPECIAL RULE FOR LONG-TIME RESI-
16 DENTS OF SAME PRINCIPAL RESIDENCE.—In
17 the case of a taxpayer to whom a credit under
18 subsection (a) is allowed by reason of sub-
19 section (c)(6), subparagraphs (A), (B), and (C)
20 shall be applied by substituting ‘\$6,500’ for
21 ‘\$8,000’ and ‘\$3,250’ for ‘\$4,000’.”.

22 (2) INCOME LIMITATION.—Subsection
23 (b)(2)(A)(i)(II) of section 36 of such Code is amend-
24 ed by striking “\$75,000 (\$150,000” and inserting
25 “\$125,000 (\$225,000”.

1 (d) LIMITATION ON PURCHASE PRICE OF RESI-
2 DENCE.—Subsection (b) of section 36 of the Internal Rev-
3 enue Code of 1986 is amended by adding at the end the
4 following new paragraph:

5 “(3) LIMITATION BASED ON PURCHASE
6 PRICE.—No credit shall be allowed under subsection
7 (a) for the purchase of any residence if the purchase
8 price of such residence exceeds \$800,000.”.

9 (e) WAIVER OF RECAPTURE OF FIRST-TIME HOME-
10 BUYER CREDIT FOR INDIVIDUALS ON QUALIFIED OFFI-
11 CIAL EXTENDED DUTY.—Paragraph (4) of section 36(f)
12 of the Internal Revenue Code of 1986 is amended by add-
13 ing at the end the following new subparagraph:

14 “(E) SPECIAL RULE FOR MEMBERS OF
15 THE ARMED FORCES, ETC.—

16 “(i) IN GENERAL.—In the case of the
17 disposition of a principal residence by an
18 individual (or a cessation referred to in
19 paragraph (2)) after December 31, 2008,
20 in connection with Government orders re-
21 ceived by such individual, or such individ-
22 ual’s spouse, for qualified official extended
23 duty service—

1 “(I) paragraph (2) and sub-
2 section (d)(2) shall not apply to such
3 disposition (or cessation), and

4 “(II) if such residence was ac-
5 quired before January 1, 2009, para-
6 graph (1) shall not apply to the tax-
7 able year in which such disposition (or
8 cessation) occurs or any subsequent
9 taxable year.

10 “(ii) QUALIFIED OFFICIAL EXTENDED
11 DUTY SERVICE.—For purposes of this sec-
12 tion, the term ‘qualified official extended
13 duty service’ means service on qualified of-
14 ficial extended duty as—

15 “(I) a member of the uniformed
16 services,

17 “(II) a member of the Foreign
18 Service of the United States, or

19 “(III) an employee of the intel-
20 ligence community.

21 “(iii) DEFINITIONS.—Any term used
22 in this subparagraph which is also used in
23 paragraph (9) of section 121(d) shall have
24 the same meaning as when used in such
25 paragraph.”.

1 (f) EXTENSION OF FIRST-TIME HOMEBUYER CREDIT
2 FOR INDIVIDUALS ON QUALIFIED OFFICIAL EXTENDED
3 DUTY OUTSIDE THE UNITED STATES.—

4 (1) IN GENERAL.—Subsection (h) of section 36
5 of the Internal Revenue Code of 1986, as amended
6 by subsection (a), is amended by adding at the end
7 the following:

8 “(3) SPECIAL RULE FOR INDIVIDUALS ON
9 QUALIFIED OFFICIAL EXTENDED DUTY OUTSIDE
10 THE UNITED STATES.—In the case of any individual
11 who serves on qualified official extended duty service
12 (as defined in section 121(d)(9)(C)(i)) outside the
13 United States for at least 90 days during the period
14 beginning after December 31, 2008, and ending be-
15 fore May 1, 2010, and, if married, such individual’s
16 spouse—

17 “(A) paragraphs (1) and (2) shall each be
18 applied by substituting ‘May 1, 2011’ for ‘May
19 1, 2010’, and

20 “(B) paragraph (2) shall be applied by
21 substituting ‘July 1, 2011’ for ‘July 1, 2010’.”.

22 (g) DEPENDENTS INELIGIBLE FOR CREDIT.—Sub-
23 section (d) of section 36 of the Internal Revenue Code of
24 1986 is amended by striking “or” at the end of paragraph
25 (1), by striking the period at the end of paragraph (2)

1 and inserting “, or”, and by adding at the end the fol-
2 lowing new paragraph:

3 “(3) a deduction under section 151 with respect
4 to such taxpayer is allowable to another taxpayer for
5 such taxable year.”.

6 (h) IRS MATHEMATICAL ERROR AUTHORITY.—Para-
7 graph (2) of section 6213(g) of the Internal Revenue Code
8 of 1986 is amended—

9 (1) by striking “and” at the end of subpara-
10 graph (M),

11 (2) by striking the period at the end of sub-
12 paragraph (N) and inserting “, and”, and

13 (3) by inserting after subparagraph (N) the fol-
14 lowing new subparagraph:

15 “(O) an omission of any increase required
16 under section 36(f) with respect to the recap-
17 ture of a credit allowed under section 36.”.

18 (i) COORDINATION WITH FIRST-TIME HOMEBUYER
19 CREDIT FOR DISTRICT OF COLUMBIA.—Paragraph (4) of
20 section 1400C(e) of the Internal Revenue Code of 1986
21 is amended by striking “and before December 1, 2009,”.

22 (j) EFFECTIVE DATES.—

23 (1) IN GENERAL.—The amendments made by
24 subsections (b), (c), (d), and (g) shall apply to resi-

1 dences purchased after the date of the enactment of
2 this Act.

3 (2) EXTENSIONS.—The amendments made by
4 subsections (a), (f), and (i) shall apply to residences
5 purchased after November 30, 2009.

6 (3) WAIVER OF RECAPTURE.—The amendment
7 made by subsection (e) shall apply to dispositions
8 and cessations after December 31, 2008.

9 (4) MATHEMATICAL ERROR AUTHORITY.—The
10 amendments made by subsection (h) shall apply to
11 returns for taxable years ending on or after April 9,
12 2008.

13 **SEC. 12. PROVISIONS TO ENHANCE THE ADMINISTRATION**
14 **OF THE FIRST-TIME HOMEBUYER TAX CRED-**
15 **IT.**

16 (a) AGE LIMITATION.—

17 (1) IN GENERAL.—Subsection (b) of section 36
18 of the Internal Revenue Code of 1986, as amended
19 by this Act, is amended by adding at the end the fol-
20 lowing new paragraph:

21 “(4) AGE LIMITATION.—No credit shall be al-
22 lowed under subsection (a) with respect to the pur-
23 chase of any residence unless the taxpayer has at-
24 tained age 18 as of the date of such purchase. In
25 the case of any taxpayer who is married (within the

1 meaning of section 7703), the taxpayer shall be
2 treated as meeting the age requirement of the pre-
3 ceding sentence if the taxpayer or the taxpayer's
4 spouse meets such age requirement.”.

5 (2) CONFORMING AMENDMENT.—Subsection (g)
6 of section 36 of such Code, as amended by this Act,
7 is amended by inserting “(b)(4),” before “(c)”.

8 (b) DOCUMENTATION REQUIREMENT.—Subsection
9 (d) of section 36 of the Internal Revenue Code of 1986,
10 as amended by this Act, is amended by striking “or” at
11 the end of paragraph (2), by striking the period at the
12 end of paragraph (3) and inserting “, or”, and by adding
13 at the end the following new paragraph:

14 “(4) the taxpayer fails to attach to the return
15 of tax for such taxable year a properly executed copy
16 of the settlement statement used to complete such
17 purchase.”.

18 (c) RESTRICTION ON MARRIED INDIVIDUAL ACQUIR-
19 ING RESIDENCE FROM FAMILY OF SPOUSE.—Clause (i)
20 of section 36(c)(3)(A) of the Internal Revenue Code of
21 1986 is amended by inserting “(or, if married, such indi-
22 vidual's spouse)” after “person acquiring such property”.

23 (d) CERTAIN ERRORS WITH RESPECT TO THE
24 FIRST-TIME HOMEBUYER TAX CREDIT TREATED AS
25 MATHEMATICAL OR CLERICAL ERRORS.—Paragraph (2)

1 of section 6213(g) the Internal Revenue Code of 1986,
2 as amended by this Act, is amended by striking “and”
3 at the end of subparagraph (N), by striking the period
4 at the end of subparagraph (O) and inserting “, and”,
5 and by inserting after subparagraph (O) the following new
6 subparagraph:

7 “(P) an entry on a return claiming the
8 credit under section 36 if—

9 “(i) the Secretary obtains information
10 from the person issuing the TIN of the
11 taxpayer that indicates that the taxpayer
12 does not meet the age requirement of sec-
13 tion 36(b)(4),

14 “(ii) information provided to the Sec-
15 retary by the taxpayer on an income tax
16 return for at least one of the 2 preceding
17 taxable years is inconsistent with eligibility
18 for such credit, or

19 “(iii) the taxpayer fails to attach to
20 the return the form described in section
21 36(d)(4).”.

22 (e) EFFECTIVE DATE.—

23 (1) IN GENERAL.—Except as otherwise pro-
24 vided in this subsection, the amendments made by

1 this section shall apply to purchases after the date
2 of the enactment of this Act.

3 (2) DOCUMENTATION REQUIREMENT.—The
4 amendments made by subsection (b) shall apply to
5 returns for taxable years ending after the date of the
6 enactment of this Act.

7 (3) TREATMENT AS MATHEMATICAL AND CLER-
8 ICAL ERRORS.—The amendments made by sub-
9 section (d) shall apply to returns for taxable years
10 ending on or after April 9, 2008.

11 **SEC. 13. 5-YEAR CARRYBACK OF OPERATING LOSSES.**

12 (a) IN GENERAL.—Subparagraph (H) of section
13 172(b)(1) of the Internal Revenue Code of 1986 is amend-
14 ed to read as follows:

15 “(H) CARRYBACK FOR 2008 OR 2009 NET
16 OPERATING LOSSES.—

17 “(i) IN GENERAL.—In the case of an
18 applicable net operating loss with respect
19 to which the taxpayer has elected the ap-
20 plication of this subparagraph—

21 “(I) subparagraph (A)(i) shall be
22 applied by substituting any whole
23 number elected by the taxpayer which
24 is more than 2 and less than 6 for ‘2’,

1 ginning in 2009. Any such election,
2 once made, shall be irrevocable.

3 “(iv) LIMITATION ON AMOUNT OF
4 LOSS CARRYBACK TO 5TH PRECEDING TAX-
5 ABLE YEAR.—

6 “(I) IN GENERAL.—The amount
7 of any net operating loss which may
8 be carried back to the 5th taxable
9 year preceding the taxable year of
10 such loss under clause (i) shall not ex-
11 ceed 50 percent of the taxpayer’s tax-
12 able income (computed without regard
13 to the net operating loss for the loss
14 year or any taxable year thereafter)
15 for such preceding taxable year.

16 “(II) CARRYBACKS AND
17 CARRYOVERS TO OTHER TAXABLE
18 YEARS.—Appropriate adjustments in
19 the application of the second sentence
20 of paragraph (2) shall be made to
21 take into account the limitation of
22 subclause (I).

23 “(III) EXCEPTION FOR 2008
24 ELECTIONS BY SMALL BUSINESSES.—
25 Subclause (I) shall not apply to any

1 loss of an eligible small business with
2 respect to any election made under
3 this subparagraph as in effect on the
4 day before the date of the enactment
5 of the Worker, Homeownership, and
6 Business Assistance Act of 2009.

7 “(v) SPECIAL RULES FOR SMALL
8 BUSINESS.—

9 “(I) IN GENERAL.—In the case
10 of an eligible small business which
11 made or makes an election under this
12 subparagraph as in effect on the day
13 before the date of the enactment of
14 the Worker, Homeownership, and
15 Business Assistance Act of 2009,
16 clause (iii)(I) shall be applied by sub-
17 stituting ‘2 taxable years’ for ‘1 tax-
18 able year’.

19 “(II) ELIGIBLE SMALL BUSI-
20 NESS.—For purposes of this subpara-
21 graph, the term ‘eligible small busi-
22 ness’ has the meaning given such
23 term by subparagraph (F)(iii), except
24 that in applying such subparagraph,
25 section 448(c) shall be applied by sub-

1 stituting ‘\$15,000,000’ for
2 ‘\$5,000,000’ each place it appears.”.

3 (b) ALTERNATIVE TAX NET OPERATING LOSS DE-
4 DUCTION.—Subclause (I) of section 56(d)(1)(A)(ii) of the
5 Internal Revenue Code of 1986 is amended to read as fol-
6 lows:

7 “(I) the amount of such deduc-
8 tion attributable to an applicable net
9 operating loss with respect to which
10 an election is made under section
11 172(b)(1)(H), or”.

12 (c) LOSS FROM OPERATIONS OF LIFE INSURANCE
13 COMPANIES.—Subsection (b) of section 810 of the Inter-
14 nal Revenue Code of 1986 is amended by adding at the
15 end the following new paragraph:

16 “(4) CARRYBACK FOR 2008 OR 2009 LOSSES.—
17 “(A) IN GENERAL.—In the case of an ap-
18 plicable loss from operations with respect to
19 which the taxpayer has elected the application
20 of this paragraph, paragraph (1)(A) shall be
21 applied by substituting any whole number elect-
22 ed by the taxpayer which is more than 3 and
23 less than 6 for ‘3’.

24 “(B) APPLICABLE LOSS FROM OPER-
25 ATIONS.—For purposes of this paragraph, the

1 term ‘applicable loss from operations’ means
2 the taxpayer’s loss from operations for a tax-
3 able year ending after December 31, 2007, and
4 beginning before January 1, 2010.

5 “(C) ELECTION.—

6 “(i) IN GENERAL.—Any election
7 under this paragraph may be made only
8 with respect to 1 taxable year.

9 “(ii) PROCEDURE.—Any election
10 under this paragraph shall be made in
11 such manner as may be prescribed by the
12 Secretary, and shall be made by the due
13 date (including extension of time) for filing
14 the return for the taxpayer’s last taxable
15 year beginning in 2009. Any such election,
16 once made, shall be irrevocable.

17 “(D) LIMITATION ON AMOUNT OF LOSS
18 CARRYBACK TO 5TH PRECEDING TAXABLE
19 YEAR.—

20 “(i) IN GENERAL.—The amount of
21 any loss from operations which may be
22 carried back to the 5th taxable year pre-
23 ceding the taxable year of such loss under
24 subparagraph (A) shall not exceed 50 per-
25 cent of the taxpayer’s taxable income

1 (computed without regard to the loss from
2 operations for the loss year or any taxable
3 year thereafter) for such preceding taxable
4 year.

5 “(ii) CARRYBACKS AND CARRYOVERS
6 TO OTHER TAXABLE YEARS.—Appropriate
7 adjustments in the application of the sec-
8 ond sentence of paragraph (2) shall be
9 made to take into account the limitation of
10 clause (i).”.

11 (d) ANTI-ABUSE RULES.—The Secretary of Treasury
12 or the Secretary’s designee shall prescribe such rules as
13 are necessary to prevent the abuse of the purposes of the
14 amendments made by this section, including anti-stuffing
15 rules, anti-churning rules (including rules relating to sale-
16 leasebacks), and rules similar to the rules under section
17 1091 of the Internal Revenue Code of 1986 relating to
18 losses from wash sales.

19 (e) EFFECTIVE DATES.—

20 (1) IN GENERAL.—Except as otherwise pro-
21 vided in this subsection, the amendments made by
22 this section shall apply to net operating losses aris-
23 ing in taxable years ending after December 31,
24 2007.

1 (2) ALTERNATIVE TAX NET OPERATING LOSS
2 DEDUCTION.—The amendment made by subsection
3 (b) shall apply to taxable years ending after Decem-
4 ber 31, 2002.

5 (3) LOSS FROM OPERATIONS OF LIFE INSUR-
6 ANCE COMPANIES.—The amendment made by sub-
7 section (d) shall apply to losses from operations aris-
8 ing in taxable years ending after December 31,
9 2007.

10 (4) TRANSITIONAL RULE.—In the case of any
11 net operating loss (or, in the case of a life insurance
12 company, any loss from operations) for a taxable
13 year ending before the date of the enactment of this
14 Act—

15 (A) any election made under section
16 172(b)(3) or 810(b)(3) of the Internal Revenue
17 Code of 1986 with respect to such loss may
18 (notwithstanding such section) be revoked be-
19 fore the due date (including extension of time)
20 for filing the return for the taxpayer's last tax-
21 able year beginning in 2009, and

22 (B) any application under section 6411(a)
23 of such Code with respect to such loss shall be
24 treated as timely filed if filed before such due
25 date.

1 (f) EXCEPTION FOR TARP RECIPIENTS.—The
2 amendments made by this section shall not apply to—

3 (1) any taxpayer if—

4 (A) the Federal Government acquired be-
5 fore the date of the enactment of this Act an
6 equity interest in the taxpayer pursuant to the
7 Emergency Economic Stabilization Act of 2008,

8 (B) the Federal Government acquired be-
9 fore such date of enactment any warrant (or
10 other right) to acquire any equity interest with
11 respect to the taxpayer pursuant to the Emer-
12 gency Economic Stabilization Act of 2008, or

13 (C) such taxpayer receives after such date
14 of enactment funds from the Federal Govern-
15 ment in exchange for an interest described in
16 subparagraph (A) or (B) pursuant to a pro-
17 gram established under title I of division A of
18 the Emergency Economic Stabilization Act of
19 2008 (unless such taxpayer is a financial insti-
20 tution (as defined in section 3 of such Act) and
21 the funds are received pursuant to a program
22 established by the Secretary of the Treasury for
23 the stated purpose of increasing the availability
24 of credit to small businesses using funding
25 made available under such Act), or

1 (2) the Federal National Mortgage Association
2 and the Federal Home Loan Mortgage Corporation,
3 and

4 (3) any taxpayer which at any time in 2008 or
5 2009 was or is a member of the same affiliated
6 group (as defined in section 1504 of the Internal
7 Revenue Code of 1986, determined without regard
8 to subsection (b) thereof) as a taxpayer described in
9 paragraph (1) or (2).

10 **SEC. 14. EXCLUSION FROM GROSS INCOME OF QUALIFIED**
11 **MILITARY BASE REALIGNMENT AND CLO-**
12 **SURE FRINGE.**

13 (a) IN GENERAL.—Subsection (n) of section 132 of
14 the Internal Revenue Code of 1986 is amended—

15 (1) in subparagraph (1) by striking “this sub-
16 section) to offset the adverse effects on housing val-
17 ues as a result of a military base realignment or clo-
18 sure” and inserting “the American Recovery and
19 Reinvestment Tax Act of 2009)”, and

20 (2) in subparagraph (2) by striking “clause (1)
21 of”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 this act shall apply to payments made after February 17,
24 2009.

1 **SEC. 15. DELAY IN APPLICATION OF WORLDWIDE ALLOCA-**
2 **TION OF INTEREST.**

3 (a) IN GENERAL.—Paragraphs (5)(D) and (6) of sec-
4 tion 864(f) of the Internal Revenue Code of 1986 are each
5 amended by striking “December 31, 2010” and inserting
6 “December 31, 2017”.

7 (b) CONFORMING AMENDMENT.—Section 864(f) of
8 the Internal Revenue Code of 1986 is amended by striking
9 paragraph (7).

10 (c) EFFECTIVE DATES.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2010.

13 **SEC. 16. INCREASE IN PENALTY FOR FAILURE TO FILE A**
14 **PARTNERSHIP OR S CORPORATION RETURN.**

15 (a) IN GENERAL.—Sections 6698(b)(1) and
16 6699(b)(1) of the Internal Revenue Code of 1986 are each
17 amended by striking “\$89” and inserting “\$195”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to returns for taxable years begin-
20 ning after December 31, 2009.

21 **SEC. 17. CERTAIN TAX RETURN PREPARERS REQUIRED TO**
22 **FILE RETURNS ELECTRONICALLY.**

23 (a) IN GENERAL.—Subsection (e) of section 6011 of
24 the Internal Revenue Code of 1986 is amended by adding
25 at the end the following new paragraph:

1 “(3) SPECIAL RULE FOR TAX RETURN PRE-
2 PARERS.—

3 “(A) IN GENERAL.—The Secretary shall
4 require that any individual income tax return
5 prepared by a tax return preparer be filed on
6 magnetic media if—

7 “(i) such return is filed by such tax
8 return preparer, and

9 “(ii) such tax return preparer is a
10 specified tax return preparer for the cal-
11 endar year during which such return is
12 filed.

13 “(B) SPECIFIED TAX RETURN PRE-
14 PARER.—For purposes of this paragraph, the
15 term ‘specified tax return preparer’ means, with
16 respect to any calendar year, any tax return
17 preparer unless such preparer reasonably ex-
18 pects to file 10 or fewer individual income tax
19 returns during such calendar year.

20 “(C) INDIVIDUAL INCOME TAX RETURN.—
21 For purposes of this paragraph, the term ‘indi-
22 vidual income tax return’ means any return of
23 the tax imposed by subtitle A on individuals, es-
24 tates, or trusts.”.

1 (b) CONFORMING AMENDMENT.—Paragraph (1) of
2 section 6011(e) of the Internal Revenue Code of 1986 is
3 amended by striking “The Secretary may not” and insert-
4 ing “Except as provided in paragraph (3), the Secretary
5 may not”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to returns filed after December 31,
8 2010.

9 **SEC. 18. TIME FOR PAYMENT OF CORPORATE ESTIMATED**
10 **TAXES.**

11 The percentage under paragraph (1) of section
12 202(b) of the Corporate Estimated Tax Shift Act of 2009
13 in effect on the date of the enactment of this Act is in-
14 creased by 33.0 percentage points.