AMENDMENT NO.                    Calendar No._____

Purpose: To provide a complete substitute.

IN THE SENATE OF THE UNITED STATES—110th Cong., 2d Sess.

S. 3098

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, 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 Mr. McConnell (for himself, Mr. Grassley, Mr. Kyl, and Mr. Hatch)

Viz:
1 Strike all after the enacting clause and insert the following:
2 SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE;
3 TABLE OF CONTENTS.
4 (a) Short Title.—This Act may be cited as the
5 “Tax Extenders and Alternative Minimum Tax Relief Act
6 of 2008”.
7 (b) Amendment of 1986 Code.—Except as other-
8 wise expressly provided, whenever in this Act an amend-
ment or repeal is expressed in terms of an amendment
to, or repeal of, a section or other provision, the reference
shall be considered to be made to a section or other provi-

(c) Table of Contents.—The table of contents of
this Act is as follows:

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—ALTERNATIVE MINIMUM TAX RELIEF

Sec. 101. Extension of alternative minimum tax relief for nonrefundable personal credits.
Sec. 102. Extension of increased alternative minimum tax exemption amount.
Sec. 103. Increase of AMT refundable credit amount for individuals with long-term unused credits for prior year minimum tax liability, etc.

TITLE II—EXTENSION OF INDIVIDUAL TAX PROVISIONS

Sec. 201. Deduction for State and local sales taxes.
Sec. 203. Deduction for certain expenses of elementary and secondary school teachers.
Sec. 204. Tax-free distributions from individual retirement plans for charitable purposes.
Sec. 205. Treatment of certain dividends of regulated investment companies.
Sec. 206. Stock in RIC for purposes of determining estates of nonresidents not citizens.
Sec. 207. Qualified investment entities.

TITLE III—EXTENSION OF BUSINESS TAX PROVISIONS

Sec. 301. Extension and modification of research credit.
Sec. 302. New markets tax credit.
Sec. 303. Subpart F exception for active financing income.
Sec. 304. Extension of look-thru rule for related controlled foreign corporations.
Sec. 305. Extension of 15-year straight-line cost recovery for qualified leasehold improvements and qualified restaurant improvements; 15-year straight-line cost recovery for certain improvements to retail space.
Sec. 306. Enhanced charitable deduction for contributions of food inventory.
Sec. 308. Modification of tax treatment of certain payments to controlling exempt organizations.
Sec. 309. Basis adjustment to stock of S corporations making charitable contributions of property.
Sec. 310. Increase in limit on cover over of rum excise tax to Puerto Rico and the Virgin Islands.
Sec. 311. Extension of economic development credit for American Samoa.
Sec. 312. Extension of mine rescue team training credit.
Sec. 313. Extension of election to expense advanced mine safety equipment.
Sec. 314. Extension of expensing rules for qualified film and television productions.
Sec. 315. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
Sec. 316. Extension of qualified zone academy bonds.
Sec. 317. Indian employment credit.
Sec. 318. Accelerated depreciation for business property on Indian reservation.
Sec. 319. Railroad track maintenance.
Sec. 320. Seven-year cost recovery period for motorsports racing track facility.
Sec. 321. Expensing of environmental remediation costs.
Sec. 322. Extension of work opportunity tax credit for Hurricane Katrina employees.
Sec. 323. Extension of increased rehabilitation credit for structures in the Gulf Opportunity Zone.

TITLE IV—EXTENSION OF TAX ADMINISTRATION PROVISIONS
Sec. 401. Permanent authority for undercover operations.
Sec. 402. Permanent disclosures of certain tax return information.
Sec. 403. Disclosure of information relating to terrorist activities.

TITLE V—EXTENSION OF CLEAN ENERGY PRODUCTION INCENTIVES
Sec. 501. Extension and modification of renewable energy production tax credit.
Sec. 502. Extension and modification of solar energy and fuel cell investment tax credit.
Sec. 503. Extension and modification of residential energy efficient property credit.
Sec. 504. Extension and modification of credit for clean renewable energy bonds.
Sec. 505. Extension of special rule to implement FERC restructuring policy.

TITLE VI—EXTENSION OF INCENTIVES TO IMPROVE ENERGY EFFICIENCY
Sec. 601. Extension and modification of credit for energy efficiency improvements to existing homes.
Sec. 602. Extension and modification of tax credit for energy efficient new homes.
Sec. 603. Extension and modification of energy efficient commercial buildings deduction.
Sec. 604. Modification and extension of energy efficient appliance credit for appliances produced after 2007.

TITLE VII—CARBON MITIGATION PROVISIONS
Sec. 701. Expansion and modification of advanced coal project investment credit.
Sec. 702. Expansion and modification of coal gasification investment credit.
Sec. 703. Temporary increase in coal excise tax.
Sec. 704. Special rules for refund of the coal excise tax to certain coal producers and exporters.

TITLE VIII—TRANSPORTATION AND FUEL PROVISIONS
Sec. 801. Inclusion of cellulosic biofuel in bonus depreciation for biomass ethanol plant property.
Sec. 802. Credits for biodiesel and renewable diesel.
Sec. 803. Clarification that credits for fuel are designed to provide an incentive for United States production.
Sec. 804. Credit for alternative fuels.
Sec. 805. Credit for alternative jet fuel.
Sec. 806. Credit for new qualified plug-in electric drive motor vehicles.
Sec. 807. Exclusion from heavy truck tax for idling reduction units and advanced insulation.
Sec. 808. Alternative fuel vehicle refueling property credit.
Sec. 809. Percentage depletion for marginal well production.
Sec. 810. Extension and modification of election to expense certain refineries.
Sec. 811. Treatment of qualified alcohol fuel mixtures and qualified biodiesel fuel mixtures as taxable fuels.

TITLE IX—ADDITIONAL TAX RELIEF

Sec. 901. Income averaging for amounts received in connection with the Exxon Valdez litigation.
Sec. 902. Certain GO Zone incentives.
Sec. 903. Election to accelerate AMT and R and D credits in lieu of bonus depreciation.
Sec. 904. Modification to exclusion for gain from certain small business stock.

TITLE X—OTHER PROVISIONS

Sec. 1001. Secure rural schools and community self-determination program.
Sec. 1002. Transfer of interest earned by abandoned mine reclamation fund.

TITLE XI—SPENDING REDuctions AND APPLICABLE Revenue RAISERS FOR NEW Tax RELIEF POLICY

Sec. 1101. Reserved.

1 TITLE I—ALTERNATIVE MINIMUM TAX RELIEF

2 SEC. 101. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

3 (a) IN GENERAL.—Paragraph (2) of section 26(a) (relating to special rule for taxable years 2000 through 2007) is amended—

4 (1) by striking “or 2007” and inserting “2007, or 2008”, and
(2) by striking “2007” in the heading thereof and inserting “2008”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 102. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) (relating to exemption amount) is amended—

(1) by striking “($66,250 in the case of taxable years beginning in 2007)” in subparagraph (A) and inserting “($69,950 in the case of taxable years beginning in 2008)”, and

(2) by striking “($44,350 in the case of taxable years beginning in 2007)” in subparagraph (B) and inserting “($46,200 in the case of taxable years beginning in 2008)”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.
SEC. 103. INCREASE OF AMT REFUNDABLE CREDIT AMOUNT FOR INDIVIDUALS WITH LONG-TERM UNUSED CREDITS FOR PRIOR YEAR MINIMUM TAX LIABILITY, ETC.

(a) In General.—Paragraph (2) of section 53(e) is amended to read as follows:

“(2) AMT refundable credit amount.—For purposes of paragraph (1), the term ‘AMT refundable credit amount’ means, with respect to any taxable year, the amount (not in excess of the long-term unused minimum tax credit for such taxable year) equal to the greater of—

“(A) 50 percent of the long-term unused minimum tax credit for such taxable year, or

“(B) the amount (if any) of the AMT refundable credit amount determined under this paragraph for the taxpayer’s preceding taxable year.”.

(b) Treatment of Certain Underpayments, Interest, and Penalties Attributable to the Treatment of Incentive Stock Options.—Section 53 is amended by adding at the end the following new subsection:

“(f) Treatment of Certain Underpayments, Interest, and Penalties Attributable to the Treatment of Incentive Stock Options.—
“(1) ABATEMENT.—Any underpayment of tax outstanding on the date of the enactment of this subsection which is attributable to the application of section 56(b)(3) for any taxable year ending before January 1, 2008 (and any interest or penalty with respect to such underpayment which is outstanding on such date of enactment), is hereby abated. No credit shall be allowed under this section with respect to any amount abated under this paragraph.

“(2) INCREASE IN CREDIT FOR CERTAIN INTEREST AND PENALTIES ALREADY PAID.—Any interest or penalty paid before the date of the enactment of this subsection which would (but for such payment) have been abated under paragraph (1) shall be treated for purposes of this section as an amount of adjusted net minimum tax imposed for the taxable year of the underpayment to which such interest or penalty relates.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to taxable years beginning after December 31, 2007.

(2) ABATEMENT.—Section 53(f)(1) of the Internal Revenue Code of 1986, as added by sub-
section (b), shall take effect on the date of the enactment of this Act.

**TITLE II—EXTENSION OF INDIVIDUAL TAX PROVISIONS**

**SEC. 201. DEDUCTION FOR STATE AND LOCAL SALES TAXES.**

(a) **In General.**—Subparagraph (I) of section 164(b)(5) is amended by striking “January 1, 2008” and inserting “January 1, 2010”.

(b) **Effective Date.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

**SEC. 202. DEDUCTION OF QUALIFIED TUITION AND RELATED EXPENSES.**

(a) **In General.**—Subsection (e) of section 222 (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) **Effective Date.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

**SEC. 203. DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.**

(a) **In General.**—Subparagraph (D) of section 62(a)(2) (relating to certain expenses of elementary and
secondary school teachers) is amended by striking “or 2007” and inserting “2007, 2008, or 2009”.

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

SEC. 204. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.

(a) In General.—Subparagraph (F) of section 408(d)(8) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Effective Date.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2007.

SEC. 205. TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.

(a) Interest-Related Dividends.—Subparagraph (C) of section 871(k)(1) (defining interest-related dividend) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Short-Term Capital Gain Dividends.—Subparagraph (C) of section 871(k)(2) (defining short-term capital gain dividend) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.
(c) **Effective Date.**—The amendments made by this section shall apply to dividends with respect to taxable years of regulated investment companies beginning after December 31, 2007.

**SEC. 206. STOCK IN RIC FOR PURPOSES OF DETERMINING ESTATES OF NONRESIDENTS NOT CITIZENS.**

(a) **In General.**—Paragraph (3) of section 2105(d) (relating to stock in a RIC) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) **Effective Date.**—The amendment made by this section shall apply to decedents dying after December 31, 2007.

**SEC. 207. QUALIFIED INVESTMENT ENTITIES.**

(a) **In General.**—Clause (ii) of section 897(h)(4)(A) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) **Effective Date.**—The amendment made by subsection (a) shall take effect on January 1, 2008.

**TITLE III—EXTENSION OF BUSINESS TAX PROVISIONS**

**SEC. 301. EXTENSION AND MODIFICATION OF RESEARCH CREDIT.**

(a) **Extension.**—Section 41(h) (relating to termination) is amended—
(1) by striking “December 31, 2007” and inserting “December 31, 2009” in paragraph (1)(B),

(2) by redesignating paragraph (2) as paragraph (3), and

(3) by inserting after paragraph (1) the following new paragraph:

“(2) TERMINATION OF ALTERNATIVE INCREMENTAL CREDIT.—No election under subsection (c)(4) shall apply to amounts paid or incurred after December 31, 2007.”.

(b) MODIFICATION OF ALTERNATIVE SIMPLIFIED CREDIT.—Paragraph (5)(A) of section 41(c) (relating to election of alternative simplified credit) is amended to read as follows:

“(A) IN GENERAL.—

“(i) CALCULATION OF CREDIT.—At the election of the taxpayer, the credit determined under subsection (a)(1) shall be equal to the applicable percentage (as defined in clause (ii)) of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined.
“(ii) APPLICABLE PERCENTAGE.—For purposes of the calculation under clause (i), the applicable percentage is—

“(I) 14 percent, in the case of taxable years ending before January 1, 2009, and

“(II) 16 percent, in the case of taxable years beginning after December 31, 2008.”.

(c) CONFORMING AMENDMENT.—Subparagraph (D) of section 45C(b)(1) (relating to special rule) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(d) TECHNICAL CORRECTION.—Paragraph (3) of section 41(h) is amended to read as follows:

“(2) COMPUTATION FOR TAXABLE YEAR IN WHICH CREDIT TERMINATES.—In the case of any taxable year with respect to which this section applies to a number of days which is less than the total number of days in such taxable year—

“(A) the amount determined under subsection (c)(1)(B) with respect to such taxable year shall be the amount which bears the same ratio to such amount (determined without regard to this paragraph) as the number of days
in such taxable year to which this section applies bears to the total number of days in such taxable year, and

“(B) for purposes of subsection (c)(5), the average qualified research expenses for the preceding 3 taxable years shall be the amount which bears the same ratio to such average qualified research expenses (determined without regard to this paragraph) as the number of days in such taxable year to which this section applies bears to the total number of days in such taxable year.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2007.

SEC. 302. NEW MARKETS TAX CREDIT.

Subparagraph (D) of section 45D(f)(1) (relating to national limitation on amount of investments designated) is amended by striking “and 2008” and inserting “2008, 2009”.

SEC. 303. SUBPART F EXCEPTION FOR ACTIVE FINANCING INCOME.

(a) EXEMPT INSURANCE INCOME.—Paragraph (10) of section 953(e) (relating to application) is amended—
(1) by striking “January 1, 2009” and inserting “January 1, 2010”, and
(2) by striking “December 31, 2008” and inserting “December 31, 2009”.

(b) EXCEPTION TO TREATMENT AS FOREIGN PERSONAL HOLDING COMPANY INCOME.—Paragraph (9) of section 954(h) (relating to application) is amended by striking “January 1, 2009” and inserting “January 1, 2010”.

SEC. 304. EXTENSION OF LOOK-THRU RULE FOR RELATED CONTROLLED FOREIGN CORPORATIONS.

(a) IN GENERAL.—Subparagraph (B) of section 954(c)(6) (relating to application) is amended by striking “January 1, 2009” and inserting “January 1, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2007, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.
SEC. 305. EXTENSION OF 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT IMPROVEMENTS; 15-YEAR STRAIGHT-LINE COST RECOVERY FOR CERTAIN IMPROVEMENTS TO RETAIL SPACE.

(a) Extension of Leasehold and Restaurant Improvements.—

(1) In general.—Clauses (iv) and (v) of section 168(e)(3)(E) (relating to 15-year property) are each amended by striking “January 1, 2008” and inserting “January 1, 2010”.

(2) Effective date.—The amendments made by this subsection shall apply to property placed in service after December 31, 2007.

(b) Treatment to Include New Construction.—

(1) In general.—Paragraph (7) of section 168(e) (relating to classification of property) is amended to read as follows:

“(7) Qualified restaurant property.—The term ‘qualified restaurant property’ means any section 1250 property which is a building or an improvement to a building if more than 50 percent of the building’s square footage is devoted to prepara-
tion of, and seating for on-premises consumption of, prepared meals.”

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after the date of the enactment of this Act.

(c) RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN IMPROVEMENTS TO RETAIL SPACE.—

(1) 15-YEAR RECOVERY PERIOD.—Section 168(e)(3)(E) (relating to 15-year property) is amended by striking “and” at the end of clause (vii), by striking the period at the end of clause (viii) and inserting “, and”, and by adding at the end the following new clause:

“(ix) any qualified retail improvement property placed in service before January 1, 2010.”.

(2) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—Section 168(e) is amended by adding at the end the following new paragraph:

“(8) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—

“(A) IN GENERAL.—The term ‘qualified retail improvement property’ means any improvement to an interior portion of a building which is nonresidential real property if—
“(i) such portion is open to the general public and is used in the retail trade or business of selling tangible personal property to the general public, and

“(ii) such improvement is placed in service more than 3 years after the date the building was first placed in service.

“(B) Improvements made by owner.—

In the case of an improvement made by the owner of such improvement, such improvement shall be qualified retail improvement property (if at all) only so long as such improvement is held by such owner. Rules similar to the rules under paragraph (6)(B) shall apply for purposes of the preceding sentence.

“(C) Certain improvements not included.—Such term shall not include any improvement for which the expenditure is attributable to—

“(i) the enlargement of the building,

“(ii) any elevator or escalator,

“(iii) any structural component benefiting a common area, or

“(iv) the internal structural framework of the building.”.
(3) **Requirement to use straight line method.**—Section 168(b)(3) is amended by adding at the end the following new subparagraph:

“(I) Qualified retail improvement property described in subsection (e)(8).”.

(4) **Alternative system.**—The table contained in section 168(g)(3)(B) is amended by inserting after the item relating to subparagraph (E)(viii) the following new item:

“(E)(ix) ........................................................................................................ 39”.

(5) **Effective date.**—The amendments made by this subsection shall apply to property placed in service after the date of the enactment of this Act.

**SEC. 306. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.**

(a) **In general.**—Clause (iv) of section 170(e)(3)(C) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) **Effective date.**—The amendment made by this section shall apply to contributions made after December 31, 2007.
SEC. 307. EXTENSION OF ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORY.

(a) Extension.—Clause (iv) of section 170(e)(3)(D) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Clerical Amendment.—Clause (iii) of section 170(e)(3)(D) (relating to certification by donee) is amended by inserting “of books” after “to any contribution”.

(c) Effective Date.—The amendments made by this section shall apply to contributions made after December 31, 2007.

SEC. 308. MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.

(a) In General.—Clause (iv) of section 512(b)(13)(E) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Effective Date.—The amendment made by this section shall apply to payments received or accrued after December 31, 2007.
SEC. 309. BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) IN GENERAL.—The last sentence of section 1367(a)(2) (relating to decreases in basis) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.

SEC. 310. INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAX TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking “January 1, 2008” and inserting “January 1, 2010”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2007.

SEC. 311. EXTENSION OF ECONOMIC DEVELOPMENT CREDIT FOR AMERICAN SAMOA.

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

(1) by striking “first two taxable years” and inserting “first 4 taxable years”, and
(2) by striking “January 1, 2008” and inserting “January 1, 2010”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 312. EXTENSION OF MINE RESCUE TEAM TRAINING CREDIT.

Section 45N(e) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

SEC. 313. EXTENSION OF ELECTION TO EXPENSE ADVANCED MINE SAFETY EQUIPMENT.

Section 179E(g) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

SEC. 314. EXTENSION OF EXPENSING RULES FOR QUALIFIED FILM AND TELEVISION PRODUCTIONS.

Section 181(f) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

SEC. 315. DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.

(a) IN GENERAL.—Subparagraph (C) of section 199(d)(8) (relating to termination) is amended—
(1) by striking “first 2 taxable years” and inserting “first 4 taxable years”, and
(2) by striking “January 1, 2008” and inserting “January 1, 2010”.
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 316. EXTENSION OF QUALIFIED ZONE ACADEMY BONDS.
(a) IN GENERAL.—Paragraph (1) of section 1397E(e) is amended by striking “and 2007” and inserting “2007, 2008, and 2009”.
(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 317. INDIAN EMPLOYMENT CREDIT.
(a) IN GENERAL.—Subsection (f) of section 45A (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.
(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.
SEC. 318. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON INDIAN RESERVATION.

(a) In General.—Paragraph (8) of section 168(j) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Effective Date.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SEC. 319. RAILROAD TRACK MAINTENANCE.

(a) In General.—Subsection (f) of section 45G (relating to application of section) is amended by striking “January 1, 2008” and inserting “January 1, 2010”.

(b) Effective Date.—The amendment made by this section shall apply to expenditures paid or incurred during taxable years beginning after December 31, 2007.

SEC. 320. SEVEN-YEAR COST RECOVERY PERIOD FOR MOTORSPORTS RACING TRACK FACILITY.

(a) In General.—Subparagraph (D) of section 168(i)(15) (relating to termination) is amended to read as follows:

“(D) Application of paragraph.—Such term shall apply to property placed in service after the date of the enactment of the Tax Exenders and Alternative Minimum Tax Relief Act of 2008 and before January 1, 2010.”.
(b) **Effective Date.**—The amendment made by this section shall apply to property placed in service after the date of the enactment of this Act.

**SEC. 321. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.**

(a) **In General.**—Subsection (h) of section 198 (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) **Effective Date.**—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 2007.

**SEC. 322. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR HURRICANE KATRINA EMPLOYEES.**

(a) **In General.**—Paragraph (1) of section 201(b) of the Katrina Emergency Tax Relief Act of 2005 is amended by striking “2-year” and inserting “4-year”.

(b) **Effective Date.**—The amendment made by subsection (a) shall apply to individuals hired after August 27, 2007.

**SEC. 323. EXTENSION OF INCREASED REHABILITATION CREDIT FOR STRUCTURES IN THE GULF OPPORTUNITY ZONE.**

(a) **In General.**—Subsection (h) of section 1400N is amended by striking “December 31, 2008” and inserting “December 31, 2010”.
(b) **Effective Date.**—The amendment made by this section shall apply to expenditures paid or incurred after the date of the enactment of this Act.

**TITLE IV—EXTENSION OF TAX ADMINISTRATION PROVISIONS**

**SEC. 401. PERMANENT AUTHORITY FOR UNDERCOVER OPERATIONS.**

(a) **In General.**—Section 7608(c) (relating to rules relating to undercover operations) is amended by striking paragraph (6).

(b) **Effective Date.**—The amendment made by this section shall apply to operations conducted after the date of the enactment of this Act.

**SEC. 402. PERMANENT DISCLOSURES OF CERTAIN TAX RETURN INFORMATION.**

(a) **Disclosures to Facilitate Combined Employment Tax Reporting.**—Section 6103(d)(5) (relating to disclosure for combined employment tax reporting) is amended—

(1) by striking “REPORTING” in the heading thereof and all that follows through “The Secretary” in subparagraph (A) and inserting “REPORTING.—The Secretary”, and

(2) by striking subparagraph (B).
(b) Effective Date.—The amendments made by this subsection shall apply to disclosures after the date of the enactment of this Act.

SEC. 403. DISCLOSURE OF INFORMATION RELATING TO TERRORIST ACTIVITIES.

(a) Disclosure of Return Information to Apprise Appropriate Officials of Terrorist Activities.—Clause (iv) of section 6103(i)(3)(C) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Disclosure Upon Request of Information Relating to Terrorist Activities.—Subparagraph (E) of section 6103(i)(7) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(c) Effective Date.—The amendments made by this section shall apply to disclosures after the date of the enactment of this Act.

TITLE V—EXTENSION OF CLEAN ENERGY PRODUCTION INCENTIVES

SEC. 501. EXTENSION AND MODIFICATION OF RENEWABLE ENERGY PRODUCTION TAX CREDIT.

(a) Extension of Credit.—Each of the following provisions of section 45(d) (relating to qualified facilities)
(9) Subparagraphs (A) and (B) of paragraph (9).

(b) PRODUCTION CREDIT FOR ELECTRICITY PRODUCED FROM MARINE RENEWABLES.—

(1) IN GENERAL.—Paragraph (1) of section 45(c) (relating to resources) is amended by striking “and” at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting “, and”, and by adding at the end the following new subparagraph:

“(I) marine and hydrokinetic renewable energy.”.

(2) MARINE RENEWABLES.—Subsection (e) of section 45 is amended by adding at the end the following new paragraph:
“(10) MARINE AND HYDROKINETIC RENEWABLE ENERGY.—

“(A) IN GENERAL.—The term ‘marine and hydrokinetic renewable energy’ means energy derived from—

“(i) waves, tides, and currents in oceans, estuaries, and tidal areas,

“(ii) free flowing water in rivers, lakes, and streams,

“(iii) free flowing water in an irrigation system, canal, or other man-made channel, including projects that utilize non-mechanical structures to accelerate the flow of water for electric power production purposes, or

“(iv) differentials in ocean temperature (ocean thermal energy conversion).

“(B) EXCEPTIONS.—Such term shall not include any energy which is derived from any source which utilizes a dam, diversionary structure (except as provided in subparagraph (A)(iii)), or impoundment for electric power production purposes.”.
(3) DEFINITION OF FACILITY.—Subsection (d)
of section 45 is amended by adding at the end the
following new paragraph:

“(11) MARINE AND HYDROKINETIC RENEW-
ABLE ENERGY FACILITIES.—In the case of a facility
producing electricity from marine and hydrokinetic
renewable energy, the term ‘qualified facility’ means
any facility owned by the taxpayer—

“(A) which has a nameplate capacity rat-
ing of at least 150 kilowatts, and

“(B) which is originally placed in service
on or after the date of the enactment of this
paragraph and before January 1, 2010.”.

(4) CREDIT RATE.—Subparagraph (A) of sec-
tion 45(b)(4) is amended by striking “or (9)” and
inserting “(9), or (11)”.

(5) COORDINATION WITH SMALL IRRIGATION
POWER.—Paragraph (5) of section 45(d), as amend-
ed by subsection (a), is amended by striking “Janu-
ary 1, 2010” and inserting “the date of the enact-
ment of paragraph (11)”.

(c) SALES OF ELECTRICITY TO REGULATED PUBLIC
UTILITIES TREATED AS SALES TO UNRELATED PER-
SONS.—Section 45(e)(4) (relating to related persons) is
amended by adding at the end the following new sentence:
A taxpayer shall be treated as selling electricity to an unrelated person if such electricity is sold to a regulated public utility (as defined in section 7701(a)(33)).

(d) Trash Facility Clarification.—Paragraph (7) of section 45(d) is amended—

(1) by striking “facility which burns” and inserting “facility (other than a facility described in paragraph (6)) which uses”, and

(2) by striking “combustion”.

(e) Effective Dates.—

(1) Extension.—The amendments made by subsection (a) shall apply to property originally placed in service after December 31, 2008.

(2) Modifications.—The amendments made by subsections (b) and (c) shall apply to electricity produced and sold after the date of the enactment of this Act, in taxable years ending after such date.

(3) Trash Facility Clarification.—The amendments made by subsection (d) shall apply to electricity produced and sold before, on, or after December 31, 2007.

SEC. 502. EXTENSION AND MODIFICATION OF SOLAR ENERGY AND FUEL CELL INVESTMENT TAX CREDIT.

(a) Extension of Credit.—
(1) Solar energy property.—Paragraphs (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) (relating to energy credit) are each amended by striking “January 1, 2009” and inserting “January 1, 2017”.

(2) Fuel cell property.—Subparagraph (E) of section 48(c)(1) (relating to qualified fuel cell property) is amended by striking “December 31, 2008” and inserting “December 31, 2016”.

(3) Qualified microturbine property.—Subparagraph (E) of section 48(c)(2) (relating to qualified microturbine property) is amended by striking “December 31, 2008” and inserting “December 31, 2016”.

(b) Allowance of energy credit against alternative minimum tax.—Subparagraph (B) of section 38(c)(4) (relating to specified credits) is amended by striking “and” at the end of clause (iii), by striking the period at the end of clause (iv) and inserting “, and”, and by adding at the end the following new clause:

“(v) the credit determined under section 46 to the extent that such credit is attributable to the energy credit determined under section 48.”.
(c) REPEAL OF DOLLAR PER KILOWATT LIMITATION FOR FUEL CELL PROPERTY.—

(1) IN GENERAL.—Section 48(c)(1) (relating to qualified fuel cell), as amended by subsection (a)(2), is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

(2) CONFORMING AMENDMENT.—Section 48(a)(1) is amended by striking “paragraphs (1)(B) and (2)(B) of subsection (c)” and inserting “subsection (c)(2)(B)”.

(d) PUBLIC ELECTRIC UTILITY PROPERTY TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (3) of section 48(a) is amended by striking the second sentence thereof.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 48(c), as amended by this section, is amended by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C).

(B) Paragraph (2) of section 48(c), as amended by subsection (a)(3), is amended by striking subparagraph (D) and redesignating subparagraph (E) as subparagraph (D).
(c) Effective Dates.—

(1) Extension.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) Allowance Against Alternative Minimum Tax.—The amendments made by subsection (b) shall apply to credits determined under section 46 of the Internal Revenue Code of 1986 in taxable years beginning after the date of the enactment of this Act and to carrybacks of such credits.

(3) Fuel Cell Property and Public Electric Utility Property.—The amendments made by subsections (c) and (d) shall apply to periods after the date of the enactment of this Act, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 503. EXTENSION AND MODIFICATION OF RESIDENTIAL ENERGY EFFICIENT PROPERTY CREDIT.

(a) Extension.—Section 25D(g) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.
(b) No Dollar Limitation for Credit for Solar Electric Property.—

(1) In general.—Section 25D(b)(1) (relating to maximum credit) is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(2) Conforming Amendments.—Section 25D(e)(4) is amended—

(A) by striking clause (i) in subparagraph (A),

(B) by redesignating clauses (ii) and (iii) in subparagraph (A) as clauses (i) and (ii), respectively, and

(C) by striking “, (2),” in subparagraph (C).

(e) Credit Allowed Against Alternative Minimum Tax.—

(1) In general.—Subsection (e) of section 25D is amended to read as follows:

“(e) Limitation Based on Amount of Tax; Carryforward of Unused Credit.—

“(1) Limitation Based on Amount of Tax.—In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under
subsection (a) for the taxable year shall not exceed
the excess of—

“(A) the sum of the regular tax liability
(as defined in section 26(b)) plus the tax im-
posed by section 55, over

“(B) the sum of the credits allowable
under this subpart (other than this section) and
section 27 for the taxable year.

“(2) CARRYFORWARD OF UNUSED CREDIT.—

“(A) RULE FOR YEARS IN WHICH ALL
PERSONAL CREDITS ALLOWED AGAINST REG-
ULAR AND ALTERNATIVE MINIMUM TAX.—In
the case of a taxable year to which section
26(a)(2) applies, if the credit allowable under
subsection (a) exceeds the limitation imposed by
section 26(a)(2) for such taxable year reduced
by the sum of the credits allowable under this
subpart (other than this section), such excess
shall be carried to the succeeding taxable year
and added to the credit allowable under sub-
section (a) for such succeeding taxable year.

“(B) RULE FOR OTHER YEARS.—In the
case of a taxable year to which section 26(a)(2)
does not apply, if the credit allowable under
subsection (a) exceeds the limitation imposed by
paragraph (1) for such taxable year, such ex-
cess shall be carried to the succeeding taxable
year and added to the credit allowable under
subsection (a) for such succeeding taxable
year.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 23(b)(4)(B) is amended by in-
serting “and section 25D” after “this section”.

(B) Section 24(b)(3)(B) is amended by
striking “and 25B” and inserting “, 25B, and
25D”.

(C) Section 25B(g)(2) is amended by strik-
ing “section 23” and inserting “sections 23 and
25D”.

(D) Section 26(a)(1) is amended by strik-
ing “and 25B” and inserting “25B, and 25D”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by
this section shall apply to taxable years beginning

(2) APPLICATION OF EGTRRA SUNSET.—The
amendments made by subparagraphs (A) and (B) of
subsection (e)(2) shall be subject to title IX of the
Economic Growth and Tax Relief Reconciliation Act
of 2001 in the same manner as the provisions of such Act to which such amendments relate.

**SEC. 504. EXTENSION AND MODIFICATION OF CREDIT FOR CLEAN RENEWABLE ENERGY BONDS.**

(a) EXTENSION.—Section 54(m) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

(b) INCREASE IN NATIONAL LIMITATION.—Section 54(f) (relating to limitation on amount of bonds designated) is amended—

(1) by inserting “, and for the period beginning after the date of the enactment of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 and ending before January 1, 2010, $400,000,000” after “$1,200,000,000” in paragraph (1),

(2) by striking “$750,000,000 of the” in paragraph (2) and inserting “$750,000,000 of the $1,200,000,000”, and

(3) by striking “bodies” in paragraph (2) and inserting “bodies, and except that the Secretary may not allocate more than 1⁄3 of the $400,000,000 national clean renewable energy bond limitation to finance qualified projects of qualified borrowers which are public power providers nor more than 1⁄3 of such
limitation to finance qualified projects of qualified
borrowers which are mutual or cooperative electric
companies described in section 501(e)(12) or section
1381(a)(2)(C)”.

(c) PUBLIC POWER PROVIDERS DEFINED.—Section
54(j) is amended—

(1) by adding at the end the following new
paragraph:

“(6) PUBLIC POWER PROVIDER.—The term
‘public power provider’ means a State utility with a
service obligation, as such terms are defined in sec-
tion 217 of the Federal Power Act (as in effect on
the date of the enactment of this paragraph).”, and

(2) by inserting “; PUBLIC POWER PROVIDER”
before the period at the end of the heading.

(d) TECHNICAL AMENDMENT.—The third sentence of
section 54(e)(2) is amended by striking “subsection
(l)(6)” and inserting “subsection (l)(5)”.

(e) EFFECTIVE DATE.—The amendments made by
this section shall apply to bonds issued after the date of
the enactment of this Act.

SEC. 505. EXTENSION OF SPECIAL RULE TO IMPLEMENT
FERC RESTRUCTURING POLICY.

(a) QUALIFYING ELECTRIC TRANSMISSION TRANS-
ACTION.—
(1) IN GENERAL.—Section 451(i)(3) (defining qualifying electric transmission transaction) is amended by striking “January 1, 2008” and inserting “January 1, 2010”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to transactions after December 31, 2007.

(b) INDEPENDENT TRANSMISSION COMPANY.—

(1) IN GENERAL.—Section 451(i)(4)(B)(ii) (defining independent transmission company) is amended by striking “December 31, 2007” and inserting “the date which is 2 years after the date of such transaction”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the amendments made by section 909 of the American Jobs Creation Act of 2004.
TITLE VI—EXTENSION OF INCENTIVES TO IMPROVE ENERGY EFFICIENCY

SEC. 601. EXTENSION AND MODIFICATION OF CREDIT FOR ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES.

(a) Extension of Credit.—Section 25C(g) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2009”.

(b) Qualified Biomass Fuel Property.—

(1) In General.—Section 25C(d)(3) is amended—

(A) by striking “and” at the end of subparagraph (D),

(B) by striking the period at the end of subparagraph (E) and inserting “, and”, and

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

“(F) a stove—

“(i) which uses the burning of biomass fuel—

“(I) to heat a dwelling unit located in the United States and used as a residence by the taxpayer, or
“(II) to heat water for use in such a dwelling unit, and
“(ii) which—
“(I) has a thermal efficiency rating of at least 75 percent, or
“(II) is a wood stove which meets the standards of performance for new residential wood heaters under subpart AAA of part 60 of subchapter C of chapter I of title 40, Code of Federal Regulations (or a successor regulation).”.

(2) BIOMASS FUEL.—Section 25C(d) (relating to residential energy property expenditures) is amended by adding at the end the following new paragraph:
“(6) BIOMASS FUEL.—The term ‘biomass fuel’ means any plant-derived fuel available on a renewable or recurring basis, including agricultural crops and trees, wood and wood waste and residues (including wood pellets), plants (including aquatic plants), grasses, residues, and fibers.”.

(e) MODIFICATIONS OF STANDARDS FOR ENERGY- EFFICIENT BUILDING PROPERTY.—
(1) **Electric Heat Pumps.**—Subparagraph (B) of section 25C(d)(3) is amended to read as follows:

“(A) an electric heat pump which achieves the highest efficiency tier established by the Consortium for Energy Efficiency, as in effect on January 1, 2008.”.

(2) **Central Air Conditioners.**—Section 25C(d)(3)(D) is amended by striking “2006” and inserting “2008”.

(3) **Water Heaters.**—Subparagraph (E) of section 25C(d) is amended to read as follows:

“(E) a natural gas, propane, or oil water heater which has either an energy factor of at least 0.80 or a thermal efficiency of at least 90 percent.”.

(4) **Oil Furnaces and Hot Water Boilers.**—Paragraph (4) of section 25C(d) is amended to read as follows:

“(4) **Qualified Natural Gas, Propane, and Oil Furnaces and Hot Water Boilers.**—

“(A) **Qualified Natural Gas Furnace.**—The term ‘qualified natural gas furnace’ means any natural gas furnace which
achieves an annual fuel utilization efficiency rate of not less than 95.

“(B) QUALIFIED NATURAL GAS HOT WATER BOILER.—The term ‘qualified natural gas hot water boiler’ means any natural gas hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.

“(C) QUALIFIED PROPANE FURNACE.—The term ‘qualified propane furnace’ means any propane furnace which achieves an annual fuel utilization efficiency rate of not less than 95.

“(D) QUALIFIED PROPANE HOT WATER BOILER.—The term ‘qualified propane hot water boiler’ means any propane hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.

“(E) QUALIFIED OIL FURNACES.—The term ‘qualified oil furnace’ means any oil furnace which achieves an annual fuel utilization efficiency rate of not less than 90.

“(F) QUALIFIED OIL HOT WATER BOILER.—The term ‘qualified oil hot water boiler’ means any oil hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.”.
(d) EFFECTIVE DATE.—The amendments made this section shall apply to expenditures made after December 31, 2007.

SEC. 602. EXTENSION AND MODIFICATION OF TAX CREDIT FOR ENERGY EFFICIENT NEW HOMES.

(a) EXTENSION OF CREDIT.—Subsection (g) of section 45L (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2010”.

(b) ALLOWANCE FOR CONTRACTOR’S PERSONAL RESIDENCE.—Subparagraph (B) of section 45L(a)(1) is amended to read as follows:

“(B)(i) acquired by a person from such eligible contractor and used by any person as a residence during the taxable year, or

“(ii) used by such eligible contractor as a residence during the taxable year.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to homes acquired after December 31, 2008.
SEC. 603. EXTENSION AND MODIFICATION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

(a) Extension.—Section 179D(h) (relating to termination) is amended by striking “December 31, 2008” and inserting “December 31, 2009”.

(b) Adjustment of Maximum Deduction Amount.—

(1) In general.—Subparagraph (A) of section 179D(b)(1) (relating to maximum amount of deduction) is amended by striking “$1.80” and inserting “$2.25”.

(2) Partial allowance.—Paragraph (1) of section 179D(d) is amended—

(A) by striking “$.60” and inserting “$0.75”, and

(B) by striking “$1.80” and inserting “$2.25”.

(c) Effective date.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.


(a) In general.—Subsection (b) of section 45M (relating to applicable amount) is amended to read as follows:
“(b) APPLICABLE AMOUNT.—For purposes of subsection (a)—

“(1) DISHWASHERS.—The applicable amount is—

“(A) $45 in the case of a dishwasher which is manufactured in calendar year 2008 or 2009 and which uses no more than 324 kilowatt hours per year and 5.8 gallons per cycle, and

“(B) $75 in the case of a dishwasher which is manufactured in calendar year 2008, 2009, or 2010 and which uses no more than 307 kilowatt hours per year and 5.0 gallons per cycle (5.5 gallons per cycle for dishwashers designed for greater than 12 place settings).

“(2) CLOTHES WASHERS.—The applicable amount is—

“(A) $75 in the case of a residential top-loading clothes washer manufactured in calendar year 2008 which meets or exceeds a 1.72 modified energy factor and does not exceed a 8.0 water consumption factor,

“(B) $125 in the case of a residential top-loading clothes washer manufactured in calendar year 2008 or 2009 which meets or ex-
ceeds a 1.8 modified energy factor and does not exceed a 7.5 water consumption factor,

“(C) $150 in the case of a residential or commercial clothes washer manufactured in calendar year 2008, 2009, or 2010 which meets or exceeds 2.0 modified energy factor and does not exceed a 6.0 water consumption factor, and

“(D) $250 in the case of a residential or commercial clothes washer manufactured in calendar year 2008, 2009, or 2010 which meets or exceeds 2.2 modified energy factor and does not exceed a 4.5 water consumption factor.

“(3) REFRIGERATORS.—The applicable amount is—

“(A) $50 in the case of a refrigerator which is manufactured in calendar year 2008, and consumes at least 20 percent but not more than 22.9 percent less kilowatt hours per year than the 2001 energy conservation standards,

“(B) $75 in the case of a refrigerator which is manufactured in calendar year 2008 or 2009, and consumes at least 23 percent but no more than 24.9 percent less kilowatt hours per year than the 2001 energy conservation standards,
“(C) $100 in the case of a refrigerator which is manufactured in calendar year 2008, 2009, or 2010, and consumes at least 25 percent but not more than 29.9 percent less kilowatt hours per year than the 2001 energy conservation standards, and

“(D) $200 in the case of a refrigerator manufactured in calendar year 2008, 2009, or 2010 and which consumes at least 30 percent less energy than the 2001 energy conservation standards.”.

(b) ELIGIBLE PRODUCTION.—

(1) SIMILAR TREATMENT FOR ALL APPLIANCES.—Subsection (c) of section 45M (relating to eligible production) is amended—

(A) by striking paragraph (2),

(B) by striking “(1) IN GENERAL” and all that follows through “the eligible” and inserting “The eligible”, and

(C) by moving the text of such subsection in line with the subsection heading and redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(2) MODIFICATION OF BASE PERIOD.—Paragraph (2) of section 45M(c), as amended by para-
graph (1) of this section, is amended by striking “3-
calendar year” and inserting “2-calendar year”.

(c) TYPES OF ENERGY EFFICIENT APPLIANCES.—
Subsection (d) of section 45M (defining types of energy
efficient appliances) is amended to read as follows:

“(d) TYPES OF ENERGY EFFICIENT APPLIANCE.—
For purposes of this section, the types of energy efficient
appliances are—

“(1) dishwashers described in subsection (b)(1),
“(2) clothes washers described in subsection
(b)(2), and
“(3) refrigerators described in subsection
(b)(3).”.

(d) AGGREGATE CREDIT AMOUNT ALLOWED.—

(1) INCREASE IN LIMIT.—Paragraph (1) of sec-
tion 45M(e) (relating to aggregate credit amount al-
lowed) is amended to read as follows:

“(1) AGGREGATE CREDIT AMOUNT ALLOWED.—
The aggregate amount of credit allowed under sub-
section (a) with respect to a taxpayer for any tax-
able year shall not exceed $75,000,000 reduced by
the amount of the credit allowed under subsection
(a) to the taxpayer (or any predecessor) for all prior
taxable years beginning after December 31, 2007.”.
(2) Exception for Certain Refrigerator and Clothes Washers.—Paragraph (2) of section 45M(e) is amended to read as follows:

“(2) Amount allowed for certain refrigerators and clothes washers.—Refrigerators described in subsection (b)(3)(D) and clothes washers described in subsection (b)(2)(D) shall not be taken into account under paragraph (1).”.

(e) Qualified Energy Efficient Appliances.—

(1) In general.—Paragraph (1) of section 45M(f) (defining qualified energy efficient appliance) is amended to read as follows:

“(1) Qualified energy efficient appliance.—The term ‘qualified energy efficient appliance’ means—

“(A) any dishwasher described in subsection (b)(1),

“(B) any clothes washer described in subsection (b)(2), and

“(C) any refrigerator described in subsection (b)(3).”.

(2) Clothes washer.—Section 45M(f)(3) (defining clothes washer) is amended by inserting “commercial” before “residential” the second place it appears.
(3) **Top-loading clothes washer.**—Subsection (f) of section 45M (relating to definitions) is amended by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively, and by inserting after paragraph (3) the following new paragraph:

“(4) **Top-loading clothes washer.**—The term ‘top-loading clothes washer’ means a clothes washer which has the clothes container compartment access located on the top of the machine and which operates on a vertical axis.”.

(4) **Replacement of energy factor.**—Section 45M(f)(6), as redesignated by paragraph (3), is amended to read as follows:

“(6) **Modified energy factor.**—The term ‘modified energy factor’ means the modified energy factor established by the Department of Energy for compliance with the Federal energy conservation standard.”.

(5) **Gallons per cycle; water consumption factor.**—Section 45M(f) (relating to definitions), as amended by paragraph (3), is amended by adding at the end the following:

“(9) **Gallons per cycle.**—The term ‘gallons per cycle’ means, with respect to a dishwasher, the
amount of water, expressed in gallons, required to complete a normal cycle of a dishwasher.

“(10) WATER CONSUMPTION FACTOR.—The term ‘water consumption factor’ means, with respect to a clothes washer, the quotient of the total weighted per-cycle water consumption divided by the cubic foot (or liter) capacity of the clothes washer.”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to appliances produced after December 31, 2007.

TITLE VII—CARBON MITIGATION PROVISIONS

SEC. 701. EXPANSION AND MODIFICATION OF ADVANCED COAL PROJECT INVESTMENT CREDIT.

(a) MODIFICATION OF CREDIT AMOUNT.—Section 48A(a) is amended by striking “and” at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting “, and”, and by adding at the end the following new paragraph:

“(3) 30 percent of the qualified investment for such taxable year in the case of projects described in clause (iii) of subsection (d)(3)(B).”.

(b) EXPANSION OF AGGREGATE CREDITS.—Section 48A(d)(3)(A) is amended by striking “$1,300,000,000” and inserting “$2,550,000,000”.
(c) Authorization of Additional Projects.—

(1) In general.—Subparagraph (B) of section 48A(d)(3) is amended to read as follows:

“(B) Particular projects.—Of the dollar amount in subparagraph (A), the Secretary is authorized to certify—

“(i) $800,000,000 for integrated gasification combined cycle projects the application for which is submitted during the period described in paragraph (2)(A)(i),

“(ii) $500,000,000 for projects which use other advanced coal-based generation technologies the application for which is submitted during the period described in paragraph (2)(A)(i), and

“(iii) $1,250,000,000 for advanced coal-based generation technology projects the application for which is submitted during the period described in paragraph (2)(A)(ii).”.

(2) Application period for additional projects.—Subparagraph (A) of section 48A(d)(2) is amended to read as follows:

“(A) Application period.—Each applicant for certification under this paragraph shall
submit an application meeting the requirements of subparagraph (B). An applicant may only submit an application—

“(i) for an allocation from the dollar amount specified in clause (i) or (ii) of paragraph (3)(B) during the 3-year period beginning on the date the Secretary establishes the program under paragraph (1), and

“(ii) for an allocation from the dollar amount specified in paragraph (3)(B)(iii) during the 3-year period beginning at the earlier of the termination of the period described in clause (i) or the date prescribed by the Secretary.”.

(3) Capture and Sequestration of Carbon Dioxide Emissions Requirement.—

(A) In General.—Section 48A(e)(1) is amended by striking “and” at the end of subparagraph (E), by striking the period at the end of subparagraph (F) and inserting “; and”, and by adding at the end the following new subparagraph:

“(G) in the case of any project the application for which is submitted during the period
described in subsection (d)(2)(A)(ii), the project includes equipment which separates and sequesters at least 65 percent (70 percent in the case of an application for reallocated credits under subsection (d)(4)) of such project’s total carbon dioxide emissions.”.

(B) HIGHEST PRIORITY FOR PROJECTS WHICH SEQUESTER CARBON DIOXIDE EMISSIONS.—Section 48A(e)(3) is amended by striking “and” at the end of subparagraph (A)(iii), by striking the period at the end of subparagraph (B)(iii) and inserting “, and”, and by adding at the end the following new subparagraph:

“(C) give highest priority to projects with the greatest separation and sequestration percentage of total carbon dioxide emissions.”.

(C) RECAPTURE OF CREDIT FOR FAILURE TO SEQUESTER.—Section 48A is amended by adding at the end the following new subsection:

“(i) RECAPTURE OF CREDIT FOR FAILURE TO SEQUESTER.—The Secretary shall provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any project which fails to attain or main-
tain the separation and sequestration requirements of sub-
section (e)(1)(G).”.

(4) ADDITIONAL PRIORITY FOR RESEARCH
PARTNERSHIPS.—Section 48A(e)(3)(B), as amended
by paragraph (3)(B), is amended—

(A) by striking “and” at the end of clause
(ii),

(B) by redesignating clause (iii) as clause
(iv), and

(C) by inserting after clause (ii) the fol-
lowing new clause:

“(iii) applicant participants who have
a research partnership with an eligible edu-
cational institution (as defined in section
529(e)(5)), and”.

(5) CLERICAL AMENDMENT.—Section 48A(e)(3)
is amended by striking “INTEGRATED GASIFICATION
COMBINED CYCLE” in the heading and inserting
“CERTAIN”.

(d) DISCLOSURE OF ALLOCATIONS.—Section 48A(d)
is amended by adding at the end the following new para-
graph:

“(5) DISCLOSURE OF ALLOCATIONS.—The Sec-
retary shall, upon making a certification under this
subsection or section 48B(d), publicly disclose the
identity of the applicant and the amount of the cred-
it certified with respect to such applicant.”.

(e) Effective Dates.—

(1) In general.—Except as otherwise pro-
vided in this subsection, the amendments made by
this section shall apply to credits the application for
which is submitted during the period described in
section 48A(d)(2)(A)(ii) of the Internal Revenue
Code of 1986 and which are allocated or reallocated
after the date of the enactment of this Act.

(2) Disclosure of allocations.—The
amendment made by subsection (d) shall apply to
certifications made after the date of the enactment
of this Act.

(3) Clerical amendment.—The amendment
made by subsection (c)(5) shall take effect as if in-
cluded in the amendment made by section 1307(b)
of the Energy Tax Incentives Act of 2005.

SEC. 702. EXPANSION AND MODIFICATION OF COAL GASIFI-
ICATION INVESTMENT CREDIT.

(a) Modification of credit amount.—Section
48B(a) is amended by inserting “(30 percent in the case
of credits allocated under subsection (d)(1)(B))” after “20
percent”.
(b) Expansion of Aggregate Credits.—Section 48B(d)(1) is amended by striking “shall not exceed $350,000,000” and all that follows and inserting “shall not exceed—

“(A) $350,000,000, plus

“(B) $250,000,000 for qualifying gasification projects that include equipment which separates and sequesters at least 75 percent of such project’s total carbon dioxide emissions.”.

(c) Recapture of Credit for Failure to Sequester.—Section 48B is amended by adding at the end the following new subsection:

“(f) Recapture of Credit for Failure to Sequester.—The Secretary shall provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any project which fails to attain or maintain the separation and sequestration requirements for such project under subsection (d)(1).”.

(d) Selection Priorities.—Section 48B(d) is amended by adding at the end the following new paragraph:

“(4) Selection Priorities.—In determining which qualifying gasification projects to certify under this section, the Secretary shall—
“(A) give highest priority to projects with
the greatest separation and sequestration per-
centage of total carbon dioxide emissions, and
“(B) give high priority to applicant partici-
pants who have a research partnership with an
eligible educational institution (as defined in
section 529(e)(5)).”.

(c) EFFECTIVE DATE.—The amendments made by
this section shall apply to credits described in section
48B(d)(1)(B) of the Internal Revenue Code of 1986 which
are allocated or reallocated after the date of the enactment
of this Act.

SEC. 703. TEMPORARY INCREASE IN COAL EXCISE TAX.

Paragraph (2) of section 4121(e) is amended—

(1) by striking “January 1, 2014” in subpara-
graph (A) and inserting “December 31, 2018”, and

(2) by striking “January 1 after 1981” in sub-
paragraph (B) and inserting “December 31 after
2007”.

SEC. 704. SPECIAL RULES FOR REFUND OF THE COAL EX-
CISE TAX TO CERTAIN COAL PRODUCERS
AND EXPORTERS.

(a) REFUND.—

(1) COAL PRODUCERS.—
(A) IN GENERAL.—Notwithstanding sub-
sections (a)(1) and (c) of section 6416 and sec-
tion 6511 of the Internal Revenue Code of
1986, if—

(i) a coal producer establishes that
such coal producer, or a party related to
such coal producer, exported coal produced
by such coal producer to a foreign country
or shipped coal produced by such coal pro-
ducer to a possession of the United States,
or caused such coal to be exported or
shipped, the export or shipment of which
was other than through an exporter who
meets the requirements of paragraph (2),

(ii) such coal producer filed an excise
tax return on or after October 1, 1990,
and on or before the date of the enactment
of this Act, and

(iii) such coal producer files a claim
for refund with the Secretary not later
than the close of the 30-day period begin-
ing on the date of the enactment of this
Act,

then the Secretary shall pay to such coal pro-
ducer an amount equal to the tax paid under
section 4121 of such Code on such coal exported or shipped by the coal producer or a party related to such coal producer, or caused by the coal producer or a party related to such coal producer to be exported or shipped.

(B) Special rules for certain taxpayers.—For purposes of this section—

(i) In general.—If a coal producer or a party related to a coal producer has received a judgment described in clause (iii), such coal producer shall be deemed to have established the export of coal to a foreign country or shipment of coal to a possession of the United States under subparagraph (A)(i).

(ii) Amount of payment.—If a taxpayer described in clause (i) is entitled to a payment under subparagraph (A), the amount of such payment shall be reduced by any amount paid pursuant to the judgment described in clause (iii).

(iii) Judgment described.—A judgment is described in this subparagraph if such judgment—
(I) is made by a court of competent jurisdiction within the United States,

(II) relates to the constitutionality of any tax paid on exported coal under section 4121 of the Internal Revenue Code of 1986, and

(III) is in favor of the coal producer or the party related to the coal producer.

(2) EXPORTERS.—Notwithstanding subsections (a)(1) and (c) of section 6416 and section 6511 of the Internal Revenue Code of 1986, and a judgment described in paragraph (1)(B)(iii) of this subsection, if—

(A) an exporter establishes that such exporter exported coal to a foreign country or shipped coal to a possession of the United States, or caused such coal to be so exported or shipped,

(B) such exporter filed a tax return on or after October 1, 1990, and on or before the date of the enactment of this Act, and

(C) such exporter files a claim for refund with the Secretary not later than the close of
the 30-day period beginning on the date of the enactment of this Act,
then the Secretary shall pay to such exporter an amount equal to $0.825 per ton of such coal exported by the exporter or caused to be exported or shipped, or caused to be exported or shipped, by the exporter.

(b) LIMITATIONS.—Subsection (a) shall not apply with respect to exported coal if a settlement with the Federal Government has been made with and accepted by, the coal producer, a party related to such coal producer, or the exporter, of such coal, as of the date that the claim is filed under this section with respect to such exported coal. For purposes of this subsection, the term “settlement with the Federal Government” shall not include any settlement or stipulation entered into as of the date of the enactment of this Act, the terms of which contemplate a judgment concerning which any party has reserved the right to file an appeal, or has filed an appeal.

(c) SUBSEQUENT REFUND PROHIBITED.—No refund shall be made under this section to the extent that a credit or refund of such tax on such exported or shipped coal has been paid to any person.

(d) DEFINITIONS.—For purposes of this section—
(1) **Coal Producer.**—The term “coal producer” means the person in whom is vested ownership of the coal immediately after the coal is severed from the ground, without regard to the existence of any contractual arrangement for the sale or other disposition of the coal or the payment of any royalties between the producer and third parties. The term includes any person who extracts coal from coal waste refuse piles or from the silt waste product which results from the wet washing (or similar processing) of coal.

(2) **Exporter.**—The term “exporter” means a person, other than a coal producer, who does not have a contract, fee arrangement, or any other agreement with a producer or seller of such coal to export or ship such coal to a third party on behalf of the producer or seller of such coal and—

(A) is indicated in the shipper’s export declaration or other documentation as the exporter of record, or

(B) actually exported such coal to a foreign country or shipped such coal to a possession of the United States, or caused such coal to be so exported or shipped.
(3) RELATED PARTY.—The term “a party related to such coal producer” means a person who—

(A) is related to such coal producer through any degree of common management, stock ownership, or voting control,

(B) is related (within the meaning of section 144(a)(3) of the Internal Revenue Code of 1986) to such coal producer, or

(C) has a contract, fee arrangement, or any other agreement with such coal producer to sell such coal to a third party on behalf of such coal producer.

(4) SECRETARY.—The term “Secretary” means the Secretary of Treasury or the Secretary’s designee.

(e) TIMING OF REFUND.—With respect to any claim for refund filed pursuant to this section, the Secretary shall determine whether the requirements of this section are met not later than 180 days after such claim is filed. If the Secretary determines that the requirements of this section are met, the claim for refund shall be paid not later than 180 days after the Secretary makes such determination.

(f) INTEREST.—Any refund paid pursuant to this section shall be paid by the Secretary with interest from
the date of overpayment determined by using the overpay-
ment rate and method under section 6621 of the Internal

(g) **DENIAL OF DOUBLE BENEFIT.**—The payment
under subsection (a) with respect to any coal shall not ex-
ceed—

(1) in the case of a payment to a coal producer,
the amount of tax paid under section 4121 of the
Internal Revenue Code of 1986 with respect to such
coal by such coal producer or a party related to such
coal producer, and

(2) in the case of a payment to an exporter, an
amount equal to $0.825 per ton with respect to such
coal exported by the exporter or caused to be ex-
ported by the exporter.

(h) **APPLICATION OF SECTION.**—This section applies
only to claims on coal exported or shipped on or after Oc-
tober 1, 1990, through the date of the enactment of this
Act.

(i) **STANDING NOT CONFERRED.**—

(1) **EXPORTERS.**—With respect to exporters,
this section shall not confer standing upon an ex-
porter to commence, or intervene in, any judicial or
administrative proceeding concerning a claim for re-
fund by a coal producer of any Federal or State tax, fee, or royalty paid by the coal producer.

(2) COAL PRODUCERS.—With respect to coal producers, this section shall not confer standing upon a coal producer to commence, or intervene in, any judicial or administrative proceeding concerning a claim for refund by an exporter of any Federal or State tax, fee, or royalty paid by the producer and alleged to have been passed on to an exporter.

TITLE VIII—TRANSPORTATION AND FUEL PROVISIONS

SEC. 801. INCLUSION OF CELLULOSIC BIOFUEL IN BONUS DEPRECIATION FOR BIOMASS ETHANOL PLANT PROPERTY.

(a) IN GENERAL.—Paragraph (3) of section 168(l) is amended to read as follows:

“(3) CELLULOSIC BIOFUEL.—The term ‘cellulosic biofuel’ means any liquid fuel which is produced from any lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis.”.

(b) CONFORMING AMENDMENTS.—Subsection (l) of section 168 is amended—
(1) by striking “cellulosic biomass ethanol” each place it appears and inserting “cellulosic biofuel”,
(2) by striking “CELLULOSIC BIOMASS ETHANOL” in the heading of such subsection and inserting “CELLULOSIC BIOFUEL”, and
(3) by striking “CELLULOSIC BIOMASS ETHANOL” in the heading of paragraph (2) thereof and inserting “CELLULOSIC BIOFUEL”.
(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 802. CREDITS FOR BIODIESEL AND RENEWABLE DIESEL.

(a) IN GENERAL.—Sections 40A(g), 6426(c)(6), and 6427(e)(5)(B) are each amended by striking “December 31, 2008” and inserting “December 31, 2009”.

(b) INCREASE IN RATE OF CREDIT.—

(1) INCOME TAX CREDIT.—Paragraphs (1)(A) and (2)(A) of section 40A(b) are each amended by striking “50 cents” and inserting “$1.00”.

(2) EXCISE TAX CREDIT.—Paragraph (2) of section 6426(c) is amended to read as follows:
“(2) APPLICABLE AMOUNT.—For purposes of this subsection, the applicable amount is $1.00.”.

(3) CONFORMING AMENDMENTS.—

(A) Subsection (b) of section 40A is amended by striking paragraph (3) and by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(B) Paragraph (2) of section 40A(f) is amended to read as follows:

“(2) EXCEPTION.—Subsection (b)(4) shall not apply with respect to renewable diesel.”.

(C) Paragraphs (2) and (3) of section 40A(e) are each amended by striking “subsection (b)(5)(C)” and inserting “subsection (b)(4)(C)”.

(D) Clause (ii) of section 40A(d)(3)(C) is amended by striking “subsection (b)(5)(B)” and inserting “subsection (b)(4)(B)”.

(e) UNIFORM TREATMENT OF DIESEL PRODUCED FROM BIOMASS.—Paragraph (3) of section 40A(f) is amended—

(1) by striking “diesel fuel” and inserting “liquid fuel”,

(2) by striking “using a thermal depolymerization process”, and
(3) by striking “or D396” in subparagraph (B) and inserting “, D396, or other equivalent standard approved by the Secretary”.

(d) COPRODUCTION OF RENEWABLE DIESEL WITH PETROLEUM FEEDSTOCK.—

(1) IN GENERAL.—Paragraph (3) of section 40A(f) (defining renewable diesel) is amended by adding at the end the following new sentence: “Such term does not include any fuel derived from coprocessing biomass with a feedstock which is not biomass. For purposes of this paragraph, the term ‘biomass’ has the meaning given such term by section 45K(e)(3).”.

(2) CONFORMING AMENDMENT.—Paragraph (3) of section 40A(f) is amended by striking “(as defined in section 45K(e)(3))”.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to fuel produced, and sold or used, after December 31, 2008.

(2) COPRODUCTION OF RENEWABLE DIESEL WITH PETROLEUM FEEDSTOCK.—The amendments made by subsection (d) shall apply to fuel produced,
and sold or used, after the date of the enactment of this Act.

SEC. 803. CLARIFICATION THAT CREDITS FOR FUEL ARE DESIGNED TO PROVIDE AN INCENTIVE FOR UNITED STATES PRODUCTION.

(a) Alcohol Fuels Credit.—Paragraph (6) of section 40(d) is amended to read as follows:

“(6) Limitation to Alcohol with Connection to the United States.—No credit shall be determined under this section with respect to any alcohol which is produced outside the United States for use as a fuel outside the United States. For purposes of this paragraph, the term ‘United States’ includes any possession of the United States.”.

(b) Biodiesel Fuels Credit.—Subsection (d) of section 40A is amended by adding at the end the following new paragraph:

“(5) Limitation to Biodiesel with Connection to the United States.—No credit shall be determined under this section with respect to any biodiesel which is produced outside the United States for use as a fuel outside the United States. For purposes of this paragraph, the term ‘United States’ includes any possession of the United States.”.
(c) Excise Tax Credit.—

(1) In general.—Section 6426 is amended by adding at the end the following new subsection:

“(i) Limitation to Fuels with Connection to the United States.—

“(1) Alcohol.—No credit shall be determined under this section with respect to any alcohol which is produced outside the United States for use as a fuel outside the United States.

“(2) Biodiesel and alternative fuels.—No credit shall be determined under this section with respect to any biodiesel or alternative fuel which is produced outside the United States for use as a fuel outside the United States.

For purposes of this subsection, the term ‘United States’ includes any possession of the United States.”.

(2) Conforming amendment.—Subsection (e) of section 6427 is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

“(5) Limitation to fuels with connection to the United States.—No amount shall be payable under paragraph (1) or (2) with respect to any mixture or alternative fuel if credit is not allowed
with respect to such mixture or alternative fuel by reason of section 6426(i).”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to claims for credit or payment made on or after May 15, 2008.

SEC. 804. CREDIT FOR ALTERNATIVE FUELS.

(a) IN GENERAL.—Sections 6426(d)(4), 6426(e)(3), and 6427(e)(5)(C) are each amended by striking “September 30, 2009” and inserting “December 31, 2009”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel produced, and sold or used, after September 30, 2009.

SEC. 805. CREDIT FOR ALTERNATIVE JET FUEL.

(a) CREDIT.—

(1) ALLOWANCE OF CREDIT.—Section 6426, as amended by this Act, is amended by redesignating subsections (f) through (i) as subsections (h) through (j), respectively, and by inserting after subsection (e) the following new subsections:

“(f) ALTERNATIVE JET FUEL CREDIT.—

“(1) IN GENERAL.—For purposes of this section, the alternative jet fuel credit is the product of $1.00 and the number of gallons of alternative jet fuel or gasoline gallon equivalents (as defined in subsection (d)(3)) of a nonliquid alternative jet fuel
sold by the taxpayer for use as a fuel in an aircraft, or so used by the taxpayer.

“(2) ALTERNATIVE JET FUEL.—For purposes of this section, the term ‘alternative jet fuel’ means an alternative fuel which meets the requirements of a Department of Defense specification for military jet fuel or an American Society of Testing and Materials specification for aviation turbine fuel.

“(3) TERMINATION.—This subsection shall not apply to any sale or use for any period after September 30, 2014.

“(g) ALTERNATIVE JET FUEL MIXTURE CREDIT.—

“(1) IN GENERAL.—For purposes of this section, the alternative jet fuel mixture credit is the product of $1.00 and the number of gallons of alternative jet fuel used by the taxpayer in producing any alternative jet fuel mixture for sale or use in a trade or business of the taxpayer.

“(2) ALTERNATIVE JET FUEL MIXTURE.—For purposes of this section, the term ‘alternative jet fuel mixture’ means a mixture of alternative jet fuel and aviation gasoline or kerosene which—

“(A) is sold by the taxpayer producing such mixture to any person for use as a fuel in an aircraft, or
“(B) is used as a fuel in an aircraft by the taxpayer producing such mixture

“(3) TERMINATION.—This subsection shall not apply to any sale or use for any period after September 30, 2014.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 6426(a) is amended—

(i) in paragraph (1), by striking “and (e)” and inserting “(e), and (g)”;

(ii) in paragraph (2), by striking “subsection (d)” and inserting “subsections (d) and (f)”, and

(iii) in the second sentence, by striking “subsections (d) and (e)” and inserting “subsections (d), (e), (f), and (g)”.

(B) Section 6426(e)(2) is amended by adding at the end the following new flush sentence:

“Such term does not include any alternative jet fuel mixture.”.

(C) Section 6426(i), as redesignated by paragraph (1), is amended by striking “subsections (d) and (e)” and inserting “subsections (d), (e), (f), and (g)”.

(D) Section 6426(j)(2), as added by this Act and redesignated by paragraph (1), is
amended by striking “or alternative fuel” and
inserting “; alternative fuel, or alternative jet
fuel”.

(b) PAYMENTS.—

(1) IN GENERAL.—Paragraph (2) of section
6427(e) is amended—

(A) by inserting “; or if such person sells
or uses an alternative jet fuel (as defined in
section 6526(f)(2)) for a purpose described in
section 6426(f)(1) in such person’s trade or
business” after “trade or business”, and

(B) in the heading, by inserting “; ALTERN-
ATIVE JET FUEL” after “FUEL”.

(2) REGISTRATION.—Paragraph (4) of section
6427(e) is amended by striking “or alternative fuel
mixture credit” and inserting “; alternative fuel mix-
ture credit, alternative jet fuel credit, or alternative
jet fuel mixture credit”.

(3) TERMINATION.—Paragraph (6) of section
6427(e), as amended by this Act, is amended by
striking “and” at the end of subparagraph (C), by
striking the period at the end of subparagraph (D)
and inserting “and”, and by adding at the end the
following new subparagraph:
“(E) any alternative jet fuel or alternative jet fuel mixture (as defined in subsection (f)(2) or (g)(2) of section 6426) sold or used after December 31, 2014.”.

(c) Time for Filing Claims.—Section 6427(i)(3)(A) is amended by inserting “or an alternative jet fuel (as defined in section 6426(f)(2))” after “6426(d)(2)”.

(d) Effective Date.—The amendments made by this section shall apply to fuel sold or used after the date of the enactment of this Act.

SEC. 806. CREDIT FOR NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.

(a) Plug-in Electric Drive Motor Vehicle Credit.—Subpart B of part IV of subchapter A of chapter 1 (relating to other credits) is amended by adding at the end the following new section:

“SEC. 30D. NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.

“(a) Allowance of Credit.—

“(1) In general.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable amount with respect to each new qualified plug-in
electric drive motor vehicle placed in service by the
taxpayer during the taxable year.

“(2) APPLICABLE AMOUNT.—For purposes of
paragraph (1), the applicable amount is sum of—

“(A) $2,500, plus

“(B) $400 for each kilowatt hour of trac-
tion battery capacity of at least 5 kilowatt
hours, plus

“(C) $400 for each kilowatt hour of trac-
tion battery capacity in excess of 5 kilowatt
hours.

“(b) LIMITATIONS.—

“(1) LIMITATION BASED ON WEIGHT.—The
amount of the credit allowed under subsection (a) by
reason of subsection (a)(2)(A) shall not exceed—

“(A) $7,500, in the case of any new quali-
fied plug-in electric drive motor vehicle with a
gross vehicle weight rating of not more than
10,000 pounds,

“(B) $10,000, in the case of any new
qualified plug-in electric drive motor vehicle
with a gross vehicle weight rating of more than
10,000 pounds but not more than 14,000
pounds,
“(C) $12,500, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

“(D) $15,000, in the case of any new qualified plug-in electric drive motor vehicle with a gross vehicle weight rating of more than 26,000 pounds.

“(2) LIMITATION ON NUMBER OF PASSENGER VEHICLES AND LIGHT TRUCKS ELIGIBLE FOR CREDIT.—

“(A) IN GENERAL.—In the case of a new qualified plug-in electric drive motor vehicle sold during the phaseout period, only the applicable percentage of the credit otherwise allowable under subsection (a) shall be allowed.

“(B) PHASEOUT PERIOD.—For purposes of this subsection, the phaseout period is the period beginning with the second calendar quarter following the calendar quarter which includes the first date on which the total number of such new qualified plug-in electric drive motor vehicles sold for use in the United States after December 31, 2007, is at least 250,000.
“(C) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage is—

“(i) 50 percent for the first 2 calendar quarters of the phaseout period,

“(ii) 25 percent for the 3d and 4th calendar quarters of the phaseout period,

and

“(iii) 0 percent for each calendar quarter thereafter.

“(D) CONTROLLED GROUPS.—Rules similar to the rules of section 30B(f)(4) shall apply for purposes of this subsection.

“(c) NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE.—For purposes of this section, the term ‘new qualified plug-in electric drive motor vehicle’ means a motor vehicle—

“(1) which draws propulsion using a traction battery with at least 4 kilowatt hours of capacity,

“(2) which uses an offboard source of energy to recharge such battery,

“(3) which, in the case of a passenger vehicle or light truck which has a gross vehicle weight rating of not more than 8,500 pounds, has received a certificate of conformity under the Clean Air Act
and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the Clean Air Act for that make and model year, and

“(A) in the case of a vehicle having a gross vehicle weight rating of 6,000 pounds or less, the Bin 5 Tier II emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle, and

“(B) in the case of a vehicle having a gross vehicle weight rating of more than 6,000 pounds but not more than 8,500 pounds, the Bin 8 Tier II emission standard which is so established,

“(4) the original use of which commences with the taxpayer,

“(5) which is acquired for use or lease by the taxpayer and not for resale, and

“(6) which is made by a manufacturer.

“(d) APPLICATION WITH OTHER CREDITS.—

“(1) BUSINESS CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—So much of the credit which would be allowed under subsection (a) for any
taxable year (determined without regard to this sub-
section) that is attributable to property of a char-
acter subject to an allowance for depreciation shall
be treated as a credit listed in section 38(b) for such
taxable year (and not allowed under subsection (a)).

“(2) PERSONAL CREDIT.—

“(A) IN GENERAL.—For purposes of this
title, the credit allowed under subsection (a) for
any taxable year (determined after application
of paragraph (1)) shall be treated as a credit
allowable under subpart A for such taxable
year.

“(B) LIMITATION BASED ON AMOUNT OF
TAX.—In the case of a taxable year to which
section 26(a)(2) does not apply, the credit al-
lowed under subsection (a) for any taxable year
(determined after application of paragraph (1))
shall not exceed the excess of—

“(i) the sum of the regular tax lia-

bility (as defined in section 26(b)) plus the
tax imposed by section 55, over

“(ii) the sum of the credits allowable
under subpart A (other than this section
and sections 23 and 25D) and section 27
for the taxable year.
“(e) Other Definitions and Special Rules.—

For purposes of this section—

“(1) Motor Vehicle.—The term ‘motor vehicle’ has the meaning given such term by section 30(c)(2).

“(2) Other Terms.—The terms ‘passenger automobile’, ‘light truck’, and ‘manufacturer’ have the meanings given such terms in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

“(3) Traction Battery Capacity.—Traction battery capacity shall be measured in kilowatt hours from a 100 percent state of charge to a zero percent state of charge.

“(4) Reduction in Basis.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed.

“(5) No Double Benefit.—The amount of any deduction or other credit allowable under this chapter for a new qualified plug-in electric drive motor vehicle shall be reduced by the amount of
credit allowed under subsection (a) for such vehicle for the taxable year.

“(6) Property used by tax-exempt entity.—In the case of a vehicle the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (b)(2)).

“(7) Property used outside United States, etc., not qualified.—No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

“(8) Recapture.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit (including recapture in the case of a
lease period of less than the economic life of a vehicle).

“(9) **Election to Not Take Credit.**—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects not to have this section apply to such vehicle.

“(10) **Interaction with Air Quality and Motor Vehicle Safety Standards.**—Unless otherwise provided in this section, a motor vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

“(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act), and

“(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

“(f) **Regulations.**—

“(1) **In General.**—Except as provided in paragraph (2), the Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.
“(2) COORDINATION IN PRESCRIPTION OF CERTAIN REGULATIONS.—The Secretary of the Treasury, in coordination with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall prescribe such regulations as necessary to determine whether a motor vehicle meets the requirements to be eligible for a credit under this section.

“(g) TERMINATION.—This section shall not apply to property purchased after December 31, 2014.”.

(b) COORDINATION WITH ALTERNATIVE MOTOR VEHICLE CREDIT.—Section 30B(d)(3) is amended by adding at the end the following new subparagraph:

“(D) EXCLUSION OF PLUG-IN VEHICLES.—Any vehicle with respect to which a credit is allowable under section 30D (determined without regard to subsection (d) thereof) shall not be taken into account under this section.”.

(c) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) is amended by striking “plus” at the end of paragraph (32), by striking the period at the end of paragraph (33) and inserting “plus”, and by adding at the end the following new paragraph:
“(34) the portion of the new qualified plug-in
electric drive motor vehicle credit to which section
30D(d)(1) applies.”.

(d) CONFORMING AMENDMENTS.—

(1)(A) Section 24(b)(3)(B), as amended by sec-
tion 503, is amended by striking “and 25D” and in-
serting “25D, and 30D”.

(B) Section 25(c)(1)(C)(ii) is amended by in-
serting “30D,” after “25D,”.

(C) Section 25B(g)(2), as amended by section
503, is amended by striking “and 25D” and insert-
ing “, 25D, and 30D”.

(D) Section 26(a)(1), as amended by section
503, is amended by striking “and 25D” and insert-
ing “25D, and 30D”.

(E) Section 1400C(d)(2) is amended by striking
“and 25D” and inserting “25D, and 30D”.

(2) Section 1016(a) is amended by striking
“and” at the end of paragraph (35), by striking the
period at the end of paragraph (36) and inserting “,
and”, and by adding at the end the following new
paragraph:

“(37) to the extent provided in section
30D(f)(1).”.
(3) Section 6501(m) is amended by inserting “30D(f)(4),” after “30C(e)(5),”.

(4) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 30D. New qualified plug-in electric drive motor vehicles.”.

(e) TREATMENT OF ALTERNATIVE MOTOR VEHICLE CREDIT AS A PERSONAL CREDIT.—

(1) IN GENERAL.—Paragraph (2) of section 30B(g) is amended to read as follows:

“(2) PERSONAL CREDIT.—The credit allowed under subsection (a) for any taxable year (after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.”.

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (A) of section 30C(d)(2) is amended by striking “sections 27, 30, and 30B” and inserting “sections 27 and 30”.

(B) Paragraph (3) of section 55(c) is amended by striking “30B(g)(2),”.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2008.
(2) Treatment of alternative motor vehicle credit as personal credit.—The amendments made by subsection (e) shall apply to taxable years beginning after December 31, 2007.

(g) Application of EGTRRA sunset.—The amendment made by subsection (d)(1)(A) shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 in the same manner as the provision of such Act to which such amendment relates.

SEC. 807. Exclusion from heavy truck tax for idling reduction units and advanced insulation.

(a) In general.—Section 4053 is amended by adding at the end the following new paragraphs:

“(9) Idling reduction device.—Any device or system of devices which—

“(A) is designed to provide to a vehicle those services (such as heat, air conditioning, or electricity) that would otherwise require the operation of the main drive engine while the vehicle is temporarily parked or remains stationary using one or more devices affixed to a tractor, and

“(B) is determined by the Administrator of the Environmental Protection Agency, in con-
sultation with the Secretary of Energy and the
Secretary of Transportation, to reduce idling of
such vehicle at a motor vehicle rest stop or
other location where such vehicles are tempo-
rarily parked or remain stationary.

“(10) ADVANCED INSULATION.—Any insulation
that has an R value of not less than R35 per inch.”.

(b) EFFECTIVE DATE.—The amendment made by
this section shall apply to sales or installations after the
date of the enactment of this Act.

SEC. 808. ALTERNATIVE FUEL VEHICLE REFUELING PROP-
ERTY CREDIT.

(a) INCREASE IN CREDIT AMOUNT.—Section 30C is
amended—

(1) by striking “30 percent” in subsection (a)
and inserting “50 percent”, and

(2) by striking “$30,000” in subsection (b)(1)
and inserting “$50,000”.

(b) EXTENSION OF CREDIT.—Paragraph (2) of sec-
tion 30C(g) is amended by striking “December 31, 2009”
and inserting “December 31, 2010”.

(c) EFFECTIVE DATE.—The amendments made by
this section shall apply to property placed in service after
the date of the enactment of this Act, in taxable years
ending after such date.
SEC. 809. PERCENTAGE DEPLETION FOR MARGINAL WELL PRODUCTION.

(a) In General.—Section 613A(c)(6)(H) (relating to temporary suspension of taxable income limit with respect to marginal production) is amended by striking “January 1, 2008” and inserting “January 1, 2010”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 810. EXTENSION AND MODIFICATION OF ELECTION TO EXPENSE CERTAIN REFINERIES.

(a) Extension.—Paragraph (1) of section 179C(e) (relating to qualified refinery property) is amended—

(1) by striking “January 1, 2012” in subparagraph (B) and inserting “January 1, 2014”, and

(2) by striking “January 1, 2008” each place it appears in subparagraph (F) and inserting “January 1, 2010”.

(b) Inclusion of Fuel Derived From Shale and Tar Sands.—

(1) In General.—Subsection (d) of section 179C is amended by inserting “, or directly from shale or tar sands” after “(as defined in section 45K(e))”.
(2) CONFORMING AMENDMENT.—Paragraph (2) of section 179C(e) is amended by inserting “shale, tar sands, or” before “qualified fuels”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 811. TREATMENT OF QUALIFIED ALCOHOL FUEL MIXTURES AND QUALIFIED BIODIESEL FUEL MIXTURES AS TAXABLE FUELS.

(a) IN GENERAL.—

(1) QUALIFIED ALCOHOL FUEL MIXTURES.— Paragraph (2) of section 4083(a) (relating to gasoline) is amended—

(A) by striking “and” at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

“(B) includes any qualified mixture (as defined in section 40(b)(1)(B)), and”.

(2) QUALIFIED BIODIESEL FUEL MIXTURES.— Subparagraph (A) of section 4083(a)(3) (relating to diesel fuel) is amended by striking “and” at the end of clause (ii), by redesignating clause (iii) as clause
(iv), and inserting after clause (ii) the following new clause:

“(iii) any qualified biodiesel mixture (as defined in section 40A(b)(1)(B)), and”.

(b) Modification of Biodiesel Certification Requirement.—Paragraph (4) of section 40A(b) is amended by striking “which identifies” and all that follows and inserting “which—

“(A) identifies the product produced and the percentage of biodiesel and agri-biodiesel in the product, and

“(B) documents that the biodiesel was independently tested and meets the requirements of ASTM D6751.”.

(c) Information Reporting Requirement for Producers of Qualified Mixtures.—Section 4101(d) (relating to information reporting) is amended to read as follows:

“(d) Information Reporting.—The Secretary—

“(1) may require—

“(A) information reporting by any person registered under this section, and

“(B) information reporting by such other persons as the Secretary deems necessary to carry out this part, and
“(2) shall require information reporting by any person registered under this section and producing any qualified mixture (as defined in section 40(b)(1)(B)) or any qualified biodiesel mixture (as defined in section 40A(b)(1)(B)).

Any person who is required to report under this subsection and who has 25 or more reportable transactions in a month shall file such report in electronic format.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to fuels removed, entered, or sold after December 31, 2008.

TITLE IX—ADDITIONAL TAX RELIEF

SEC. 901. INCOME AVERAGING FOR AMOUNTS RECEIVED IN CONNECTION WITH THE EXXON VALDEZ LITIGATION.

(a) INCOME AVERAGING OF AMOUNTS RECEIVED FROM THE EXXON VALDEZ LITIGATION.—For purposes of section 1301 of the Internal Revenue Code of 1986—

(1) any qualified taxpayer who receives any qualified settlement income in any taxable year shall be treated as engaged in a fishing business (determined without regard to the commercial nature of the business), and
(2) such qualified settlement income shall be treated as income attributable to such a fishing business for such taxable year.

(b) Contributions of Amounts Received to Retirement Accounts.—

(1) In general.—Any qualified taxpayer who receives qualified settlement income during the taxable year may, at any time before the end of the taxable year in which such income was received, make one or more contributions to an eligible retirement plan of which such qualified taxpayer is a beneficiary in an aggregate amount not to exceed the lesser of—

(A) $100,000 (reduced by the amount of qualified settlement income contributed to an eligible retirement plan in prior taxable years pursuant to this subsection), or

(B) the amount of qualified settlement income received by the individual during the taxable year.

(2) Time when contributions deemed made.—For purposes of paragraph (1), a qualified taxpayer shall be deemed to have made a contribution to an eligible retirement plan on the last day of the taxable year in which such income is received if
the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

(3) Treatment of contributions to eligible retirement plans.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to paragraph (1) with respect to qualified settlement income, then—

(A) except as provided in paragraph (4)—

(i) to the extent of such contribution, the qualified settlement income shall not be included in taxable income, and

(ii) for purposes of section 72 of such Code, such contribution shall not be considered to be investment in the contract,

(B) the qualified taxpayer shall, to the extent of the amount of the contribution, be treated—

(i) as having received the qualified settlement income—

(I) in the case of a contribution to an individual retirement plan (as defined under section 7701(a)(37) of such Code), in a distribution described
in section 408(d)(3) of such Code,

and

(II) in the case of any other eligi-
ble retirement plan, in an eligible roll-
over distribution (as defined under
section 402(f)(2) of such Code), and

(ii) as having transferred the amount
to the eligible retirement plan in a direct
trustee to trustee transfer within 60 days
of the distribution,

(C) section 408(d)(3)(B) of the Internal
Revenue Code of 1986 shall not apply with re-
spect to amounts treated as a rollover under
this paragraph, and

(D) section 408A(e)(3)(B) of the Internal
Revenue Code of 1986 shall not apply with re-
spect to amounts contributed to a Roth IRA (as
defined under section 408A(b) of such Code) or
a designated Roth contribution to an applicable
retirement plan (within the meaning of section
402A of such Code) under this paragraph.

(4) Special rule for Roth IRAs and Roth
401(k)s.—For purposes of the Internal Revenue
Code of 1986, if a contribution is made pursuant to
paragraph (1) with respect to qualified settlement
income to a Roth IRA (as defined under section 408A(b) of such Code) or as a designated Roth contribution to an applicable retirement plan (within the meaning of section 402A of such Code), then—

(A) the qualified settlement income shall be includible in taxable income, and

(B) for purposes of section 72 of such Code, such contribution shall be considered to be investment in the contract.

(5) ELIGIBLE RETIREMENT PLAN.—For purpose of this subsection, the term “eligible retirement plan” has the meaning given such term under section 402(c)(8)(B) of the Internal Revenue Code of 1986.

(c) TREATMENT OF QUALIFIED SETTLEMENT INCOME UNDER EMPLOYMENT TAXES.—

(1) SECA.—For purposes of chapter 2 of the Internal Revenue Code of 1986 and section 211 of the Social Security Act, no portion of qualified settlement income received by a qualified taxpayer shall be treated as self-employment income.

(2) FICA.—For purposes of chapter 21 of the Internal Revenue Code of 1986 and section 209 of the Social Security Act, no portion of qualified set-
tlement income received by a qualified taxpayer shall be treated as wages.

(d) QUALIFIED TAXPAYER.—For purposes of this section, the term “qualified taxpayer” means—

(1) any individual who is a plaintiff in the civil action In re Exxon Valdez, No. 89–095–CV (HRH) (Consolidated) (D. Alaska); or

(2) any individual who is a beneficiary of the estate of such a plaintiff who—

(A) acquired the right to receive qualified settlement income from that plaintiff; and

(B) was the spouse or an immediate relative of that plaintiff.

(e) QUALIFIED SETTLEMENT INCOME.—For purposes of this section, the term “qualified settlement income” means any interest and punitive damage awards which are—

(1) otherwise includible in taxable income, and

(2) received (whether as lump sums or periodic payments) in connection with the civil action In re Exxon Valdez, No. 89–095–CV (HRH) (Consolidated) (D. Alaska) (whether pre- or post-judgment and whether related to a settlement or judgment).
SEC. 902. CERTAIN GO ZONE INCENTIVES.

(a) USE OF AMENDED INCOME TAX RETURNS TO TAKE INTO ACCOUNT RECEIPT OF CERTAIN HURRICANE-RELATED CASUALTY LOSS GRANTS BY DISALLOWING PREVIOUSLY TAKEN CASUALTY LOSS DEDUCTIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of the Internal Revenue Code of 1986, if a taxpayer claims a deduction for any taxable year with respect to a casualty loss to a principal residence (within the meaning of section 121 of such Code) resulting from Hurricane Katrina, Hurricane Rita, or Hurricane Wilma and in a subsequent taxable year receives a grant under Public Law 109–148, 109–234, or 110–116 as reimbursement for such loss, such taxpayer may elect to file an amended income tax return for the taxable year in which such deduction was allowed (and for any taxable year to which such deduction is carried) and reduce (but not below zero) the amount of such deduction by the amount of such reimbursement.

(2) TIME OF FILING AMENDED RETURN.—Paragraph (1) shall apply with respect to any grant only if any amended income tax returns with respect to such grant are filed not later than the later of—
(A) the due date for filing the tax return for the taxable year in which the taxpayer receives such grant, or

(B) the date which is 1 year after the date of the enactment of this Act.

(3) Waiver of penalties and interest.—

Any underpayment of tax resulting from the reduction under paragraph (1) of the amount otherwise allowable as a deduction shall not be subject to any penalty or interest under such Code if such tax is paid not later than 1 year after the filing of the amended return to which such reduction relates.

(b) Waiver of Deadline on Construction of GO Zone Property Eligible for Bonus Depreciation.—

(1) In general.—Subparagraph (B) of section 1400N(d)(3) is amended to read as follows:

“(B) without regard to ‘and before January 1, 2009’ in clause (i) thereof, and”.

(2) Effective date.—The amendment made by this subsection shall apply to property placed in service after December 31, 2007.

(e) Inclusion of Certain Counties in Gulf Opportunity Zone for Purposes of Tax-Exempt Bond Financing.—
(1) IN GENERAL.—Subsection (a) of section 1400N is amended by adding at the end the following new paragraph:

“(8) INCLUSION OF CERTAIN COUNTIES.—For purposes of this subsection, the Gulf Opportunity Zone includes Colbert County, Alabama and Dallas County, Alabama.”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the provisions of the Gulf Opportunity Zone Act of 2005 to which it relates.

SEC. 903. ELECTION TO ACCELERATE AMT AND R AND D CREDITS IN LIEU OF BONUS DEPRECIATION.

(a) IN GENERAL.—Section 168(k) is amended by adding at the end the following new paragraph:

“(4) ELECTION TO ACCELERATE AMT AND R AND D CREDITS IN LIEU OF BONUS DEPRECIATION.—

“(A) IN GENERAL.—If a corporation elects to have this paragraph apply—

“(i) no additional depreciation shall be allowed under paragraph (1) for any qualified property placed in service during any taxable year to which paragraph (1) would otherwise apply, and
“(ii) the limitations described in subparagraph (B) for such taxable year shall be increased by an aggregate amount not in excess of the bonus depreciation amount for such taxable year.

“(B) LIMITATIONS TO BE INCREASED.—

The limitations described in this subparagraph are—

“(i) the limitation under section 38(c),

and

“(ii) the limitation under section 53(c).

“(C) BONUS DEPRECIATION AMOUNT.—

For purposes of this paragraph—

“(i) IN GENERAL.—The bonus depreciation amount for any applicable taxable year is an amount equal to the product of

20 percent and the excess (if any) of—

“(I) the aggregate amount of depreciation which would be determined under this section for property placed in service during the taxable year if no election under this paragraph were made, over
“(II) the aggregate amount of depreciation allowable under this section for property placed in service during the taxable year.

In the case of property which is a passenger aircraft, the amount determined under subclause (I) shall be calculated without regard to the written binding contract limitation under paragraph (2)(A)(iii)(I).

“(ii) ELIGIBLE QUALIFIED PROPERTY.—For purposes of clause (i), the term ‘eligible qualified property’ means qualified property under paragraph (2), except that in applying paragraph (2) for purposes of this clause—

“(I) ‘March 31, 2008’ shall be substituted for ‘December 31, 2007’ each place it appears in subparagraph (A) and clauses (i) and (ii) of subparagraph (E) thereof,

“(II) only adjusted basis attributable to manufacture, construction, or production after March 31, 2008, and before January 1, 2009, shall be
taken into account under subparagraph (B)(ii) thereof, and

“(III) in the case of property which is a passenger aircraft, the written binding contract limitation under subparagraph (A)(iii)(I) thereof shall not apply.

“(iii) MAXIMUM AMOUNT.—The bonus depreciation amount for any applicable taxable year shall not exceed the applicable limitation under clause (iv), reduced (but not below zero) by the bonus depreciation amount for any preceding taxable year.

“(iv) APPLICABLE LIMITATION.—For purposes of clause (iii), the term ‘applicable limitation’ means, with respect to any taxpayer, the lesser of—

“(I) $40,000,000, or

“(II) 10 percent of the sum of the amounts determined with respect to the taxpayer under clauses (ii) and (iii) of subparagraph (D).

“(v) AGGREGATION RULE.—All corporations which are treated as a single employer under section 52(a) shall be treated
as 1 taxpayer for purposes of applying the
limitation under this subparagraph and de-
termining the applicable limitation under
clause (iv).

“(D) Allocation of bonus depreciation
amounts.—

“(i) In general.—Subject to clauses
(ii) and (iii), the taxpayer shall, at such
time and in such manner as the Secretary
may prescribe, specify the portion (if any)
of the bonus depreciation amount which is
to be allocated to each of the limitations
described in subparagraph (B).

“(ii) Business credit limitation.—The portion of the bonus deprecia-
tion amount allocated to the limitation de-
scribed in subparagraph (B)(i) shall not
exceed an amount equal to the portion of
the credit allowable under section 38 for
the taxable year which is allocable to busi-
ness credit carryforwards to such taxable
year which are—

“(I) from taxable years beginning

before January 1, 2006, and
“(II) properly allocable (determined under the rules of section 38(d)) to the research credit determined under section 41(a).

“(iii) ALTERNATIVE MINIMUM TAX CREDIT LIMITATION.—The portion of the bonus depreciation amount allocated to the limitation described in subparagraph (B)(ii) shall not exceed an amount equal to the portion of the minimum tax credit allowable under section 53 for the taxable year which is allocable to the adjusted minimum tax imposed for taxable years beginning before January 1, 2006.

“(E) CREDIT REFUNDABLE.—Any aggregate increases in the credits allowed under section 38 or 53 by reason of this paragraph shall, for purposes of this title, be treated as a credit allowed to the taxpayer under subpart C of part IV of subchapter A.

“(F) OTHER RULES.—

“(i) ELECTION.—Any election under this paragraph (including any allocation under subparagraph (D)) may be revoked only with the consent of the Secretary.
“(ii) Deduction allowed in computing minimum tax.—Notwithstanding this paragraph, paragraph (2)(G) shall apply with respect to the deduction computed under this section (after application of this paragraph) with respect to property placed in service during any applicable taxable year.”.

(b) Effective Date.—The amendments made by this section shall apply to property placed in service after December 31, 2007, in taxable years ending after such date.

SEC. 904. MODIFICATION TO EXCLUSION FOR GAIN FROM CERTAIN SMALL BUSINESS STOCK.

(a) In General.—Section 1202(a) (relating to exclusion) is amended by adding at the end the following new paragraph:

“(3) Special rule for stock acquired before 2010.—In the case of qualified small business stock acquired after the date of the enactment of this paragraph and before January 1, 2010—

“(A) paragraph (1) shall be applied by substituting ‘100 percent’ for ‘50 percent’, and

“(B) paragraph (2) shall not apply.”.
(b) **Effective Date.**—The amendment made by this section shall apply to stock acquired after the date of the enactment of this Act.

**TITLE X—OTHER PROVISIONS**

**SEC. 1001. SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION PROGRAM.**

(a) **Reauthorization of the Secure Rural Schools and Community Self-Determination Act of 2000.**—The Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note; Public Law 106–393) is amended by striking sections 1 through 403 and inserting the following:

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"SECTION 1. SHORT TITLE.

"This Act may be cited as the ‘Secure Rural Schools and Community Self-Determination Act of 2000’.

"SEC. 2. PURPOSES.

"The purposes of this Act are—

"(1) to stabilize and transition payments to counties to provide funding for schools and roads that supplements other available funds;

"(2) to make additional investments in, and create additional employment opportunities through, projects that—

"(A)(i) improve the maintenance of existing infrastructure;
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“(ii) implement stewardship objectives that enhance forest ecosystems; and

“(iii) restore and improve land health and water quality;

“(B) enjoy broad-based support; and

“(C) have objectives that may include—

“(i) road, trail, and infrastructure maintenance or obliteration;

“(ii) soil productivity improvement;

“(iii) improvements in forest ecosystem health;

“(iv) watershed restoration and maintenance;

“(v) the restoration, maintenance, and improvement of wildlife and fish habitat;

“(vi) the control of noxious and exotic weeds; and

“(vii) the reestablishment of native species; and

“(3) to improve cooperative relationships among—

“(A) the people that use and care for Federal land; and

“(B) the agencies that manage the Federal land.
"SEC. 3. DEFINITIONS.

In this Act:

(1) ADJUSTED SHARE.—The term ‘adjusted share’ means the number equal to the quotient obtained by dividing—

(A) the number equal to the quotient obtained by dividing—

(i) the base share for the eligible county; by

(ii) the income adjustment for the eligible county; by

(B) the number equal to the sum of the quotients obtained under subparagraph (A) and paragraph (8)(A) for all eligible counties.

(2) BASE SHARE.—The term ‘base share’ means the number equal to the average of—

(A) the quotient obtained by dividing—

(i) the number of acres of Federal land described in paragraph (7)(A) in each eligible county; by

(ii) the total number acres of Federal land in all eligible counties in all eligible States; and

(B) the quotient obtained by dividing—

(i) the amount equal to the average of the 3 highest 25-percent payments and
safety net payments made to each eligible
State for each eligible county during the
eligibility period; by

“(ii) the amount equal to the sum of
the amounts calculated under clause (i)
and paragraph (9)(B)(i) for all eligible
counties in all eligible States during the
eligibility period.

“(3) COUNTY PAYMENT.—The term ‘county
payment' means the payment for an eligible county
calculated under section 101(b).

“(4) ELIGIBLE COUNTY.—The term ‘eligible
county’ means any county that—

“(A) contains Federal land (as defined in
paragraph (7)); and

“(B) elects to receive a share of the State
payment or the county payment under section
102(b).

“(5) ELIGIBILITY PERIOD.—The term ‘eligi-
bility period’ means fiscal year 1986 through fiscal
year 1999.

“(6) ELIGIBLE STATE.—The term ‘eligible
State’ means a State or territory of the United
States that received a 25-percent payment for 1 or
more fiscal years of the eligibility period.
“(7) Federal land.—The term ‘Federal land’ means—

“(A) land within the National Forest System, as defined in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)) exclusive of the National Grasslands and land utilization projects designated as National Grasslands administered pursuant to the Act of July 22, 1937 (7 U.S.C. 1010–1012); and

“(B) such portions of the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant land as are or may hereafter come under the jurisdiction of the Department of the Interior, which have heretofore or may hereafter be classified as timberlands, and power-site land valuable for timber, that shall be managed, except as provided in the former section 3 of the Act of August 28, 1937 (50 Stat. 875; 43 U.S.C. 1181c), for permanent forest production.

“(8) 50-percent adjusted share.—The term ‘50-percent adjusted share’ means the number equal to the quotient obtained by dividing—
“(A) the number equal to the quotient obtained by dividing—

“(i) the 50-percent base share for the eligible county; by

“(ii) the income adjustment for the eligible county; by

“(B) the number equal to the sum of the quotients obtained under subparagraph (A) and paragraph (1)(A) for all eligible counties.

“(9) 50-PERCENT BASE SHARE.—The term ‘50-percent base share’ means the number equal to the average of—

“(A) the quotient obtained by dividing—

“(i) the number of acres of Federal land described in paragraph (7)(B) in each eligible county; by

“(ii) the total number acres of Federal land in all eligible counties in all eligible States; and

“(B) the quotient obtained by dividing—

“(i) the amount equal to the average of the 3 highest 50-percent payments made to each eligible county during the eligibility period; by
“(ii) the amount equal to the sum of the amounts calculated under clause (i) and paragraph (2)(B)(i) for all eligible counties in all eligible States during the eligibility period.

“(10) 50-PERCENT PAYMENT.—The term ‘50-percent payment’ means the payment that is the sum of the 50-percent share otherwise paid to a county pursuant to title II of the Act of August 28, 1937 (chapter 876; 50 Stat. 875; 43 U.S.C. 1181f), and the payment made to a county pursuant to the Act of May 24, 1939 (chapter 144; 53 Stat. 753; 43 U.S.C. 1181f–1 et seq.).

“(11) FULL FUNDING AMOUNT.—The term ‘full funding amount’ means—

“(A) $500,000,000 for fiscal year 2008; and

“(B) for fiscal year 2009 and each fiscal year thereafter, the amount that is equal to 90 percent of the full funding amount for the preceding fiscal year.

“(12) INCOME ADJUSTMENT.—The term ‘income adjustment’ means the square of the quotient obtained by dividing—
“(A) the per capita personal income for each eligible county; by

“(B) the median per capita personal income of all eligible counties.

“(13) PER CAPITA PERSONAL INCOME.—The term ‘per capita personal income’ means the most recent per capita personal income data, as determined by the Bureau of Economic Analysis.

“(14) SAFETY NET PAYMENTS.—The term ‘safety net payments’ means the special payment amounts paid to States and counties required by section 13982 or 13983 of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66; 16 U.S.C. 500 note; 43 U.S.C. 1181f note).

“(15) SECRETARY CONCERNED.—The term ‘Secretary concerned’ means—

“(A) the Secretary of Agriculture or the designee of the Secretary of Agriculture with respect to the Federal land described in paragraph (7)(A); and

“(B) the Secretary of the Interior or the designee of the Secretary of the Interior with respect to the Federal land described in paragraph (7)(B).
“(16) STATE PAYMENT.—The term ‘State payment’ means the payment for an eligible State calculated under section 101(a).

“(17) 25-PERCENT PAYMENT.—The term ‘25-percent payment’ means the payment to States required by the sixth paragraph under the heading of ‘FOREST SERVICE’ in the Act of May 23, 1908 (35 Stat. 260; 16 U.S.C. 500), and section 13 of the Act of March 1, 1911 (36 Stat. 963; 16 U.S.C. 500).

“TITLE I—SECURE PAYMENTS FOR STATES AND COUNTIES CONTAINING FEDERAL LAND

“SEC. 101. SECURE PAYMENTS FOR STATES CONTAINING FEDERAL LAND.

“(a) STATE PAYMENT.—For each of fiscal years 2008 through 2011, the Secretary of Agriculture shall calculate for each eligible State an amount equal to the sum of the products obtained by multiplying—

“(1) the adjusted share for each eligible county within the eligible State; by

“(2) the full funding amount for the fiscal year.

“(b) COUNTY PAYMENT.—For each of fiscal years 2008 through 2011, the Secretary of the Interior shall calculate for each eligible county that received a 50-percent
payment during the eligibility period an amount equal to
the product obtained by multiplying—

“(1) the 50-percent adjusted share for the eligi-
ble county; by

“(2) the full funding amount for the fiscal year.

“SEC. 102. PAYMENTS TO STATES AND COUNTIES.

“(a) PAYMENT AMOUNTS.—Except as provided in
section 103, the Secretary of the Treasury shall pay to—

“(1) a State or territory of the United States
an amount equal to the sum of the amounts elected
under subsection (b) by each county within the State
or territory for—

“(A) if the county is eligible for the 25-
percent payment, the share of the 25-percent
payment; or

“(B) the share of the State payment of the
eligible county; and

“(2) a county an amount equal to the amount
elected under subsection (b) by each county for—

“(A) if the county is eligible for the 50-
percent payment, the 50-percent payment; or

“(B) the county payment for the eligible
county.

“(b) ELECTION TO RECEIVE PAYMENT AMOUNT.—

“(1) ELECTION; SUBMISSION OF RESULTS.—
“(A) IN GENERAL.—The election to receive a share of the State payment, the county payment, a share of the State payment and the county payment, a share of the 25-percent payment, the 50-percent payment, or a share of the 25-percent payment and the 50-percent payment, as applicable, shall be made at the discretion of each affected county by August 1, 2008, and August 1 of each second fiscal year thereafter, in accordance with paragraph (2), and transmitted to the Secretary concerned by the Governor of each eligible State.

“(B) FAILURE TO TRANSMIT.—If an election for an affected county is not transmitted to the Secretary concerned by the date specified under subparagraph (A), the affected county shall be considered to have elected to receive a share of the State payment, the county payment, or a share of the State payment and the county payment, as applicable.

“(2) DURATION OF ELECTION.—

“(A) IN GENERAL.—A county election to receive a share of the 25-percent payment or 50-percent payment, as applicable, shall be effective for 2 fiscal years.
“(B) Full Funding Amount.—If a county elects to receive a share of the State payment or the county payment, the election shall be effective for all subsequent fiscal years through fiscal year 2011.

“(3) Source of Payment Amounts.—The payment to an eligible State or eligible county under this section for a fiscal year shall be derived from—

“(A) any amounts that are appropriated to carry out this Act;

“(B) any revenues, fees, penalties, or miscellaneous receipts, exclusive of deposits to any relevant trust fund, special account, or permanent operating funds, received by the Federal Government from activities by the Bureau of Land Management or the Forest Service on the applicable Federal land; and

“(C) to the extent of any shortfall, out of any amounts in the Treasury of the United States not otherwise appropriated.

“(c) Distribution and Expenditure of Payments.—

“(1) Distribution Method.—A State that receives a payment under subsection (a) for Federal land described in section 3(7)(A) shall distribute the
appropriate payment amount among the appropriate counties in the State in accordance with—

“(A) the Act of May 23, 1908 (16 U.S.C. 500); and


“(2) EXPENDITURE PURPOSES.—Subject to subsection (d), payments received by a State under subsection (a) and distributed to counties in accordance with paragraph (1) shall be expended as required by the laws referred to in paragraph (1).

“(d) EXPENDITURE RULES FOR ELIGIBLE COUNTIES.—

“(1) ALLOCATIONS.—

“(A) USE OF PORTION IN SAME MANNER AS 25-PERCENT PAYMENT OR 50-PERCENT PAYMENT, AS APPLICABLE.—Except as provided in paragraph (3)(B), if an eligible county elects to receive its share of the State payment or the county payment, not less than 80 percent, but not more than 85 percent, of the funds shall be expended in the same manner in which the 25-percent payments or 50-percent payment, as applicable, are required to be expended.
“(B) Election as to use of balance.—Except as provided in subparagraph (C), an eligible county shall elect to do 1 or more of the following with the balance of any funds not expended pursuant to subparagraph (A):

“(i) Reserve any portion of the balance for projects in accordance with title II.

“(ii) Reserve not more than 7 percent of the total share for the eligible county of the State payment or the county payment for projects in accordance with title III.

“(iii) Return the portion of the balance not reserved under clauses (i) and (ii) to the Treasury of the United States.

“(C) Counties with modest distributions.—In the case of each eligible county to which more than $100,000, but less than $350,000, is distributed for any fiscal year pursuant to either or both of paragraphs (1)(B) and (2)(B) of subsection (a), the eligible county, with respect to the balance of any funds not expended pursuant to subparagraph (A) for that fiscal year, shall—
“(i) reserve any portion of the balance for—

“(I) carrying out projects under title II;

“(II) carrying out projects under title III; or

“(III) a combination of the purposes described in subclauses (I) and (II); or

“(ii) return the portion of the balance not reserved under clause (i) to the Treasury of the United States.

“(2) DISTRIBUTION OF FUNDS.—

“(A) IN GENERAL.—Funds reserved by an eligible county under subparagraph (B)(i) or (C)(i) of paragraph (1) for carrying out projects under title II shall be deposited in a special account in the Treasury of the United States.

“(B) AVAILABILITY.—Amounts deposited under subparagraph (A) shall—

“(i) be available for expenditure by the Secretary concerned, without further appropriation; and
“(ii) remain available until expended in accordance with title II.

“(3) ELECTION.—

“(A) NOTIFICATION.—

“(i) IN GENERAL.—An eligible county shall notify the Secretary concerned of an election by the eligible county under this subsection not later than September 30 of each fiscal year.

“(ii) FAILURE TO ELECT.—Except as provided in subparagraph (B), if the eligible county fails to make an election by the date specified in clause (i), the eligible county shall—

“(I) be considered to have elected to expend 85 percent of the funds in accordance with paragraph (1)(A); and

“(II) return the balance to the Treasury of the United States.

“(B) COUNTIES WITH MINOR DISTRIBUTIONS.—In the case of each eligible county to which less than $100,000 is distributed for any fiscal year pursuant to either or both of paragraphs (1)(B) and (2)(B) of subsection (a), the
eligible county may elect to expend all the funds
in the same manner in which the 25-percent
payments or 50-percent payments, as applicable, are required to be expended.

“(e) Time for Payment.—The payments required
under this section for a fiscal year shall be made as soon
as practicable after the end of that fiscal year.

“SEC. 103. TRANSITION PAYMENTS TO STATES.

“(a) Definitions.—In this section:

“(1) Adjusted Amount.—The term ‘adjusted
amount’ means, with respect to a covered State—

“(A) for fiscal year 2008, 90 percent of—

“(i) the sum of the amounts paid for
fiscal year 2006 under section 102(a)(2)
(as in effect on September 29, 2006) for
the eligible counties in the covered State
that have elected under section 102(b) to
receive a share of the State payment for
fiscal year 2008; and

“(ii) the sum of the amounts paid for
fiscal year 2006 under section 103(a)(2)
(as in effect on September 29, 2006) for
the eligible counties in the State of Oregon
that have elected under section 102(b) to
receive the county payment for fiscal year 2008;

“(B) for fiscal year 2009, 76 percent of—

“(i) the sum of the amounts paid for fiscal year 2006 under section 102(a)(2) (as in effect on September 29, 2006) for the eligible counties in the covered State that have elected under section 102(b) to receive a share of the State payment for fiscal year 2009; and

“(ii) the sum of the amounts paid for fiscal year 2006 under section 103(a)(2) (as in effect on September 29, 2006) for the eligible counties in the State of Oregon that have elected under section 102(b) to receive the county payment for fiscal year 2009; and

“(C) for fiscal year 2010, 65 percent of—

“(i) the sum of the amounts paid for fiscal year 2006 under section 102(a)(2) (as in effect on September 29, 2006) for the eligible counties in the covered State that have elected under section 102(b) to receive a share of the State payment for fiscal year 2010; and
“(ii) the sum of the amounts paid for fiscal year 2006 under section 103(a)(2) (as in effect on September 29, 2006) for the eligible counties in the State of Oregon that have elected under section 102(b) to receive the county payment for fiscal year 2010.

“(2) Covered State.—The term ‘covered State’ means each of the States of California, Louisiana, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, and Washington.

“(b) Transition Payments.—For each of fiscal years 2008 through 2010, in lieu of the payment amounts that otherwise would have been made under paragraphs (1)(B) and (2)(B) of section 102(a), the Secretary of the Treasury shall pay the adjusted amount to each covered State and the eligible counties within the covered State, as applicable.

“(c) Distribution of Adjusted Amount.—Except as provided in subsection (d), it is the intent of Congress that the method of distributing the payments under subsection (b) among the counties in the covered States for each of fiscal years 2008 through 2010 be in the same proportion that the payments were distributed to the eligible counties in fiscal year 2006.
“(d) DISTRIBUTION OF PAYMENTS IN CALIFORNIA.—The following payments shall be distributed among the eligible counties in the State of California in the same proportion that payments under section 102(a)(2) (as in effect on September 29, 2006) were distributed to the eligible counties for fiscal year 2006:

“(1) Payments to the State of California under subsection (b).

“(2) The shares of the eligible counties of the State payment for California under section 102 for fiscal year 2011.

“(e) TREATMENT OF PAYMENTS.—For purposes of this Act, any payment made under subsection (b) shall be considered to be a payment made under section 102(a).

“TITLE II—SPECIAL PROJECTS ON FEDERAL LAND

“SEC. 201. DEFINITIONS.

“In this title:

“(1) PARTICIPATING COUNTY.—The term ‘participating county’ means an eligible county that elects under section 102(d) to expend a portion of the Federal funds received under section 102 in accordance with this title.

“(2) PROJECT FUNDS.—The term ‘project funds’ means all funds an eligible county elects
under section 102(d) to reserve for expenditure in accordance with this title.

“(3) Resource advisory committee.—The term ‘resource advisory committee’ means—

“(A) an advisory committee established by the Secretary concerned under section 205; or

“(B) an advisory committee determined by the Secretary concerned to meet the requirements of section 205.

“(4) Resource management plan.—The term ‘resource management plan’ means—

“(A) a land use plan prepared by the Bureau of Land Management for units of the Federal land described in section 3(7)(B) pursuant to section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712); or

“(B) a land and resource management plan prepared by the Forest Service for units of the National Forest System pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604).
“SEC. 202. GENERAL LIMITATION ON USE OF PROJECT FUNDS.

“(a) LIMITATION.—Project funds shall be expended solely on projects that meet the requirements of this title.

“(b) AUTHORIZED USES.—Project funds may be used by the Secretary concerned for the purpose of entering into and implementing cooperative agreements with willing Federal agencies, State and local governments, private and nonprofit entities, and landowners for protection, restoration, and enhancement of fish and wildlife habitat, and other resource objectives consistent with the purposes of this Act on Federal land and on non-Federal land where projects would benefit the resources on Federal land.

“SEC. 203. SUBMISSION OF PROJECT PROPOSALS.

“(a) SUBMISSION OF PROJECT PROPOSALS TO SECRETARY CONCERNED.—

“(1) PROJECTS FUNDED USING PROJECT FUNDS.—Not later than September 30 for fiscal year 2008, and each September 30 thereafter for each succeeding fiscal year through fiscal year 2011, each resource advisory committee shall submit to the Secretary concerned a description of any projects that the resource advisory committee proposes the Secretary undertake using any project funds reserved by eligible counties in the area in which the
resource advisory committee has geographic jurisdiction.

“(2) PROJECTS FUNDED USING OTHER FUNDS.—A resource advisory committee may submit to the Secretary concerned a description of any projects that the committee proposes the Secretary undertake using funds from State or local governments, or from the private sector, other than project funds and funds appropriated and otherwise available to do similar work.

“(3) JOINT PROJECTS.—Participating counties or other persons may propose to pool project funds or other funds, described in paragraph (2), and jointly propose a project or group of projects to a resource advisory committee established under section 205.

“(b) REQUIRED DESCRIPTION OF PROJECTS.—In submitting proposed projects to the Secretary concerned under subsection (a), a resource advisory committee shall include in the description of each proposed project the following information:

“(1) The purpose of the project and a description of how the project will meet the purposes of this title.

“(2) The anticipated duration of the project.
“(3) The anticipated cost of the project.

“(4) The proposed source of funding for the project, whether project funds or other funds.

“(5)(A) Expected outcomes, including how the project will meet or exceed desired ecological conditions, maintenance objectives, or stewardship objectives.

“(B) An estimate of the amount of any timber, forage, and other commodities and other economic activity, including jobs generated, if any, anticipated as part of the project.

“(6) A detailed monitoring plan, including funding needs and sources, that—

“(A) tracks and identifies the positive or negative impacts of the project, implementation, and provides for validation monitoring; and

“(B) includes an assessment of the following:

“(i) Whether or not the project met or exceeded desired ecological conditions; created local employment or training opportunities, including summer youth jobs programs such as the Youth Conservation Corps where appropriate.
“(ii) Whether the project improved the use of, or added value to, any products removed from land consistent with the purposes of this title.

“(7) An assessment that the project is to be in the public interest.

“(c) Authorized Projects.—Projects proposed under subsection (a) shall be consistent with section 2.

“SEC. 204. EVALUATION AND APPROVAL OF PROJECTS BY SECRETARY CONCERNED.

“(a) Conditions for Approval of Proposed Project.—The Secretary concerned may make a decision to approve a project submitted by a resource advisory committee under section 203 only if the proposed project satisfies each of the following conditions:

“(1) The project complies with all applicable Federal laws (including regulations).

“(2) The project is consistent with the applicable resource management plan and with any watershed or subsequent plan developed pursuant to the resource management plan and approved by the Secretary concerned.

“(3) The project has been approved by the resource advisory committee in accordance with sec-
tion 205, including the procedures issued under sub-
section (e) of that section.

“(4) A project description has been submitted
by the resource advisory committee to the Secretary
concerned in accordance with section 203.

“(5) The project will improve the maintenance
of existing infrastructure, implement stewardship ob-
jectives that enhance forest ecosystems, and restore
and improve land health and water quality.

“(b) ENVIRONMENTAL REVIEWS.—

“(1) Request for payment by county.—
The Secretary concerned may request the resource
advisory committee submitting a proposed project to
agree to the use of project funds to pay for any envi-
ronmental review, consultation, or compliance with
applicable environmental laws required in connection
with the project.

“(2) Conduct of environmental review.—
If a payment is requested under paragraph (1) and
the resource advisory committee agrees to the ex-
penditure of funds for this purpose, the Secretary
concerned shall conduct environmental review, con-
sultation, or other compliance responsibilities in ac-
cordance with Federal laws (including regulations).

“(3) Effect of refusal to pay.—
“(A) IN GENERAL.—If a resource advisory committee does not agree to the expenditure of funds under paragraph (1), the project shall be deemed withdrawn from further consideration by the Secretary concerned pursuant to this title.

“(B) EFFECT OF WITHDRAWAL.—A withdrawal under subparagraph (A) shall be deemed to be a rejection of the project for purposes of section 207(c).

“(c) DECISIONS OF SECRETARY CONCERNED.—

“(1) REJECTION OF PROJECTS.—

“(A) IN GENERAL.—A decision by the Secretary concerned to reject a proposed project shall be at the sole discretion of the Secretary concerned.

“(B) NO ADMINISTRATIVE APPEAL OR JUDICIAL REVIEW.—Notwithstanding any other provision of law, a decision by the Secretary concerned to reject a proposed project shall not be subject to administrative appeal or judicial review.

“(C) NOTICE OF REJECTION.—Not later than 30 days after the date on which the Secretary concerned makes the rejection decision,
the Secretary concerned shall notify in writing
the resource advisory committee that submitted
the proposed project of the rejection and the
reasons for rejection.

“(2) Notice of Project Approval.—The
Secretary concerned shall publish in the Federal
Register notice of each project approved under sub-
section (a) if the notice would be required had the
project originated with the Secretary.

“(d) Source and Conduct of Project.—Once the
Secretary concerned accepts a project for review under
section 203, the acceptance shall be deemed a Federal ac-
tion for all purposes.

“(e) Implementation of Approved Projects.—
“(1) Cooperation.—Notwithstanding chapter
63 of title 31, United States Code, using project
funds the Secretary concerned may enter into con-
tracts, grants, and cooperative agreements with
States and local governments, private and nonprofit
entities, and landowners and other persons to assist
the Secretary in carrying out an approved project.

“(2) Best Value Contracting.—
“(A) In General.—For any project in-
volving a contract authorized by paragraph (1)
the Secretary concerned may elect a source for
performance of the contract on a best value basis.

“(B) FACTORS.—The Secretary concerned shall determine best value based on such factors as—

“(i) the technical demands and complexity of the work to be done;

“(ii)(I) the ecological objectives of the project; and

“(II) the sensitivity of the resources being treated;

“(iii) the past experience by the contractor with the type of work being done, using the type of equipment proposed for the project, and meeting or exceeding desired ecological conditions; and

“(iv) the commitment of the contractor to hiring highly qualified workers and local residents.

“(3) MERCHANTABLE TIMBER CONTRACTING PILOT PROGRAM.—

“(A) ESTABLISHMENT.—The Secretary concerned shall establish a pilot program to implement a certain percentage of approved
projects involving the sale of merchantable timber using separate contracts for—

“(i) the harvesting or collection of merchantable timber; and

“(ii) the sale of the timber.

“(B) ANNUAL PERCENTAGES.—Under the pilot program, the Secretary concerned shall ensure that, on a nationwide basis, not less than the following percentage of all approved projects involving the sale of merchantable timber are implemented using separate contracts:

“(i) For fiscal year 2008, 35 percent.
“(ii) For fiscal year 2009, 45 percent.
“(iii) For each of fiscal years 2010 and 2011, 50 percent.

“(C) INCLUSION IN PILOT PROGRAM.—The decision whether to use separate contracts to implement a project involving the sale of merchantable timber shall be made by the Secretary concerned after the approval of the project under this title.

“(D) ASSISTANCE.—

“(i) IN GENERAL.—The Secretary concerned may use funds from any appropriated account available to the Secretary
for the Federal land to assist in the administration of projects conducted under the pilot program.

“(ii) **MAXIMUM AMOUNT OF ASSISTANCE.**—The total amount obligated under this subparagraph may not exceed $1,000,000 for any fiscal year during which the pilot program is in effect.

“(E) **REVIEW AND REPORT.**—

“(i) **INITIAL REPORT.**—Not later than September 30, 2010, the Comptroller General shall submit to the Committees on Agriculture, Nutrition, and Forestry and Energy and Natural Resources of the Senate and the Committees on Agriculture and Natural Resources of the House of Representatives a report assessing the pilot program.

“(ii) **ANNUAL REPORT.**—The Secretary concerned shall submit to the Committees on Agriculture, Nutrition, and Forestry and Energy and Natural Resources of the Senate and the Committees on Agriculture and Natural Resources of the
House of Representatives an annual report describing the results of the pilot program.

“(f) REQUIREMENTS FOR PROJECT FUNDS.—The Secretary shall ensure that at least 50 percent of all project funds be used for projects that are primarily dedicated—

“(1) to road maintenance, decommissioning, or obliteration; or

“(2) to restoration of streams and watersheds.

“SEC. 205. RESOURCE ADVISORY COMMITTEES.

“(a) ESTABLISHMENT AND PURPOSE OF RESOURCE ADVISORY COMMITTEES.—

“(1) ESTABLISHMENT.—The Secretary concerned shall establish and maintain resource advisory committees to perform the duties in subsection (b), except as provided in paragraph (4).

“(2) PURPOSE.—The purpose of a resource advisory committee shall be—

“(A) to improve collaborative relationships; and

“(B) to provide advice and recommendations to the land management agencies consistent with the purposes of this title.

“(3) ACCESS TO RESOURCE ADVISORY COMMITTEES.—To ensure that each unit of Federal land
has access to a resource advisory committee, and
that there is sufficient interest in participation on a
committee to ensure that membership can be bal-
anced in terms of the points of view represented and
the functions to be performed, the Secretary con-
cerned may, establish resource advisory committees
for part of, or 1 or more, units of Federal land.

“(4) EXISTING ADVISORY COMMITTEES.—

“(A) IN GENERAL.—An advisory com-
mittee that meets the requirements of this sec-
tion, a resource advisory committee established
before September 29, 2006, or an advisory com-
mittee determined by the Secretary concerned
before September 29, 2006, to meet the re-
quirements of this section may be deemed by
the Secretary concerned to be a resource advi-
sory committee for the purposes of this title.

“(B) CHARTER.—A charter for a com-
mittee described in subparagraph (A) that was
filed on or before September 29, 2006, shall be
considered to be filed for purposes of this Act.

“(C) BUREAU OF LAND MANAGEMENT ADV-
VISORY COMMITTEES.—The Secretary of the In-
terior may deem a resource advisory committee
meeting the requirements of subpart 1784 of
part 1780 of title 43, Code of Federal Regulations, as a resource advisory committee for the purposes of this title.

“(b) DUTIES.—A resource advisory committee shall—

“(1) review projects proposed under this title by participating counties and other persons;

“(2) propose projects and funding to the Secretary concerned under section 203;

“(3) provide early and continuous coordination with appropriate land management agency officials in recommending projects consistent with purposes of this Act under this title;

“(4) provide frequent opportunities for citizens, organizations, tribes, land management agencies, and other interested parties to participate openly and meaningfully, beginning at the early stages of the project development process under this title;

“(5)(A) monitor projects that have been approved under section 204; and

“(B) advise the designated Federal official on the progress of the monitoring efforts under sub-paragraph (A); and

“(6) make recommendations to the Secretary concerned for any appropriate changes or adjust-
ments to the projects being monitored by the re-
source advisory committee.

“(c) APPOINTMENT BY THE SECRETARY.—

“(1) APPOINTMENT AND TERM.—

“(A) IN GENERAL.—The Secretary con-
cerned, shall appoint the members of resource
advisory committees for a term of 4 years be-
ginning on the date of appointment.

“(B) REAPPOINTMENT.—The Secretary
concerned may reappoint members to subse-
quent 4-year terms.

“(2) BASIC REQUIREMENTS.—The Secretary
concerned shall ensure that each resource advisory
committee established meets the requirements of
subsection (d).

“(3) INITIAL APPOINTMENT.—Not later than
180 days after the date of the enactment of this Act,
the Secretary concerned shall make initial appoint-
ments to the resource advisory committees.

“(4) VACANCIES.—The Secretary concerned
shall make appointments to fill vacancies on any re-
source advisory committee as soon as practicable
after the vacancy has occurred.
“(5) Compensation.—Members of the resource advisory committees shall not receive any compensation.

“(d) Composition of Advisory Committee.—

“(1) Number.—Each resource advisory committee shall be comprised of 15 members.

“(2) Community interests represented.—Committee members shall be representative of the interests of the following 3 categories:

“(A) 5 persons that—

“(i) represent organized labor or non-timber forest product harvester groups;

“(ii) represent developed outdoor recreation, off highway vehicle users, or commercial recreation activities;

“(iii) represent—

“(I) energy and mineral development interests; or

“(II) commercial or recreational fishing interests;

“(iv) represent the commercial timber industry; or

“(v) hold Federal grazing or other land use permits, or represent nonindus-
trial private forest land owners, within the area for which the committee is organized.

“(B) 5 persons that represent—

“(i) nationally recognized environmental organizations;

“(ii) regionally or locally recognized environmental organizations;

“(iii) dispersed recreational activities;

“(iv) archaeological and historical interests; or

“(v) nationally or regionally recognized wild horse and burro interest groups, wildlife or hunting organizations, or watershed associations.

“(C) 5 persons that—

“(i) hold State elected office (or a designee);

“(ii) hold county or local elected office;

“(iii) represent American Indian tribes within or adjacent to the area for which the committee is organized;

“(iv) are school officials or teachers; or
“(v) represent the affected public at large.

“(3) BALANCED REPRESENTATION.—In appointing committee members from the 3 categories in paragraph (2), the Secretary concerned shall provide for balanced and broad representation from within each category.

“(4) GEOGRAPHIC DISTRIBUTION.—The members of a resource advisory committee shall reside within the State in which the committee has jurisdiction and, to extent practicable, the Secretary concerned shall ensure local representation in each category in paragraph (2).

“(5) CHAIRPERSON.—A majority on each resource advisory committee shall select the chairperson of the committee.

“(e) APPROVAL PROCEDURES.—

“(1) IN GENERAL.—Subject to paragraph (3), each resource advisory committee shall establish procedures for proposing projects to the Secretary concerned under this title.

“(2) QUORUM.—A quorum must be present to constitute an official meeting of the committee.

“(3) APPROVAL BY MAJORITY OF MEMBERS.— A project may be proposed by a resource advisory
committee to the Secretary concerned under section 203(a), if the project has been approved by a majority of members of the committee from each of the 3 categories in subsection (d)(2).

“(f) Other Committee Authorities and Requirements.—

“(1) Staff Assistance.—A resource advisory committee may submit to the Secretary concerned a request for periodic staff assistance from Federal employees under the jurisdiction of the Secretary.

“(2) Meetings.—All meetings of a resource advisory committee shall be announced at least 1 week in advance in a local newspaper of record and shall be open to the public.

“(3) Records.—A resource advisory committee shall maintain records of the meetings of the committee and make the records available for public inspection.

“SEC. 206. USE OF PROJECT FUNDS.

“(a) Agreement Regarding Schedule and Cost of Project.—

“(1) Agreement Between Parties.—The Secretary concerned may carry out a project submitted by a resource advisory committee under section 203(a) using project funds or other funds de-
scribed in section 203(a)(2), if, as soon as prac-
ticable after the issuance of a decision document for
the project and the exhaustion of all administrative
appeals and judicial review of the project decision,
the Secretary concerned and the resource advisory
committee enter into an agreement addressing, at a
minimum, the following:

“(A) The schedule for completing the
project.

“(B) The total cost of the project, includ-
ing the level of agency overhead to be assessed
against the project.

“(C) For a multiyear project, the esti-
mated cost of the project for each of the fiscal
years in which it will be carried out.

“(D) The remedies for failure of the Sec-
retary concerned to comply with the terms of
the agreement consistent with current Federal
law.

“(2) LIMITED USE OF FEDERAL FUNDS.—The
Secretary concerned may decide, at the sole discre-
tion of the Secretary concerned, to cover the costs
of a portion of an approved project using Federal
funds appropriated or otherwise available to the Sec-
retary for the same purposes as the project.
“(b) Transfer of Project Funds.—

“(1) Initial Transfer Required.—As soon as practicable after the agreement is reached under subsection (a) with regard to a project to be funded in whole or in part using project funds, or other funds described in section 203(a)(2), the Secretary concerned shall transfer to the applicable unit of National Forest System land or Bureau of Land Management District an amount of project funds equal to—

“(A) in the case of a project to be completed in a single fiscal year, the total amount specified in the agreement to be paid using project funds, or other funds described in section 203(a)(2); or

“(B) in the case of a multiyear project, the amount specified in the agreement to be paid using project funds, or other funds described in section 203(a)(2) for the first fiscal year.

“(2) Condition on Project Commencement.—The unit of National Forest System land or Bureau of Land Management District concerned, shall not commence a project until the project funds, or other funds described in section 203(a)(2) required to be transferred under paragraph (1) for the
project, have been made available by the Secretary concerned.

“(3) Subsequent Transfers for Multiyear Projects.—

“(A) In General.—For the second and subsequent fiscal years of a multiyear project to be funded in whole or in part using project funds, the unit of National Forest System land or Bureau of Land Management District concerned shall use the amount of project funds required to continue the project in that fiscal year according to the agreement entered into under subsection (a).

“(B) Suspension of Work.—The Secretary concerned shall suspend work on the project if the project funds required by the agreement in the second and subsequent fiscal years are not available.

“Sec. 207. Availability of Project Funds.

“(a) Submission of Proposed Projects to Obligate Funds.—By September 30 of each fiscal year through fiscal year 2011, a resource advisory committee shall submit to the Secretary concerned pursuant to section 203(a)(1) a sufficient number of project proposals that, if approved, would result in the obligation of at least
the full amount of the project funds reserved by the participating county in the preceding fiscal year.

"(b) Use or Transfer of Unobligated Funds.—Subject to section 208, if a resource advisory committee fails to comply with subsection (a) for a fiscal year, any project funds reserved by the participating county in the preceding fiscal year and remaining unobligated shall be available for use as part of the project submissions in the next fiscal year.

"(c) Effect of Rejection of Projects.—Subject to section 208, any project funds reserved by a participating county in the preceding fiscal year that are unobligated at the end of a fiscal year because the Secretary concerned has rejected one or more proposed projects shall be available for use as part of the project submissions in the next fiscal year.

"(d) Effect of Court Orders.—

"(1) In general.—If an approved project under this Act is enjoined or prohibited by a Federal court, the Secretary concerned shall return the unobligated project funds related to the project to the participating county or counties that reserved the funds.

"(2) Expenditure of Funds.—The returned funds shall be available for the county to expend in
the same manner as the funds reserved by the coun-
yty under subparagraph (B) or (C)(i) of section
102(d)(1).

“SEC. 208. TERMINATION OF AUTHORITY.

“(a) IN GENERAL.—The authority to initiate projects
under this title shall terminate on September 30, 2011.
“(b) DEPOSITS IN TREASURY.—Any project funds
not obligated by September 30, 2012, shall be deposited
in the Treasury of the United States.

“TITLE III—COUNTY FUNDS

“SEC. 301. DEFINITIONS.

“In this title:

“(1) COUNTY FUNDS.—The term ‘county funds’
means all funds an eligible county elects under sec-
tion 102(d) to reserve for expenditure in accordance
with this title.

“(2) PARTICIPATING COUNTY.—The term ‘par-
ticipating county’ means an eligible county that
elects under section 102(d) to expend a portion of
the Federal funds received under section 102 in ac-
cordance with this title.

“SEC. 302. USE.

“(a) AUTHORIZED USES.—A participating county,
including any applicable agencies of the participating
county, shall use county funds, in accordance with this
title, only—

“(1) to carry out activities under the Firewise
Communities program to provide to homeowners in
fire-sensitive ecosystems education on, and assist-
ance with implementing, techniques in home siting,
home construction, and home landscaping that can
increase the protection of people and property from
wildfires;

“(2) to reimburse the participating county for
search and rescue and other emergency services, in-
cluding firefighting, that are—

“(A) performed on Federal land after the
date on which the use was approved under sub-
section (b);

“(B) paid for by the participating county;
and

“(3) to develop community wildfire protection
plans in coordination with the appropriate Secretary
concerned.

“(b) PROPOSALS.—A participating county shall use
county funds for a use described in subsection (a) only
after a 45-day public comment period, at the beginning
of which the participating county shall—
“(1) publish in any publications of local record a proposal that describes the proposed use of the county funds; and

“(2) submit the proposal to any resource advisory committee established under section 205 for the participating county.

“SEC. 303. CERTIFICATION.

“(a) IN GENERAL.—Not later than February 1 of the year after the year in which any county funds were expended by a participating county, the appropriate official of the participating county shall submit to the Secretary concerned a certification that the county funds expended in the applicable year have been used for the uses authorized under section 302(a), including a description of the amounts expended and the uses for which the amounts were expended.

“(b) REVIEW.—The Secretary concerned shall review the certifications submitted under subsection (a) as the Secretary concerned determines to be appropriate.

“SEC. 304. TERMINATION OF AUTHORITY.

“(a) IN GENERAL.—The authority to initiate projects under this title terminates on September 30, 2011.

“(b) AVAILABILITY.—Any county funds not obligated by September 30, 2012, shall be returned to the Treasury of the United States.
“TITLE IV—MISCELLANEOUS PROVISIONS

“SEC. 401. REGULATIONS.
“The Secretary of Agriculture and the Secretary of the Interior shall issue regulations to carry out the purposes of this Act.

“SEC. 402. AUTHORIZATION OF APPROPRIATIONS.
“There are authorized to be appropriated such sums as are necessary to carry out this Act for each of fiscal years 2008 through 2011.

“SEC. 403. TREATMENT OF FUNDS AND REVENUES.
“(a) Relation to Other Appropriations.—Funds made available under section 402 and funds made available to a Secretary concerned under section 206 shall be in addition to any other annual appropriations for the Forest Service and the Bureau of Land Management.

“(b) Deposit of Revenues and Other Funds.—All revenues generated from projects pursuant to title II, including any interest accrued from the revenues, shall be deposited in the Treasury of the United States.”.

(b) Forest Receipt Payments to Eligible States and Counties.—

(1) Act of May 23, 1908.—The sixth paragraph under the heading “FOREST SERVICE” in the Act of May 23, 1908 (16 U.S.C. 500) is amended in the
first sentence by striking “twenty-five percentum”
and all that follows through “shall be paid” and inser-
ting the following: “an amount equal to the an-
nual average of 25 percent of all amounts received
for the applicable fiscal year and each of the pre-
ceeding 6 fiscal years from each national forest shall
be paid”.

(2)  **Weeks Law.**—Section 13 of the Act of
March 1, 1911 (commonly known as the “Weeks
Law”) (16 U.S.C. 500) is amended in the first sen-
tence by striking “twenty-five percentum” and all
that follows through “shall be paid” and inserting
the following: “an amount equal to the annual aver-
age of 25 percent of all amounts received for the ap-
plicable fiscal year and each of the preceding 6 fiscal
years from each national forest shall be paid”.

(c)  **Payments in Lieu of Taxes.**—

(1)  **In General.**—Section 6906 of title 31,
United States Code, is amended to read as follows:

“§ 6906. Funding

“For each of fiscal years 2008 through 2012—

“(1) each county or other eligible unit of local
government shall be entitled to payment under this
chapter; and
“(2) sums shall be made available to the Secretary of the Interior for obligation or expenditure in accordance with this chapter.”.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 69 of title 31, United States Code, is amended by striking the item relating to section 6906 and inserting the following:

“6906. Funding.”.

(3) BUDGET SCOREKEEPING.—

(A) IN GENERAL.—Notwithstanding the Budget Scorekeeping Guidelines and the accompanying list of programs and accounts set forth in the joint explanatory statement of the committee of conference accompanying Conference Report 105–217, the section in this title regarding Payments in Lieu of Taxes shall be treated in the baseline for purposes of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002), and by the Chairmen of the House and Senate Budget Committees, as appropriate, for purposes of budget enforcement in the House and Senate, and under the Congressional Budget Act of 1974 as if Payment in Lieu of Taxes (14–1114–0–1–806) were an account designated as Appropriated

(B) Effective date.—This paragraph shall remain in effect for the fiscal years to which the entitlement in section 6906 of title 31, United States Code (as amended by paragraph (1)), applies.

SEC. 1002. TRANSFER OF INTEREST EARNED BY ABANDONED MINE RECLAMATION FUND.

Subparagraph (C) of section 402(i)(1) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232(i)(1)) is amended by striking “and $9,000,000 on October 1, 2009” and inserting “$9,000,000 on October 1, 2009, and $9,000,000 on October 1, 2010”.

TITLE XI—SPENDING REDUCTIONS AND APPROPRIATE REVENUE RAISERS FOR NEW TAX RELIEF POLICY

SEC. 1101. RESERVED.