

H. R. 1

One Hundred Nineteenth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Friday,
the third day of January, two thousand and twenty-five*

An Act

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

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Table of contents.

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Subtitle A—Nutrition

- Sec. 10101. Re-evaluation of thrifty food plan.
- Sec. 10102. Modifications to SNAP work requirements for able-bodied adults.
- Sec. 10103. Availability of standard utility allowances based on receipt of energy assistance.
- Sec. 10104. Restrictions on internet expenses.
- Sec. 10105. Matching funds requirements.
- Sec. 10106. Administrative cost sharing.
- Sec. 10107. National education and obesity prevention grant program.
- Sec. 10108. Alien SNAP eligibility.

Subtitle B—Forestry

- Sec. 10201. Rescission of amounts for forestry.

Subtitle C—Commodities

- Sec. 10301. Effective reference price; reference price.
- Sec. 10302. Base acres.
- Sec. 10303. Producer election.
- Sec. 10304. Price loss coverage.
- Sec. 10305. Agriculture risk coverage.
- Sec. 10306. Equitable treatment of certain entities.
- Sec. 10307. Payment limitations.
- Sec. 10308. Adjusted gross income limitation.
- Sec. 10309. Marketing loans.
- Sec. 10310. Repayment of marketing loans.
- Sec. 10311. Economic adjustment assistance for textile mills.
- Sec. 10312. Sugar program updates.
- Sec. 10313. Dairy policy updates.
- Sec. 10314. Implementation.

Subtitle D—Disaster Assistance Programs

- Sec. 10401. Supplemental agricultural disaster assistance.

Subtitle E—Crop Insurance

- Sec. 10501. Beginning farmer and rancher benefit.
- Sec. 10502. Area-based crop insurance coverage and affordability.
- Sec. 10503. Administrative and operating expense adjustments.
- Sec. 10504. Premium support.
- Sec. 10505. Program compliance and integrity.
- Sec. 10506. Reviews, compliance, and integrity.
- Sec. 10507. Poultry insurance pilot program.

Subtitle F—Additional Investments in Rural America

- Sec. 10601. Conservation.

H. R. 1—2

Sec. 10602. Supplemental agricultural trade promotion program.
Sec. 10603. Nutrition.
Sec. 10604. Research.
Sec. 10605. Energy.
Sec. 10606. Horticulture.
Sec. 10607. Miscellaneous.

TITLE II—COMMITTEE ON ARMED SERVICES

Sec. 20001. Enhancement of Department of Defense resources for improving the quality of life for military personnel.
Sec. 20002. Enhancement of Department of Defense resources for shipbuilding.
Sec. 20003. Enhancement of Department of Defense resources for integrated air and missile defense.
Sec. 20004. Enhancement of Department of Defense resources for munitions and defense supply chain resiliency.
Sec. 20005. Enhancement of Department of Defense resources for scaling low-cost weapons into production.
Sec. 20006. Enhancement of Department of Defense resources for improving the efficiency and cybersecurity of the Department of Defense.
Sec. 20007. Enhancement of Department of Defense resources for air superiority.
Sec. 20008. Enhancement of resources for nuclear forces.
Sec. 20009. Enhancement of Department of Defense resources to improve capabilities of United States Indo-Pacific Command.
Sec. 20010. Enhancement of Department of Defense resources for improving the readiness of the Department of Defense.
Sec. 20011. Improving Department of Defense border support and counter-drug missions.
Sec. 20012. Department of Defense oversight.
Sec. 20013. Military construction projects authorized.

TITLE III—COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Sec. 30001. Funding cap for the Bureau of Consumer Financial Protection.
Sec. 30002. Rescission of funds for Green and Resilient Retrofit Program for Multifamily Housing.
Sec. 30003. Securities and Exchange Commission Reserve Fund.
Sec. 30004. Appropriations for Defense Production Act.

TITLE IV—COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Sec. 40001. Coast Guard mission readiness.
Sec. 40002. Spectrum auctions.
Sec. 40003. Air traffic control improvements.
Sec. 40004. Space launch and reentry licensing and permitting user fees.
Sec. 40005. Mars missions, Artemis missions, and Moon to Mars program.
Sec. 40006. Corporate average fuel economy civil penalties.
Sec. 40007. Payments for lease of Metropolitan Washington Airports.
Sec. 40008. Rescission of certain amounts for the National Oceanic and Atmospheric Administration.
Sec. 40009. Reduction in annual transfers to Travel Promotion Fund.
Sec. 40010. Treatment of unobligated funds for alternative fuel and low-emission aviation technology.
Sec. 40011. Rescission of amounts appropriated to Public Wireless Supply Chain Innovation Fund.

TITLE V—COMMITTEE ON ENERGY AND NATURAL RESOURCES

Subtitle A—Oil and Gas Leasing

Sec. 50101. Onshore oil and gas leasing.
Sec. 50102. Offshore oil and gas leasing.
Sec. 50103. Royalties on extracted methane.
Sec. 50104. Alaska oil and gas leasing.
Sec. 50105. National Petroleum Reserve—Alaska.

Subtitle B—Mining

Sec. 50201. Coal leasing.
Sec. 50202. Coal royalty.
Sec. 50203. Leases for known recoverable coal resources.
Sec. 50204. Authorization to mine Federal coal.

Subtitle C—Lands

Sec. 50301. Timber sales and long-term contracting for the Forest Service and the Bureau of Land Management.

H. R. 1—3

- Sec. 50302. Renewable energy fees on Federal land.
- Sec. 50303. Renewable energy revenue sharing.
- Sec. 50304. Rescission of National Park Service and Bureau of Land Management funds.
- Sec. 50305. Celebrating America’s 250th anniversary.

Subtitle D—Energy

- Sec. 50401. Strategic Petroleum Reserve.
- Sec. 50402. Repeals; rescissions.
- Sec. 50403. Energy dominance financing.
- Sec. 50404. Transformational artificial intelligence models.

Subtitle E—Water

- Sec. 50501. Water conveyance and surface water storage enhancement.

TITLE VI—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

- Sec. 60001. Rescission of funding for clean heavy-duty vehicles.
- Sec. 60002. Repeal of Greenhouse Gas Reduction Fund.
- Sec. 60003. Rescission of funding for diesel emissions reductions.
- Sec. 60004. Rescission of funding to address air pollution.
- Sec. 60005. Rescission of funding to address air pollution at schools.
- Sec. 60006. Rescission of funding for the low emissions electricity program.
- Sec. 60007. Rescission of funding for section 211(o) of the Clean Air Act.
- Sec. 60008. Rescission of funding for implementation of the American Innovation and Manufacturing Act.
- Sec. 60009. Rescission of funding for enforcement technology and public information.
- Sec. 60010. Rescission of funding for greenhouse gas corporate reporting.
- Sec. 60011. Rescission of funding for environmental product declaration assistance.
- Sec. 60012. Rescission of funding for methane emissions and waste reduction incentive program for petroleum and natural gas systems.
- Sec. 60013. Rescission of funding for greenhouse gas air pollution plans and implementation grants.
- Sec. 60014. Rescission of funding for environmental protection agency efficient, accurate, and timely reviews.
- Sec. 60015. Rescission of funding for low-embodied carbon labeling for construction materials.
- Sec. 60016. Rescission of funding for environmental and climate justice block grants.
- Sec. 60017. Rescission of funding for ESA recovery plans.
- Sec. 60018. Rescission of funding for environmental and climate data collection.
- Sec. 60019. Rescission of neighborhood access and equity grant program.
- Sec. 60020. Rescission of funding for Federal building assistance.
- Sec. 60021. Rescission of funding for low-carbon materials for Federal buildings.
- Sec. 60022. Rescission of funding for GSA emerging and sustainable technologies.
- Sec. 60023. Rescission of environmental review implementation funds.
- Sec. 60024. Rescission of low-carbon transportation materials grants.
- Sec. 60025. John F. Kennedy Center for the Performing Arts.
- Sec. 60026. Project sponsor opt-in fees for environmental reviews.

TITLE VII—FINANCE

Subtitle A—Tax

- Sec. 70001. References to the Internal Revenue Code of 1986, etc.

CHAPTER 1—PROVIDING PERMANENT TAX RELIEF FOR MIDDLE-CLASS FAMILIES AND WORKERS

- Sec. 70101. Extension and enhancement of reduced rates.
- Sec. 70102. Extension and enhancement of increased standard deduction.
- Sec. 70103. Termination of deduction for personal exemptions other than temporary senior deduction.
- Sec. 70104. Extension and enhancement of increased child tax credit.
- Sec. 70105. Extension and enhancement of deduction for qualified business income.
- Sec. 70106. Extension and enhancement of increased estate and gift tax exemption amounts.
- Sec. 70107. Extension of increased alternative minimum tax exemption amounts and modification of phaseout thresholds.
- Sec. 70108. Extension and modification of limitation on deduction for qualified residence interest.
- Sec. 70109. Extension and modification of limitation on casualty loss deduction.

H. R. 1—4

- Sec. 70110. Termination of miscellaneous itemized deductions other than educator expenses.
- Sec. 70111. Limitation on tax benefit of itemized deductions.
- Sec. 70112. Extension and modification of qualified transportation fringe benefits.
- Sec. 70113. Extension and modification of limitation on deduction and exclusion for moving expenses.
- Sec. 70114. Extension and modification of limitation on wagering losses.
- Sec. 70115. Extension and enhancement of increased limitation on contributions to ABLE accounts.
- Sec. 70116. Extension and enhancement of savers credit allowed for ABLE contributions.
- Sec. 70117. Extension of rollovers from qualified tuition programs to ABLE accounts permitted.
- Sec. 70118. Extension of treatment of certain individuals performing services in the Sinai Peninsula and enhancement to include additional areas.
- Sec. 70119. Extension and modification of exclusion from gross income of student loans discharged on account of death or disability.
- Sec. 70120. Limitation on individual deductions for certain state and local taxes, etc.

CHAPTER 2—DELIVERING ON PRESIDENTIAL PRIORITIES TO PROVIDE NEW MIDDLE-CLASS TAX RELIEF

- Sec. 70201. No tax on tips.
- Sec. 70202. No tax on overtime.
- Sec. 70203. No tax on car loan interest.
- Sec. 70204. Trump accounts and contribution pilot program.

CHAPTER 3—ESTABLISHING CERTAINTY AND COMPETITIVENESS FOR AMERICAN JOB CREATORS

SUBCHAPTER A—PERMANENT U.S. BUSINESS TAX REFORM AND BOOSTING DOMESTIC INVESTMENT

- Sec. 70301. Full expensing for certain business property.
- Sec. 70302. Full expensing of domestic research and experimental expenditures.
- Sec. 70303. Modification of limitation on business interest.
- Sec. 70304. Extension and enhancement of paid family and medical leave credit.
- Sec. 70305. Exceptions from limitations on deduction for business meals.
- Sec. 70306. Increased dollar limitations for expensing of certain depreciable business assets.
- Sec. 70307. Special depreciation allowance for qualified production property.
- Sec. 70308. Enhancement of advanced manufacturing investment credit.
- Sec. 70309. Spaceports are treated like airports under exempt facility bond rules.

SUBCHAPTER B—PERMANENT AMERICA-FIRST INTERNATIONAL TAX REFORMS

PART I—FOREIGN TAX CREDIT

- Sec. 70311. Modifications related to foreign tax credit limitation.
- Sec. 70312. Modifications to determination of deemed paid credit for taxes properly attributable to tested income.
- Sec. 70313. Sourcing certain income from the sale of inventory produced in the United States.

PART II—FOREIGN-DERIVED DEDUCTION ELIGIBLE INCOME AND NET CFC TESTED INCOME

- Sec. 70321. Modification of deduction for foreign-derived deduction eligible income and net CFC tested income.
- Sec. 70322. Determination of deduction eligible income.
- Sec. 70323. Rules related to deemed intangible income.

PART III—BASE EROSION MINIMUM TAX

- Sec. 70331. Extension and modification of base erosion minimum tax amount.

PART IV—BUSINESS INTEREST LIMITATION

- Sec. 70341. Coordination of business interest limitation with interest capitalization provisions.
- Sec. 70342. Definition of adjusted taxable income for business interest limitation.

PART V—OTHER INTERNATIONAL TAX REFORMS

- Sec. 70351. Permanent extension of look-thru rule for related controlled foreign corporations.

H. R. 1—5

- Sec. 70352. Repeal of election for 1-month deferral in determination of taxable year of specified foreign corporations.
- Sec. 70353. Restoration of limitation on downward attribution of stock ownership in applying constructive ownership rules.
- Sec. 70354. Modifications to pro rata share rules.

CHAPTER 4—INVESTING IN AMERICAN FAMILIES, COMMUNITIES, AND SMALL BUSINESSES

SUBCHAPTER A—PERMANENT INVESTMENTS IN FAMILIES AND CHILDREN

- Sec. 70401. Enhancement of employer-provided child care credit.
- Sec. 70402. Enhancement of adoption credit.
- Sec. 70403. Recognizing Indian tribal governments for purposes of determining whether a child has special needs for purposes of the adoption credit.
- Sec. 70404. Enhancement of the dependent care assistance program.
- Sec. 70405. Enhancement of child and dependent care tax credit.

SUBCHAPTER B—PERMANENT INVESTMENTS IN STUDENTS AND REFORMS TO TAX-EXEMPT INSTITUTIONS

- Sec. 70411. Tax credit for contributions of individuals to scholarship granting organizations.
- Sec. 70412. Exclusion for employer payments of student loans.
- Sec. 70413. Additional expenses treated as qualified higher education expenses for purposes of 529 accounts.
- Sec. 70414. Certain postsecondary credentialing expenses treated as qualified higher education expenses for purposes of 529 accounts.
- Sec. 70415. Modification of excise tax on investment income of certain private colleges and universities.
- Sec. 70416. Expanding application of tax on excess compensation within tax-exempt organizations.

SUBCHAPTER C—PERMANENT INVESTMENTS IN COMMUNITY DEVELOPMENT

- Sec. 70421. Permanent renewal and enhancement of opportunity zones.
- Sec. 70422. Permanent enhancement of low-income housing tax credit.
- Sec. 70423. Permanent extension of new markets tax credit.
- Sec. 70424. Permanent and expanded reinstatement of partial deduction for charitable contributions of individuals who do not elect to itemize.
- Sec. 70425. 0.5 percent floor on deduction of contributions made by individuals.
- Sec. 70426. 1-percent floor on deduction of charitable contributions made by corporations.
- Sec. 70427. Permanent increase in limitation on cover over of tax on distilled spirits.
- Sec. 70428. Nonprofit community development activities in remote native villages.
- Sec. 70429. Adjustment of charitable deduction for certain expenses incurred in support of Native Alaskan subsistence whaling.
- Sec. 70430. Exception to percentage of completion method of accounting for certain residential construction contracts.

SUBCHAPTER D—PERMANENT INVESTMENTS IN SMALL BUSINESS AND RURAL AMERICA

- Sec. 70431. Expansion of qualified small business stock gain exclusion.
- Sec. 70432. Repeal of revision to de minimis rules for third party network transactions.
- Sec. 70433. Increase in threshold for requiring information reporting with respect to certain payees.
- Sec. 70434. Treatment of certain qualified sound recording productions.
- Sec. 70435. Exclusion of interest on loans secured by rural or agricultural real property.
- Sec. 70436. Reduction of transfer and manufacturing taxes for certain devices.
- Sec. 70437. Treatment of capital gains from the sale of certain farmland property.
- Sec. 70438. Extension of rules for treatment of certain disaster-related personal casualty losses.
- Sec. 70439. Restoration of taxable REIT subsidiary asset test.

CHAPTER 5—ENDING GREEN NEW DEAL SPENDING, PROMOTING AMERICA-FIRST ENERGY, AND OTHER REFORMS

SUBCHAPTER A—TERMINATION OF GREEN NEW DEAL SUBSIDIES

- Sec. 70501. Termination of previously-owned clean vehicle credit.
- Sec. 70502. Termination of clean vehicle credit.
- Sec. 70503. Termination of qualified commercial clean vehicles credit.

H. R. 1—6

- Sec. 70504. Termination of alternative fuel vehicle refueling property credit.
- Sec. 70505. Termination of energy efficient home improvement credit.
- Sec. 70506. Termination of residential clean energy credit.
- Sec. 70507. Termination of energy efficient commercial buildings deduction.
- Sec. 70508. Termination of new energy efficient home credit.
- Sec. 70509. Termination of cost recovery for energy property.
- Sec. 70510. Modifications of zero-emission nuclear power production credit.
- Sec. 70511. Termination of clean hydrogen production credit.
- Sec. 70512. Termination and restrictions on clean electricity production credit.
- Sec. 70513. Termination and restrictions on clean electricity investment credit.
- Sec. 70514. Phase-out and restrictions on advanced manufacturing production credit.
- Sec. 70515. Restriction on the extension of advanced energy project credit program.

SUBCHAPTER B—ENHANCEMENT OF AMERICA-FIRST ENERGY POLICY

- Sec. 70521. Extension and modification of clean fuel production credit.
- Sec. 70522. Restrictions on carbon oxide sequestration credit.
- Sec. 70523. Intangible drilling and development costs taken into account for purposes of computing adjusted financial statement income.
- Sec. 70524. Income from hydrogen storage, carbon capture, advanced nuclear, hydropower, and geothermal energy added to qualifying income of certain publicly traded partnerships.
- Sec. 70525. Allow for payments to certain individuals who dye fuel.

SUBCHAPTER C—OTHER REFORMS

- Sec. 70531. Modifications to de minimis entry privilege for commercial shipments.

CHAPTER 6—ENHANCING DEDUCTION AND INCOME TAX CREDIT GUARDRAILS, AND OTHER REFORMS

- Sec. 70601. Modification and extension of limitation on excess business losses of noncorporate taxpayers.
- Sec. 70602. Treatment of payments from partnerships to partners for property or services.
- Sec. 70603. Excessive employee remuneration from controlled group members and allocation of deduction.
- Sec. 70604. Excise tax on certain remittance transfers.
- Sec. 70605. Enforcement provisions with respect to COVID-related employee retention credits.
- Sec. 70606. Social security number requirement for American Opportunity and Lifetime Learning credits.
- Sec. 70607. Task force on the replacement of Direct File.

Subtitle B—Health

CHAPTER 1—MEDICAID

SUBCHAPTER A—REDUCING FRAUD AND IMPROVING ENROLLMENT PROCESSES

- Sec. 71101. Moratorium on implementation of rule relating to eligibility and enrollment in Medicare Savings Programs.
- Sec. 71102. Moratorium on implementation of rule relating to eligibility and enrollment for Medicaid, CHIP, and the Basic Health Program.
- Sec. 71103. Reducing duplicate enrollment under the Medicaid and CHIP programs.
- Sec. 71104. Ensuring deceased individuals do not remain enrolled.
- Sec. 71105. Ensuring deceased providers do not remain enrolled.
- Sec. 71106. Payment reduction related to certain erroneous excess payments under Medicaid.
- Sec. 71107. Eligibility redeterminations.
- Sec. 71108. Revising home equity limit for determining eligibility for long-term care services under the Medicaid program.
- Sec. 71109. Alien Medicaid eligibility.
- Sec. 71110. Expansion FMAP for emergency Medicaid.

SUBCHAPTER B—PREVENTING WASTEFUL SPENDING

- Sec. 71111. Moratorium on implementation of rule relating to staffing standards for long-term care facilities under the Medicare and Medicaid programs.
- Sec. 71112. Reducing State Medicaid costs.
- Sec. 71113. Federal payments to prohibited entities.

SUBCHAPTER C—STOPPING ABUSIVE FINANCING PRACTICES

- Sec. 71114. Sunsetting increased FMAP incentive.

H. R. 1—7

- Sec. 71115. Provider taxes.
- Sec. 71116. State directed payments.
- Sec. 71117. Requirements regarding waiver of uniform tax requirement for Medicaid provider tax.
- Sec. 71118. Requiring budget neutrality for Medicaid demonstration projects under section 1115.

SUBCHAPTER D—INCREASING PERSONAL ACCOUNTABILITY

- Sec. 71119. Requirement for States to establish Medicaid community engagement requirements for certain individuals.
- Sec. 71120. Modifying cost sharing requirements for certain expansion individuals under the Medicaid program.

SUBCHAPTER E—EXPANDING ACCESS TO CARE

- Sec. 71121. Making certain adjustments to coverage of home or community-based services under Medicaid.

CHAPTER 2—MEDICARE

SUBCHAPTER A—STRENGTHENING ELIGIBILITY REQUIREMENTS

- Sec. 71201. Limiting Medicare coverage of certain individuals.

SUBCHAPTER B—IMPROVING SERVICES FOR SENIORS

- Sec. 71202. Temporary payment increase under the medicare physician fee schedule to account for exceptional circumstances.
- Sec. 71203. Expanding and clarifying the exclusion for orphan drugs under the Drug Price Negotiation Program.

CHAPTER 3—HEALTH TAX

SUBCHAPTER A—IMPROVING ELIGIBILITY CRITERIA

- Sec. 71301. Permitting premium tax credit only for certain individuals.
- Sec. 71302. Disallowing premium tax credit during periods of medicaid ineligibility due to alien status.

SUBCHAPTER B—PREVENTING WASTE, FRAUD, AND ABUSE

- Sec. 71303. Requiring verification of eligibility for premium tax credit.
- Sec. 71304. Disallowing premium tax credit in case of certain coverage enrolled in during special enrollment period.
- Sec. 71305. Eliminating limitation on recapture of advance payment of premium tax credit.

SUBCHAPTER C—ENHANCING CHOICE FOR PATIENTS

- Sec. 71306. Permanent extension of safe harbor for absence of deductible for telehealth services.
- Sec. 71307. Allowance of bronze and catastrophic plans in connection with health savings accounts.
- Sec. 71308. Treatment of direct primary care service arrangements.

CHAPTER 4—PROTECTING RURAL HOSPITALS AND PROVIDERS

- Sec. 71401. Rural Health Transformation Program.

Subtitle C—Increase in Debt Limit

- Sec. 72001. Modification of limitation on the public debt.

Subtitle D—Unemployment

- Sec. 73001. Ending unemployment payments to jobless millionaires.

TITLE VIII—COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Subtitle A—Exemption of Certain Assets

- Sec. 80001. Exemption of certain assets.

Subtitle B—Loan Limits

- Sec. 81001. Establishment of loan limits for graduate and professional students and parent borrowers; termination of graduate and professional PLUS loans.

Subtitle C—Loan Repayment

- Sec. 82001. Loan repayment.

H. R. 1—8

Sec. 82002. Deferment; forbearance.
Sec. 82003. Loan rehabilitation.
Sec. 82004. Public service loan forgiveness.
Sec. 82005. Student loan servicing.

Subtitle D—Pell Grants

Sec. 83001. Eligibility.
Sec. 83002. Workforce Pell Grants.
Sec. 83003. Pell shortfall.
Sec. 83004. Federal Pell Grant exclusion relating to other grant aid.

Subtitle E—Accountability

Sec. 84001. Ineligibility based on low earning outcomes.

Subtitle F—Regulatory Relief

Sec. 85001. Delay of rule relating to borrower defense to repayment.
Sec. 85002. Delay of rule relating to closed school discharges.

Subtitle G—Garden of Heroes

Sec. 86001. Garden of Heroes.

Subtitle H—Office of Refugee Resettlement

Sec. 87001. Potential sponsor vetting for unaccompanied alien children appropriation.

TITLE IX—COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Subtitle A—Homeland Security Provisions

Sec. 90001. Border infrastructure and wall system.
Sec. 90002. U.S. Customs and Border Protection personnel, fleet vehicles, and facilities.
Sec. 90003. Detention capacity.
Sec. 90004. Border security, technology, and screening.
Sec. 90005. State and local assistance.
Sec. 90006. Presidential residence protection.
Sec. 90007. Department of Homeland Security appropriations for border support.

Subtitle B—Governmental Affairs Provisions

Sec. 90101. FEHB improvements.
Sec. 90102. Pandemic Response Accountability Committee.
Sec. 90103. Appropriation for the Office of Management and Budget.

TITLE X—COMMITTEE ON THE JUDICIARY

Subtitle A—Immigration and Law Enforcement Matters

PART I—IMMIGRATION FEES

Sec. 100001. Applicability of the immigration laws.
Sec. 100002. Asylum fee.
Sec. 100003. Employment authorization document fees.
Sec. 100004. Immigration parole fee.
Sec. 100005. Special immigrant juvenile fee.
Sec. 100006. Temporary protected status fee.
Sec. 100007. Visa integrity fee.
Sec. 100008. Form I-94 fee.
Sec. 100009. Annual asylum fee.
Sec. 100010. Fee relating to renewal and extension of employment authorization for parolees.
Sec. 100011. Fee relating to renewal or extension of employment authorization for asylum applicants.
Sec. 100012. Fee relating to renewal and extension of employment authorization for aliens granted temporary protected status.
Sec. 100013. Fees relating to applications for adjustment of status.
Sec. 100014. Electronic System for Travel Authorization fee.
Sec. 100015. Electronic Visa Update System fee.
Sec. 100016. Fee for aliens ordered removed in absentia.
Sec. 100017. Inadmissible alien apprehension fee.
Sec. 100018. Amendment to authority to apply for asylum.

PART II—IMMIGRATION AND LAW ENFORCEMENT FUNDING

Sec. 100051. Appropriation for the Department of Homeland Security.

H. R. 1—9

Sec. 100052. Appropriation for U.S. Immigration and Customs Enforcement.
Sec. 100053. Appropriation for Federal Law Enforcement Training Centers.
Sec. 100054. Appropriation for the Department of Justice.
Sec. 100055. Bridging Immigration-related Deficits Experienced Nationwide Reimbursement Fund.
Sec. 100056. Appropriation for the Bureau of Prisons.
Sec. 100057. Appropriation for the United States Secret Service.

Subtitle B—Judiciary Matters

Sec. 100101. Appropriation to the Administrative Office of the United States Courts.
Sec. 100102. Appropriation to the Federal Judicial Center.

Subtitle C—Radiation Exposure Compensation Matters

Sec. 100201. Extension of fund.
Sec. 100202. Claims relating to atmospheric testing.
Sec. 100203. Claims relating to uranium mining.
Sec. 100204. Claims relating to Manhattan Project waste.
Sec. 100205. Limitations on claims.

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Subtitle A—Nutrition

SEC. 10101. RE-EVALUATION OF THRIFTY FOOD PLAN.

(a) IN GENERAL.—Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) is amended by striking subsection (u) and inserting the following:

“(u) THRIFTY FOOD PLAN.—

“(1) IN GENERAL.—The term ‘thrifty food plan’ means the diet required to feed a family of 4 persons consisting of a man and a woman ages 20 through 50, a child ages 6 through 8, and a child ages 9 through 11 using the items and quantities of food described in the report of the Department of Agriculture entitled ‘Thrifty Food Plan, 2021’, and each successor report updated pursuant to this subsection, subject to the conditions that—

“(A) the relevant market baskets of the thrifty food plan shall only be changed pursuant to paragraph (4);

“(B) the cost of the thrifty food plan shall be the basis for uniform allotments for all households, regardless of the actual composition of the household; and

“(C) the cost of the thrifty food plan may only be adjusted in accordance with this subsection.

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

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

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

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

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

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

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

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

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

“(I) For a household of 9 persons or more, an additional 22 percent per person, which additional percentage shall not total more than 200 percent.

“(3) ALLOWABLE COST ADJUSTMENTS.—The Secretary shall—

“(A) make cost adjustments in the thrifty food plan for Hawaii and the urban and rural parts of Alaska to reflect the cost of food in Hawaii and urban and rural Alaska;

“(B) make cost adjustments in the separate thrifty food plans for Guam and the Virgin Islands of the United States to reflect the cost of food in those States, but not to exceed the cost of food in the 50 States and the District of Columbia; and

“(C) on October 1, 2025, and on each October 1 thereafter, adjust the cost of the thrifty food plan to reflect changes in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor, for the most recent 12-month period ending in June.

“(4) RE-EVALUATION OF MARKET BASKETS.—

“(A) RE-EVALUATION.—Not earlier than October 1, 2027, the Secretary may re-evaluate the market baskets of the thrifty food plan based on current food prices, food composition data, consumption patterns, and dietary guidance.

“(B) COST NEUTRALITY.—The Secretary shall not increase the cost of the thrifty food plan based on a re-evaluation under this paragraph.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 16(c)(1)(A)(ii)(II) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c)(1)(A)(ii)(II)) is amended by striking “section 3(u)(4)” and inserting “section 3(u)(3)”.

(2) Section 19(a)(2)(A)(ii) of the Food and Nutrition Act of 2008 (7 U.S.C. 2028(a)(2)(A)(ii)) is amended by striking “section 3(u)(4)” and inserting “section 3(u)(3)”.

(3) Section 27(a)(2) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)(2)) is amended by striking “section 3(u)(4)” each place it appears and inserting “section 3(u)(3)”.

SEC. 10102. MODIFICATIONS TO SNAP WORK REQUIREMENTS FOR ABLE-BODIED ADULTS.

(a) EXCEPTIONS.—Section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o)) is amended by striking paragraph (3) and inserting the following:

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

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

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

“(C) a parent or other member of a household with responsibility for a dependent child under 14 years of age;

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

“(E) a pregnant woman;

“(F) an Indian or an Urban Indian (as such terms are defined in paragraphs (13) and (28) of section 4 of the Indian Health Care Improvement Act); or

- “(G) a California Indian described in section 809(a) of the Indian Health Care Improvement Act.”.
- (b) STANDARDIZING ENFORCEMENT.—Section 6(o)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o)(4)) is amended—
- (1) in subparagraph (A), by striking clause (ii) and inserting the following:
- “(ii) is in a noncontiguous State and has an unemployment rate that is at or above 1.5 times the national unemployment rate.”; and
- (2) by adding at the end the following:
- “(C) DEFINITION OF NONCONTIGUOUS STATE.—
- “(i) IN GENERAL.—In this paragraph, the term ‘noncontiguous State’ means a State that is not 1 of the contiguous 48 States or the District of Columbia.
- “(ii) EXCLUSIONS.—The term ‘noncontiguous State’ does not include Guam or the Virgin Islands of the United States.”.
- (c) WAIVER FOR NONCONTIGUOUS STATES.—Section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o)) is amended—
- (1) by redesignating paragraph (7) as paragraph (8); and
- (2) by inserting after paragraph (6) the following:
- “(7) EXEMPTION FOR NONCONTIGUOUS STATES.—
- “(A) DEFINITION OF NONCONTIGUOUS STATE.—
- “(i) IN GENERAL.—In this paragraph, the term ‘noncontiguous State’ means a State that is not 1 of the contiguous 48 States or the District of Columbia.
- “(ii) EXCLUSIONS.—In this paragraph, the term ‘noncontiguous State’ does not include Guam or the Virgin Islands of the United States.
- “(B) EXEMPTION.—Subject to subparagraph (D), the Secretary may exempt individuals in a noncontiguous State from compliance with the requirements of paragraph (2) if—
- “(i) the State agency submits to the Secretary a request for that exemption, made in such form and at such time as the Secretary may require, and including the information described in subparagraph (C); and
- “(ii) the Secretary determines that based on that request, the State agency is demonstrating a good faith effort to comply with the requirements of paragraph (2).
- “(C) GOOD FAITH EFFORT DETERMINATION.—In determining whether a State agency is demonstrating a good faith effort for purposes of subparagraph (B)(ii), the Secretary shall consider—
- “(i) any actions taken by the State agency toward compliance with the requirements of paragraph (2);
- “(ii) any significant barriers to or challenges in meeting those requirements, including barriers or challenges relating to funding, design, development, procurement, or installation of necessary systems or resources;
- “(iii) the detailed plan and timeline of the State agency for achieving full compliance with those requirements, including any milestones (as defined by the Secretary); and

“(iv) any other criteria determined appropriate by the Secretary.

“(D) DURATION OF EXEMPTION.—

“(i) IN GENERAL.—An exemption granted under subparagraph (B) shall expire not later than December 31, 2028, and may not be renewed beyond that date.

“(ii) EARLY TERMINATION.—The Secretary may terminate an exemption granted under subparagraph (B) prior to the expiration date of that exemption if the Secretary determines that the State agency—

“(I) has failed to comply with the reporting requirements described in subparagraph (E); or

“(II) based on the information provided pursuant to subparagraph (E), failed to make continued good faith efforts toward compliance with the requirements of this subsection.

“(E) REPORTING REQUIREMENTS.—A State agency granted an exemption under subparagraph (B) shall submit to the Secretary—

“(i) quarterly progress reports on the status of the State agency in achieving the milestones toward full compliance described in subparagraph (C)(iii); and

“(ii) information on specific risks or newly identified barriers or challenges to full compliance, including the plan of the State agency to mitigate those risks, barriers, or challenges.”.

SEC. 10103. AVAILABILITY OF STANDARD UTILITY ALLOWANCES BASED ON RECEIPT OF ENERGY ASSISTANCE.

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

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

(1) in subparagraph (A), by inserting “without an elderly or disabled member” before “shall be”; and

(2) in subparagraph (B), by inserting “with an elderly or disabled member” before “under a State law”.

SEC. 10104. RESTRICTIONS ON INTERNET EXPENSES.

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

“(E) RESTRICTIONS ON INTERNET EXPENSES.—Any service fee associated with internet connection shall not be used in computing the excess shelter expense deduction under this paragraph.”.

SEC. 10105. MATCHING FUNDS REQUIREMENTS.

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

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

“(a) PROGRAM.—

“(1) ESTABLISHMENT.—Subject to”; and

(2) by adding at the end the following:

“(2) STATE QUALITY CONTROL INCENTIVE.—

“(A) DEFINITION OF PAYMENT ERROR RATE.—In this paragraph, the term ‘payment error rate’ has the meaning given the term in section 16(c)(2).

“(B) STATE COST SHARE.—

“(i) IN GENERAL.—Subject to clause (iii), beginning in fiscal year 2028, if the payment error rate of a State as determined under clause (ii) is—

“(I) less than 6 percent, the Federal share of the cost of the allotment described in paragraph (1) for that State in a fiscal year shall be 100 percent, and the State share shall be 0 percent;

“(II) equal to or greater than 6 percent but less than 8 percent, the Federal share of the cost of the allotment described in paragraph (1) for that State in a fiscal year shall be 95 percent, and the State share shall be 5 percent;

“(III) equal to or greater than 8 percent but less than 10 percent, the Federal share of the cost of the allotment described in paragraph (1) for that State in a fiscal year shall be 90 percent, and the State share shall be 10 percent; and

“(IV) equal to or greater than 10 percent, the Federal share of the cost of the allotment described in paragraph (1) for that State in a fiscal year shall be 85 percent, and the State share shall be 15 percent.

“(ii) ELECTIONS.—

“(I) FISCAL YEAR 2028.—For fiscal year 2028, to calculate the applicable State share under clause (i), a State may elect to use the payment error rate of the State from fiscal year 2025 or 2026.

“(II) FISCAL YEAR 2029 AND THEREAFTER.—For fiscal year 2029 and each fiscal year thereafter, to calculate the applicable State share under clause (i), the Secretary shall use the payment error rate of the State for the third fiscal year preceding the fiscal year for which the State share is being calculated.

“(iii) DELAYED IMPLEMENTATION.—

“(I) FISCAL YEAR 2025.—If, for fiscal year 2025, the payment error rate of a State multiplied by 1.5 is equal to or above 20 percent, the implementation date under clause (i) for that State shall be fiscal year 2029.

“(II) FISCAL YEAR 2026.—If, for fiscal year 2026, the payment error rate of a State multiplied by 1.5 is equal to or above 20 percent, the implementation date under clause (i) for that State shall be fiscal year 2030.

“(3) MAXIMUM FEDERAL PAYMENT.—The Secretary may not pay towards the cost of an allotment described in paragraph (1) an amount that is greater than the applicable Federal share under paragraph (2).”.

(b) LIMITATION ON AUTHORITY.—Section 13(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2022(a)(1)) is amended in

the first sentence by inserting “or the payment or disposition of a State share under section 4(a)(2)” after “16(c)(1)(D)(i)(II)”.

SEC. 10106. ADMINISTRATIVE COST SHARING.

Section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) is amended in the matter preceding paragraph (1) by striking “agency an amount equal to 50 per centum” and inserting “agency, through fiscal year 2026, 50 percent, and for fiscal year 2027 and each fiscal year thereafter, 25 percent,”.

SEC. 10107. NATIONAL EDUCATION AND OBESITY PREVENTION GRANT PROGRAM.

Section 28(d)(1)(F) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a(d)(1)(F)) is amended by striking “for fiscal year 2016 and each subsequent fiscal year” and inserting “for each of fiscal years 2016 through 2025”.

SEC. 10108. ALIEN SNAP ELIGIBILITY.

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

“(f) No individual who is a member of a household otherwise eligible to participate in the supplemental nutrition assistance program under this section shall be eligible to participate in the supplemental nutrition assistance program as a member of that or any other household unless he or she is—

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

“(2) either—

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

“(B) an alien lawfully admitted for permanent residence as an immigrant as defined by sections 101(a)(15) and 101(a)(20) of the Immigration and Nationality Act, excluding, among others, alien visitors, tourists, diplomats, and students who enter the United States temporarily with no intention of abandoning their residence in a foreign country;

“(C) an alien who has been granted the status of Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96–422); or

“(D) an individual who lawfully resides in the United States in accordance with a Compact of Free Association referred to in section 402(b)(2)(G) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

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

Subtitle B—Forestry

SEC. 10201. RESCISSION OF AMOUNTS FOR FORESTRY.

The unobligated balances of amounts appropriated by the following provisions of Public Law 117–169 are rescinded:

(1) Paragraphs (3) and (4) of section 23001(a) (136 Stat. 2023).

(2) Paragraphs (1) through (4) of section 23002(a) (136 Stat. 2025).

(3) Section 23003(a)(2) (136 Stat. 2026).

(4) Section 23005 (136 Stat. 2027).

Subtitle C—Commodities

SEC. 10301. EFFECTIVE REFERENCE PRICE; REFERENCE PRICE.

(a) EFFECTIVE REFERENCE PRICE.—Section 1111(8)(B)(ii) of the Agricultural Act of 2014 (7 U.S.C. 9011(8)(B)(ii)) is amended by striking “85” and inserting “beginning with the crop year 2025, 88”.

(b) REFERENCE PRICE.—Section 1111 of the Agricultural Act of 2014 (7 U.S.C. 9011) is amended by striking paragraph (19) and inserting the following:

“(19) REFERENCE PRICE.—

“(A) IN GENERAL.—Effective beginning with the 2025 crop year, subject to subparagraphs (B) and (C), the term ‘reference price’, with respect to a covered commodity for a crop year, means the following:

“(i) For wheat, \$6.35 per bushel.

“(ii) For corn, \$4.10 per bushel.

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

“(iv) For barley, \$5.45 per bushel.

“(v) For oats, \$2.65 per bushel.

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

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

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

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

“(x) For peanuts, \$630.00 per ton.

“(xi) For dry peas, \$13.10 per hundredweight.

“(xii) For lentils, \$23.75 per hundredweight.

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

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

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

“(B) EFFECTIVENESS.—Effective beginning with the 2031 crop year, the reference prices defined in subparagraph (A) with respect to a covered commodity shall equal the reference price in the previous crop year multiplied by 1.005.

“(C) LIMITATION.—In no case shall a reference price for a covered commodity exceed 113 percent of the reference price for such covered commodity listed in subparagraph (A).”.

SEC. 10302. BASE ACRES.

Section 1112 of the Agricultural Act of 2014 (7 U.S.C. 9012) is amended—

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

(2) by adding at the end the following:

“(e) ADDITIONAL BASE ACRES.—

“(1) IN GENERAL.—As soon as practicable after the date of enactment of this subsection, and notwithstanding subsection (a), the Secretary shall provide notice to owners of eligible farms pursuant to paragraph (3) and allocate to those eligible farms a total of not more than an additional 30,000,000 base acres in the manner provided in this subsection. An owner of a farm that is eligible to receive an allocation of base acres may elect to not receive that allocation by notifying the Secretary not later than 90 days after receipt of the notice provided by the Secretary under this paragraph.

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

“(A) Information that the allocation is occurring.

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

“(C) Information regarding how an owner may appeal a determination of ineligibility for an allocation of base acres under paragraph (3) through an appeals process established by the Secretary.

“(3) ELIGIBILITY.—

“(A) IN GENERAL.—Subject to subparagraph (D), effective beginning with the 2026 crop year, a farm is eligible to receive an allocation of base acres if, with respect to the farm, the amount described in subparagraph (B) exceeds the amount described in subparagraph (C).

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

“(i) the 5-year average of—

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

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

“(ii) the lesser of—

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

“(II) the 5-year average of—

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

“(bb) any acreage on the farm that the producers were prevented from planting during the 2019 through 2023 crop years to eligible noncovered commodities because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, as determined by the Secretary.

“(C) TOTAL NUMBER OF BASE ACRES FOR COVERED COMMODITIES.—The amount described in this subparagraph, with respect to a farm, is the total number of base acres for covered commodities on the farm (excluding unassigned crop base), as in effect on September 30, 2024.

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

“(E) ACREAGE PLANTED ON THE FARM TO ELIGIBLE NONCOVERED COMMODITIES DEFINED.—In this paragraph, the term ‘acreage planted on the farm to eligible noncovered commodities’ means acreage planted on a farm to commodities other than covered commodities, trees, bushes, vines, grass, or pasture (including cropland that was idle or fallow), as determined by the Secretary.

“(4) NUMBER OF BASE ACRES.—Subject to paragraphs (3) and (8), the number of base acres allocated to an eligible farm shall—

“(A) be equal to the difference obtained by subtracting the amount determined under subparagraph (C) of paragraph (3) from the amount determined under subparagraph (B) of that paragraph; and

“(B) include unassigned crop base.

“(5) ALLOCATION OF ACRES.—

“(A) ALLOCATION.—The Secretary shall allocate the number of base acres under paragraph (4) among those covered commodities planted on the farm at any time during the 2019 through 2023 crop years.

“(B) ALLOCATION FORMULA.—The allocation of additional base acres for covered commodities shall be in proportion to the ratio of—

“(i) the 5-year average of—

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

“(II) any acreage on the farm that the producers were prevented from planting during the 2019 through 2023 crop years to that covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, as determined by the Secretary; to

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

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

“(D) TREATMENT OF MULTIPLE PLANTING OR PREVENTED PLANTING.—For the purpose of determining under subparagraph (B) the acreage on a farm that producers planted or were prevented from planting during the 2019 through 2023 crop years to covered commodities, if the acreage

that was planted or prevented from being planted was devoted to another covered commodity in the same crop year (other than a covered commodity produced under an established practice of double cropping), the owner may elect the covered commodity to be used for that crop year in determining the 5-year average, but may not include both the initial covered commodity and the subsequent covered commodity.

“(E) LIMITATION.—The allocation of additional base acres among covered commodities on a farm under this paragraph may not result in a total number of base acres for the farm in excess of the total number of acres on the farm.

“(6) REDUCTION BY THE SECRETARY.—In carrying out this subsection, if the total number of eligible acres allocated to base acres across all farms in the United States under this subsection would exceed 30,000,000 acres, the Secretary shall apply an across-the-board, pro-rata reduction to the number of eligible acres to ensure the number of allocated base acres under this subsection is equal to 30,000,000 acres.

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

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

“(B) if no such payment yield for the applicable covered commodity exists, a payment yield—

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

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

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

“(A) eligibility under paragraph (3);

“(B) eligible acres under paragraph (4); and

“(C) the allocation of acres under paragraph (5).”.

SEC. 10303. PRODUCER ELECTION.

(a) IN GENERAL.—Section 1115 of the Agricultural Act of 2014 (7 U.S.C. 9015) is amended—

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

(2) in subsection (c)—

(A) in the matter preceding paragraph (1)—

(i) by striking “crop year or” and inserting “crop year,”; and

(ii) by inserting “or the 2026 crop year,” after “2019 crop year,”;

(B) in paragraph (1)—

(i) by striking “crop year or” and inserting “crop year,”; and

(ii) by inserting “or the 2026 crop year,” after “2019 crop year,”; and

(C) in paragraph (2)—

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

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

(iii) by adding at the end the following:

“(C) the same coverage for each covered commodity on the farm for the 2027 through 2031 crop years as was applicable for the 2025 crop year.”; and

(3) by adding at the end the following:

“(i) HIGHER OF PRICE LOSS COVERAGE PAYMENTS AND AGRICULTURE RISK COVERAGE PAYMENTS.—For the 2025 crop year, the Secretary shall, on a covered commodity-by-covered commodity basis, make the higher of price loss coverage payments under section 1116 and agriculture risk coverage county coverage payments under section 1117 to the producers on a farm for the payment acres for each covered commodity on the farm.”.

(b) FEDERAL CROP INSURANCE SUPPLEMENTAL COVERAGE OPTION.—Section 508(c)(4)(C)(iv) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(4)(C)(iv)) is amended by striking “Crops for which the producer has elected under section 1116 of the Agricultural Act of 2014 to receive agriculture risk coverage and acres” and inserting “Acres”.

SEC. 10304. PRICE LOSS COVERAGE.

Section 1116 of the Agricultural Act of 2014 (7 U.S.C. 9016) is amended—

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

(2) in subsection (c)(1)(B)—

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

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

(3) in subsection (d), in the matter preceding paragraph (1), by striking “2025” and inserting “2031”; and

(4) in subsection (g)—

(A) by striking “subparagraph (F) of section 1111(19)” and inserting “paragraph (19)(A)(vi) of section 1111”; and

(B) by striking “2012 through 2016” each place it appears and inserting “2017 through 2021”.

SEC. 10305. AGRICULTURE RISK COVERAGE.

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

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

(2) in subsection (c)—

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

(B) by striking “2023” each place it appears and inserting “2031”; and

(C) in paragraph (4)(B), in the subparagraph heading, by striking “2023” and inserting “2031”;

(3) in subsection (d)(1), by striking subparagraph (B) and inserting the following:

“(B)(i) for each of the 2014 through 2024 crop years, 10 percent of the benchmark revenue for the crop year applicable under subsection (c); and

“(ii) for each of the 2025 through 2031 crop years, 12 percent of the benchmark revenue for the crop year applicable under subsection (c).”; and

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

SEC. 10306. EQUITABLE TREATMENT OF CERTAIN ENTITIES.

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

(1) in subsection (a)—

(A) by redesignating paragraph (5) as paragraph (6); and

(B) by inserting after paragraph (4) the following:

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

“(A) a partnership (within the meaning of subchapter K of chapter 1 of the Internal Revenue Code of 1986);

“(B) an S corporation (as defined in section 1361 of that Code);

“(C) a limited liability company that does not affirmatively elect to be treated as a corporation; and

“(D) a joint venture or general partnership.”;

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

(3) in subsection (d), by striking “subtitle B of title I of the Agricultural Act of 2014 or”.

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

(1) in the clause heading, by striking “JOINT VENTURES AND GENERAL PARTNERSHIPS” and inserting “QUALIFIED PASS-THROUGH ENTITIES”;

(2) by striking “a joint venture or a general partnership” and inserting “a qualified pass-through entity”;

(3) by striking “joint ventures and general partnerships” and inserting “qualified pass-through entities”; and

(4) by striking “the joint venture or general partnership” and inserting “the qualified pass-through entity”.

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

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

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

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

(e) **EXCLUSION FROM AGI CALCULATION.**—Section 1001D(d) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(d)) is amended

by striking “, general partnership, or joint venture” each place it appears.

SEC. 10307. PAYMENT LIMITATIONS.

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

(1) in subsection (b)—

(A) by striking “The” and inserting “Subject to subsection (i), the”; and

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

(2) in subsection (c)—

(A) by striking “The” and inserting “Subject to subsection (i), the”; and

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

and

(3) by adding at the end the following:

“(i) **ADJUSTMENT.**—For the 2025 crop year and each crop year thereafter, the Secretary shall annually adjust the amounts described in subsections (b) and (c) for inflation based on the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.”.

SEC. 10308. ADJUSTED GROSS INCOME LIMITATION.

Section 1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)) is amended—

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

(2) by adding at the end the following:

“(4) **EXCEPTION FOR CERTAIN OPERATIONS.**—

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

“(i) **EXCEPTED PAYMENT OR BENEFIT.**—The term ‘excepted payment or benefit’ means—

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

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

“(III) a payment or benefit described in paragraph (2)(C) received on or after October 1, 2024.

“(ii) **FARMING, RANCHING, OR SILVICULTURE ACTIVITIES.**—The term ‘farming, ranching, or silviculture activities’ includes agri-tourism, direct-to-consumer marketing of agricultural products, the sale of agricultural equipment owned by the person or legal entity, and other agriculture-related activities, as determined by the Secretary.

“(B) **EXCEPTION.**—In the case of an excepted payment or benefit, the limitation established by paragraph (1) shall not apply to a person or legal entity during a crop, fiscal, or program year, as appropriate, if greater than or equal to 75 percent of the average gross income of the person or legal entity derives from farming, ranching, or silviculture activities.”.

SEC. 10309. MARKETING LOANS.

(a) AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR LOAN COMMODITIES.—Section 1201(b)(1) of the Agricultural Act of 2014 (7 U.S.C. 9031(b)(1)) is amended by striking “2023” and inserting “2031”.

(b) LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.—Section 1202 of the Agricultural Act of 2014 (7 U.S.C. 9032) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by striking “2023” and inserting “2025”; and

(B) in the matter preceding paragraph (1), by striking “2023” and inserting “2025”;

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(3) by inserting after subsection (b) the following:

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

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

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

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

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

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

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

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

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

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

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

“(11) In the case of other oilseeds, \$11.10 per hundredweight for each of the following kinds of oilseeds:

“(A) Sunflower seed.

“(B) Rapeseed.

“(C) Canola.

“(D) Safflower.

“(E) Flaxseed.

“(F) Mustard seed.

“(G) Crambe.

“(H) Sesame seed.

“(I) Other oilseeds designated by the Secretary.

“(12) In the case of dry peas, \$6.87 per hundredweight.

“(13) In the case of lentils, \$14.30 per hundredweight.

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

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

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

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

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

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

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

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

- (5) in subsection (e) (as so redesignated), in paragraph (1), by striking “\$0.25” and inserting “\$0.30”.
- (c) PAYMENT OF COTTON STORAGE COSTS.—Section 1204(g) of the Agricultural Act of 2014 (7 U.S.C. 9034(g)) is amended—
- (1) by striking “Effective” and inserting the following:
“(1) CROP YEARS 2014 THROUGH 2025.—Effective”;
- (2) in paragraph (1) (as so designated), by striking “2023” and inserting “2025”; and
- (3) by adding at the end the following:
“(2) PAYMENT OF COTTON STORAGE COSTS.—Effective for each of the 2026 through 2031 crop years, the Secretary shall make cotton storage payments for upland cotton and extra long staple cotton available in the same manner as the Secretary provided storage payments for the 2006 crop of upland cotton, except that the payment rate shall be equal to the lesser of—
- “(A) the submitted storage charge for the current marketing year; and
- “(B) in the case of storage in—
- “(i) California or Arizona, a payment rate of \$4.90; and
- “(ii) any other State, a payment rate of \$3.00.”.
- (d) LOAN DEFICIENCY PAYMENTS.—
- (1) CONTINUATION.—Section 1205(a)(2)(B) of the Agricultural Act of 2014 (7 U.S.C. 9035(a)(2)(B)) is amended by striking “2023” and inserting “2031”.
- (2) PAYMENTS IN LIEU OF LDPS.—Section 1206 of the Agricultural Act of 2014 (7 U.S.C. 9036) is amended, in subsections (a) and (d), by striking “2023” each place it appears and inserting “2031”.
- (e) SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.—Section 1208(a) of the Agricultural Act of 2014 (7 U.S.C. 9038(a)) is amended, in the matter preceding paragraph (1), by striking “2026” and inserting “2032”.
- (f) AVAILABILITY OF RECOURSE LOANS.—Section 1209 of the Agricultural Act of 2014 (7 U.S.C. 9039) is amended, in subsections (a)(2), (b), and (c), by striking “2023” each place it appears and inserting “2031”.

SEC. 10310. REPAYMENT OF MARKETING LOANS.

Section 1204 of the Agricultural Act of 2014 (7 U.S.C. 9034) is amended—

- (1) in subsection (b)—
- (A) by redesignating paragraph (1) as subparagraph (A) and indenting appropriately;
- (B) in the matter preceding subparagraph (A) (as so redesignated), by striking “The Secretary” and inserting the following:
“(1) IN GENERAL.—The Secretary”; and
- (C) by striking paragraph (2) and inserting the following:
“(B)(i) in the case of long grain rice and medium grain rice, the prevailing world market price for the commodity, as determined and adjusted by the Secretary in accordance with this section; or

“(ii) in the case of upland cotton, the prevailing world market price for the commodity, as determined and adjusted by the Secretary in accordance with this section.

“(2) REFUND FOR UPLAND COTTON.—In the case of a repayment for a marketing assistance loan for upland cotton at a rate described in paragraph (1)(B)(ii), the Secretary shall provide to the producer a refund (if any) in an amount equal to the difference between the lowest prevailing world market price, as determined and adjusted by the Secretary in accordance with this section, during the 30-day period following the date on which the producer repays the marketing assistance loan and the repayment rate.”;

(2) in subsection (c)—

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

(B) by striking “at the loan rate” and inserting the following: “at a rate that is the lesser of—“

“(1) the loan rate”; and

(C) by adding at the end the following:

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

(3) in subsection (d)—

(A) in paragraph (1), by striking “and medium grain rice” and inserting “medium grain rice, and extra long staple cotton”;

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

(C) in the matter preceding subparagraph (A) (as so redesignated), by striking “For purposes” and inserting the following:

“(1) IN GENERAL.—For purposes”; and

(D) by adding at the end the following:

“(2) UPLAND COTTON.—In the case of upland cotton, for any period when price quotations for Middling (M) $1\frac{3}{32}$ -inch cotton are available, the formula under paragraph (1)(A) shall be based on the average of the 3 lowest-priced growths that are quoted.”; and

(4) in subsection (e)—

(A) in the subsection heading, by inserting “EXTRA LONG STAPLE COTTON,” after “UPLAND COTTON,”;

(B) in paragraph (2)—

(i) in the paragraph heading, by inserting “UPLAND” before “COTTON”; and

(ii) in subparagraph (B), in the matter preceding clause (i), by striking “2024” and inserting “2032”;

(C) by redesignating paragraph (3) as paragraph (4);

and

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

“(3) EXTRA LONG STAPLE COTTON.—The prevailing world market price for extra long staple cotton determined under subsection (d)—

“(A) shall be adjusted to United States quality and location, with the adjustment to include the average costs to market the commodity, including average transportation costs, as determined by the Secretary; and

“(B) may be further adjusted, during the period beginning on the date of enactment of the Act entitled ‘An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14’ (119th Congress) and ending on July 31, 2032, if the Secretary determines the adjustment is necessary—

- “(i) to minimize potential loan forfeitures;
- “(ii) to minimize the accumulation of stocks of extra long staple cotton by the Federal Government;
- “(iii) to ensure that extra long staple cotton produced in the United States can be marketed freely and competitively; and
- “(iv) to ensure an appropriate transition between current-crop and forward-crop price quotations, except that the Secretary may use forward-crop price quotations prior to July 31 of a marketing year only if—
 - “(I) there are insufficient current-crop price quotations; and
 - “(II) the forward-crop price quotation is the lowest such quotation available.”.

SEC. 10311. ECONOMIC ADJUSTMENT ASSISTANCE FOR TEXTILE MILLS.

Section 1207(c) of the Agricultural Act of 2014 (7 U.S.C. 9037(c)) is amended by striking paragraph (2) and inserting the following:

- “(2) VALUE OF ASSISTANCE.—The value of the assistance provided under paragraph (1) shall be—
 - “(A) for the period beginning on August 1, 2013, and ending on July 31, 2025, 3 cents per pound; and
 - “(B) beginning on August 1, 2025, 5 cents per pound.”.

SEC. 10312. SUGAR PROGRAM UPDATES.

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

- (1) in subsection (a)—
 - (A) in paragraph (4), by striking “and” at the end;
 - (B) in paragraph (5), by striking “2023 crop years.” and inserting “2024 crop years; and”; and
 - (C) by adding at the end the following:
 - “(6) 24.00 cents per pound for raw cane sugar for each of the 2025 through 2031 crop years.”;
- (2) in subsection (b)—
 - (A) in paragraph (1), by striking “and” at the end;
 - (B) in paragraph (2), by striking “2023 crop years.” and inserting “2024 crop years; and”; and
 - (C) by adding at the end the following:
 - “(3) a rate that is equal to 136.55 percent of the loan rate per pound of raw cane sugar under subsection (a)(6) for each of the 2025 through 2031 crop years.”; and

(3) in subsection (i), by striking “2023” and inserting “2031”.
 (b) ADJUSTMENTS TO COMMODITY CREDIT CORPORATION STORAGE RATES.—Section 167 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7287) is amended—

- (1) by striking subsection (a) and inserting the following:
 - “(a) IN GENERAL.—For the 2025 crop year and each subsequent crop year, the Commodity Credit Corporation shall establish rates

for the storage of forfeited sugar in an amount that is not less than—

“(1) in the case of refined sugar, 34 cents per hundred-weight per month; and

“(2) in the case of raw cane sugar, 27 cents per hundred-weight per month.”; and

(2) in subsection (b)—

(A) in the subsection heading, by striking “SUBSEQUENT” and inserting “PRIOR”; and

(B) by striking “and subsequent” and inserting “through 2024”.

(c) MODERNIZING BEET SUGAR ALLOTMENTS.—

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

(2) ALLOCATION TO PROCESSORS.—Section 359c(g)(2) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc(g)(2)) is amended—

(A) by striking “In the case” and inserting the following:

“(A) IN GENERAL.—Except as provided in subparagraph

(B), in the case”; and

(B) by adding at the end the following:

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

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

(A) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and indenting appropriately;

(B) in the matter preceding clause (i) (as so redesignated), by striking “If the Secretary” and inserting the following:

“(A) IN GENERAL.—If the Secretary”; and

(C) by adding at the end the following:

“(B) TIMING.—In carrying out subparagraph (A), the Secretary shall—

“(i) make an initial determination based on the World Agricultural Supply and Demand Estimates approved by the World Agricultural Outlook Board for January that shall be applicable to the crop year for which allotments are required; and

“(ii) provide for an initial reassignment under subparagraph (A)(i) not later than 30 days after the date on which the World Agricultural Supply and Demand Estimates described in clause (i) is released.”.

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

“(c) REALLOCATION.—

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

“(A) determine which countries do not intend to fulfill their allocation for the quota year; and

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

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

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

“(A) the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, signed December 19, 2014, is terminated; and

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

“(d) REFINED SUGAR.—

“(1) DEFINITION OF DOMESTIC SUGAR INDUSTRY.—In this subsection, the term ‘domestic sugar industry’ means domestic—

“(A) sugar beet producers and processors;

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

“(C) refiners of raw cane sugar.

“(2) STUDY REQUIRED.—

“(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall conduct a study on whether the establishment of additional terms and conditions with respect to refined sugar imports is necessary and appropriate.

“(B) ELEMENTS.—In conducting the study under subparagraph (A), the Secretary shall examine the following:

“(i) The need for—

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

“(II) establishing a standard for color- or reflectance-based units for refined sugar such as those utilized by the International Commission of Uniform Methods of Sugar Analysis;

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

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

“(V) requiring evidence that sugar imported as refined sugar will not undergo further refining in the United States;

“(VI) prescribing appropriate terms and conditions to avoid unlawful sugar imports; and

“(VII) establishing other definitions, terms and conditions, or other requirements.

“(ii) The potential impact of modifications described in each of subclauses (I) through (VII) of clause (i) on the domestic sugar industry.

“(iii) Whether, based on the needs described in clause (i) and the impact described in clause (ii), the

establishment of additional terms and conditions is appropriate.

“(C) CONSULTATION.—In conducting the study under subparagraph (A), the Secretary shall consult with representatives of the domestic sugar industry and users of refined sugar.

“(D) REPORT.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the findings of the study conducted under subparagraph (A).

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

“(A) IN GENERAL.—Based on the findings in the report submitted under paragraph (2)(D), and after providing notice to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Secretary may issue regulations in accordance with subparagraph (B) to establish additional terms and conditions with respect to refined sugar imports that are necessary and appropriate.

“(B) PROMULGATION OF REGULATIONS.—The Secretary may issue regulations under subparagraph (A) if the regulations—

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

“(ii) are consistent with the requirements of this part, section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272), and obligations under international trade agreements that have been approved by Congress.”.

(e) CLARIFICATION OF TARIFF-RATE QUOTA ADJUSTMENTS.—Section 359k(b)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359kk(b)(1)) is amended, in the matter preceding subparagraph (A), by striking “if there is an” and inserting “for the sole purpose of responding directly to an”.

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

SEC. 10313. DAIRY POLICY UPDATES.

(a) DAIRY MARGIN COVERAGE PRODUCTION HISTORY.—

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

(2) PRODUCTION HISTORY OF PARTICIPATING DAIRY OPERATIONS.—Section 1405 of the Agricultural Act of 2014 (7 U.S.C. 9055) is amended by striking subsections (a) and (b) and inserting the following:

“(a) PRODUCTION HISTORY.—Except as provided in subsection (b), the production history of a dairy operation for dairy margin coverage is equal to the highest annual milk marketings of the participating dairy operation during any 1 of the 2021, 2022, or 2023 calendar years.

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

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

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

(b) DAIRY MARGIN COVERAGE PAYMENTS.—Section 1406(a)(1)(C) of the Agricultural Act of 2014 (7 U.S.C. 9056(a)(1)(C)) is amended by striking “5,000,000” each place it appears and inserting “6,000,000”.

(c) PREMIUMS FOR DAIRY MARGINS.—

(1) TIER I.—Section 1407(b) of the Agricultural Act of 2014 (7 U.S.C. 9057(b)) is amended—

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

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

(2) TIER II.—Section 1407(c) of the Agricultural Act of 2014 (7 U.S.C. 9057(c)) is amended—

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

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

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

(A) in paragraph (1)—

(i) by striking “2019 through 2023” and inserting “2026 through 2031”; and

(ii) by striking “January 2019” and inserting “January 2026”; and

(B) in paragraph (2), by striking “2023” each place it appears and inserting “2031”.

(d) DURATION.—Section 1409 of the Agricultural Act of 2014 (7 U.S.C. 9059) is amended by striking “2025” and inserting “2031”.

SEC. 10314. IMPLEMENTATION.

Section 1614(c) of the Agricultural Act of 2014 (7 U.S.C. 9097(c)) is amended by adding at the end the following:

“(5) FURTHER FUNDING.—The Secretary shall make available to carry out subtitle C of title I of the Act entitled ‘An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14’ (119th Congress) and the amendments made by that subtitle \$50,000,000, to remain available until expended, of which—

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

“(B) \$3,000,000 shall be used for activities described in paragraph (3)(A);

“(C) \$3,000,000 shall be used for activities described in paragraph (3)(B);

“(D) \$9,000,000 shall be used—

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

“(ii) to publish the results of such surveys biennially; and

“(E) \$1,000,000 shall be used to conduct the study under subsection (d) of section 359k of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359kk).”.

Subtitle D—Disaster Assistance Programs

SEC. 10401. SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE.

(a) LIVESTOCK INDEMNITY PAYMENTS.—Section 1501(b) of the Agricultural Act of 2014 (7 U.S.C. 9081(b)) is amended—

(1) by striking paragraph (2) and inserting the following:

“(2) PAYMENT RATES.—

“(A) LOSSES DUE TO PREDATION.—Indemnity payments to an eligible producer on a farm under paragraph (1)(A) shall be made at a rate of 100 percent of the market value of the affected livestock on the applicable date, as determined by the Secretary.

“(B) LOSSES DUE TO ADVERSE WEATHER OR DISEASE.—Indemnity payments to an eligible producer on a farm under subparagraph (B) or (C) of paragraph (1) shall be made at a rate of 75 percent of the market value of the affected livestock on the applicable date, as determined by the Secretary.

“(C) DETERMINATION OF MARKET VALUE.—In determining the market value described in subparagraphs (A) and (B), the Secretary may consider the ability of eligible producers to document regional price premiums for affected livestock that exceed the national average market price for those livestock.

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

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

or

“(ii) the day before the date of the event that caused the harm to the livestock that resulted in a reduced sale price.”; and

(2) by adding at the end the following:

“(5) ADDITIONAL PAYMENT FOR UNBORN LIVESTOCK.—

“(A) IN GENERAL.—In the case of unborn livestock death losses incurred on or after January 1, 2024, the Secretary shall make an additional payment to eligible producers on farms that have incurred such losses in excess of the normal mortality due to a condition specified in paragraph (1).

“(B) PAYMENT RATE.—Additional payments under subparagraph (A) shall be made at a rate—

“(i) determined by the Secretary; and

“(ii) less than or equal to 85 percent of the payment rate established with respect to the lowest weight class of the livestock, as determined by the Secretary, acting through the Administrator of the Farm Service Agency.

“(C) PAYMENT AMOUNT.—The amount of a payment to an eligible producer that has incurred unborn livestock death losses shall be equal to the payment rate determined under subparagraph (B) multiplied, in the case of livestock described in—

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

“(ii) subparagraph (D) of such subsection, by 2;

“(iii) subparagraph (E) of such subsection, by 12;

and

“(iv) subparagraph (G) of such subsection, by the average number of birthed animals (for one gestation cycle) for the species of each such livestock, as determined by the Secretary.

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

(b) LIVESTOCK FORAGE DISASTER PROGRAM.—Section 1501(c)(3)(D)(ii)(I) of the Agricultural Act of 2014 (7 U.S.C. 9081(c)(3)(D)(ii)(I)) is amended—

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

(2) by striking “county for at least 8 consecutive” and inserting the following: “county for not less than— “

“(aa) 4 consecutive weeks during the normal grazing period for the county, as determined by the Secretary, shall be eligible to receive assistance under this paragraph in an amount equal to 1 monthly payment using the monthly payment rate determined under subparagraph (B); or

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

(c) EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEY BEES, AND FARM-RAISED FISH.—

(1) IN GENERAL.—Section 1501(d) of the Agricultural Act of 2014 (7 U.S.C. 9081(d)) is amended by adding at the end the following:

“(5) ASSISTANCE FOR LOSSES DUE TO BIRD DEPREDAATION.—

“(A) DEFINITION OF FARM-RAISED FISH.—In this paragraph, the term ‘farm-raised fish’ means fish propagated and reared in a controlled fresh water environment.

“(B) PAYMENTS.—Eligible producers of farm-raised fish, including fish grown as food for human consumption, shall be eligible to receive payments under this subsection to aid in the reduction of losses due to piscivorous birds.

“(C) PAYMENT RATE.—

“(i) IN GENERAL.—The payment rate for payments under subparagraph (B) shall be determined by the Secretary, taking into account—

“(I) costs associated with the deterrence of piscivorous birds;

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

“(III) costs associated with disease loss from bird depredation.

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

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

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

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

(2) EMERGENCY ASSISTANCE FOR HONEYBEES.—In determining honeybee colony losses eligible for assistance under section 1501(d) of the Agricultural Act of 2014 (7 U.S.C. 9081(d)), the Secretary shall utilize a normal mortality rate of 15 percent.

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

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

(2) in paragraph (3)—

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

(B) in subparagraph (B)—

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

(ii) by striking “15 percent damage or mortality (adjusted for normal tree damage and mortality)” and inserting “normal tree damage or mortality”.

Subtitle E—Crop Insurance

SEC. 10501. BEGINNING FARMER AND RANCHER BENEFIT.

(a) DEFINITIONS.—

(1) IN GENERAL.—Section 502(b)(3) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)(3)) is amended by striking “5” and inserting “10”.

(2) CONFORMING AMENDMENT.—Section 522(c)(7) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)(7)) is amended by striking subparagraph (F).

(b) INCREASE IN ASSISTANCE.—Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by adding at the end the following:

“(9) ADDITIONAL SUPPORT.—

“(A) IN GENERAL.—In addition to any other provision of this subsection (except paragraph (2)(A)) regarding payment of a portion of premiums, a beginning farmer or rancher shall receive additional premium assistance that is the number of percentage points specified in subparagraph (B) greater than the premium assistance that would otherwise be available for the applicable policy, plan of

insurance, and coverage level selected by the beginning farmer or rancher.

“(B) PERCENTAGE POINTS ADJUSTMENTS.—The percentage points referred to in subparagraph (A) are the following:

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

“(ii) For the third reinsurance year that a beginning farmer or rancher participates as a beginning farmer or rancher in the applicable policy or plan of insurance, 3 percentage points.

“(iii) For the fourth reinsurance year that a beginning farmer or rancher participates as a beginning farmer or rancher in the applicable policy or plan of insurance, 1 percentage point.”.

SEC. 10502. AREA-BASED CROP INSURANCE COVERAGE AND AFFORDABILITY.

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

(1) in subparagraph (A), by striking clause (ii) and inserting the following:

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

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

“(II) in the case of individual yield or revenue coverage aggregated across multiple commodities, 90 percent; and

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

(2) in subparagraph (C)—

(A) in clause (ii), by striking “14” and inserting “10”;

and

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

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

SEC. 10503. ADMINISTRATIVE AND OPERATING EXPENSE ADJUSTMENTS.

Section 508(k) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)) is amended by adding at the end the following:

“(10) ADDITIONAL EXPENSES.—

“(A) IN GENERAL.—Beginning with the 2026 reinsurance year, and for each reinsurance year thereafter, in addition to the terms and conditions of the Standard Reinsurance Agreement, to cover additional expenses for loss adjustment procedures, the Corporation shall pay an additional administrative and operating expense subsidy to approved insurance providers for eligible contracts.

“(B) PAYMENT AMOUNT.—In the case of an eligible contract, the payment to an approved insurance provider required under subparagraph (A) shall be the amount equal to 6 percent of the net book premium.

“(C) DEFINITIONS.—In this paragraph:

“(i) ELIGIBLE CONTRACT.—The term ‘eligible contract’—

“(I) means a crop insurance contract entered into by an approved insurance provider in an eligible State; and

“(II) does not include a contract for—

“(aa) catastrophic risk protection under subsection (b);

“(bb) an area-based plan of insurance or similar plan of insurance, as determined by the Corporation; or

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

“(ii) ELIGIBLE STATE.—The term ‘eligible State’ means a State in which, with respect to an insurance year, the loss ratio for eligible contracts is greater than 120 percent of the total net book premium written by all approved insurance providers.

“(11) SPECIALTY CROPS.—

“(A) MINIMUM REIMBURSEMENT.—Beginning with the 2026 reinsurance year, and for each reinsurance year thereafter, the rate of reimbursement to approved insurance providers and agents for administrative and operating expenses with respect to crop insurance contracts covering agricultural commodities described in section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) shall be equal to or greater than the percentage that is the greater of the following:

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

“(ii) The percent of the premium used to define loss ratio that is otherwise applicable for the reinsurance year under the terms of the Standard Reinsurance Agreement in effect for the reinsurance year.

“(B) OTHER CONTRACTS.—In carrying out subparagraph (A), the Corporation shall not reduce, with respect to any reinsurance year, the amount or the rate of reimbursement to approved insurance providers and agents under the Standard Reinsurance Agreement described in clause (ii) of such subparagraph for administrative and operating expenses with respect to contracts covering agricultural commodities that are not subject to such subparagraph.

“(C) ADMINISTRATION.—The requirements of this paragraph and the adjustments made pursuant to this paragraph shall not be considered a renegotiation under paragraph (8)(A).

“(12) A&O INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—Subject to subparagraph (B), beginning with the 2026 reinsurance year, and for each reinsurance year thereafter, the Corporation shall increase the total administrative and operating expense reimbursements otherwise required under the Standard Reinsurance Agreement in effect for the reinsurance year in order to account for inflation, in a manner consistent with the increases

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

“(B) SPECIAL RULE FOR 2026 REINSURANCE YEAR.—The increase under subparagraph (A) for the 2026 reinsurance year shall not exceed the percentage change for the preceding reinsurance year included in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

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

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

“(ii) shall not be considered a renegotiation under paragraph (8)(A).”.

SEC. 10504. PREMIUM SUPPORT.

Section 508(e)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended—

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

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

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

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

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

SEC. 10505. PROGRAM COMPLIANCE AND INTEGRITY.

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

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

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

SEC. 10506. REVIEWS, COMPLIANCE, AND INTEGRITY.

Section 516(b)(2)(C)(i) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)(2)(C)(i)) is amended, in the matter preceding subclause (I), by striking “for each fiscal year” and inserting “for each of fiscal years 2014 through 2025 and \$10,000,000 for fiscal year 2026 and each fiscal year thereafter”.

SEC. 10507. POULTRY INSURANCE PILOT PROGRAM.

Section 523 of the Federal Crop Insurance Act (7 U.S.C. 1523) is amended by adding at the end the following:

“(j) POULTRY INSURANCE PILOT PROGRAM.—

“(1) IN GENERAL.—Notwithstanding subsection (a)(2), the Corporation shall establish a pilot program under which contract poultry growers, including growers of broilers and laying hens, may elect to receive index-based insurance from extreme

weather-related risk resulting in increased utility costs (including costs of natural gas, propane, electricity, water, and other appropriate costs, as determined by the Corporation) associated with poultry production.

“(2) **STAKEHOLDER ENGAGEMENT.**—The Corporation shall engage with poultry industry stakeholders in establishing the pilot program under paragraph (1).

“(3) **LOCATION.**—The pilot program established under paragraph (1) shall be conducted in a sufficient number of counties to provide a comprehensive evaluation of the feasibility, effectiveness, and demand among producers in the top poultry producing States, as determined by the Corporation.

“(4) **APPROVAL OF POLICY OR PLAN.**—Notwithstanding section 508(l), the Board shall approve a policy or plan of insurance based on the pilot program under paragraph (1)—

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

“(B) not later than 2 years after the date of enactment of this subsection.”.

Subtitle F—Additional Investments in Rural America

SEC. 10601. CONSERVATION.

(a) **IN GENERAL.**—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended—

(1) in paragraph (2), by striking subparagraphs (A) through (F) and inserting the following:

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

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

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

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

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

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

(2) in paragraph (3)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- “(1) \$425,000,000 for fiscal year 2026;
- “(2) \$450,000,000 for fiscal year 2027;
- “(3) \$450,000,000 for fiscal year 2028;
- “(4) \$450,000,000 for fiscal year 2029;
- “(5) \$450,000,000 for fiscal year 2030; and
- “(6) \$450,000,000 for fiscal year 2031.”.

(c) GRASSROOTS SOURCE WATER PROTECTION PROGRAM.—Section 1240O(b) of the Food Security Act of 1985 (16 U.S.C. 3839bb–2(b)) is amended—

- (1) in paragraph (1), by striking “2023” and inserting “2031”; and
- (2) in paragraph (3)—
 - (A) in subparagraph (A), by striking “and” at the end;
 - (B) in subparagraph (B), by striking the period at the end and inserting “; and”; and
 - (C) by adding at the end the following:
 - “(C) \$1,000,000 beginning in fiscal year 2026, to remain available until expended.”.

(d) VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.—Section 1240R(f)(1) of the Food Security Act of 1985 (16 U.S.C. 3839bb–5(f)(1)) is amended—

- (1) by striking “2023, and” and inserting “2023,”; and
- (2) by inserting “, and \$70,000,000 for the period of fiscal years 2025 through 2031” before the period at the end.

(e) WATERSHED PROTECTION AND FLOOD PREVENTION.—Section 15 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012a) is amended by striking “\$50,000,000 for fiscal year 2019 and each fiscal year thereafter” and inserting “\$150,000,000 for fiscal year 2026 and each fiscal year thereafter, to remain available until expended”.

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

- (1) by striking “2023 and” and inserting “2023,”; and
- (2) by inserting “, and \$105,000,000 for the period of fiscal years 2025 through 2031” before the period at the end.

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

SEC. 10602. SUPPLEMENTAL AGRICULTURAL TRADE PROMOTION PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture shall carry out a program to encourage the accessibility, development, maintenance, and expansion of commercial export markets for United States agricultural commodities.

(b) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available to carry out this section \$285,000,000 for fiscal year 2027 and each fiscal year thereafter.

SEC. 10603. NUTRITION.

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

SEC. 10604. RESEARCH.

(a) URBAN, INDOOR, AND OTHER EMERGING AGRICULTURAL PRODUCTION RESEARCH, EDUCATION, AND EXTENSION INITIATIVE.—Section 1672E(d)(1)(B) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925g(d)(1)(B)) is amended by striking “fiscal year 2024, to remain available until expended” and inserting “each of fiscal years 2024 through 2031”.

(b) FOUNDATION FOR FOOD AND AGRICULTURE RESEARCH.—Section 7601(g)(1)(A) of the Agricultural Act of 2014 (7 U.S.C. 5939(g)(1)(A)) is amended by adding at the end the following:

“(iv) FURTHER FUNDING.—Not later than 30 days after the date of enactment of this clause, of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the Foundation to carry out this section \$37,000,000, to remain available until expended.”.

(c) SCHOLARSHIPS FOR STUDENTS AT 1890 INSTITUTIONS.—Section 1446(b)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222a(b)(1)) is amended by adding at the end the following:

“(C) FURTHER FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section \$60,000,000 for fiscal year 2026, to remain available until expended.”.

(d) ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.—Section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) is amended—

(1) in subsection (c)(2), by inserting “and subsection (d)” after “paragraph (1)”; and

(2) by adding at the end the following:

“(d) MANDATORY FUNDING.—Subject to subsection (c)(2), of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$8,000,000 for fiscal year 2026, to remain available until expended.”.

(e) SPECIALTY CROP RESEARCH INITIATIVE.—Section 412(k)(1)(B) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632(k)(1)(B)) is amended by striking “section \$80,000,000 for fiscal year 2014” and inserting the following: “section—

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

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

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

(1) in subsection (c), by striking “subsection (a)” and inserting “subsections (a) and (e)”; and

(2) by adding at the end the following:

“(e) MANDATORY FUNDING.—Subject to subsections (b), (c), and (d), of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out the competitive grant program under section 4 \$125,000,000 for fiscal year 2026 and each fiscal year thereafter.”.

SEC. 10605. ENERGY.

Section 9005(g)(1)(F) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8105(g)(1)(F)) is amended by striking “2024” and inserting “2031”.

SEC. 10606. HORTICULTURE.

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

- (1) in paragraph (5), by striking “and” at the end;
- (2) by redesignating paragraph (6) as paragraph (7);
- (3) by inserting after paragraph (5) the following:
“(6) \$75,000,000 for each of fiscal years 2018 through 2025; and”;
- (4) in paragraph (7) (as so redesignated), by striking “\$75,000,000 for fiscal year 2018” and inserting “\$90,000,000 for fiscal year 2026”.

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

- (1) in subparagraph (D), by striking “and” at the end;
- (2) by redesignating subparagraph (E) as subparagraph (F);
- (3) by inserting after subparagraph (D) the following:
“(E) \$85,000,000 for each of fiscal years 2018 through 2025; and”;
- (4) in subparagraph (F) (as so redesignated), by striking “\$85,000,000 for fiscal year 2018” and inserting “\$100,000,000 for fiscal year 2026”.

(c) **ORGANIC PRODUCTION AND MARKET DATA INITIATIVE.**—Section 7407(d)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925c(d)(1)) is amended—

- (1) in subparagraph (B), by striking “and” at the end;
- (2) in subparagraph (C), by striking the period at the end and inserting “; and”;
- (3) by adding at the end the following:
“(D) \$10,000,000 for the period of fiscal years 2026 through 2031.”.

(d) **MODERNIZATION AND IMPROVEMENT OF INTERNATIONAL TRADE TECHNOLOGY SYSTEMS AND DATA COLLECTION.**—Section 2123(c)(4) of the Organic Foods Production Act of 1990 (7 U.S.C. 6522(c)(4)) is amended, in the matter preceding subparagraph (A), by striking “and \$1,000,000 for fiscal year 2024” and inserting “; \$1,000,000 for fiscal years 2024 and 2025, and \$5,000,000 for fiscal year 2026”.

(e) **NATIONAL ORGANIC CERTIFICATION COST-SHARE PROGRAM.**—Section 10606(d)(1)(C) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523(d)(1)(C)) is amended by striking “2024” and inserting “2031”.

(f) **MULTIPLE CROP AND PESTICIDE USE SURVEY.**—Section 10109(c) of the Agriculture Improvement Act of 2018 (Public Law 115–334; 132 Stat. 4907) is amended by adding at the end the following:

- “(3) **FURTHER MANDATORY FUNDING.**—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$5,000,000 for fiscal year 2026, to remain available until expended.”.

SEC. 10607. MISCELLANEOUS.

(a) **ANIMAL DISEASE PREVENTION AND MANAGEMENT.**—Section 10409A(d)(1) of the Animal Health Protection Act (7 U.S.C. 8308a(d)(1)) is amended—

(1) in subparagraph (B)—

(A) in the heading, by striking “SUBSEQUENT FISCAL YEARS” and inserting “FISCAL YEARS 2023 THROUGH 2025”; and

(B) by striking “fiscal year 2023 and each fiscal year thereafter” and inserting “each of fiscal years 2023 through 2025”; and

(2) by adding at the end the following:

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

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

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

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

“(D) SUBSEQUENT FISCAL YEARS.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section \$75,000,000 for fiscal year 2031 and each fiscal year thereafter, of which not less than \$45,000,000 shall be made available for each of those fiscal years to carry out subsection (b).”.

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

(1) by striking “2019, and” and inserting “2019,”; and

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

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

(1) in subsection (b), in the matter preceding paragraph

(1), by striking “2024” and inserting “2031”; and

(2) in subsection (h), by striking “2024” and inserting “2031”.

(d) AGRICULTURE WOOL APPAREL MANUFACTURERS TRUST FUND.—Section 12315 of the Agricultural Act of 2014 (7 U.S.C. 7101 note; Public Law 113–79) is amended by striking “2024” each place it appears and inserting “2031”.

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

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

TITLE II—COMMITTEE ON ARMED SERVICES

SEC. 20001. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR IMPROVING THE QUALITY OF LIFE FOR MILITARY PERSONNEL.

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

(1) \$230,480,000 for restoration and modernization costs under the Marine Corps Barracks 2030 initiative;

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

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

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

(5) \$2,900,000,000 to supplement the basic allowance for housing payable to members of the Army, Air Force, Navy, Marine Corps, and Space Force, notwithstanding section 403 of title 37, United States Code;

(6) \$50,000,000 for bonuses, special pays, and incentive pays for members of the Army, Air Force, Navy, Marine Corps, and Space Force pursuant to titles 10 and 37, United States Code;

(7) \$10,000,000 for the Defense Activity for Non-Traditional Education Support's Online Academic Skills Course program for members of the Army, Air Force, Navy, Marine Corps, and Space Force;

(8) \$100,000,000 for tuition assistance for members of the Army, Air Force, Navy, Marine Corps, and Space Force pursuant to title 10, United States Code;

(9) \$100,000,000 for child care fee assistance for members of the Army, Air Force, Navy, Marine Corps, and Space Force under part II of chapter 88 of title 10, United States Code;

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

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

(12) \$10,000,000 for military spouse professional licensure under section 1784 of title 10, United States Code;

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

(14) \$100,000,000 for the Defense Community Infrastructure Program;

(15) \$100,000,000 for Defense Advanced Research Projects Agency (DARPA) casualty care research; and

(16) \$62,000,000 for modernization of Department of Defense childcare center staffing.

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

(1) IN GENERAL.—During the period beginning on the date of the enactment of this section and ending on September 30, 2029, the Secretary concerned shall apply—

(A) paragraph (1) of subsection (c) of section 2875 of title 10, United States Code, by substituting “60 percent” for “33 ⅓ percent”; and

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

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

(c) TEMPORARY AUTHORITY FOR ACQUISITION OR CONSTRUCTION OF PRIVATIZED MILITARY UNACCOMPANIED HOUSING.—Section 2881a of title 10, United States Code, is amended—

(1) by striking the heading and inserting “**Temporary authority for acquisition or construction of privatized military unaccompanied housing**”;

(2) by striking “Secretary of the Navy” each place it appears and inserting “Secretary concerned”;

(3) by striking “under the pilot projects” each place it appears and inserting “pursuant to this section”;

(4) in subsection (a)—

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

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

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

(6) by redesignating subsection (f) as subsection (e); and

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

(A) by striking “under the pilot programs” and inserting “under this section”; and

(B) by striking “September 30, 2009” and inserting “September 30, 2029”.

SEC. 20002. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR SHIPBUILDING.

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) \$250,000,000 for the expansion of accelerated Training in Defense Manufacturing program;

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

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

(4) \$492,000,000 for next-generation shipbuilding techniques;

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

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

- (7) \$110,000,000 for rolled steel and fabrication facility for shipbuilding industrial base;
- (8) \$400,000,000 for expansion of collaborative campus for naval shipbuilding;
- (9) \$450,000,000 for application of autonomy and artificial intelligence to naval shipbuilding;
- (10) \$500,000,000 for the adoption of advanced manufacturing techniques in the shipbuilding industrial base;
- (11) \$500,000,000 for additional dry-dock capability;
- (12) \$50,000,000 for the expansion of cold spray repair technologies;
- (13) \$450,000,000 for additional maritime industrial workforce development programs;
- (14) \$750,000,000 for additional supplier development across the naval shipbuilding industrial base;
- (15) \$250,000,000 for additional advanced manufacturing processes across the naval shipbuilding industrial base;
- (16) \$4,600,000,000 for a second Virginia-class submarine in fiscal year 2026;
- (17) \$5,400,000,000 for two additional Guided Missile Destroyer (DDG) ships;
- (18) \$160,000,000 for advanced procurement for Landing Ship Medium;
- (19) \$1,803,941,000 for procurement of Landing Ship Medium;
- (20) \$295,000,000 for development of a second Landing Craft Utility shipyard and production of additional Landing Craft Utility;
- (21) \$100,000,000 for advanced procurement for light replenishment oiler program;
- (22) \$600,000,000 for the lease or purchase of new ships through the National Defense Sealift Fund;
- (23) \$2,725,000,000 for the procurement of T-AO oilers;
- (24) \$500,000,000 for cost-to-complete for rescue and salvage ships;
- (25) \$300,000,000 for production of ship-to-shore connectors;
- (26) \$1,470,000,000 for the implementation of a multi-ship amphibious warship contract;
- (27) \$80,000,000 for accelerated development of vertical launch system reloading at sea;
- (28) \$250,000,000 for expansion of Navy corrosion control programs;
- (29) \$159,000,000 for leasing of ships for Marine Corps operations;
- (30) \$1,534,000,000 for expansion of small unmanned surface vessel production;
- (31) \$2,100,000,000 for development, procurement, and integration of purpose-built medium unmanned surface vessels;
- (32) \$1,300,000,000 for expansion of unmanned underwater vehicle production;
- (33) \$188,360,000 for the development and testing of maritime robotic autonomous systems and enabling technologies;
- (34) \$174,000,000 for the development of a Test Resource Management Center robotic autonomous systems proving ground;

- (35) \$250,000,000 for the development, production, and integration of wave-powered unmanned underwater vehicles; and
- (36) \$150,000,000 for retention of inactive reserve fleet ships.

SEC. 20003. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR INTEGRATED AIR AND MISSILE DEFENSE.

(a) **NEXT GENERATION MISSILE DEFENSE TECHNOLOGIES.**—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

- (1) \$250,000,000 for development and testing of directed energy capabilities by the Under Secretary for Research and Engineering;
- (2) \$500,000,000 for national security space launch infrastructure;
- (3) \$2,000,000,000 for air moving target indicator military satellites;
- (4) \$400,000,000 for expansion of Multi-Service Advanced Capability Hypersonic Test Bed program;
- (5) \$5,600,000,000 for development of space-based and boost phase intercept capabilities;
- (6) \$7,200,000,000 for the development, procurement, and integration of military space-based sensors; and
- (7) \$2,550,000,000 for the development, procurement, and integration of military missile defense capabilities.

(b) **LAYERED HOMELAND DEFENSE.**—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

- (1) \$2,200,000,000 for acceleration of hypersonic defense systems;
- (2) \$800,000,000 for accelerated development and deployment of next-generation intercontinental ballistic missile defense systems;
- (3) \$408,000,000 for Army space and strategic missile test range infrastructure restoration and modernization in the United States Indo-Pacific Command area of operations west of the international dateline;
- (4) \$1,975,000,000 for improved ground-based missile defense radars; and
- (5) \$530,000,000 for the design and construction of Missile Defense Agency missile instrumentation range safety ship.

SEC. 20004. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR MUNITIONS AND DEFENSE SUPPLY CHAIN RESILIENCY.

(a) **APPROPRIATIONS.**—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

- (1) \$400,000,000 for the development, production, and integration of Navy and Air Force long-range anti-ship missiles;
- (2) \$380,000,000 for production capacity expansion for Navy and Air Force long-range anti-ship missiles;

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

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

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

(6) \$688,000,000 for the development, production, and integration of long-range multi-service cruise missiles;

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

(8) \$70,000,000 for the development, production, and integration of short-range Navy and Marine Corps anti-ship missiles;

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

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

(11) \$50,000,000 for the mitigation of diminishing manufacturing sources for medium-range air-to-air missiles;

(12) \$250,000,000 for the procurement of medium-range air-to-air missiles;

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

(14) \$50,000,000 for the development of second sources for components of short-range air-to-air missiles;

(15) \$325,000,000 for production capacity improvements for air-launched anti-radiation missiles;

(16) \$50,000,000 for the accelerated development of Army next-generation medium-range anti-ship ballistic missiles;

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

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

(19) \$85,000,000 for the accelerated development of Army long-range ballistic missiles;

(20) \$400,000,000 for the production of heavyweight torpedoes;

(21) \$200,000,000 for the development, procurement, and integration of mass-producible autonomous underwater munitions;

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

(23) \$200,000,000 for the production of lightweight torpedoes;

(24) \$500,000,000 for the development, procurement, and integration of maritime mines;

(25) \$50,000,000 for the development, procurement, and integration of new underwater explosives;

(26) \$55,000,000 for the development, procurement, and integration of lightweight multi-mission torpedoes;

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

(28) \$150,000,000 for the development, procurement, and integration of air-delivered long-range maritime mines;

- (29) \$61,000,000 for the acceleration of Navy expeditionary loitering munitions deployment;
- (30) \$50,000,000 for the acceleration of one-way attack unmanned aerial systems with advanced autonomy;
- (31) \$1,000,000,000 for the expansion of the one-way attack unmanned aerial systems industrial base;
- (32) \$200,000,000 for investments in solid rocket motor industrial base through the Industrial Base Fund established under section 4817 of title 10, United States Code;
- (33) \$400,000,000 for investments in the emerging solid rocket motor industrial base through the Industrial Base Fund established under section 4817 of title 10, United States Code;
- (34) \$42,000,000 for investments in second sources for large-diameter solid rocket motors for hypersonic missiles;
- (35) \$1,000,000,000 for the creation of next-generation automated munitions production factories;
- (36) \$170,000,000 for the development of advanced radar depot for repair, testing, and production of radar and electronic warfare systems;
- (37) \$25,000,000 for the expansion of the Department of Defense industrial base policy analysis workforce;
- (38) \$30,300,000 for the repair of Army missiles;
- (39) \$100,000,000 for the production of small and medium ammunition;
- (40) \$2,000,000,000 for additional activities to improve the United States stockpile of critical minerals through the National Defense Stockpile Transaction Fund, authorized by subchapter III of chapter 5 of title 50, United States Code;
- (41) \$10,000,000 for the expansion of the Department of Defense armaments cooperation workforce;
- (42) \$500,000,000 for the expansion of the Defense Exportability Features program;
- (43) \$350,000,000 for production of Navy long-range air and missile defense interceptors;
- (44) \$93,000,000 for replacement of Navy long-range air and missile defense interceptors;
- (45) \$100,000,000 for development of a second solid rocket motor source for Navy air defense and anti ship missiles;
- (46) \$65,000,000 for expansion of production capacity of Missile Defense Agency long-range anti-ballistic missiles;
- (47) \$225,000,000 for expansion of production capacity for Navy air defense and anti-ship missiles;
- (48) \$103,300,000 for expansion of depot level maintenance facility for Navy long-range air and missile defense interceptors;
- (49) \$18,000,000 for creation of domestic source for guidance section of Navy short-range air defense missiles;
- (50) \$65,000,000 for integration of Army medium-range air and missile defense interceptor with Navy ships;
- (51) \$176,100,000 for production of Army long-range movable missile defense radar;
- (52) \$167,000,000 for accelerated fielding of Army short-range gun-based air and missile defense system;
- (53) \$40,000,000 for development of low-cost alternatives to air and missile defense interceptors;
- (54) \$50,000,000 for acceleration of Army next-generation shoulder-fired air defense system;

(55) \$91,000,000 for production of Army next-generation shoulder-fired air defense system;

(56) \$500,000,000 for development, production, and integration of counter-unmanned aerial systems programs;

(57) \$350,000,000 for development, production, and integration of non-kinetic counter-unmanned aerial systems programs;

(58) \$250,000,000 for development, production, and integration of land-based counter-unmanned aerial systems programs;

(59) \$200,000,000 for development, production, and integration of ship-based counter-unmanned aerial systems programs;

(60) \$400,000,000 for acceleration of hypersonic strike programs;

(61) \$167,000,000 for procurement of additional launchers for Army medium-range air and missile defense interceptors;

(62) \$500,000,000 for expansion of defense advanced manufacturing techniques;

(63) \$1,000,000 for establishment of the Joint Energetics Transition Office;

(64) \$200,000,000 for acceleration of Army medium-range air and missile defense interceptors;

(65) \$150,000,000 for additive manufacturing for propellant;

(66) \$250,000,000 for expansion and acceleration of penetrating munitions production; and

(67) \$50,000,000 for development, procurement, and integration of precision extended-range artillery.

(b) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, \$3,300,000,000 for grants and purchase commitments made pursuant to the Industrial Base Fund established under section 4817 of title 10, United States Code.

(c) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, \$5,000,000,000 for investments in critical minerals supply chains made pursuant to the Industrial Base Fund established under section 4817 of title 10, United States Code.

(d) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Secretary of Defense, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, \$500,000,000 to the “Department of Defense Credit Program Account” to carry out the capital assistance program, including loans, loan guarantees, and technical assistance, established under section 149(e) of title 10, United States Code, for critical minerals and related industries and projects, including related Covered Technology Categories: *Provided, That—*

(1) such amounts are available to subsidize gross obligations for the principal amount of direct loans, and total loan principal, any part of which is to be guaranteed, not to exceed \$100,000,000,000; and

(2) such amounts are available to cover all costs and expenditures as provided under section 149(e)(5)(B) of title 10, United States Code.

**SEC. 20005. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES
FOR SCALING LOW-COST WEAPONS INTO PRODUCTION.**

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

(1) \$25,000,000 for the Office of Strategic Capital Global Technology Scout program;

(2) \$1,400,000,000 for the expansion of the small unmanned aerial system industrial base;

(3) \$400,000,000 for the development and deployment of the Joint Fires Network and associated joint battle management capabilities;

(4) \$400,000,000 for the expansion of advanced command-and-control tools to combatant commands and military departments;

(5) \$100,000,000 for the development of shared secure facilities for the defense industrial base;

(6) \$50,000,000 for the creation of additional Defense Innovation Unit OnRamp Hubs;

(7) \$600,000,000 for the acceleration of Strategic Capabilities Office programs;

(8) \$650,000,000 for the expansion of Mission Capabilities office joint prototyping and experimentation activities for military innovation;

(9) \$500,000,000 for the accelerated development and integration of advanced 5G/6G technologies for military use;

(10) \$25,000,000 for testing of simultaneous transmit and receive technology for military spectrum agility;

(11) \$50,000,000 for the development, procurement, and integration of high-altitude stratospheric balloons for military use;

(12) \$120,000,000 for the development, procurement, and integration of long-endurance unmanned aerial systems for surveillance;

(13) \$40,000,000 for the development, procurement, and integration of alternative positioning and navigation technology to enable military operations in contested electromagnetic environments;

(14) \$750,000,000 for the acceleration of innovative military logistics and energy capability development and deployment;

(15) \$125,000,000 for the acceleration of development of small, portable modular nuclear reactors for military use;

(16) \$1,000,000,000 for the expansion of programs to accelerate the procurement and fielding of innovative technologies;

(17) \$90,000,000 for the development of reusable hypersonic technology for military strikes;

(18) \$2,000,000,000 for the expansion of Defense Innovation Unit scaling of commercial technology for military use;

(19) \$500,000,000 to prevent delays in delivery of attritable autonomous military capabilities;

(20) \$1,500,000,000 for the development, procurement, and integration of low-cost cruise missiles;

(21) \$124,000,000 for improvements to Test Resource Management Center artificial intelligence capabilities;

(22) \$145,000,000 for the development of artificial intelligence to enable one-way attack unmanned aerial systems and naval systems;

(23) \$250,000,000 for the development of the Test Resource Management Center digital test environment;

(24) \$250,000,000 for the advancement of the artificial intelligence ecosystem;

(25) \$250,000,000 for the expansion of Cyber Command artificial intelligence lines of effort;

(26) \$250,000,000 for the acceleration of the Quantum Benchmarking Initiative;

(27) \$1,000,000,000 for the expansion and acceleration of qualification activities and technical data management to enhance competition in defense industrial base;

(28) \$400,000,000 for the expansion of the defense manufacturing technology program;

(29) \$1,685,000,000 for military cryptographic modernization activities;

(30) \$90,000,000 for APEX Accelerators, the Mentor-Protégé Program, and cybersecurity support to small non-traditional contractors;

(31) \$250,000,000 for the development, procurement, and integration of Air Force low-cost counter-air capabilities;

(32) \$10,000,000 for additional Air Force wargaming activities; and

(33) \$20,000,000 for the Office of Strategic Capital workforce.

(b) APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, \$1,000,000,000 to the “Department of Defense Credit Program Account” to carry out the capital assistance program, including loans, loan guarantees, and technical assistance, established under section 149(e) of title 10, United States Code: *Provided, That*—

(1) such amounts are available to subsidize gross obligations for the principal amount of direct loans, and total loan principal, any part of which is to be guaranteed, not to exceed \$100,000,000,000; and

(2) such amounts are available to cover all costs and expenditures as provided under section 149(e)(5)(B) of title 10, United States Code.

SEC. 20006. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR IMPROVING THE EFFICIENCY AND CYBERSECURITY OF THE DEPARTMENT OF DEFENSE.

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) \$150,000,000 for business systems replacement to accelerate the audits of the financial statements of the Department of Defense pursuant to chapter 9A and section 2222 of title 10, United States Code;

(2) \$200,000,000 for the deployment of automation and artificial intelligence to accelerate the audits of the financial

statements of the Department of Defense pursuant to chapter 9A and section 2222 of title 10, United States Code;

(3) \$10,000,000 for the improvement of the budgetary and programmatic infrastructure of the Office of the Secretary of Defense; and

(4) \$20,000,000 for defense cybersecurity programs of the Defense Advanced Research Projects Agency.

SEC. 20007. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR AIR SUPERIORITY.

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) \$3,150,000,000 to increase F-15EX aircraft production;

(2) \$361,220,000 to prevent the retirement of F-22 aircraft;

(3) \$127,460,000 to prevent the retirement of F-15E aircraft;

(4) \$187,000,000 to accelerate installation of F-16 electronic warfare capability;

(5) \$116,000,000 for C-17A Mobility Aircraft Connectivity;

(6) \$84,000,000 for KC-135 Mobility Aircraft Connectivity;

(7) \$440,000,000 to increase C-130J production;

(8) \$474,000,000 to increase EA-37B production;

(9) \$678,000,000 to accelerate the Collaborative Combat Aircraft program;

(10) \$400,000,000 to accelerate production of the F-47 aircraft;

(11) \$750,000,000 accelerate the FA/XX aircraft;

(12) \$100,000,000 for production of Advanced Aerial Sensors;

(13) \$160,000,000 to accelerate V-22 nacelle and reliability and safety improvements;

(14) \$100,000,000 to accelerate production of MQ-25 aircraft;

(15) \$270,000,000 for development, procurement, and integration of Marine Corps unmanned combat aircraft;

(16) \$96,000,000 for the procurement and integration of infrared search and track pods;

(17) \$50,000,000 for the procurement and integration of additional F-15EX conformal fuel tanks;

(18) \$600,000,000 for the development, procurement, and integration of Air Force long-range strike aircraft; and

(19) \$500,000,000 for the development, procurement, and integration of Navy long-range strike aircraft.

SEC. 20008. ENHANCEMENT OF RESOURCES FOR NUCLEAR FORCES.

(a) DOD APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) \$2,500,000,000 for risk reduction activities for the Sentinel intercontinental ballistic missile program;

(2) \$4,500,000,000 only for expansion of production capacity of B-21 long-range bomber aircraft and the purchase of aircraft only available through the expansion of production capacity;

(3) \$500,000,000 for improvements to the Minuteman III intercontinental ballistic missile system;

(4) \$100,000,000 for capability enhancements to intercontinental ballistic missile reentry vehicles;

(5) \$148,000,000 for the expansion of D5 missile motor production;

(6) \$400,000,000 to accelerate the development of Trident D5LE2 submarine-launched ballistic missiles;

(7) \$2,000,000,000 to accelerate the development, procurement, and integration of the nuclear-armed sea-launched cruise missile;

(8) \$62,000,000 to convert Ohio-class submarine tubes to accept additional missiles, not to be obligated before March 1, 2026;

(9) \$168,000,000 to accelerate the production of the Survivable Airborne Operations Center program;

(10) \$65,000,000 to accelerate the modernization of nuclear command, control, and communications;

(11) \$210,300,000 for the increased production of MH-139 helicopters; and

(12) \$150,000,000 to accelerate the development, procurement, and integration of military nuclear weapons delivery programs.

(b) NNSA APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Administrator of the National Nuclear Security Administration for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) \$200,000,000 to perform National Nuclear Security Administration Phase 1 studies pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(2) \$540,000,000 to address deferred maintenance and repair needs of the National Nuclear Security Administration pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(3) \$1,000,000,000 to accelerate the construction of National Nuclear Security Administration facilities pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(4) \$400,000,000 to accelerate the development, procurement, and integration of the warhead for the nuclear-armed sea-launched cruise missile pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(5) \$750,000,000 to accelerate primary capability modernization pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(6) \$750,000,000 to accelerate secondary capability modernization pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(7) \$120,000,000 to accelerate domestic uranium enrichment centrifuge deployment for defense purposes pursuant to section 3211 of the National Nuclear Security Administration Act (50 U.S.C. 2401);

(8) \$10,000,000 for National Nuclear Security Administration evaluation of spent fuel reprocessing technology; and

(9) \$115,000,000 for accelerating nuclear national security missions through artificial intelligence.

**SEC. 20009. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES
TO IMPROVE CAPABILITIES OF UNITED STATES INDO-
PACIFIC COMMAND.**

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

- (1) \$365,000,000 for Army exercises and operations in the Western Pacific area of operations;
- (2) \$53,000,000 for Special Operations Command exercises and operations in the Western Pacific area of operations;
- (3) \$47,000,000 for Marine Corps exercises and operations in Western Pacific area of operations;
- (4) \$90,000,000 for Air Force exercises and operations in Western Pacific area of operations;
- (5) \$532,600,000 for the Pacific Air Force biennial large-scale exercise;
- (6) \$19,000,000 for the development of naval small craft capabilities;
- (7) \$35,000,000 for military additive manufacturing capabilities in the United States Indo-Pacific Command area of operations west of the international dateline;
- (8) \$450,000,000 for the development of airfields within the area of operations of United States Indo-Pacific Command;
- (9) \$1,100,000,000 for development of infrastructure within the area of operations of United States Indo-Pacific Command;
- (10) \$124,000,000 for mission networks for United States Indo-Pacific Command;
- (11) \$100,000,000 for Air Force regionally based cluster pre-position base kits;
- (12) \$115,000,000 for exploration and development of existing Arctic infrastructure;
- (13) \$90,000,000 for the accelerated development of non-kinetic capabilities;
- (14) \$20,000,000 for United States Indo-Pacific Command military exercises;
- (15) \$143,000,000 for anti-submarine sonar arrays;
- (16) \$30,000,000 for surveillance and reconnaissance capabilities for United States Africa Command;
- (17) \$30,000,000 for surveillance and reconnaissance capabilities for United States Indo-Pacific Command;
- (18) \$500,000,000 for the development, coordination, and deployment of economic competition effects within the Department of Defense;
- (19) \$10,000,000 for the expansion of Department of Defense workforce for economic competition;
- (20) \$1,000,000,000 for offensive cyber operations;
- (21) \$500,000,000 for personnel and operations costs associated with forces assigned to United States Indo-Pacific Command;
- (22) \$300,000,000 for the procurement of mesh network communications capabilities for Special Operations Command Pacific;
- (23) \$850,000,000 for the replenishment of military articles;
- (24) \$200,000,000 for acceleration of Guam Defense System program;
- (25) \$68,000,000 for Space Force facilities improvements;

- (26) \$150,000,000 for ground moving target indicator military satellites;
- (27) \$528,000,000 for DARC and SILENTBARKER military space situational awareness programs;
- (28) \$80,000,000 for Navy Operational Support Division;
- (29) \$1,000,000,000 for the X-37B military spacecraft program;
- (30) \$3,650,000,000 for the development, procurement, and integration of United States military satellites and the protection of United States military satellites.
- (31) \$125,000,000 for the development, procurement, and integration of military space communications.
- (32) \$350,000,000 for the development, procurement, and integration of military space command and control systems.

SEC. 20010. ENHANCEMENT OF DEPARTMENT OF DEFENSE RESOURCES FOR IMPROVING THE READINESS OF THE DEPARTMENT OF DEFENSE.

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

- (1) \$1,400,000,000 for a pilot program on OPN-8 maritime spares and repair rotatable pool;
- (2) \$700,000,000 for a pilot program on OPN-8 maritime spares and repair rotatable pool for amphibious ships;
- (3) \$2,118,000,000 for spares and repairs to keep Air Force aircraft mission capable;
- (4) \$1,500,000,000 for Army depot modernization and capacity enhancement;
- (5) \$2,000,000,000 for Navy depot and shipyard modernization and capacity enhancement;
- (6) \$250,000,000 for Air Force depot modernization and capacity enhancement;
- (7) \$1,640,000,000 for Special Operations Command equipment, readiness, and operations;
- (8) \$500,000,000 for National Guard unit readiness;
- (9) \$400,000,000 for Marine Corps readiness and capabilities;
- (10) \$20,000,000 for upgrades to Marine Corps utility helicopters;
- (11) \$310,000,000 for next-generation vertical lift, assault, and intra-theater aeromedical evacuation aircraft;
- (12) \$75,000,000 for the procurement of anti-lock braking systems for Army wheeled transport vehicles;
- (13) \$230,000,000 for the procurement of Army wheeled combat vehicles;
- (14) \$63,000,000 for the development of advanced rotary-wing engines;
- (15) \$241,000,000 for the development, procurement, and integration of Marine Corps amphibious vehicles;
- (16) \$250,000,000 for the procurement of Army tracked combat transport vehicles;
- (17) \$98,000,000 for additional Army light rotary-wing capabilities;
- (18) \$1,500,000,000 for increased depot maintenance and shipyard maintenance activities;

- (19) \$2,500,000,000 for Air Force facilities sustainment, restoration, and modernization;
- (20) \$92,500,000 for the completion of Robotic Combat Vehicle prototyping;
- (21) \$125,000,000 for Army operations;
- (22) \$10,000,000 for the Air Force Concepts, Development, and Management Office; and
- (23) \$320,000,000 for Joint Special Operations Command.

SEC. 20011. IMPROVING DEPARTMENT OF DEFENSE BORDER SUPPORT AND COUNTER-DRUG MISSIONS.

In addition to amounts otherwise available, there are appropriated to the Secretary of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, \$1,000,000,000 for the deployment of military personnel in support of border operations, operations and maintenance activities in support of border operations, counter-narcotics and counter-transnational criminal organization mission support, the operation of national defense areas and construction in national defense areas, and the temporary detention of migrants on Department of Defense installations, in accordance with chapter 15 of title 10, United States Code.

SEC. 20012. DEPARTMENT OF DEFENSE OVERSIGHT.

In addition to amounts otherwise available, there is appropriated to the Inspector General of the Department of Defense for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$10,000,000, to remain available through September 30, 2029, to monitor Department of Defense activities for which funding is appropriated in this title, including—

- (1) programs with mutual technological dependencies;
- (2) programs with related data management and data ownership considerations; and
- (3) programs particularly vulnerable to supply chain disruptions and long lead time components.

SEC. 20013. MILITARY CONSTRUCTION PROJECTS AUTHORIZED.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for military construction, land acquisition, and military family housing functions of each military department (as defined in section 101(a) of title 10, United States Code) as specified in this title.

(b) **SPENDING PLAN.**—Not later than 30 days after the date of the enactment of this title, the Secretary of each military department shall submit to the Committees on Armed Services of the Senate and House of Representatives a detailed spending plan by project for all funds made available by this title to be expended on military construction projects.

TITLE III—COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

SEC. 30001. FUNDING CAP FOR THE BUREAU OF CONSUMER FINANCIAL PROTECTION.

Section 1017(a)(2)(A)(iii) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5497(a)(2)(A)(iii)) is amended by striking “12” and inserting “6.5”.

SEC. 30002. RESCISSION OF FUNDS FOR GREEN AND RESILIENT RET- ROFIT PROGRAM FOR MULTIFAMILY HOUSING.

The unobligated balances of amounts made available under section 30002(a) of the Act entitled “An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14”, approved August 16, 2022 (Public Law 117–169; 136 Stat. 2027) are rescinded.

SEC. 30003. SECURITIES AND EXCHANGE COMMISSION RESERVE FUND.

(a) IN GENERAL.—Section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d) is amended—

(1) by striking subsection (i); and

(2) by redesignating subsections (j) and (k) as subsections (i) and (j), respectively.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 21F(g)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78u–6(g)(2)) is amended to read as follows:

“(a) USE OF FUND.—The Fund shall be available to the Commission, without further appropriation or fiscal year limitation, for paying awards to whistleblowers as provided in subsection (b).”.

(c) TRANSITION PROVISION.—During the period beginning on the date of enactment of this Act and ending on October 1, 2025, the Securities and Exchange Commission may expend amounts in the Securities and Exchange Commission Reserve Fund that were obligated before the date of enactment of this Act for any program, project, or activity that is ongoing (as of the day before the date of enactment of this Act) in accordance with subsection (i) of section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d), as in effect on the day before the date of enactment of this Act.

(d) TRANSFER OF REMAINING AMOUNTS.—Effective on October 1, 2025, the obligated and unobligated balances of amounts in the Securities and Exchange Commission Reserve Fund shall be transferred to the general fund of the Treasury.

(e) CLOSING OF ACCOUNT.—For the purposes of section 1555 of title 31, United States Code, the Securities and Exchange Commission Reserve Fund shall be considered closed, and thereafter shall not be available for obligation or expenditure for any purpose, upon execution of the transfer required under subsection (d).

SEC. 30004. APPROPRIATIONS FOR DEFENSE PRODUCTION ACT.

In addition to amounts otherwise available, there is appropriated for fiscal year 2025, out of amounts not otherwise appropriated, \$1,000,000,000, to remain available until September 30, 2027, to carry out the Defense Production Act (50 U.S.C. 4501 et seq.).

TITLE IV—COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

SEC. 40001. COAST GUARD MISSION READINESS.

(a) IN GENERAL.—Chapter 11 of title 14, United States Code, is amended by adding at the end the following:

“Subchapter V—Coast Guard Mission Readiness

“§ 1181. Special appropriations

“In addition to amounts otherwise available, there is appropriated to the Coast Guard for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$24,593,500,000, to remain available until September 30, 2029, notwithstanding paragraphs (1) and (2) of section 1105(a) and sections 1131, 1132, 1133, and 1156, to use expedited processes to procure or acquire new operational assets and systems, to maintain existing assets and systems, to design, construct, plan, engineer, and improve necessary shore infrastructure, and to enhance operational resilience for monitoring, search and rescue, interdiction, hardening of maritime approaches, and navigational safety, of which—

“(1) \$1,142,500,000 is provided for procurement and acquisition of fixed-wing aircraft, equipment related to such aircraft and training simulators and program management for such aircraft, to provide for security of the maritime border;

“(2) \$2,283,000,000 is provided for procurement and acquisition of rotary-wing aircraft, equipment related to such aircraft and training simulators and program management for such aircraft, to provide for security of the maritime border;

“(3) \$266,000,000 is provided for procurement and acquisition of long-range unmanned aircraft and base stations, equipment related to such aircraft and base stations, and program management for such aircraft and base stations, to provide for security of the maritime border;

“(4) \$4,300,000,000 is provided for procurement of Offshore Patrol Cutters, equipment related to such cutters, and program management for such cutters, to provide operational presence and security of the maritime border and for interdiction of persons and controlled substances;

“(5) \$1,000,000,000 is provided for procurement of Fast Response Cutters, equipment related to such cutters, and program management for such cutters, to provide operational presence and security of the maritime border and for interdiction of persons and controlled substances;

“(6) \$4,300,000,000 is provided for procurement of Polar Security Cutters, equipment related to such cutters, and program management for such cutters, to ensure timely presence of the Coast Guard in the Arctic and Antarctic regions;

“(7) \$3,500,000,000 is provided for procurement of Arctic Security Cutters, equipment related to such cutters, and program management for such cutters, to ensure timely presence of the Coast Guard in the Arctic and Antarctic regions;

“(8) \$816,000,000 is provided for procurement of light and medium icebreaking cutters, and equipment relating to such cutters, from shipyards that have demonstrated success in the

cost-effective application of design standards and in delivering, on schedule and within budget, vessels of a size and tonnage that are not less than the size and tonnage of the cutters described in this paragraph, and for program management for such cutters, to expand domestic icebreaking capacity;

“(9) \$162,000,000 is provided for procurement of Waterways Commerce Cutters, equipment related to such cutters, and program management for such cutters, to support aids to navigation, waterways and coastal security, and search and rescue in inland waterways;

“(10) \$4,379,000,000 is provided for design, planning, engineering, recapitalization, construction, rebuilding, and improvement of, and program management for, shore facilities, of which—

“(A) \$425,000,000 is provided for design, planning, engineering, construction of, and program management for—

“(i) the enlisted boot camp barracks and multi-use training center; and

“(ii) other related facilities at the enlisted boot camp;

“(B) \$500,000,000 is provided for—

“(i) construction, improvement, and dredging at the Coast Guard Yard; and

“(ii) acquisition of a floating drydock for the Coast Guard Yard;

“(C) not more than \$2,729,500,000 is provided for homeports and hangars for cutters and aircraft for which funds are appropriated under paragraph (1) through (9); and

“(D) \$300,000,000 is provided for homeporting of the existing polar icebreaker commissioned into service in 2025;

“(11) \$2,200,000,000 is provided for aviation, cutter, and shore facility depot maintenance and maintenance of command, control, communication, computer, and cyber assets;

“(12) \$170,000,000 is provided for improving maritime domain awareness on the maritime border, at United States ports, at land-based facilities and in the cyber domain; and

“(13) \$75,000,000 is provided to contract the services of, acquire, or procure autonomous maritime systems.”

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 11 of title 14, United States Code, is amended by adding at the end the following:

“SUBCHAPTER V—COAST GUARD MISSION READINESS

“1181. Special appropriations.”.

SEC. 40002. SPECTRUM AUCTIONS.

(a) DEFINITIONS.—In this section:

(1) ASSISTANT SECRETARY.—The term “Assistant Secretary” means the Assistant Secretary of Commerce for Communications and Information.

(2) COMMISSION.—The term “Commission” means the Federal Communications Commission.

(3) COVERED BAND.—The term “covered band”—

(A) except as provided in subparagraph (B), means the band of frequencies between 1.3 gigahertz and 10.5 gigahertz; and

(B) does not include—

(i) the band of frequencies between 3.1 gigahertz and 3.45 gigahertz for purposes of auction, reallocation, modification, or withdrawal; or

(ii) the band of frequencies between 7.4 gigahertz and 8.4 gigahertz for purposes of auction, reallocation, modification, or withdrawal.

(4) FULL-POWER COMMERCIAL LICENSED USE CASES.—The term “full-power commercial licensed use cases” means flexible use wireless broadband services with base station power levels sufficient for high-power, high-density, and wide-area commercial mobile services, consistent with the service rules under part 27 of title 47, Code of Federal Regulations, or any successor regulations, for wireless broadband deployments throughout the covered band.

(b) GENERAL AUCTION AUTHORITY.—

(1) AMENDMENT.—Section 309(j)(11) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)) is amended by striking “grant a license or permit under this subsection shall expire March 9, 2023” and all that follows and inserting the following: “complete a system of competitive bidding under this subsection shall expire September 30, 2034, except that, with respect to the electromagnetic spectrum—

“(A) between the frequencies of 3.1 gigahertz and 3.45 gigahertz, such authority shall not apply; and

“(B) between the frequencies of 7.4 gigahertz and 8.4 gigahertz, such authority shall not apply.”.

(2) SPECTRUM AUCTIONS.—The Commission shall grant licenses through systems of competitive bidding, before the expiration of the general auction authority of the Commission under section 309(j)(11) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)), as amended by paragraph (1) of this subsection, for not less than 300 megahertz, including by completing a system of competitive bidding not later than 2 years after the date of enactment of this Act for not less than 100 megahertz in the band between 3.98 gigahertz and 4.2 gigahertz.

(c) IDENTIFICATION FOR REALLOCATION.—

(1) IN GENERAL.—The Assistant Secretary, in consultation with the Commission, shall identify 500 megahertz of frequencies in the covered band for reallocation to non-Federal use, shared Federal and non-Federal use, or a combination thereof, for full-power commercial licensed use cases, that—

(A) as of the date of enactment of this Act, are allocated for Federal use; and

(B) shall be in addition to the 300 megahertz of frequencies for which the Commission grants licenses under subsection (b)(2).

(2) SCHEDULE.—The Assistant Secretary shall identify the frequencies under paragraph (1) according to the following schedule:

(A) Not later than 2 years after the date of enactment of this Act, the Assistant Secretary shall identify not less than 200 megahertz of frequencies within the covered band.

(B) Not later than 4 years after the date of enactment of this Act, the Assistant Secretary shall identify any

remaining bandwidth required to be identified under paragraph (1).

(3) REQUIRED ANALYSIS.—

(A) IN GENERAL.—In determining under paragraph (1) which specific frequencies within the covered band to reallocate, the Assistant Secretary shall determine the feasibility of the reallocation of frequencies.

(B) REQUIREMENTS.—In conducting the analysis under subparagraph (A), the Assistant Secretary shall assess net revenue potential, relocation or sharing costs, as applicable, and the feasibility of reallocating specific frequencies, with the goal of identifying the best approach to maximize net proceeds of systems of competitive bidding for the Treasury, consistent with section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)).

(d) AUCTIONS.—The Commission shall grant licenses for the frequencies identified for reallocation under subsection (c) through systems of competitive bidding in accordance with the following schedule:

(1) Not later than 4 years after the date of enactment of this Act, the Commission shall, after notifying the Assistant Secretary, complete 1 or more systems of competitive bidding for not less than 200 megahertz of the frequencies.

(2) Not later than 8 years after the date of enactment of this Act, the Commission shall, after notifying the Assistant Secretary, complete 1 or more systems of competitive bidding for any frequencies identified under subsection (c) that remain to be auctioned after compliance with paragraph (1) of this subsection.

(e) LIMITATION.—The President shall modify or withdraw any frequency proposed for reallocation under this section not later than 60 days before the commencement of a system of competitive bidding scheduled by the Commission with respect to that frequency, if the President determines that such modification or withdrawal is necessary to protect the national security of the United States.

(f) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Commerce for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain available through September 30, 2034, to provide additional support to the Assistant Secretary to—

(1) conduct a timely spectrum analysis of the bands of frequencies—

(A) between 2.7 gigahertz and 2.9 gigahertz;

(B) between 4.4 gigahertz and 4.9 gigahertz; and

(C) between 7.25 gigahertz and 7.4 gigahertz; and

(2) publish a biennial report, with the last report to be published not later than June 30, 2034, on the value of all spectrum used by Federal entities (as defined in section 113(l) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923(l))), that assesses the value of bands of frequencies in increments of not more than 100 megahertz.

SEC. 40003. AIR TRAFFIC CONTROL IMPROVEMENTS.

(a) **IN GENERAL.**—For the purpose of the acquisition, construction, sustainment, and improvement of facilities and equipment necessary to improve or maintain aviation safety, in addition to amounts otherwise made available, there is appropriated to the Administrator of the Federal Aviation Administration for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) \$4,750,000,000 for telecommunications infrastructure modernization and systems upgrades;

(2) \$3,000,000,000 for radar systems replacement;

(3) \$500,000,000 for runway safety technologies, runway lighting systems, airport surface surveillance technologies, and to carry out section 347 of the FAA Reauthorization Act of 2024;

(4) \$300,000,000 for Enterprise Information Display Systems;

(5) \$80,000,000 to acquire and install not less than 50 Automated Weather Observing Systems, to acquire and install not less than 60 Visual Weather Observing Systems, to acquire and install not less than 64 weather camera sites, and to acquire and install weather stations;

(6) \$40,000,000 to carry out section 44745 of title 49, United States Code, (except for activities described in paragraph (5));

(7) \$1,900,000,000 for necessary actions to construct a new air route traffic control center (in this subsection referred to as “ARTCC”): *Provided*, That not more than 2 percent of such amount is used for planning or administrative purposes: *Provided further*, That at least 3 existing ARTCCs are divested and integrated into the newly constructed ARTCC;

(8) \$100,000,000 to conduct an ARTCC Realignment and Consolidation Effort under which at least 10 existing ARTCCs are closed or consolidated to facilitate recapitalization of ARTCC facilities owned and operated by the Federal Aviation Administration;

(9) \$1,000,000,000 to support recapitalization and consolidation of terminal radar approach control facilities (in this subsection referred to as “TRACONs”), the analysis and identification of TRACONs for divestment, consolidation, or integration, planning, site selection, facility acquisition, and transition activities and other appropriate activities for carrying out such divestment, consolidation, or integration, and the establishment of brand new TRACONs;

(10) \$350,000,000 for unstaffed infrastructure sustainment and replacement;

(11) \$50,000,000 to carry out section 961 of the FAA Reauthorization Act of 2024;

(12) \$300,000,000 to carry out section 619 of the FAA Reauthorization Act of 2024;

(13) \$50,000,000 to carry out section 621 of the FAA Reauthorization Act of 2024 and to deploy remote tower technology at untowered airports; and

(14) \$100,000,000 for air traffic controller advanced training technologies.

(b) **QUARTERLY REPORTING.**—Not later than 180 days after the date of enactment of this Act, and every 90 days thereafter, the Administrator of the Federal Aviation Administration shall submit

to Congress a report that describes any expenditures under this section.

SEC. 40004. SPACE LAUNCH AND REENTRY LICENSING AND PERMITTING USER FEES.

(a) IN GENERAL.—Chapter 509 of title 51, United States Code, is amended by adding at the end the following new section:

“§ 50924. Space launch and reentry licensing and permitting user fees

“(a) FEES.—

“(1) IN GENERAL.—The Secretary of Transportation shall impose a fee, which shall be deposited in the account established under subsection (b), on each launch or reentry carried out under a license or permit issued under section 50904 during 2026 or a subsequent year, in an amount equal to the lesser of—

“(A) the amount specified in paragraph (2) for the year involved per pound of the weight of the payload; or

“(B) the amount specified in paragraph (3) for the year involved.

“(2) PARAGRAPH (2) SPECIFIED AMOUNT.—The amount specified in this paragraph is—

“(A) for 2026, \$0.25;

“(B) for 2027, \$0.35;

“(C) for 2028, \$0.50;

“(D) for 2029, \$0.60;

“(E) for 2030, \$0.75;

“(F) for 2031, \$1;

“(G) for 2032, \$1.25;

“(H) for 2033, \$1.50; and

“(I) for 2034 and each subsequent year, the amount specified in this paragraph for the previous year increased by the percentage increase in the consumer price index for all urban consumers (all items; United States city average) over the previous year.

“(3) PARAGRAPH (3) SPECIFIED AMOUNT.—The amount specified in this paragraph is—

“(A) for 2026, \$30,000;

“(B) for 2027, \$40,000;

“(C) for 2028, \$50,000;

“(D) for 2029, \$75,000;

“(E) for 2030, \$100,000;

“(F) for 2031, \$125,000;

“(G) for 2032, \$170,000;

“(H) for 2033, \$200,000; and

“(I) for 2034 and each subsequent year, the amount specified in this paragraph for the previous year increased by the percentage increase in the consumer price index for all urban consumers (all items; United States city average) over the previous year.

“(b) OFFICE OF COMMERCIAL SPACE TRANSPORTATION LAUNCH AND REENTRY LICENSING AND PERMITTING FUND.—There is established in the Treasury of the United States a separate account, which shall be known as the ‘Office of Commercial Space Transportation Launch and Reentry Licensing and Permitting Fund’, for

the purposes of expenses of the Office of Commercial Space Transportation of the Federal Aviation Administration and to carry out section 630(b) of the FAA Reauthorization Act of 2024. 70 percent of the amounts deposited into the fund shall be available for such purposes and shall be available without further appropriation and without fiscal year limitation.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 509 of title 51, United States Code, is amended by inserting after the item relating to section 50923 the following:

“50924. Space launch and reentry licensing and permitting user fees.”.

SEC. 40005. MARS MISSIONS, ARTEMIS MISSIONS, AND MOON TO MARS PROGRAM.

(a) IN GENERAL.—Chapter 203 of title 51, United States Code, is amended by adding at the end the following:

“§ 20306. Special appropriations for Mars missions, Artemis missions, and Moon to Mars program

“(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Administration for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$9,995,000,000, to remain available until September 30, 2032, to use as follows:

“(1) \$700,000,000, to be obligated not later than fiscal year 2026, for the procurement, using a competitively bid, firm fixed-price contract with a United States commercial provider (as defined in section 50101(7)), of a high-performance Mars telecommunications orbiter—

“(A) that—

“(i) is capable of providing robust, continuous communications for—

“(I) a Mars sample return mission, as described in section 432(3)(C) of the National Aeronautics and Space Administration Transition Authorization Act of 2017 (51 U.S.C. 20302 note; Public Law 115–10); and

“(II) future Mars surface, orbital, and human exploration missions;

“(ii) supports autonomous operations, onboard processing, and extended mission duration capabilities; and

“(iii) is selected from among the commercial proposals that—

“(I) received funding from the Administration in fiscal year 2024 or 2025 for commercial design studies for Mars Sample Return; and

“(II) proposed a separate, independently launched Mars telecommunication orbiter supporting an end-to-end Mars sample return mission; and

“(B) which shall be delivered to the Administration not later than December 31, 2028.

“(2) \$2,600,000,000 to meet the requirements of section 20302(a) using the program of record known, as of the date of the enactment of this section, as ‘Gateway’, and as described in section 10811(b)(2)(B)(iv) of the National Aeronautics and Space Administration Authorization Act of 2022 (51 U.S.C.

20302 note; Public Law 117–167), of which not less than \$750,000,000 shall be obligated for each of fiscal years 2026, 2027, and 2028.

“(3) \$4,100,000,000 for expenses related to meeting the requirements of section 10812 of the National Aeronautics and Space Administration Authorization Act of 2022 (51 U.S.C. 20301; Public Law 117–167) for the procurement, transportation, integration, operation, and other necessary expenses of the Space Launch System for Artemis Missions IV and V, of which not less than \$1,025,000,000 shall be obligated for each of fiscal years 2026, 2027, 2028, and 2029.

“(4) \$20,000,000 for expenses related to the continued procurement of the multi-purpose crew vehicle described in section 303 of the National Aeronautics and Space Administration Authorization Act of 2010 (42 U.S.C. 18323), known as the ‘Orion’, for use with the Space Launch System on the Artemis IV Mission and reuse in subsequent Artemis Missions, of which not less than \$20,000,000 shall be obligated not later than fiscal year 2026.

“(5) \$1,250,000,000 for expenses related to the operation of the International Space Station and for the purpose of meeting the requirement under section 503(a) of the National Aeronautics and Space Administration Authorization Act of 2010 (42 U.S.C. 18353(a)), of which not less than \$250,000,000 shall be obligated for such expenses for each of fiscal years 2025, 2026, 2027, 2028, and 2029.

“(6) \$1,000,000,000 for infrastructure improvements at the manned spaceflight centers of the Administration, of which not less than—

“(A) \$120,000,000 shall be obligated not later than fiscal year 2026 for construction, revitalization, recapitalization, or other infrastructure projects and improvements at the center described in Executive Order 12641 (53 Fed. Reg. 18816; relating to designating certain facilities of the National Aeronautics and Space Administration in the State of Mississippi as the John C. Stennis Space Center);

“(B) \$250,000,000 shall be obligated not later than fiscal year 2026 for construction, revitalization, recapitalization, or other infrastructure projects and improvements at the center described in Executive Order 11129 (28 Fed. Reg. 12787; relating to designating certain facilities of the National Aeronautics and Space Administration and of the Department of Defense, in the State of Florida, as the John F. Kennedy Space Center);

“(C) \$300,000,000 shall be obligated not later than fiscal year 2026 for construction, revitalization, recapitalization, or other infrastructure projects and improvements at the center described in the Joint Resolution entitled ‘Joint Resolution to designate the Manned Spacecraft Center in Houston, Texas, as the “Lyndon B. Johnson Space Center” in honor of the late President’, approved February 17, 1973 (Public Law 93–8; 87 Stat. 7);

“(D) \$100,000,000 shall be obligated not later than fiscal year 2026 for construction, revitalization, recapitalization, or other infrastructure projects and improvements at the center described in Executive Order 10870 (25 Fed. Reg. 2197; relating to designating the facilities of the

National Aeronautics and Space Administration at Huntsville, Alabama, as the George C. Marshall Space Flight Center);

“(E) \$30,000,000 shall be obligated not later than fiscal year 2026 for construction, revitalization, recapitalization, or other infrastructure projects and improvements at the Michoud Assembly Facility in New Orleans, Louisiana; and

“(F) \$85,000,000 shall be obligated to carry out subsection (b), of which not less than \$5,000,000 shall be obligated for the transportation of the space vehicle described in that subsection, with the remainder transferred not later than the date that is 18 months after the date of the enactment of this section to the entity designated under that subsection, for the purpose of construction of a facility to house the space vehicle referred to in that subsection.

“(7) \$325,000,000 to fulfill contract number 80JSC024CA002 issued by the National Aeronautics and Space Administration on June 26, 2024.

“(b) SPACE VEHICLE TRANSFER.—

“(1) IN GENERAL.—Not later than 30 days after the date of the enactment of this section, the Administrator shall identify a space vehicle described in paragraph (2) to be—

“(A) transferred to a field center of the Administration that is involved in the administration of the Commercial Crew Program (as described in section 302 of the National Aeronautics and Space Administration Transition Authorization Act of 2017 (51 U.S.C. 50111 note; Public Law 115–10)); and

“(B) placed on public exhibition at an entity within the Metropolitan Statistical Area where such center is located.

“(2) SPACE VEHICLE DESCRIBED.—A space vehicle described in this paragraph is a vessel that—

“(A) has flown into space;

“(B) has carried astronauts; and

“(C) is selected with the concurrence of an entity designated by the Administrator.

“(3) TRANSFER.—Not later than 18 months after the date of the enactment of this section, the space vehicle identified under paragraph (1) shall be transferred to an entity designated by the Administrator.

“(c) OBLIGATION OF FUNDS.—Funds appropriated under subsection (a) shall be obligated as follows:

“(1) Not less than 50 percent of the total funds in subsection (a) shall be obligated not later than September 30, 2028.

“(2) 100 percent of funds shall be obligated not later than September 30, 2029.

“(3) All associated outlays shall occur not later than September 30, 2034.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 203 of title 51, United States Code, is amended by adding at the end the following:

“20306. Special appropriations for Mars missions, Artemis missions, and Moon to Mars program.”.

SEC. 40006. CORPORATE AVERAGE FUEL ECONOMY CIVIL PENALTIES.

(a) IN GENERAL.—Section 32912 of title 49, United States Code, is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by striking “\$5” and inserting “\$0.00”; and

(2) in subsection (c)(1)(B), by striking “\$10” and inserting “\$0.00”.

(b) EFFECT; APPLICABILITY.—The amendments made by subsection (a) shall—

(1) take effect on the date of enactment of this section; and

(2) apply to all model years of a manufacturer for which the Secretary of Transportation has not provided a notification pursuant to section 32903(b)(2)(B) of title 49, United States Code, specifying the penalty due for the average fuel economy of that manufacturer being less than the applicable standard prescribed under section 32902 of that title.

SEC. 40007. PAYMENTS FOR LEASE OF METROPOLITAN WASHINGTON AIRPORTS.

Section 49104(b) of title 49, United States Code, is amended to read as follows:

“(b) PAYMENTS.—

“(1) IN GENERAL.—Subject to paragraph (2), under the lease, the Airports Authority must pay to the general fund of the Treasury annually an amount, computed using the GNP Price Deflator—

“(A) during the period from 1987 to 2026, equal to \$3,000,000 in 1987 dollars; and

“(B) for 2027 and subsequent years, equal to \$15,000,000 in 2027 dollars.

“(2) RENEGOTIATION.—The Secretary and the Airports Authority shall renegotiate the level of lease payments at least once every 10 years to ensure that in no year the amount specified in paragraph (1)(B) is less than \$15,000,000 in 2027 dollars.”.

SEC. 40008. RESCISSION OF CERTAIN AMOUNTS FOR THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.

Any unobligated balances of amounts appropriated or otherwise made available by sections 40001, 40002, 40003, and 40004 of Public Law 117–169 (136 Stat. 2028) are hereby rescinded.

SEC. 40009. REDUCTION IN ANNUAL TRANSFERS TO TRAVEL PROMOTION FUND.

Subsection (d)(2)(B) of the Travel Promotion Act of 2009 (22 U.S.C. 2131(d)(2)(B)) is amended by striking “\$100,000,000” and inserting “\$20,000,000”.

SEC. 40010. TREATMENT OF UNOBLIGATED FUNDS FOR ALTERNATIVE FUEL AND LOW-EMISSION AVIATION TECHNOLOGY.

Out of the amounts made available by section 40007(a) of title IV of Public Law 117–169 (49 U.S.C. 44504 note), any unobligated balances of such amounts are hereby rescinded.

SEC. 40011. RESCISSION OF AMOUNTS APPROPRIATED TO PUBLIC WIRELESS SUPPLY CHAIN INNOVATION FUND.

Of the unobligated balances of amounts made available under section 106(a) of the CHIPS Act of 2022 (Public Law 117–167; 136 Stat. 1392), \$850,000,000 are permanently rescinded.

TITLE V—COMMITTEE ON ENERGY AND NATURAL RESOURCES

Subtitle A—Oil and Gas Leasing

SEC. 50101. ONSHORE OIL AND GAS LEASING.

(a) REPEAL OF INFLATION REDUCTION ACT PROVISIONS.—

(1) ONSHORE OIL AND GAS ROYALTY RATES.—Subsection (a) of section 50262 of Public Law 117–169 (136 Stat. 2056) is repealed, and any provision of law amended or repealed by that subsection is restored or revived as if that subsection had not been enacted into law.

(2) NONCOMPETITIVE LEASING.—Subsection (e) of section 50262 of Public Law 117–169 (136 Stat. 2057) is repealed, and any provision of law amended or repealed by that subsection is restored or revived as if that subsection had not been enacted into law.

(b) REQUIREMENT TO IMMEDIATELY RESUME ONSHORE OIL AND GAS LEASE SALES.—

(1) IN GENERAL.—The Secretary of the Interior shall immediately resume quarterly onshore oil and gas lease sales in compliance with the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(2) REQUIREMENT.—The Secretary of the Interior shall ensure—

(A) that any oil and gas lease sale required under paragraph (1) is conducted immediately on completion of all applicable scoping, public comment, and environmental analysis requirements under the Mineral Leasing Act (30 U.S.C. 181 et seq.) and the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(B) that the processes described in subparagraph (A) are conducted in a timely manner to ensure compliance with subsection (b)(1).

(3) LEASE OF OIL AND GAS LANDS.—Section 17(b)(1)(A) of the Mineral Leasing Act (30 U.S.C. 226(b)(1)(A)), as amended by subsection (a), is amended by inserting “For purposes of the previous sentence, the term ‘eligible lands’ means all lands that are subject to leasing under this Act and are not excluded from leasing by a statutory prohibition, and the term ‘available’, with respect to eligible lands, means those lands that have been designated as open for leasing under a land use plan developed under section 202 of the Federal Land Policy and

Management Act of 1976 (43 U.S.C. 1712) and that have been nominated for leasing through the submission of an expression of interest, are subject to drainage in the absence of leasing, or are otherwise designated as available pursuant to regulations adopted by the Secretary.” after “sales are necessary.”.

(c) QUARTERLY LEASE SALES.—

(1) IN GENERAL.—In accordance with the Mineral Leasing Act (30 U.S.C. 181 et seq.), each fiscal year, the Secretary of the Interior shall conduct a minimum of 4 oil and gas lease sales of available land in each of the following States:

- (A) Wyoming.
- (B) New Mexico.
- (C) Colorado.
- (D) Utah.
- (E) Montana.
- (F) North Dakota.
- (G) Oklahoma.
- (H) Nevada.
- (I) Alaska.

(2) REQUIREMENT.—In conducting a lease sale under paragraph (1) in a State described in that paragraph, the Secretary of the Interior—

(A) shall offer not less than 50 percent of available parcels nominated for oil and gas development under the applicable resource management plan in effect for relevant Bureau of Land Management resource management areas within the applicable State; and

(B) shall not restrict the parcels offered to 1 Bureau of Land Management field office within the applicable State unless all nominated parcels are located within the same Bureau of Land Management field office.

(3) REPLACEMENT SALES.—The Secretary of the Interior shall conduct a replacement sale during the same fiscal year if—

(A) a lease sale under paragraph (1) is canceled, delayed, or deferred, including for a lack of eligible parcels; or

(B) during a lease sale under paragraph (1) the percentage of acreage that does not receive a bid is equal to or greater than 25 percent of the acreage offered.

(d) MINERAL LEASING ACT REFORMS.—Section 17 of the Mineral Leasing Act (30 U.S.C. 226), as amended by subsection (a), is amended—

(1) by striking the section designation and all that follows through the end of subsection (a) and inserting the following:

“SEC. 17. LEASING OF OIL AND GAS PARCELS.

“(a) LEASING AUTHORIZED.—

“(1) IN GENERAL.—Any parcel of land subject to disposition under this Act that is known or believed to contain oil or gas deposits shall be made available for leasing, subject to paragraph (2), by the Secretary of the Interior, not later than 18 months after the date of receipt by the Secretary of an expression of interest in leasing the applicable parcel of land available for disposition under this section, if the Secretary determines that the parcel of land is open to oil or gas leasing under the approved resource management plan applicable to

the planning area in which the parcel of land is located that is in effect on the date on which the expression of interest was submitted to the Secretary (referred to in this subsection as the ‘approved resource management plan’).

“(2) RESOURCE MANAGEMENT PLANS.—

“(A) LEASE TERMS AND CONDITIONS.—A lease issued by the Secretary under this section with respect to an applicable parcel of land made available for leasing under paragraph (1)—

“(i) shall be subject to the terms and conditions of the approved resource management plan; and

“(ii) may not require any stipulations or mitigation requirements not included in the approved resource management plan.

“(B) EFFECT OF AMENDMENT.—The initiation of an amendment to an approved resource management plan shall not prevent or delay the Secretary from making the applicable parcel of land available for leasing in accordance with that approved resource management plan if the other requirements of this section have been met, as determined by the Secretary.”;

(2) in subsection (p), by adding at the end the following:

“(4) TERM.—A permit to drill approved under this subsection shall be valid for a single, non-renewable 4-year period beginning on the date that the permit to drill is approved.”; and

(3) by striking subsection (q) and inserting the following:

“(q) COMMINGLING OF PRODUCTION.—The Secretary of the Interior shall approve applications allowing for the commingling of production from 2 or more sources (including the area of an oil and gas lease, the area included in a drilling spacing unit, a unit participating area, a communitized area, or non-Federal property) before production reaches the point of royalty measurement regardless of ownership, the royalty rates, and the number or percentage of acres for each source if the applicant agrees to install measurement devices for each source, utilize an allocation method that achieves volume measurement uncertainty levels within plus or minus 2 percent during the production phase reported on a monthly basis, or utilize an approved periodic well testing methodology. Production from multiple oil and gas leases, drilling spacing units, communitized areas, or participating areas from a single wellbore shall be considered a single source. Nothing in this subsection shall prevent the Secretary of the Interior from continuing the current practice of exercising discretion to authorize higher percentage volume measurement uncertainty levels if appropriate technical and economic justifications have been provided.”.

SEC. 50102. OFFSHORE OIL AND GAS LEASING.

(a) LEASE SALES.—

(1) GULF OF AMERICA REGION.—

(A) IN GENERAL.—Notwithstanding the 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program (and any successor leasing program that does not satisfy the requirements of this section), in addition to lease sales which may be held under that program, and except within areas subject to existing oil and gas

leasing moratoria, the Secretary of the Interior shall conduct a minimum of 30 region-wide oil and gas lease sales, in a manner consistent with the schedule described in subparagraph (B), in the region identified in the map depicting lease terms and economic conditions accompanying the final notice of sale of the Bureau of Ocean Energy Management entitled “Gulf of Mexico Outer Continental Shelf Region-Wide Oil and Gas Lease Sale 254” (85 Fed. Reg. 8010 (February 12, 2020)).

(B) TIMING REQUIREMENT.—Of the not fewer than 30 region-wide lease sales required under this paragraph, the Secretary of the Interior shall—

(i) hold not fewer than 1 lease sale in the region described in subparagraph (A) by December 15, 2025;

(ii) hold not fewer than 2 lease sales in that region in each of calendar years 2026 through 2039, 1 of which shall be held by March 15 of the applicable calendar year and 1 of which shall be held after March 15 but not later than August 15 of the applicable calendar year; and

(iii) hold not fewer than 1 lease sale in that region in calendar year 2040, which shall be held by March 15, 2040.

(2) ALASKA REGION.—

(A) IN GENERAL.—The Secretary of the Interior shall conduct a minimum of 6 offshore lease sales, in a manner consistent with the schedule described in subparagraph (B), in the Cook Inlet Planning Area as identified in the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program published on November 18, 2016, by the Bureau of Ocean Energy Management (as announced in the notice of availability of the Bureau of Ocean Energy Management entitled “Notice of Availability of the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program” (81 Fed. Reg. 84612 (November 23, 2016))).

(B) TIMING REQUIREMENT.—Of the not fewer than 6 lease sales required under this paragraph, the Secretary of the Interior shall hold not fewer than 1 lease sale in the area described in subparagraph (A) in each of calendar years 2026 through 2028, and in each of calendar years 2030 through 2032, by March 15 of the applicable calendar year.

(b) REQUIREMENTS.—

(1) TERMS AND STIPULATIONS FOR GULF OF AMERICA SALES.—In conducting lease sales under subsection (a)(1), the Secretary of the Interior—

(A) shall, subject to subparagraph (C), offer the same lease form, lease terms, economic conditions, and lease stipulations 4 through 9 as contained in the final notice of sale of the Bureau of Ocean Energy Management entitled “Gulf of Mexico Outer Continental Shelf Region-Wide Oil and Gas Lease Sale 254” (85 Fed. Reg. 8010 (February 12, 2020));

(B) may update lease stipulations 1 through 3 and 10 described in that final notice of sale to reflect current conditions for lease sales conducted under subsection (a)(1);

(C) shall set the royalty rate at not less than 12½ percent but not greater than 16⅔ percent; and

(D) shall, for a lease in water depths of 800 meters or deeper issued as a result of a sale, set the primary term for 10 years.

(2) TERMS AND STIPULATIONS FOR ALASKA REGION SALES.—

(A) IN GENERAL.—In conducting lease sales under subsection (a)(2), the Secretary of the Interior shall offer the same lease form, lease terms, economic conditions, and stipulations as contained in the final notice of sale of the Bureau of Ocean Energy Management entitled “Cook Inlet Planning Area Outer Continental Shelf Oil and Gas Lease Sale 244” (82 Fed. Reg. 23291 (May 22, 2017)).

(B) REVENUE SHARING.—Notwithstanding section 8(g) and section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g), 1338), and beginning in fiscal year 2034, of the bonuses, rents, royalties, and other revenues derived from lease sales conducted under subsection (a)(2)—

- (i) 70 percent shall be paid to the State of Alaska; and
- (ii) 30 percent shall be deposited in the Treasury and credited to miscellaneous receipts.

(3) AREA OFFERED FOR LEASE.—

(A) GULF OF AMERICA REGION.—For each offshore lease sale conducted under subsection (a)(1), the Secretary of the Interior shall—

- (i) offer not fewer than 80,000,000 acres; or
- (ii) if there are fewer than 80,000,000 acres that are unleased and available, offer all unleased and available acres.

(B) ALASKA REGION.—For each offshore lease sale conducted under subsection (a)(2), the Secretary of the Interior shall—

- (i) offer not fewer than 1,000,000 acres; or
- (ii) if there are fewer than 1,000,000 acres that are unleased and available, offer all unleased and available acres.

(c) OFFSHORE COMMINGLING.—The Secretary of the Interior shall approve a request of an operator to commingle oil or gas production from multiple reservoirs within a single wellbore completed on the outer Continental Shelf in the Gulf of America Region unless the Secretary of the Interior determines that conclusive evidence establishes that the commingling—

- (1) could not be conducted by the operator in a safe manner;

or

- (2) would result in an ultimate recovery from the applicable reservoirs to be reduced in comparison to the expected recovery of those reservoirs if they had not been commingled.

(d) OFFSHORE OIL AND GAS ROYALTY RATE.—

(1) REPEAL.—Section 50261 of Public Law 117–169 (136 Stat. 2056) is repealed, and any provision of law amended or repealed by that section is restored or revived as if that section had not been enacted into law.

(2) ROYALTY RATE.—Section 8(a)(1) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(1)) (as amended by paragraph (1)) is amended—

(A) in subparagraph (A), by striking “not less than 12½ per centum” and inserting “not less than 12½ percent, but not more than 16⅔ percent,”;

(B) in subparagraph (C), by striking “not less than 12½ per centum” and inserting “not less than 12½ percent, but not more than 16⅔ percent,”;

(C) in subparagraph (F), by striking “no less than 12½ per centum” and inserting “not less than 12½ percent, but not more than 16⅔ percent,”; and

(D) in subparagraph (H), by striking “no less than 12 and ½ per centum” and inserting “not less than 12½ percent, but not more than 16⅔ percent,”.

(e) LIMITATIONS ON AMOUNT OF DISTRIBUTED QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—Section 105(f)(1) of the Gulf of Mexico Energy Security Act of 2006 (43 U.S.C. 1331 note; Public Law 109–432) is amended—

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

(2) in subparagraph (C), by striking “2055.” and inserting “2024.”; and

(3) by adding at the end the following:

“(D) \$650,000,000 for each of fiscal years 2025 through 2034; and

“(E) \$500,000,000 for each of fiscal years 2035 through 2055.”.

SEC. 50103. ROYALTIES ON EXTRACTED METHANE.

Section 50263 of Public Law 117–169 (30 U.S.C. 1727) is repealed.

SEC. 50104. ALASKA OIL AND GAS LEASING.

(a) DEFINITIONS.—In this section:

(1) COASTAL PLAIN.—The term “Coastal Plain” has the meaning given the term in section 20001(a) of Public Law 115–97 (16 U.S.C. 3143 note).

(2) OIL AND GAS PROGRAM.—The term “oil and gas program” means the oil and gas program established under section 20001(b)(2) of Public Law 115–97 (16 U.S.C. 3143 note).

(3) SECRETARY.—The term “Secretary” means the Secretary of the Interior, acting through the Bureau of Land Management.

(b) LEASE SALES REQUIRED.—

(1) IN GENERAL.—Subject to paragraph (3), in addition to the lease sales required under section 20001(c)(1)(A) of Public Law 115–97 (16 U.S.C. 3143 note), the Secretary shall conduct not fewer than 4 lease sales area-wide under the oil and gas program by not later than 10 years after the date of enactment of this Act.

(2) TERMS AND CONDITIONS.—In conducting lease sales under paragraph (1), the Secretary shall offer the same terms and conditions as contained in the record of decision described in the notice of availability of the Bureau of Land Management entitled “Notice of Availability of the Record of Decision for the Final Environmental Impact Statement for the Coastal Plain Oil and Gas Leasing Program, Alaska” (85 Fed. Reg. 51754 (August 21, 2020)).

(3) SALE ACREAGES; SCHEDULE.—

(A) ACREAGES.—In conducting the lease sales required under paragraph (1), the Secretary shall offer for lease under the oil and gas program—

(i) not fewer than 400,000 acres area-wide in each lease sale; and

(ii) those areas that have the highest potential for the discovery of hydrocarbons.

(B) SCHEDULE.—The Secretary shall offer—

(i) the initial lease sale under paragraph (1) not later than 1 year after the date of enactment of this Act;

(ii) a second lease sale under paragraph (1) not later than 3 years after the date of enactment of this Act;

(iii) a third lease sale under paragraph (1) not later than 5 years after the date of enactment of this Act; and

(iv) a fourth lease sale under paragraph (1) not later than 7 years after the date of enactment of this Act.

(4) RIGHTS-OF-WAY.—Section 20001(c)(2) of Public Law 115–97 (16 U.S.C. 3143 note) shall apply to leases awarded under this subsection.

(5) SURFACE DEVELOPMENT.—Section 20001(c)(3) of Public Law 115–97 (16 U.S.C. 3143 note) shall apply to leases awarded under this subsection.

(c) RECEIPTS.—Notwithstanding section 35 of the Mineral Leasing Act (30 U.S.C. 191) and section 20001(b)(5) of Public Law 115–97 (16 U.S.C. 3143 note), of the amount of adjusted bonus, rental, and royalty receipts derived from the oil and gas program and operations on the Coastal Plain pursuant to this section—

(1)(A) for each of fiscal years 2025 through 2033, 50 percent shall be paid to the State of Alaska; and

(B) for fiscal year 2034 and each fiscal year thereafter, 70 percent shall be paid to the State of Alaska; and

(2) the balance shall be deposited into the Treasury as miscellaneous receipts.

SEC. 50105. NATIONAL PETROLEUM RESERVE-ALASKA.

(a) DEFINITIONS.—In this section:

(1) NPR—A FINAL ENVIRONMENTAL IMPACT STATEMENT.—The term “NPR—A final environmental impact statement” means the final environmental impact statement published by the Bureau of Land Management entitled “National Petroleum Reserve in Alaska Integrated Activity Plan Final Environmental Impact Statement” and dated June 2020, including the errata sheet dated October 6, 2020, and excluding the errata sheet dated September 20, 2022.

(2) NPR—A RECORD OF DECISION.—The term “NPR—A record of decision” means the record of decision published by the Bureau of Land Management entitled “National Petroleum Reserve in Alaska Integrated Activity Plan Record of Decision” and dated December 2020.

(3) PROGRAM.—The term “Program” means the competitive oil and gas leasing, exploration, development, and production program established under section 107 of the Naval Petroleum Reserves Production Act of 1976 (42 U.S.C. 6506a).

(4) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

(b) **RESTORATION OF NPR–A OIL AND GAS LEASING PROGRAM.**—Effective beginning on the date of enactment of this Act, the Secretary shall expeditiously restore and resume oil and gas lease sales under the Program for domestic energy production and Federal revenue in the areas designated for oil and gas leasing as described in the NPR–A final environmental impact statement and the NPR–A record of decision.

(c) **RESUMPTION OF NPR–A LEASE SALES.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the Secretary shall conduct not fewer than 5 lease sales under the Program by not later than 10 years after the date of enactment of this Act.

(2) **SALES ACREAGES; SCHEDULE.**—

(A) **ACREAGES.**—In conducting the lease sales required under paragraph (1), the Secretary shall offer not fewer than 4,000,000 acres in each lease sale.

(B) **SCHEDULE.**—The Secretary shall offer—

(i) an initial lease sale under paragraph (1) not later than 1 year after the date of enactment of this Act; and

(ii) an additional lease sale under paragraph (1) not later than every 2 years after the date of enactment of this Act.

(d) **TERMS AND STIPULATIONS FOR NPR–A LEASE SALES.**—In conducting lease sales under subsection (c), the Secretary shall offer the same lease form, lease terms, economic conditions, and stipulations as described in the NPR–A final environmental impact statement and the NPR–A record of decision.

(e) **RECEIPTS.**—Section 107(l) of the Naval Petroleum Reserves Production Act of 1976 (42 U.S.C. 6506a(l)) is amended—

(1) by striking “All receipts from” and inserting the following:

“(1) **IN GENERAL.**—Except as provided in paragraph (2), all receipts from”; and

(2) by adding at the end the following:

“(2) **PERCENT SHARE FOR FISCAL YEAR 2034 AND THEREAFTER.**—Beginning in fiscal year 2034, of the receipts from sales, rentals, bonuses, and royalties on leases issued pursuant to this section after the date of enactment of the Act entitled ‘An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14’ (119th Congress)—

“(A) 70 percent shall be paid to the State of Alaska; and

“(B) 30 percent shall be paid into the Treasury of the United States.”.

Subtitle B—Mining

SEC. 50201. COAL LEASING.

(a) **DEFINITIONS.**—In this section:

(1) **COAL LEASE.**—The term “coal lease” means a lease entered into by the United States as lessor, through the Bureau of Land Management, and an applicant on Bureau of Land Management Form 3400-012 (or a successor form that contains the terms of a coal lease).

(2) **QUALIFIED APPLICATION.**—The term “qualified application” means an application for a coal lease pending as of the date of enactment of this Act or submitted within 90 days thereafter under the lease by application program administered by the Bureau of Land Management pursuant to the Mineral Leasing Act (30 U.S.C. 181 et seq.) for which any required environmental review has commenced or the Director of the Bureau of Land Management determines can commence within 90 days after receiving the application.

(b) **COAL LEASING ACTIVITIES.**—Not later than 90 days after the date of enactment of this Act, the Secretary of the Interior—

(1) shall—

(A) with respect to each qualified application—

(i) if not previously published for public comment, publish any required environmental review;

(ii) establish the fair market value of the applicable coal tract;

(iii) hold a lease sale with respect to the applicable coal tract; and

(iv) identify the highest bidder at or above the fair market value and take all other intermediate actions necessary to identify the winning bidder and grant the qualified application; and

(2) may—

(A) with respect to a previously issued coal lease, grant any additional approvals of the Department of the Interior required for mining activities to commence; and

(B) after completing the actions required by clauses (i) through (iv) of paragraph (1)(A), grant the qualified application and issue the applicable lease to the person that submitted the qualified application if that person submitted the winning bid in the lease sale held under clause (iii) of paragraph (1)(A).

SEC. 50202. COAL ROYALTY.

(a) **RATE.**—Section 7(a) of the Mineral Leasing Act (30 U.S.C. 207(a)) is amended, in the fourth sentence, by striking “12½ percent” and inserting “12½ percent, except such amount shall be not more than 7 percent during the period that begins on the date of enactment of the Act entitled ‘An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14’ (119th Congress) and ends September 30, 2034,”.

(b) **APPLICABILITY TO EXISTING LEASES.**—The amendment made by subsection (a) shall apply to a coal lease—

(1) issued under section 2 of the Mineral Leasing Act (30 U.S.C. 201) before, on, or after the date of the enactment of this Act; and

(2) that has not been terminated.

(c) **ADVANCE ROYALTIES.**—With respect to a lease issued under section 2 of the Mineral Leasing Act (30 U.S.C. 201) for which the lessee has paid advance royalties under section 7(b) of that Act (30 U.S.C. 207(b)), the Secretary of the Interior shall provide to the lessee a credit for the difference between the amount paid by the lessee in advance royalties for the lease before the date of the enactment of this Act and the amount the lessee would have been required to pay if the amendment made by subsection

(a) had been made before the lessee paid advance royalties for the lease.

SEC. 50203. LEASES FOR KNOWN RECOVERABLE COAL RESOURCES.

Notwithstanding section 2(a)(3)(A) of the Mineral Leasing Act (30 U.S.C. 201(a)(3)(A)) and section 202(a) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712(a)), not later than 90 days after the date of enactment of this Act, the Secretary of the Interior shall make available for lease known recoverable coal resources of not less than 4,000,000 additional acres on Federal land located in the 48 contiguous States and Alaska subject to the jurisdiction of the Secretary, but which shall not include any Federal land within—

- (1) a National Monument;
- (2) a National Recreation Area;
- (3) a component of the National Wilderness Preservation System;
- (4) a component of the National Wild and Scenic Rivers System;
- (5) a component of the National Trails System;
- (6) a National Conservation Area;
- (7) a unit of the National Wildlife Refuge System;
- (8) a unit of the National Fish Hatchery System; or
- (9) a unit of the National Park System.

SEC. 50204. AUTHORIZATION TO MINE FEDERAL COAL.

(a) **AUTHORIZATION.**—In order to provide access to coal reserves in adjacent State or private land that without an authorization could not be mined economically, Federal coal reserves located in Federal land subject to a mining plan previously approved by the Secretary of the Interior as of the date of enactment of this Act and adjacent to coal reserves in adjacent State or private land are authorized to be mined.

(b) **REQUIREMENT.**—Not later than 90 days after the date of enactment of this Act, the Secretary of the Interior shall, without substantial modification, take such steps as are necessary to authorize the mining of Federal land described in subsection (a).

(c) **NEPA.**—Nothing in this section shall prevent a review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

Subtitle C—Lands

SEC. 50301. TIMBER SALES AND LONG-TERM CONTRACTING FOR THE FOREST SERVICE AND THE BUREAU OF LAND MANAGEMENT.

(a) **FOREST SERVICE.**—

(1) **DEFINITIONS.**—In this subsection:

(A) **FOREST PLAN.**—The term “forest plan” means a land and resource management plan prepared by the Secretary for a unit 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).

(B) **NATIONAL FOREST SYSTEM.**—

(i) **IN GENERAL.**—The term “National Forest System” means land of 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))) administered by the Secretary.

(ii) EXCLUSIONS.—The term “National Forest System” does not include any forest reserve not created from the public domain.

(C) SECRETARY.—The term “Secretary” means the Secretary of Agriculture, acting through the Chief of the Forest Service.

(2) TIMBER SALES ON PUBLIC DOMAIN FOREST RESERVES.—

(A) IN GENERAL.—For each of fiscal years 2026 through 2034, the Secretary shall sell timber annually on National Forest System land in a total quantity that is not less than 250,000,000 board-feet greater than the quantity of board-feet sold in the previous fiscal year.

(B) LIMITATION.—The timber sales under subparagraph (A) shall be subject to the maximum allowable sale quantity of timber or the projected timber sale quantity under the applicable forest plan in effect on the date of enactment of this Act.

(3) LONG-TERM CONTRACTING FOR THE FOREST SERVICE.—

(A) LONG-TERM CONTRACTING.—For the period of fiscal years 2025 through 2034, the Secretary shall enter into not fewer than 40 long-term timber sale contracts with private persons or other public or private entities under subsection (a) of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a) for the sale of national forest materials (as defined in subsection (e)(1) of that section) in the National Forest System.

(B) CONTRACT LENGTH.—The period of a timber sale contract entered into to meet the requirement under subparagraph (A) shall be not less than 20 years, with options for extensions or renewals, as determined by the Secretary.

(C) RECEIPTS.—Any monies derived from a timber sale contract entered into to meet the requirements under subparagraphs (A) and (B) shall be deposited in the general fund of the Treasury.

(b) BUREAU OF LAND MANAGEMENT.—

(1) DEFINITIONS.—In this subsection:

(A) PUBLIC LANDS.—The term “public lands” has the meaning given the term in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).

(B) RESOURCE MANAGEMENT PLAN.—The term “resource management plan” means a land use plan prepared for public lands under section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712).

(C) SECRETARY.—The term “Secretary” means the Secretary of the Interior, acting through the Director of the Bureau of Land Management.

(2) TIMBER SALES ON PUBLIC LANDS.—

(A) IN GENERAL.—For each of fiscal years 2026 through 2034, the Secretary shall sell timber annually on public lands in a total quantity that is not less than 20,000,000 board-feet greater than the quantity of board-feet sold in the previous fiscal year.

(B) LIMITATION.—The timber sales under subparagraph (A) shall be subject to the applicable resource management plan in effect on the date of enactment of this Act.

(3) LONG-TERM CONTRACTING FOR THE BUREAU OF LAND MANAGEMENT.—

(A) LONG-TERM CONTRACTING.—For the period of fiscal years 2025 through 2034, the Secretary shall enter into not fewer than 5 long-term contracts with private persons or other public or private entities under section 1 of the Act of July 31, 1947 (commonly known as the “Materials Act of 1947”) (61 Stat. 681, chapter 406; 30 U.S.C. 601), for the disposal of vegetative materials described in that section on public lands.

(B) CONTRACT LENGTH.—The period of a contract entered into to meet the requirement under subparagraph (A) shall be not less than 20 years, with options for extensions or renewals, as determined by the Secretary.

(C) RECEIPTS.—Any monies derived from a contract entered into to meet the requirements under subparagraphs (A) and (B) shall be deposited in the general fund of the Treasury.

SEC. 50302. RENEWABLE ENERGY FEES ON FEDERAL LAND.

(a) DEFINITIONS.—In this section:

(1) ANNUAL ADJUSTMENT FACTOR.—The term “Annual Adjustment Factor” means 3 percent.

(2) ENCUMBRANCE FACTOR.—The term “Encumbrance Factor” means—

(A) 100 percent for a solar energy generation facility; and

(B) an amount determined by the Secretary, but not less than 10 percent for a wind energy generation facility.

(3) NATIONAL FOREST SYSTEM.—

(A) IN GENERAL.—The term “National Forest System” means land of 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))) administered by the Secretary of Agriculture.

(B) EXCLUSION.—The term “National Forest System” does not include any forest reserve not created from the public domain.

(4) PER-ACRE RATE.—The term “Per-Acre Rate”, with respect to a right-of-way, means the average of the per-acre pastureland rental rates published in the Cash Rents Survey by the National Agricultural Statistics Service for the State in which the right-of-way is located over the 5 calendar-year period preceding the issuance or renewal of the right-of-way.

(5) PROJECT.—The term “project” means a system described in section 2801.9(a)(4) of title 43, Code of Federal Regulations (as in effect on the date of enactment of this Act).

(6) PUBLIC LAND.—The term “public land” means—

(A) public lands (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)); and

(B) National Forest System land.

(7) RENEWABLE ENERGY PROJECT.—The term “renewable energy project” means a project located on public land that uses wind or solar energy to generate energy.

(8) RIGHT-OF-WAY.—The term “right-of-way” has the meaning given the term in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).

(9) SECRETARY.—The term “Secretary” means—

(A) the Secretary of the Interior, with respect to land controlled or administered by the Secretary of the Interior; and

(B) the Secretary of Agriculture, with respect to National Forest System land.

(b) ACREAGE RENT FOR WIND AND SOLAR RIGHTS-OF-WAY.—

(1) IN GENERAL.—Pursuant to section 504(g) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1764(g)), the Secretary shall, subject to paragraph (3) and not later than January 1 of each calendar year, collect from the holder of a right-of-way for a renewable energy project an acreage rent in an amount determined by the equation described in paragraph (2).

(2) CALCULATION OF ACREAGE RENT RATE.—

(A) EQUATION.—The amount of an acreage rent collected under paragraph (1) shall be determined using the following equation: $\text{Acreage rent} = A \times B \times ((1 + C)^D)$.

(B) DEFINITIONS.—For purposes of the equation described in subparagraph (A):

(i) The letter “A” means the Per-Acre Rate.

(ii) The letter “B” means the Encumbrance Factor.

(iii) The letter “C” means the Annual Adjustment

Factor.

(iv) The letter “D” means the year in the term of the right-of-way.

(3) PAYMENT UNTIL PRODUCTION.—The holder of a right-of-way for a renewable energy project shall pay an acreage rent collected under paragraph (1) until the date on which energy generation begins.

(c) CAPACITY FEES.—

(1) IN GENERAL.—The Secretary shall, subject to paragraph (3), annually collect a capacity fee from the holder of a right-of-way for a renewable energy project based on the amount described in paragraph (2).

(2) CALCULATION OF CAPACITY FEE.—The amount of a capacity fee collected under paragraph (1) shall be equal to the greater of—

(A) an amount equal to the acreage rent described in subsection (b); and

(B) 3.9 percent of the gross proceeds from the sale of electricity produced by the renewable energy project.

(3) MULTIPLE-USE REDUCTION FACTOR.—

(A) APPLICATION.—The holder of a right-of-way for a wind energy generation project may request that the Secretary apply a multiple-use reduction factor of 10-percent to the amount of a capacity fee determined under paragraph (2) by submitting to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(B) APPROVAL.—The Secretary may approve an application submitted under subparagraph (A) only if not less than 25 percent of the land within the area of the right-of-way is authorized for use, occupancy, or development with respect to an activity other than the generation of wind energy for the entirety of the year in which the capacity fee is collected.

(C) LATE DETERMINATION.—

(i) IN GENERAL.—If the Secretary approves an application under subparagraph (B) for a wind energy generation project after the date on which the holder of the right-of-way for the project begins paying a capacity fee, the Secretary shall apply the multiple-use reduction factor described in subparagraph (A) to the capacity fee for the first year beginning after the date of approval and each year thereafter for the period during which the right-of-way remains in effect.

(ii) REFUND.—The Secretary may not refund the holder of a right-of-way for the difference in the amount of a capacity fee paid in a previous year.

(d) LATE PAYMENT FEE; TERMINATION.—

(1) IN GENERAL.—The Secretary may charge the holder of a right-of-way for a renewable energy project a late payment fee if the Secretary does not receive payment for the acreage rent under subsection (b) or the capacity fee under subsection (c) by the date that is 15 days after the date on which the payment was due.

(2) TERMINATION OF RIGHT-OF-WAY.—The Secretary may terminate a right-of-way for a renewable energy project if the Secretary does not receive payment for the acreage rent under subsection (b) or the capacity fee under subsection (c) by the date that is 90 days after the date on which the payment was due.

SEC. 50303. RENEWABLE ENERGY REVENUE SHARING.

(a) DEFINITIONS.—In this section:

(1) COUNTY.—The term “county” includes a parish, township, borough, and any other similar, independent unit of local government.

(2) COVERED LAND.—The term “covered land” means land that is—

(A) public land administered by the Secretary; and

(B) not excluded from the development of solar or wind energy under—

(i) a land use plan; or

(ii) other Federal law.

(3) NATIONAL FOREST SYSTEM.—

(A) IN GENERAL.—The term “National Forest System” means land of 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))) administered by the Secretary of Agriculture.

(B) EXCLUSION.—The term “National Forest System” does not include any forest reserve not created from the public domain.

(4) PUBLIC LAND.—The term “public land” means—

(A) public lands (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)); and

(B) National Forest System land.

(5) RENEWABLE ENERGY PROJECT.—The term “renewable energy project” means a system described in section 2801.9(a)(4) of title 43, Code of Federal Regulations (as in effect on the date of enactment of this Act), located on covered land that uses wind or solar energy to generate energy.

(6) SECRETARY.—The term “Secretary” means—

(A) the Secretary of the Interior, with respect to land controlled or administered by the Secretary of the Interior; and

(B) the Secretary of Agriculture, with respect to National Forest System land.

(b) DISPOSITION OF REVENUE.—

(1) DISPOSITION OF REVENUES.—Beginning on January 1, 2026, the amounts collected from a renewable energy project as bonus bids, rentals, fees, or other payments under a right-of-way, permit, lease, or other authorization shall—

(A) be deposited in the general fund of the Treasury; and

(B) without further appropriation or fiscal year limitation, be allocated as follows:

(i) 25 percent shall be paid from amounts in the general fund of the Treasury to the State within the boundaries of which the revenue is derived.

(ii) 25 percent shall be paid from amounts in the general fund of the Treasury to each county in a State within the boundaries of which the revenue is derived, to be allocated among each applicable county based on the percentage of county land from which the revenue is derived.

(2) PAYMENTS TO STATES AND COUNTIES.—

(A) IN GENERAL.—Amounts paid to States and counties under paragraph (1) shall be used in accordance with the requirements of section 35 of the Mineral Leasing Act (30 U.S.C. 191).

(B) PAYMENTS IN LIEU OF TAXES.—A payment to a county under paragraph (1) shall be in addition to a payment in lieu of taxes received by the county under chapter 69 of title 31, United States Code.

(C) TIMING.—The amounts required to be paid under paragraph (1)(B) for an applicable fiscal year shall be made available in the fiscal year that immediately follows the fiscal year for which the amounts were collected.

SEC. 50304. RESCISSION OF NATIONAL PARK SERVICE AND BUREAU OF LAND MANAGEMENT FUNDS.

There are rescinded the unobligated balances of amounts made available by the following sections of Public Law 117–169 (commonly known as the “Inflation Reduction Act of 2022”) (136 Stat. 1818):

(1) Section 50221 (136 Stat. 2052).

(2) Section 50222 (136 Stat. 2052).

(3) Section 50223 (136 Stat. 2052).

SEC. 50305. CELEBRATING AMERICA’S 250TH ANNIVERSARY.

In addition to amounts otherwise available, there is appropriated to the Secretary of the Interior (acting through the Director of the National Park Service) for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$150,000,000 for events, celebrations, and activities surrounding the observance and commemoration of the 250th anniversary of the founding of the United States, to remain available through fiscal year 2028.

Subtitle D—Energy

SEC. 50401. STRATEGIC PETROLEUM RESERVE.

(a) **ENERGY POLICY AND CONSERVATION ACT DEFINITIONS.**—In this section, the terms “related facility”, “storage facility”, and “Strategic Petroleum Reserve” have the meanings given those terms in section 152 of the Energy Policy and Conservation Act (42 U.S.C. 6232).

(b) **APPROPRIATIONS.**—In addition to amounts otherwise available, there is appropriated to the Department of Energy for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029—

(1) \$218,000,000 for maintenance of, including repairs to, storage facilities and related facilities of the Strategic Petroleum Reserve; and

(2) \$171,000,000 to acquire, by purchase, petroleum products for storage in the Strategic Petroleum Reserve.

(c) **REPEAL OF STRATEGIC PETROLEUM RESERVE DRAWDOWN AND SALE MANDATE.**—Section 20003 of Public Law 115–97 (42 U.S.C. 6241 note) is repealed.

SEC. 50402. REPEALS; RESCISSIONS.

(a) **REPEAL AND RESCISSION.**—Section 50142 of Public Law 117–169 (136 Stat. 2044) (commonly known as the “Inflation Reduction Act of 2022”) is repealed and the unobligated balance of amounts made available under that section (as in effect on the day before the date of enactment of this Act) is rescinded.

(b) **RESCISSIONS.**—

(1) **IN GENERAL.**—The unobligated balances of amounts made available under the sections described in paragraph (2) are rescinded.

(2) **SECTIONS DESCRIBED.**—The sections referred to in paragraph (1) are the following sections of Public Law 117–169 (commonly known as the “Inflation Reduction Act of 2022”):

(A) Section 50123 (42 U.S.C. 18795b).

(B) Section 50141 (136 Stat. 2042).

(C) Section 50144 (136 Stat. 2044).

(D) Section 50145 (136 Stat. 2045).

(E) Section 50151 (42 U.S.C. 18715).

(F) Section 50152 (42 U.S.C. 18715a).

(G) Section 50153 (42 U.S.C. 18715b).

(H) Section 50161 (42 U.S.C. 17113b).

SEC. 50403. ENERGY DOMINANCE FINANCING.

(a) **IN GENERAL.**—Section 1706 of the Energy Policy Act of 2005 (42 U.S.C. 16517) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “or” at the end;

(B) in paragraph (2), by striking “avoid” and all that follows through the period at the end and inserting “increase capacity or output; or”; and

(C) by adding at the end the following:

“(3) support or enable the provision of known or forecastable electric supply at time intervals necessary to maintain or enhance grid reliability or other system adequacy needs.”;

(2) by striking subsection (c);

(3) by redesignating subsections (d) through (f) as subsections (c) through (e), respectively;

(4) in subsection (c) (as so redesignated)—

(A) in paragraph (1), by adding “and” at the end;

(B) by striking paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2);

(5) in subsection (e) (as so redesignated), by striking “for—” in the matter preceding paragraph (1) and all that follows through the period at the end of paragraph (2) and inserting “for enabling the identification, leasing, development, production, processing, transportation, transmission, refining, and generation needed for energy and critical minerals.”; and

(6) by adding at the end the following:

“(f) FUNDING.—

“(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$1,000,000,000, to remain available through September 30, 2028, to carry out activities under this section.

“(2) ADMINISTRATIVE COSTS.—Of the amount made available under paragraph (1), the Secretary shall use not more than 3 percent for administrative expenses.”.

(b) COMMITMENT AUTHORITY.—Section 50144(b) of Public Law 117–169 (commonly known as the “Inflation Reduction Act of 2022”) (136 Stat. 2045) is amended by striking “2026” and inserting “2028”.

SEC. 50404. TRANSFORMATIONAL ARTIFICIAL INTELLIGENCE MODELS.

(a) DEFINITIONS.—In this section:

(1) AMERICAN SCIENCE CLOUD.—The term “American science cloud” means a system of United States government, academic, and private sector programs and infrastructures utilizing cloud computing technologies to facilitate and support scientific research, data sharing, and computational analysis across various disciplines while ensuring compliance with applicable legal, regulatory, and privacy standards.

(2) ARTIFICIAL INTELLIGENCE.—The term “artificial intelligence” has the meaning given the term in section 5002 of the National Artificial Intelligence Initiative Act of 2020 (15 U.S.C. 9401).

(b) TRANSFORMATIONAL MODELS.—The Secretary of Energy shall—

(1) mobilize National Laboratories to partner with industry sectors within the United States to curate the scientific data of the Department of Energy across the National Laboratory complex so that the data is structured, cleaned, and preprocessed in a way that makes it suitable for use in artificial intelligence and machine learning models; and

(2) initiate seed efforts for self-improving artificial intelligence models for science and engineering powered by the data described in paragraph (1).

(c) USES.—

(1) MICROELECTRONICS.—The curated data described in subsection (b)(1) may be used to rapidly develop next-generation microelectronics that have greater capabilities beyond Moore’s law while requiring lower energy consumption.

(2) NEW ENERGY TECHNOLOGIES.—The artificial intelligence models developed under subsection (b)(2) shall be provided to the scientific community through the American science cloud to accelerate innovation in discovery science and engineering for new energy technologies.

(d) APPROPRIATIONS.—There is appropriated, out of any funds in the Treasury not otherwise appropriated, \$150,000,000, to remain available through September 30, 2026, to carry out this section.

Subtitle E—Water

SEC. 50501. WATER CONVEYANCE AND SURFACE WATER STORAGE ENHANCEMENT.

In addition to amounts otherwise available, there is appropriated to the Secretary of the Interior, acting through the Commissioner of Reclamation, for fiscal year 2025, out of any funds in the Treasury not otherwise appropriated, \$1,000,000,000, to remain available through September 30, 2034, for construction and associated activities that restore or increase the capacity or use of existing conveyance facilities constructed by the Bureau of Reclamation or for construction and associated activities that increase the capacity of existing Bureau of Reclamation surface water storage facilities, in a manner as determined by the Secretary of the Interior, acting through the Commissioner of Reclamation: *Provided*, That, for the purposes of section 203 of the Reclamation Reform Act of 1982 (43 U.S.C. 390cc) or section 3404(a) of the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102–575; 106 Stat. 4708), a contract or agreement entered into pursuant to this section shall not be treated as a new or amended contract: *Provided further*, That none of the funds provided under this section shall be reimbursable or subject to matching or cost-sharing requirements.

TITLE VI—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

SEC. 60001. RESCISSION OF FUNDING FOR CLEAN HEAVY-DUTY VEHICLES.

The unobligated balances of amounts made available to carry out section 132 of the Clean Air Act (42 U.S.C. 7432) are rescinded.

SEC. 60002. REPEAL OF GREENHOUSE GAS REDUCTION FUND.

Section 134 of the Clean Air Act (42 U.S.C. 7434) is repealed and the unobligated balances of amounts made available to carry out that section (as in effect on the day before the date of enactment of this Act) are rescinded.

SEC. 60003. RESCISSION OF FUNDING FOR DIESEL EMISSIONS REDUCTIONS.

The unobligated balances of amounts made available to carry out section 60104 of Public Law 117–169 (136 Stat. 2067) are rescinded.

SEC. 60004. RESCISSION OF FUNDING TO ADDRESS AIR POLLUTION.

The unobligated balances of amounts made available to carry out section 60105 of Public Law 117–169 (136 Stat. 2067) are rescinded.

SEC. 60005. RESCISSION OF FUNDING TO ADDRESS AIR POLLUTION AT SCHOOLS.

The unobligated balances of amounts made available to carry out section 60106 of Public Law 117–169 (136 Stat. 2069) are rescinded.

SEC. 60006. RESCISSION OF FUNDING FOR THE LOW EMISSIONS ELECTRICITY PROGRAM.

The unobligated balances of amounts made available to carry out section 135 of the Clean Air Act (42 U.S.C. 7435) are rescinded.

SEC. 60007. RESCISSION OF FUNDING FOR SECTION 211(O) OF THE CLEAN AIR ACT.

The unobligated balances of amounts made available to carry out section 60108 of Public Law 117–169 (136 Stat. 2070) are rescinded.

SEC. 60008. RESCISSION OF FUNDING FOR IMPLEMENTATION OF THE AMERICAN INNOVATION AND MANUFACTURING ACT.

The unobligated balances of amounts made available to carry out section 60109 of Public Law 117–169 (136 Stat. 2071) are rescinded.

SEC. 60009. RESCISSION OF FUNDING FOR ENFORCEMENT TECHNOLOGY AND PUBLIC INFORMATION.

The unobligated balances of amounts made available to carry out section 60110 of Public Law 117–169 (136 Stat. 2071) are rescinded.

SEC. 60010. RESCISSION OF FUNDING FOR GREENHOUSE GAS CORPORATE REPORTING.

The unobligated balances of amounts made available to carry out section 60111 of Public Law 117–169 (136 Stat. 2072) are rescinded.

SEC. 60011. RESCISSION OF FUNDING FOR ENVIRONMENTAL PRODUCT DECLARATION ASSISTANCE.

The unobligated balances of amounts made available to carry out section 60112 of Public Law 117–169 (42 U.S.C. 4321 note; 136 Stat. 2072) are rescinded.

SEC. 60012. RESCISSION OF FUNDING FOR METHANE EMISSIONS AND WASTE REDUCTION INCENTIVE PROGRAM FOR PETROLEUM AND NATURAL GAS SYSTEMS.

(a) RESCISSION.—The unobligated balances of amounts made available to carry out subsections (a) and (b) of section 136 of the Clean Air Act (42 U.S.C. 7436) are rescinded.

(b) PERIOD.—Section 136(g) of the Clean Air Act (42 U.S.C. 7436(g)) is amended by striking “calendar year 2024” and inserting “calendar year 2034”.

SEC. 60013. RESCISSION OF FUNDING FOR GREENHOUSE GAS AIR POLLUTION PLANS AND IMPLEMENTATION GRANTS.

The unobligated balances of amounts made available to carry out section 137 of the Clean Air Act (42 U.S.C. 7437) are rescinded.

SEC. 60014. RESCISSION OF FUNDING FOR ENVIRONMENTAL PROTECTION AGENCY EFFICIENT, ACCURATE, AND TIMELY REVIEWS.

The unobligated balances of amounts made available to carry out section 60115 of Public Law 117–169 (136 Stat. 2077) are rescinded.

SEC. 60015. RESCISSION OF FUNDING FOR LOW-EMBODIED CARBON LABELING FOR CONSTRUCTION MATERIALS.

The unobligated balances of amounts made available to carry out section 60116 of Public Law 117–169 (42 U.S.C. 4321 note; 136 Stat. 2077) are rescinded.

SEC. 60016. RESCISSION OF FUNDING FOR ENVIRONMENTAL AND CLIMATE JUSTICE BLOCK GRANTS.

The unobligated balances of amounts made available to carry out section 138 of the Clean Air Act (42 U.S.C. 7438) are rescinded.

SEC. 60017. RESCISSION OF FUNDING FOR ESA RECOVERY PLANS.

The unobligated balances of amounts made available to carry out section 60301 of Public Law 117–169 (136 Stat. 2079) are rescinded.

SEC. 60018. RESCISSION OF FUNDING FOR ENVIRONMENTAL AND CLIMATE DATA COLLECTION.

The unobligated balances of amounts made available to carry out section 60401 of Public Law 117–169 (136 Stat. 2079) are rescinded.

SEC. 60019. RESCISSION OF NEIGHBORHOOD ACCESS AND EQUITY GRANT PROGRAM.

The unobligated balances of amounts made available to carry out section 177 of title 23, United States Code, are rescinded.

SEC. 60020. RESCISSION OF FUNDING FOR FEDERAL BUILDING ASSISTANCE.

The unobligated balances of amounts made available to carry out section 60502 of Public Law 117–169 (136 Stat. 2083) are rescinded.

SEC. 60021. RESCISSION OF FUNDING FOR LOW-CARBON MATERIALS FOR FEDERAL BUILDINGS.

The unobligated balances of amounts made available to carry out section 60503 of Public Law 117–169 (136 Stat. 2083) are rescinded.

SEC. 60022. RESCISSION OF FUNDING FOR GSA EMERGING AND SUSTAINABLE TECHNOLOGIES.

The unobligated balances of amounts made available to carry out section 60504 of Public Law 117–169 (136 Stat. 2083) are rescinded.

SEC. 60023. RESCISSION OF ENVIRONMENTAL REVIEW IMPLEMENTATION FUNDS.

The unobligated balances of amounts made available to carry out section 178 of title 23, United States Code, are rescinded.

SEC. 60024. RESCISSION OF LOW-CARBON TRANSPORTATION MATERIALS GRANTS.

The unobligated balances of amounts made available to carry out section 179 of title 23, United States Code, are rescinded.

SEC. 60025. JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$256,657,000, to remain available until September 30, 2029, for necessary expenses for capital repair, restoration, maintenance backlog, and security structures of the building and site of the John F. Kennedy Center for the Performing Arts.

(b) ADMINISTRATIVE COSTS.—Of the amounts made available under subsection (a), not more than 3 percent may be used for administrative costs necessary to carry out this section.

SEC. 60026. PROJECT SPONSOR OPT-IN FEES FOR ENVIRONMENTAL REVIEWS.

Title I of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) is amended by adding at the end the following:

“SEC. 112. PROJECT SPONSOR OPT-IN FEES FOR ENVIRONMENTAL REVIEWS.

“(a) PROCESS.—

“(1) PROJECT SPONSOR.—A project sponsor that intends to pay a fee under this section for the preparation, or supervision of the preparation, of an environmental assessment or environmental impact statement for a project shall submit to the Council—

“(A) a description of the project; and

“(B) a declaration of whether the project sponsor intends to prepare the environmental assessment or environmental impact statement under section 107(f).

“(2) COUNCIL ON ENVIRONMENTAL QUALITY.—Not later than 15 days after the date on which the Council receives information described in paragraph (1) from a project sponsor, the Council shall provide to the project sponsor notice of the amount of the fee to be paid under this section, as determined under subsection (b).

“(3) PAYMENT OF FEE.—A project sponsor may pay a fee under this section after receipt of the notice described in paragraph (2).

“(4) DEADLINE FOR ENVIRONMENTAL REVIEWS FOR WHICH A FEE IS PAID.—Notwithstanding section 107(g)(1)—

“(A) an environmental assessment for which a fee is paid under this section shall be completed not later than 180 days after the date on which the fee is paid; and

“(B) an environmental impact statement for which a fee is paid under this section shall be completed not later than 1 year after the date of publication of the notice of intent to prepare the environmental impact statement.

“(b) FEE AMOUNT.—The amount of a fee under this section shall be—

“(1) 125 percent of the anticipated costs to prepare the environmental assessment or environmental impact statement; and

“(2) in the case of an environmental assessment or environmental impact statement to be prepared in whole or in part by a project sponsor under section 107(f), 125 percent of the anticipated costs to supervise preparation of, and, as applicable, prepare, the environmental assessment or environmental impact statement.”.

TITLE VII—FINANCE

Subtitle A—Tax

SEC. 70001. REFERENCES TO THE INTERNAL REVENUE CODE OF 1986, ETC.

(a) REFERENCES.—Except as otherwise expressly provided, whenever in this title, an amendment 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 provision of the Internal Revenue Code of 1986.

(b) CERTAIN RULES REGARDING EFFECT OF RATE CHANGES NOT APPLICABLE.—Section 15 of the Internal Revenue Code of 1986 shall not apply to any change in rate of tax by reason of any provision of, or amendment made by, this title.

CHAPTER 1—PROVIDING PERMANENT TAX RELIEF FOR MIDDLE-CLASS FAMILIES AND WORKERS

SEC. 70101. EXTENSION AND ENHANCEMENT OF REDUCED RATES.

(a) IN GENERAL.—Section 1(j) is amended—

(1) in paragraph (1), by striking “, and before January 1, 2026”, and

(2) by striking “2018 THROUGH 2025” in the heading and inserting “BEGINNING AFTER 2017”.

(b) INFLATION ADJUSTMENT.—Section 1(j)(3)(B)(i) is amended by inserting “solely for purposes of determining the dollar amounts at which any rate bracket higher than 12 percent ends and at which any rate bracket higher than 22 percent begins,” before “subsection (f)(3)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70102. EXTENSION AND ENHANCEMENT OF INCREASED STANDARD DEDUCTION.

(a) IN GENERAL.—Section 63(c)(7) is amended—

(1) by striking “, and before January 1, 2026” in the matter preceding subparagraph (A), and

(2) by striking “2018 THROUGH 2025” in the heading and inserting “BEGINNING AFTER 2017”.

(b) ADDITIONAL INCREASE IN STANDARD DEDUCTION.—Paragraph (7) of section 63(c) is amended—

(1) by striking “\$18,000” both places it appears in subparagraphs (A)(i) and (B)(ii) and inserting “\$23,625”,

(2) by striking “\$12,000” both places it appears in subparagraphs (A)(ii) and (B)(ii) and inserting “\$15,750”,

(3) by striking “2018” in subparagraph (B)(ii) and inserting “2025”, and

(4) by striking “2017” in subparagraph (B)(ii)(II) and inserting “2024”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 70103. TERMINATION OF DEDUCTION FOR PERSONAL EXEMPTIONS OTHER THAN TEMPORARY SENIOR DEDUCTION.

(a) IN GENERAL.—Section 151(d)(5) is amended—

(1) by striking “2018 THROUGH 2025” in the heading and inserting “BEGINNING AFTER 2017”,

(2) by striking “, and before January 1, 2026”, and

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

“(C) DEDUCTION FOR SENIORS.—

“(i) IN GENERAL.—In the case of a taxable year beginning before January 1, 2029, there shall be allowed a deduction in an amount equal to \$6,000 for each qualified individual with respect to the taxpayer.

“(ii) QUALIFIED INDIVIDUAL.—For purposes of clause (i), the term ‘qualified individual’ means—

“(I) the taxpayer, if the taxpayer has attained age 65 before the close of the taxable year, and

“(II) in the case of a joint return, the taxpayer’s spouse, if such spouse has attained age 65 before the close of the taxable year.

“(iii) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

“(I) IN GENERAL.—In the case of any taxpayer for any taxable year, the \$6,000 amount in clause (i) shall be reduced (but not below zero) by 6 percent of so much of the taxpayer’s modified adjusted gross income as exceeds \$75,000 (\$150,000 in the case of a joint return).

“(II) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this clause, the term ‘modified adjusted gross income’ means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

“(iv) SOCIAL SECURITY NUMBER REQUIRED.—

“(I) IN GENERAL.—Clause (i) shall not apply with respect to a qualified individual unless the taxpayer includes such qualified individual’s social security number on the return of tax for the taxable year.

“(II) SOCIAL SECURITY NUMBER.—For purposes of subclause (I), the term ‘social security number’ has the meaning given such term in section 24(h)(7).

“(v) MARRIED INDIVIDUALS.—If the taxpayer is a married individual (within the meaning of section

7703), this subparagraph shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.”.

(b) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2) is amended by striking “and” at the end of subparagraph (U), by striking the period at the end of subparagraph (V) and inserting “, and”, and by inserting after subparagraph (V) the following new subparagraph:

“(W) an omission of a correct social security number required under section 151(d)(5)(C) (relating to deduction for seniors).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 70104. EXTENSION AND ENHANCEMENT OF INCREASED CHILD TAX CREDIT.

(a) EXTENSION AND INCREASE OF EXPANDED CHILD TAX CREDIT.—Section 24(h) is amended—

(1) in paragraph (1), by striking “, and before January 1, 2026”,

(2) in paragraph (2), by striking “\$2,000” and inserting “\$2,200”, and

(3) by striking “2018 THROUGH 2025” in the heading and inserting “BEGINNING AFTER 2017”.

(b) SOCIAL SECURITY NUMBER REQUIRED.—Section 24(h)(7) is amended to read as follows:

“(7) SOCIAL SECURITY NUMBER REQUIRED.—

“(A) IN GENERAL.—No credit shall be allowed under this section to a taxpayer with respect to any qualifying child unless the taxpayer includes on the return of tax for the taxable year—

“(i) the taxpayer's social security number (or, in the case of a joint return, the social security number of at least 1 spouse), and

“(ii) the social security number of such qualifying child.

“(B) SOCIAL SECURITY NUMBER.—For purposes of this paragraph, the term ‘social security number’ means a social security number issued to an individual by the Social Security Administration, but only if the social security number is issued—

“(i) to a citizen of the United States or pursuant to subclause (I) (or that portion of subclause (III) that relates to subclause (I)) of section 205(c)(2)(B)(i) of the Social Security Act, and

“(ii) before the due date for such return.”.

(c) INFLATION ADJUSTMENTS.—Section 24(i) is amended to read as follows:

“(i) INFLATION ADJUSTMENTS.—

“(1) MAXIMUM AMOUNT OF REFUNDABLE CREDIT.—In the case of a taxable year beginning after 2024, the \$1,400 amount in subsection (h)(5) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable

year begins, determined by substituting ‘2017’ for ‘2016’ in subparagraph (A)(ii) thereof.

“(2) SPECIAL RULE FOR ADJUSTMENT OF CREDIT AMOUNT.—In the case of a taxable year beginning after 2025, the \$2,200 amount in subsection (h)(2) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘2024’ for ‘2016’ in subparagraph (A)(ii) thereof.

“(3) ROUNDING.—If any increase under this subsection is not a multiple of \$100, such increase shall be rounded to the next lowest multiple of \$100.”.

(d) CONFORMING AMENDMENT.—Section 24(h)(5) is amended to read as follows:

“(5) MAXIMUM AMOUNT OF REFUNDABLE CREDIT.—The amount determined under subsection (d)(1)(A) with respect to any qualifying child shall not exceed \$1,400, and such subsection shall be applied without regard to paragraph (4) of this subsection.”.

(e) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2)(I) is amended by striking “section 24(e)” and inserting “section 24”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 70105. EXTENSION AND ENHANCEMENT OF DEDUCTION FOR QUALIFIED BUSINESS INCOME.

(a) INCREASE IN TAXABLE INCOME LIMITATION PHASE-IN AMOUNTS.—

(1) IN GENERAL.—Subparagraph (B) of section 199A(b)(3) is amended by striking “\$50,000 (\$100,000 in the case of a joint return)” each place it appears and inserting “\$75,000 (\$150,000 in the case of a joint return)”.

(2) CONFORMING AMENDMENT.—Paragraph (3) of section 199A(d) is amended by striking “\$50,000 (\$100,000 in the case of a joint return)” each place it appears and inserting “\$75,000 (\$150,000 in the case of a joint return)”.

(b) MINIMUM DEDUCTION FOR ACTIVE QUALIFIED BUSINESS INCOME.—

(1) IN GENERAL.—Subsection (i) of section 199A is amended to read as follows:

“(i) MINIMUM DEDUCTION FOR ACTIVE QUALIFIED BUSINESS INCOME.—

“(1) IN GENERAL.—In the case of an applicable taxpayer for any taxable year, the deduction allowed under subsection (a) for the taxable year shall be equal to the greater of—

“(A) the amount of such deduction determined without regard to this subsection, or

“(B) \$400.

“(2) APPLICABLE TAXPAYER.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘applicable taxpayer’ means, with respect to any taxable year, a taxpayer whose aggregate qualified business income with respect to all

active qualified trades or businesses of the taxpayer for such taxable year is at least \$1,000.

“(B) ACTIVE QUALIFIED TRADE OR BUSINESS.—The term ‘active qualified trade or business’ means, with respect to any taxpayer for any taxable year, any qualified trade or business of the taxpayer in which the taxpayer materially participates (within the meaning of section 469(h)).

“(3) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2026, the \$400 amount in paragraph (1)(B) and the \$1,000 amount in paragraph (2)(A) shall each be increased by an amount equal to —

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2025’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

If any increase under this paragraph is not a multiple of \$5, such increase shall be rounded to the nearest multiple of \$5.”.

(2) CONFORMING AMENDMENT.—Section 199A(a) is amended by inserting “except as provided in subsection (i),” before “there”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70106. EXTENSION AND ENHANCEMENT OF INCREASED ESTATE AND GIFT TAX EXEMPTION AMOUNTS.

(a) IN GENERAL.—Section 2010(c)(3) is amended—

(1) in subparagraph (A) by striking “\$5,000,000” and inserting “\$15,000,000”,

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking “2011” and inserting “2026”, and

(B) in clause (ii), by striking “calendar year 2010” and inserting “calendar year 2025”, and

(3) by striking subparagraph (C).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2025.

SEC. 70107. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNTS AND MODIFICATION OF PHASE-OUT THRESHOLDS.

(a) IN GENERAL.—Section 55(d)(4) is amended—

(1) in subparagraph (A), by striking “, and before January 1, 2026”, and

(2) by striking “AND BEFORE 2026” in the heading.

(b) MODIFICATION OF INFLATION ADJUSTMENT.—Section 55(d)(4)(B) is amended—

(1) by striking “2018” and inserting “2018 (2026, in the case of the \$1,000,000 amount in subparagraph (A)(ii)(I))”, and

(2) by striking “determined by substituting ‘calendar year 2017’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.” and inserting “determined by substituting for ‘calendar year 2016’ in subparagraph (A)(ii) thereof—

“(1) ‘calendar year 2017’, in the case of the \$109,400 amount in subparagraph (A)(i)(I) and the \$70,300 amount in subparagraph (A)(i)(II), and

“(2) ‘calendar year 2025’, in the case of the \$1,000,000 amount in subparagraph (A)(ii)(I).”.

(c) **MODIFICATION OF PHASEOUT AMOUNT.**—Section 55(d)(4)(A)(ii) is amended by striking “and” at the end of subclause (II), and by adding at the end the following new subclause:

“(IV) by substituting ‘50 percent’ for ‘25 percent’, and”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70108. EXTENSION AND MODIFICATION OF LIMITATION ON DEDUCTION FOR QUALIFIED RESIDENCE INTEREST.

(a) **IN GENERAL.**—Section 163(h)(3)(F) is amended—

(1) in clause (i)—

(A) by striking “, and before January 1, 2026”,

(B) by redesignating subclauses (III) and (IV) as subclauses (IV) and (V), respectively,

(C) by striking “subclause (III)” in subclause (V), as so redesignated, and inserting “subclause (IV)”, and

(D) by inserting after subclause (II) the following new subclause:

“(III) **MORTGAGE INSURANCE PREMIUMS TREATED AS INTEREST.**—Clause (iv) of subparagraph (E) shall not apply.”,

(2) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(3) by striking “2018 THROUGH 2025” in the heading and inserting “BEGINNING AFTER 2017”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70109. EXTENSION AND MODIFICATION OF LIMITATION ON CASUALTY LOSS DEDUCTION.

(a) **IN GENERAL.**—Section 165(h)(5) is amended—

(1) in subparagraph (A), by striking “, and before January 1, 2026”, and

(2) by striking “2018 THROUGH 2025” in the heading and inserting “BEGINNING AFTER 2017”.

(b) **EXTENSION TO STATE DECLARED DISASTERS.**—

(1) **IN GENERAL.**—Subparagraph (A) of section 165(h)(5), as amended by subsection (a), is further amended by striking “(i)(5)” and inserting “(i)(5) or a State declared disaster”.

(2) **EXCEPTION RELATED TO PERSONAL CASUALTY GAINS.**—Clause (i) of section 165(h)(5)(B) is amended by striking “(as so defined)” and inserting “(as so defined) or a State declared disaster”.

(3) **STATE DECLARED DISASTER.**—Paragraph (5) of section 165(h) is amended by adding at the end the following new subparagraph:

“(C) **STATE DECLARED DISASTER.**—For purposes of this paragraph—

“(i) **IN GENERAL.**—The term ‘State declared disaster’ means, with respect to any State, any natural catastrophe (including any hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami,

earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the State, which in the determination of the Governor of such State (or the Mayor, in the case of the District of Columbia) and the Secretary causes damage of sufficient severity and magnitude to warrant the application of the rules of this section.

“(ii) STATE.—The term ‘State’ includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70110. TERMINATION OF MISCELLANEOUS ITEMIZED DEDUCTIONS OTHER THAN EDUCATOR EXPENSES.

(a) IN GENERAL.—Section 67(g) is amended—

(1) by striking “, and before January 1, 2026”, and

(2) by striking “2018 THROUGH 2025” in the heading and inserting “BEGINNING AFTER 2017”.

(b) DEDUCTION FOR EDUCATOR EXPENSES.—

(1) IN GENERAL.—Section 67(b) is amended by striking “and” at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting “, and”, and by adding at the end the following new paragraph:

“(13) the deductions allowed by section 162 for educator expenses (as defined in subsection (g)).”.

(2) INCLUSION OF COACHES AND CERTAIN NONATHLETIC INSTRUCTIONAL EQUIPMENT.—Section 67 is amended by redesignating subsection (g), as amended by this section, as subsection (h), and by inserting after subsection (f) the following new section:

“(g) EDUCATOR EXPENSES.—For purposes of subsection (b)(13), the term ‘educator expenses’ means expenses of a type which would be described in section 62(a)(2)(D) if—

“(1) such section were applied—

“(A) without regard to the dollar limitation,

“(B) without regard to ‘(other than nonathletic supplies for courses of instruction in health or physical education)’ in clause (ii) thereof, and

“(C) by substituting ‘as part of instructional activity’ for ‘in the classroom’ in clause (ii) thereof, and

“(2) section 62(d)(1)(A) were applied by inserting ‘, interscholastic sports administrator or coach,’ after ‘counselor’.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70111. LIMITATION ON TAX BENEFIT OF ITEMIZED DEDUCTIONS.

(a) IN GENERAL.—Section 68 is amended to read as follows:

“(a) IN GENERAL.—In the case of an individual, the amount of the itemized deductions otherwise allowable for the taxable year (determined without regard to this section) shall be reduced by $\frac{2}{37}$ of the lesser of—

“(1) such amount of itemized deductions, or

“(2) so much of the taxable income of the taxpayer for the taxable year (determined without regard to this section and increased by such amount of itemized deductions) as

exceeds the dollar amount at which the 37 percent rate bracket under section 1 begins with respect to the taxpayer.

“(b) COORDINATION WITH OTHER LIMITATIONS.—This section shall be applied after the application of any other limitation on the allowance of any itemized deduction.”.

(b) LIMITATION NOT APPLICABLE TO DETERMINATION OF DEDUCTION FOR QUALIFIED BUSINESS INCOME.—

(1) IN GENERAL.—Section 199A(e)(1) is amended by inserting “without regard to section 68 and” after “shall be computed”.

(2) PATRONS OF SPECIFIED AGRICULTURAL AND HORTICULTURAL COOPERATIVES.—Section 199A(g)(2)(B) is amended by inserting “section 68 or” after “without regard to”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70112. EXTENSION AND MODIFICATION OF QUALIFIED TRANSPORTATION FRINGE BENEFITS.

(a) IN GENERAL.—Section 132(f) is amended—

(1) by striking subparagraph (D) of paragraph (1),

(2) in paragraph (2), by inserting “and” at the end of subparagraph (A), by striking “, and” at the end of subparagraph (B) and inserting a period, and by striking subparagraph (C),

(3) by striking “(other than a qualified bicycle commuting reimbursement)” in paragraph (4),

(4) by striking subparagraph (F) of paragraph (5), and

(5) by striking paragraph (8).

(b) INFLATION ADJUSTMENT.—Clause (ii) of section 132(f)(6)(A) is amended by striking “1998” in clause (ii) and inserting “1997”.

(c) COORDINATION WITH DISALLOWANCE OF CERTAIN EXPENSES.—Subsection (l) of section 274 is amended—

(1) by striking “BENEFITS.—” and all that follows through “No deduction” and inserting “BENEFITS.—No deduction”, and

(2) by striking paragraph (2).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70113. EXTENSION AND MODIFICATION OF LIMITATION ON DEDUCTION AND EXCLUSION FOR MOVING EXPENSES.

(a) EXTENSION OF LIMITATION ON DEDUCTION.—Section 217(k) is amended—

(1) by striking “, and before January 1, 2026”, and

(2) by striking “2018 THROUGH 2025” in the heading and inserting “BEGINNING AFTER 2017”.

(b) ALLOWANCE OF DEDUCTION FOR MEMBERS OF THE INTELLIGENCE COMMUNITY.—Section 217(k), as amended by subsection (a), is further amended—

(1) by striking “2017.—Except in the case” and inserting “2017.—

“(1) IN GENERAL.—Except in the case”, and

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

“(2) MEMBERS OF THE INTELLIGENCE COMMUNITY.—An employee or new appointee of the intelligence community (as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 3003)) (other than a member of the Armed Forces of the United States) who moves pursuant to a change in assignment which requires relocation shall be treated for purposes

of this section in the same manner as an individual to whom subsection (g) applies.”.

(c) **EXTENSION OF LIMITATION ON EXCLUSION.**—Section 132(g)(2) is amended—

(1) by striking “, and before January 1, 2026”, and

(2) by striking “2018 THROUGH 2025” in the heading and inserting “BEGINNING AFTER 2017”.

(d) **ALLOWANCE OF EXCLUSION FOR MEMBERS OF THE INTELLIGENCE COMMUNITY.**—Section 132(g)(2) of the Internal Revenue Code of 1986 is amended by inserting “, or an employee or new appointee of the intelligence community (as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 3003)) (other than a member of the Armed Forces of the United States) who moves pursuant to a change in assignment that requires relocation” after “change of station”.

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70114. EXTENSION AND MODIFICATION OF LIMITATION ON WAGERING LOSSES.

(a) **IN GENERAL.**—Section 165 is amended by striking subsection (d) and inserting the following:

“(d) **WAGERING LOSSES.**—

“(1) **IN GENERAL.**—For purposes of losses from wagering transactions, the amount allowed as a deduction for any taxable year—

“(A) shall be equal to 90 percent of the amount of such losses during such taxable year, and

“(B) shall be allowed only to the extent of the gains from such transactions during such taxable year.

“(2) **SPECIAL RULE.**—For purposes of paragraph (1), the term ‘losses from wagering transactions’ includes any deduction otherwise allowable under this chapter incurred in carrying on any wagering transaction.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70115. EXTENSION AND ENHANCEMENT OF INCREASED LIMITATION ON CONTRIBUTIONS TO ABLE ACCOUNTS.

(a) **IN GENERAL.**—Section 529A(b)(2)(B) is amended—

(1) in clause (i), by inserting “(determined by substituting ‘1996’ for ‘1997’ in paragraph (2)(B) thereof)” after “section 2503(b)”, and

(2) in clause (ii), by striking “before January 1, 2026”.

(b) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the amendments made by this section shall apply to contributions made after December 31, 2025.

(2) **MODIFIED INFLATION ADJUSTMENT.**—The amendment made by subsection (a)(1) shall apply to taxable years beginning after December 31, 2025.

SEC. 70116. EXTENSION AND ENHANCEMENT OF SAVERS CREDIT ALLOWED FOR ABLE CONTRIBUTIONS.

(a) **EXTENSION.**—

(1) **IN GENERAL.**—Section 25B(d)(1) is amended to read as follows:

“(1) IN GENERAL.—The term ‘qualified retirement savings contributions’ means, with respect to any taxable year, the sum of—

“(A) the amount of contributions made by the eligible individual during such taxable year to the ABLE account (within the meaning of section 529A) of which such individual is the designated beneficiary, and

“(B) in the case of any taxable year beginning before January 1, 2027—

“(i) the amount of the qualified retirement contributions (as defined in section 219(e)) made by the eligible individual,

“(ii) the amount of—

“(I) any elective deferrals (as defined in section 402(g)(3)) of such individual, and

“(II) any elective deferral of compensation by such individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

“(iii) the amount of voluntary employee contributions by such individual to any qualified retirement plan (as defined in section 4974(c)).”.

(2) COORDINATION WITH SECURE 2.0 ACT OF 2022 AMENDMENT.—Paragraph (1) of section 103(e) of the SECURE 2.0 Act of 2022 is repealed, and the Internal Revenue Code of 1986 shall be applied and administered as though such paragraph were never enacted.

(3) EFFECTIVE DATE.—The amendments and repeal made by this subsection shall apply to taxable years ending after December 31, 2025.

(b) INCREASE OF CREDIT AMOUNT.—

(1) IN GENERAL.—Section 25B(a) is amended by striking “\$2,000” and inserting “\$2,100”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2026.

SEC. 70117. EXTENSION OF ROLLOVERS FROM QUALIFIED TUITION PROGRAMS TO ABLE ACCOUNTS PERMITTED.

(a) IN GENERAL.—Section 529(c)(3)(C)(i)(III) is amended by striking “before January 1, 2026,”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70118. EXTENSION OF TREATMENT OF CERTAIN INDIVIDUALS PERFORMING SERVICES IN THE SINAI PENINSULA AND ENHANCEMENT TO INCLUDE ADDITIONAL AREAS.

(a) TREATMENT MADE PERMANENT.—Section 11026(a) of Public Law 115–97 is amended by striking “, with respect to the applicable period”.

(b) KENYA, MALI, BURKINA FASO, AND CHAD INCLUDED AS HAZARDOUS DUTY AREAS.—Section 11026(b) of Public Law 115–97 is amended to read as follows:

“(b) QUALIFIED HAZARDOUS DUTY AREA.—For purposes of this section, the term ‘qualified hazardous duty area’ means each of the following locations, but only during the period for which any member of the Armed Forces of the United States is entitled to

special pay under section 310 of title 37, United States Code (relating to special pay; duty subject to hostile fire or imminent danger), for services performed in such location:

- “(1) the Sinai Peninsula of Egypt.
- “(2) Kenya.
- “(3) Mali.
- “(4) Burkina Faso.
- “(5) Chad.”.

(c) CONFORMING AMENDMENT.—Section 11026 of Public Law 115–97 is amended by striking subsections (c) and (d).

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2026.

SEC. 70119. EXTENSION AND MODIFICATION OF EXCLUSION FROM GROSS INCOME OF STUDENT LOANS DISCHARGED ON ACCOUNT OF DEATH OR DISABILITY.

(a) IN GENERAL.—Section 108(f)(5) is amended to read as follows:

“(5) DISCHARGES ON ACCOUNT OF DEATH OR DISABILITY.—

“(A) IN GENERAL.—In the case of an individual, gross income does not include any amount which (but for this subsection) would be includible in gross income for such taxable year by reason of the discharge (in whole or in part) of any loan described in subparagraph (B), if such discharge was—

“(i) pursuant to subsection (a) or (d) of section 437 of the Higher Education Act of 1965 or the parallel benefit under part D of title IV of such Act (relating to the repayment of loan liability),

“(ii) pursuant to section 464(c)(1)(F) of such Act,

or

“(iii) otherwise discharged on account of death or total and permanent disability of the student.

“(B) LOANS DISCHARGED.—A loan is described in this subparagraph if such loan is—

“(i) a student loan (as defined in paragraph (2)),

or

“(ii) a private education loan (as defined in section 140(a) of the Consumer Credit Protection Act (15 U.S.C. 1650(a)).

“(C) SOCIAL SECURITY NUMBER REQUIREMENT.—

“(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to any discharge during any taxable year unless the taxpayer includes the taxpayer’s social security number on the return of tax for such taxable year.

“(ii) SOCIAL SECURITY NUMBER.—For purposes of this subparagraph, the term ‘social security number’ has the meaning given such term in section 24(h)(7).”.

(b) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by this Act, is further amended by striking “and” at the end of subparagraph (V), by striking the period at the end of subparagraph (W) and inserting “, and”, and by inserting after subparagraph (W) the following new subparagraph:

“(X) an omission of a correct social security number required under section 108(f)(5)(C) (relating to discharges on account of death or disability).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges after December 31, 2025.

SEC. 70120. LIMITATION ON INDIVIDUAL DEDUCTIONS FOR CERTAIN STATE AND LOCAL TAXES, ETC.

(a) IN GENERAL.—Section 164(b)(6) is amended—

(1) by striking “and before January 1, 2026”, and

(2) by striking “\$10,000 (\$5,000 in the case of a married individual filing a separate return)” and inserting “the applicable limitation amount (half the applicable limitation amount in the case of a married individual filing a separate return)”.

(b) APPLICABLE LIMITATION AMOUNT.—Section 164(b) is amended by adding at the end the following new paragraph:

“(7) APPLICABLE LIMITATION AMOUNT.—

“(A) IN GENERAL.—For purposes of paragraph (6), the term ‘applicable limitation amount’ means—

“(i) in the case of any taxable year beginning in calendar year 2025, \$40,000,

“(ii) in the case of any taxable year beginning in calendar year 2026, \$40,400,

“(iii) in the case of any taxable year beginning after calendar year 2026 and before 2030, 101 percent of the dollar amount in effect under this subparagraph for taxable years beginning in the preceding calendar year, and

“(iv) in the case of any taxable year beginning after calendar year 2029, \$10,000.

“(B) PHASEDOWN BASED ON MODIFIED ADJUSTED GROSS INCOME.—

“(i) IN GENERAL.—Except as provided in clause (iii), in the case of any taxable year beginning before January 1, 2030, the applicable limitation amount shall be reduced by 30 percent of the excess (if any) of the taxpayer’s modified adjusted gross income over the threshold amount (half the threshold amount in the case of a married individual filing a separate return).

“(ii) THRESHOLD AMOUNT.—For purposes of this subparagraph, the term ‘threshold amount’ means—

“(I) in the case of any taxable year beginning in calendar year 2025, \$500,000,

“(II) in the case of any taxable year beginning in calendar year 2026, \$505,000, and

“(III) in the case of any taxable year beginning after calendar year 2026, 101 percent of the dollar amount in effect under this subparagraph for taxable years beginning in the preceding calendar year.

“(iii) LIMITATION ON REDUCTION.—The reduction under clause (i) shall not result in the applicable limitation amount being less than \$10,000.

“(iv) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term ‘modified adjusted

gross income’ means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

CHAPTER 2—DELIVERING ON PRESIDENTIAL PRIORITIES TO PROVIDE NEW MIDDLE-CLASS TAX RELIEF

SEC. 70201. NO TAX ON TIPS.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 is amended by redesignating section 224 as section 225 and by inserting after section 223 the following new section:

“SEC. 224. QUALIFIED TIPS.

“(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the qualified tips received during the taxable year that are included on statements furnished to the individual pursuant to section 6041(d)(3), 6041A(e)(3), 6050W(f)(2), or 6051(a)(18), or reported by the taxpayer on Form 4137 (or successor).

“(b) LIMITATION.—

“(1) IN GENERAL.—The amount allowed as a deduction under this section for any taxable year shall not exceed \$25,000.

“(2) LIMITATION BASED ON ADJUSTED GROSS INCOME.—

“(A) IN GENERAL.—The amount allowable as a deduction under subsection (a) (after application of paragraph (1)) shall be reduced (but not below zero) by \$100 for each \$1,000 by which the taxpayer’s modified adjusted gross income exceeds \$150,000 (\$300,000 in the case of a joint return).

“(B) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term ‘modified adjusted gross income’ means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

“(c) TIPS RECEIVED IN COURSE OF TRADE OR BUSINESS.—In the case of qualified tips received by an individual during any taxable year in the course of a trade or business (other than the trade or business of performing services as an employee) of such individual, such qualified tips shall be taken into account under subsection (a) only to the extent that the gross income for the taxpayer from such trade or business for such taxable year (including such qualified tips) exceeds the sum of the deductions (other than the deduction allowed under this section) allocable to the trade or business in which such qualified tips are received by the individual for such taxable year.

“(d) QUALIFIED TIPS.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified tips’ means cash tips received by an individual in an occupation which customarily and regularly received tips on or before December 31, 2024, as provided by the Secretary.

“(2) EXCLUSIONS.—Such term shall not include any amount received by an individual unless—

“(A) such amount is paid voluntarily without any consequence in the event of nonpayment, is not the subject of negotiation, and is determined by the payor,

“(B) the trade or business in the course of which the individual receives such amount is not a specified service trade or business (as defined in section 199A(d)(2)), and

“(C) such other requirements as may be established by the Secretary in regulations or other guidance are satisfied.

For purposes of subparagraph (B), in the case of an individual receiving tips in the trade or business of performing services as an employee, such individual shall be treated as receiving tips in the course of a trade or business which is a specified service trade or business if the trade or business of the employer is a specified service trade or business.

“(3) CASH TIPS.—For purposes of paragraph (1), the term ‘cash tips’ includes tips received from customers that are paid in cash or charged and, in the case of an employee, tips received under any tip-sharing arrangement.

“(e) SOCIAL SECURITY NUMBER REQUIRED.—

“(1) IN GENERAL.—No deduction shall be allowed under this section unless the taxpayer includes on the return of tax for the taxable year such individual’s social security number.

“(2) SOCIAL SECURITY NUMBER DEFINED.—For purposes of paragraph (1), the term ‘social security number’ shall have the meaning given such term in section 24(h)(7).

“(f) MARRIED INDIVIDUALS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer’s spouse file a joint return for the taxable year.

“(g) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary to prevent reclassification of income as qualified tips, including regulations or other guidance to prevent abuse of the deduction allowed by this section.

“(h) TERMINATION.—No deduction shall be allowed under this section for any taxable year beginning after December 31, 2028.”.

(b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—Section 63(b) is amended by striking “and” at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting “, and”, and by adding at the end the following new paragraph:

“(5) the deduction provided in section 224.”.

(c) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended by striking “and” at the end of subparagraph (W), by striking the period at the end of subparagraph (X) and inserting “, and”, and by inserting after subparagraph (X) the following new subparagraph:

“(Y) an omission of a correct social security number required under section 224(e) (relating to deduction for qualified tips).”.

(d) EXCLUSION FROM QUALIFIED BUSINESS INCOME.—Section 199A(c)(4) is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by adding at the end the following new subparagraph:

“(D) any amount with respect to which a deduction is allowable to the taxpayer under section 224(a) for the taxable year.”.

(e) EXTENSION OF TIP CREDIT TO BEAUTY SERVICE BUSINESS.—

(1) IN GENERAL.—Section 45B(b)(2) is amended to read as follows:

“(2) APPLICATION ONLY TO CERTAIN LINES OF BUSINESS.—In applying paragraph (1) there shall be taken into account only tips received from customers or clients in connection with the following services:

“(A) The providing, delivering, or serving of food or beverages for consumption, if the tipping of employees delivering or serving food or beverages by customers is customary.

“(B) The providing of any of the following services to a customer or client if the tipping of employees providing such services is customary:

“(i) Barbering and hair care.

“(ii) Nail care.

“(iii) Esthetics.

“(iv) Body and spa treatments.”.

(2) CREDIT DETERMINED WITH RESPECT TO MINIMUM WAGE IN EFFECT.—Section 45B(b)(1)(B) is amended—

(A) by striking “as in effect on January 1, 2007, and”,

and

(B) by inserting “, and in the case of food or beverage establishments, as in effect on January 1, 2007” after “without regard to section 3(m) of such Act”.

(f) REPORTING REQUIREMENTS.—

(1) RETURNS FOR PAYMENTS MADE IN THE COURSE OF A TRADE OR BUSINESS.—

(A) STATEMENT FURNISHED TO SECRETARY.—Section 6041(a) is amended by inserting “(including a separate accounting of any such amounts reasonably designated as cash tips and the occupation described in section 224(d)(1) of the person receiving such tips)” after “such gains, profits, and income”.

(B) STATEMENT FURNISHED TO PAYEE.—Section 6041(d) 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 inserting after paragraph (2) the following new paragraph:

“(3) in the case of compensation to non-employees, the portion of payments that have been reasonably designated as cash tips and the occupation described in section 224(d)(1) of the person receiving such tips.”.

(2) RETURNS FOR PAYMENTS MADE FOR SERVICES AND DIRECT SALES.—

(A) STATEMENT FURNISHED TO SECRETARY.—Section 6041A(a) is amended by inserting “(including a separate accounting of any such amounts reasonably designated as cash tips and the occupation described in section 224(d)(1) of the person receiving such tips)” after “amount of such payments”.

(B) STATEMENT FURNISHED TO PAYEE.—Section 6041A(e) 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 inserting after paragraph (2) the following new paragraph:

“(3) in the case of subsection (a), the portion of payments that have been reasonably designated as cash tips and the

occupation described in section 224(d)(1) of the person receiving such tips.”.

(3) RETURNS RELATING TO THIRD PARTY SETTLEMENT ORGANIZATIONS.—

(A) STATEMENT FURNISHED TO SECRETARY.—Section 6050W(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) in the case of a third party settlement organization, the portion of reportable payment transactions that have been reasonably designated by payors as cash tips and the occupation described in section 224(d)(1) of the person receiving such tips.”.

(B) STATEMENT FURNISHED TO PAYEE.—Section 6050W(f)(2) is amended by inserting “(including a separate accounting of any such amounts that have been reasonably designated by payors as cash tips and the occupation described in section 224(d)(1) of the person receiving such tips)” after “reportable payment transactions”.

(4) RETURNS RELATED TO WAGES.—Section 6051(a) is amended by striking “and” at the end of paragraph (16), by striking the period at the end of paragraph (17) and inserting “, and”, and by inserting after paragraph (17) the following new paragraph:

“(18) the total amount of cash tips reported by the employee under section 6053(a) and the occupation described in section 224(d)(1) such person.”.

(g) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by redesignating the item relating to section 224 as relating to section 225 and by inserting after the item relating to section 223 the following new item:

“Sec. 224. Qualified tips.”.

(h) PUBLISHED LIST OF OCCUPATIONS TRADITIONALLY RECEIVING TIPS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury (or the Secretary’s delegate) shall publish a list of occupations which customarily and regularly received tips on or before December 31, 2024, for purposes of section 224(d)(1) of the Internal Revenue Code of 1986 (as added by subsection (a)).

(i) WITHHOLDING.—The Secretary of the Treasury (or the Secretary’s delegate) shall modify the procedures prescribed under section 3402(a) of the Internal Revenue Code of 1986 for taxable years beginning after December 31, 2025, to take into account the deduction allowed under section 224 of such Code (as added by this Act).

(j) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

(k) TRANSITION RULE.—In the case of any cash tips required to be reported for periods before January 1, 2026, persons required to file returns or statements under section 6041(a), 6041(d)(3), 6041A(a), 6041A(e)(3), 6050W(a), or 6050W(f)(2) of the Internal Revenue Code of 1986 (as amended by this section) may approximate a separate accounting of amounts designated as cash tips by any reasonable method specified by the Secretary.

SEC. 70202. NO TAX ON OVERTIME.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1, as amended by the preceding provisions of this Act, is amended by redesignating section 225 as section 226 and by inserting after section 224 the following new section:

“SEC. 225. QUALIFIED OVERTIME COMPENSATION.

“(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the qualified overtime compensation received during the taxable year and included on statements furnished to the individual pursuant to section 6041(d)(4) or 6051(a)(19).

“(b) LIMITATION.—

“(1) IN GENERAL.—The amount allowed as a deduction under this section for any taxable year shall not exceed \$12,500 (\$25,000 in the case of a joint return).

“(2) LIMITATION BASED ON ADJUSTED GROSS INCOME.—

“(A) IN GENERAL.—The amount allowable as a deduction under subsection (a) (after application of paragraph (1)) shall be reduced (but not below zero) by \$100 for each \$1,000 by which the taxpayer’s modified adjusted gross income exceeds \$150,000 (\$300,000 in the case of a joint return).

“(B) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term ‘modified adjusted gross income’ means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

“(c) QUALIFIED OVERTIME COMPENSATION.—

“(1) IN GENERAL.—For purposes of this section, the term ‘qualified overtime compensation’ means overtime compensation paid to an individual required under section 7 of the Fair Labor Standards Act of 1938 that is in excess of the regular rate (as used in such section) at which such individual is employed.

“(2) EXCLUSIONS.—Such term shall not include any qualified tip (as defined in section 224(d)).

“(d) SOCIAL SECURITY NUMBER REQUIRED.—

“(1) IN GENERAL.—No deduction shall be allowed under this section unless the taxpayer includes on the return of tax for the taxable year such individual’s social security number.

“(2) SOCIAL SECURITY NUMBER DEFINED.—For purposes of paragraph (1), the term ‘social security number’ shall have the meaning given such term in section 24(h)(7).

“(e) MARRIED INDIVIDUALS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer’s spouse file a joint return for the taxable year.

“(f) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance to prevent abuse of the deduction allowed by this section.

“(g) TERMINATION.—No deduction shall be allowed under this section for any taxable year beginning after December 31, 2028.”.

(b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—Section 63(b), as amended by the preceding provisions of this Act, is amended by striking “and” at the end of paragraph (4), by striking the period

at the end of paragraph (5) and inserting “, and”, and by adding at the end the following new paragraph:

“(6) the deduction provided in section 225.”.

(c) REPORTING.—

(1) REQUIREMENT TO INCLUDE OVERTIME COMPENSATION ON W-2.—Section 6051(a), as amended by the preceding provision of this Act, is amended by striking “and” at the end of paragraph (17), by striking the period at the end of paragraph (18) and inserting “, and”, and by inserting after paragraph (18) the following new paragraph:

“(19) the total amount of qualified overtime compensation (as defined in section 225(c)).”.

(2) PAYMENTS TO PERSONS NOT TREATED AS EMPLOYEES UNDER TAX LAWS.—

(A) STATEMENT FURNISHED TO SECRETARY.—Section 6041(a), as amended by section 70201(e)(1)(A), is amended by inserting “and a separate accounting of any amount of qualified overtime compensation (as defined in section 225(c))” after “occupation of the person receiving such tips”.

(B) STATEMENT FURNISHED TO PAYEE.—Section 6041(d), as amended by section 70201(e)(1)(B), is amended by striking “and” at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting “, and”, and by inserting after paragraph (3) the following new paragraph:

“(4) the portion of payments that are qualified overtime compensation (as defined in section 225(c)).”.

(d) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended by striking “and” at the end of subparagraph (X), by striking the period at the end of subparagraph (Y) and inserting “, and”, and by inserting after subparagraph (Y) the following new subparagraph:

“(Z) an omission of a correct social security number required under section 225(d) (relating to deduction for qualified overtime).”.

(e) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1, as amended by the preceding provisions of this Act, is amended by redesignating the item relating to section 225 as an item relating to section 226 and by inserting after the item relating to section 224 the following new item:

“Sec. 225. Qualified overtime compensation.”.

(f) WITHHOLDING.—The Secretary of the Treasury (or the Secretary’s delegate) shall modify the procedures prescribed under section 3402(a) of the Internal Revenue Code of 1986 for taxable years beginning after December 31, 2025, to take into account the deduction allowed under section 225 of such Code (as added by this Act).

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

(h) TRANSITION RULE.—In the case of qualified overtime compensation required to be reported for periods before January 1, 2026, persons required to file returns or statements under section 6051(a)(19), 6041(a), or 6041(d)(4) of the Internal Revenue Code of 1986 (as amended by this section) may approximate a separate

accounting of amounts designated as qualified overtime compensation by any reasonable method specified by the Secretary.

SEC. 70203. NO TAX ON CAR LOAN INTEREST.

(a) IN GENERAL.—Section 163(h) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

“(4) SPECIAL RULES FOR TAXABLE YEARS 2025 THROUGH 2028 RELATING TO QUALIFIED PASSENGER VEHICLE LOAN INTEREST.—

“(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2024, and before January 1, 2029, for purposes of this subsection the term ‘personal interest’ shall not include qualified passenger vehicle loan interest.

“(B) QUALIFIED PASSENGER VEHICLE LOAN INTEREST DEFINED.—

“(i) IN GENERAL.—For purposes of this paragraph, the term ‘qualified passenger vehicle loan interest’ means any interest which is paid or accrued during the taxable year on indebtedness incurred by the taxpayer after December 31, 2024, for the purchase of, and that is secured by a first lien on, an applicable passenger vehicle for personal use.

“(ii) EXCEPTIONS.—Such term shall not include any amount paid or incurred on any of the following:

“(I) A loan to finance fleet sales.

“(II) A loan incurred for the purchase of a commercial vehicle that is not used for personal purposes.

“(III) Any lease financing.

“(IV) A loan to finance the purchase of a vehicle with a salvage title.

“(V) A loan to finance the purchase of a vehicle intended to be used for scrap or parts.

“(iii) VIN REQUIREMENT.—Interest shall not be treated as qualified passenger vehicle loan interest under this paragraph unless the taxpayer includes the vehicle identification number of the applicable passenger vehicle described in clause (i) on the return of tax for the taxable year.

“(C) LIMITATIONS.—

“(i) DOLLAR LIMIT.—The amount of interest taken into account by a taxpayer under subparagraph (B) for any taxable year shall not exceed \$10,000.

“(ii) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

“(I) IN GENERAL.—The amount which is otherwise allowable as a deduction under subsection (a) as qualified passenger vehicle loan interest (determined without regard to this clause and after the application of clause (i)) shall be reduced (but not below zero) by \$200 for each \$1,000 (or portion thereof) by which the modified adjusted gross income of the taxpayer for the taxable year exceeds \$100,000 (\$200,000 in the case of a joint return).

“(II) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this clause, the term ‘modified adjusted gross income’ means the adjusted gross income

of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

“(D) APPLICABLE PASSENGER VEHICLE.—The term ‘applicable passenger vehicle’ means any vehicle—

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

“(ii) which is manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails),

“(iii) which has at least 2 wheels,

“(iv) which is a car, minivan, van, sport utility vehicle, pickup truck, or motorcycle,

“(v) which is treated as a motor vehicle for purposes of title II of the Clean Air Act, and

“(vi) which has a gross vehicle weight rating of less than 14,000 pounds.

Such term shall not include any vehicle the final assembly of which did not occur within the United States.

“(E) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

“(i) FINAL ASSEMBLY.—For purposes of subparagraph (D), the term ‘final assembly’ means the process by which a manufacturer produces a vehicle at, or through the use of, a plant, factory, or other place from which the vehicle is delivered to a dealer with all component parts necessary for the mechanical operation of the vehicle included with the vehicle, whether or not the component parts are permanently installed in or on the vehicle.

“(ii) TREATMENT OF REFINANCING.—Indebtedness described in subparagraph (B) shall include indebtedness that results from refinancing any indebtedness described in such subparagraph, and that is secured by a first lien on the applicable passenger vehicle with respect to which the refinanced indebtedness was incurred, but only to the extent the amount of such resulting indebtedness does not exceed the amount of such refinanced indebtedness.

“(iii) RELATED PARTIES.—Indebtedness described in subparagraph (B) shall not include any indebtedness owed to a person who is related (within the meaning of section 267(b) or 707(b)(1)) to the taxpayer.”.

(b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—Section 63(b), as amended by the preceding provisions of this Act, is amended by striking “and” at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting “and”, and by adding at the end the following new paragraph:

“(7) so much of the deduction allowed by section 163(a) as is attributable to the exception under section 163(h)(4)(A).”.

(c) REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new section:

“SEC. 6050AA. RETURNS RELATING TO APPLICABLE PASSENGER VEHICLE LOAN INTEREST RECEIVED IN TRADE OR BUSINESS FROM INDIVIDUALS.

“(a) IN GENERAL.—Any person—

“(1) who is engaged in a trade or business, and

“(2) who, in the course of such trade or business, receives from any individual interest aggregating \$600 or more for any calendar year on a specified passenger vehicle loan, shall make the return described in subsection (b) with respect to each individual from whom such interest was received at such time as the Secretary may provide.

“(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

“(1) is in such form as the Secretary may prescribe, and

“(2) contains—

“(A) the name and address of the individual from whom the interest described in subsection (a)(2) was received,

“(B) the amount of such interest received for the calendar year,

“(C) the amount of outstanding principal on the specified passenger vehicle loan as of the beginning of such calendar year,

“(D) the date of the origination of such loan,

“(E) the year, make, model, and vehicle identification number of the applicable passenger vehicle which secures such loan (or such other description of such vehicle as the Secretary may prescribe), and

“(F) such other information as the Secretary may prescribe.

“(c) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

“(1) the name, address, and phone number of the information contact of the person required to make such return, and

“(2) the information described in subparagraphs (B), (C), (D), and (E) of subsection (b)(2) with respect to such individual (and such information as is described in subsection (b)(2)(F) with respect to such individual as the Secretary may provide for purposes of this subsection).

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.

“(d) DEFINITIONS.—For purposes of this section—

“(1) IN GENERAL.—Terms used in this section which are also used in paragraph (4) of section 163(h) shall have the same meaning as when used in such paragraph.

“(2) SPECIFIED PASSENGER VEHICLE LOAN.—The term ‘specified passenger vehicle loan’ means the indebtedness described in section 163(h)(4)(B) with respect to any applicable passenger vehicle.

“(e) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other

guidance to prevent the duplicate reporting of information under this section.

“(f) APPLICABILITY.—No return shall be required under this section for any period to which section 163(h)(4) does not apply.”.

(2) PENALTIES.—Section 6724(d) is amended—

(A) in paragraph (1)(B), by striking “or” at the end of clause (xxvii), by striking “and” at the end of clause (xxviii) and inserting “or”, and by adding at the end the following new clause:

“(xxix) section 6050AA(a) (relating to returns relating to applicable passenger vehicle loan interest received in trade or business from individuals),” and

(B) in paragraph (2), by striking “or” at the end of subparagraph (KK), by striking the period at the end of subparagraph (LL) and inserting “, or”, and by inserting after subparagraph (LL) the following new subparagraph:

“(MM) section 6050AA(c) (relating to statements relating to applicable passenger vehicle loan interest received in trade or business from individuals).”.

(d) CONFORMING AMENDMENTS.—

(1) Section 56(e)(1)(B) is amended by striking “section 163(h)(4)” and inserting “section 163(h)(5)”.

(2) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new item:

“Sec. 6050AA. Returns relating to applicable passenger vehicle loan interest received in trade or business from individuals.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to indebtedness incurred after December 31, 2024.

SEC. 70204. TRUMP ACCOUNTS AND CONTRIBUTION PILOT PROGRAM.

(a) TRUMP ACCOUNTS.—

(1) IN GENERAL.—Subchapter F of chapter 1 is amended by adding at the end the following new part:

“PART IX—TRUMP ACCOUNTS

“Sec. 530A. Trump accounts.

“SEC. 530A. TRUMP ACCOUNTS.

“(a) GENERAL RULE.—Except as provided in this section or under regulations or guidance established by the Secretary, a Trump account shall be treated for purposes of this title in the same manner as an individual retirement account under section 408(a).

“(b) TRUMP ACCOUNT.—For purposes of this section—

“(1) IN GENERAL.—The term ‘Trump account’ means an individual retirement account (as defined in section 408(a)) which is not designated as a Roth IRA and which meets the following requirements:

“(A) The account—

“(i) is created or organized by the Secretary for the exclusive benefit of an eligible individual or such eligible individual’s beneficiaries, or

“(ii) is—

“(I) created or organized in the United States for the exclusive benefit of an individual who has

not attained the age of 18 before the end of the calendar year, or such individual's beneficiaries, and

“(II) funded by a qualified rollover contribution.

“(B) The account is designated (in such manner as the Secretary shall prescribe) at the time of the establishment of the account as a Trump account.

“(C) The written governing instrument creating the account meets the following requirements:

“(i) No contribution will be accepted—

“(I) before the date that is 12 months after the date of the enactment of this section, or

“(II) in the case of a contribution made in any calendar year before the calendar year in which the account beneficiary attains age 18, if such contribution would result in aggregate contributions (other than exempt contributions) for such calendar year in excess of the contribution limit specified in subsection (c)(2)(A).

“(ii) Except as provided in subsection (d), no distribution will be allowed before the first day of the calendar year in which the account beneficiary attains age 18.

“(iii) No part of the account funds will be invested in any asset other than an eligible investment during any period before the first day of the calendar year in which the account beneficiary attains age 18.

“(2) ELIGIBLE INDIVIDUAL.—The term ‘eligible individual’ means any individual—

“(A) who has not attained the age of 18 before the close of the calendar year in which the election under subparagraph (C) is made,

“(B) for whom a social security number (within the meaning of section 24(h)(7)) has been issued before the date on which an election under subsection (C) is made, and

“(C) for whom—

“(i) an election is made under this subparagraph by the Secretary if the Secretary determines (based on information available to the Secretary from tax returns or otherwise) that such individual meets the requirements of subparagraphs (A) and (B) and no prior election has been made for such individual under clause (ii), or

“(ii) an election is made under this subparagraph by a person other than the Secretary (at such time and in such manner as the Secretary may prescribe) for the establishment of a Trump account if no prior election has been made for such individual under clause (i).

“(3) ELIGIBLE INVESTMENT.—

“(A) IN GENERAL.—The term ‘eligible investment’ means any mutual fund or exchange traded fund which—

“(i) tracks the returns of a qualified index,

“(ii) does not use leverage,

“(iii) does not have annual fees and expenses of more than 0.1 percent of the balance of the investment in the fund, and

“(iv) meets such other criteria as the Secretary determines appropriate for purposes of this section.

“(B) QUALIFIED INDEX.—The term ‘qualified index’ means—

“(i) the Standard and Poor’s 500 stock market index, or

“(ii) any other index—

“(I) which is comprised of equity investments in primarily United States companies, and

“(II) for which regulated futures contracts (as defined in section 1256(g)(1)) are traded on a qualified board or exchange (as defined in section 1256(g)(7)).

Such term shall not include any industry or sector-specific index, but may include an index based on market capitalization.

“(4) ACCOUNT BENEFICIARY.—The term ‘account beneficiary’ means the individual on whose behalf the Trump account was established.

“(c) TREATMENT OF CONTRIBUTIONS.—

“(1) NO DEDUCTION ALLOWED.—No deduction shall be allowed under section 219 for any contribution which is made before the first day of the calendar year in which the account beneficiary attains age 18.

“(2) CONTRIBUTION LIMIT.—In the case of any contribution made before the calendar year in which the account beneficiary attains age 18—

“(A) IN GENERAL.—The aggregate amount of contributions (other than exempt contributions) for such calendar year shall not exceed \$5,000.

“(B) EXEMPT CONTRIBUTION.—For purposes of this paragraph, the term ‘exempt contribution’ means—

“(i) a qualified rollover contribution,

“(ii) any qualified general contribution, or

“(iii) any contribution provided under section 6434.

“(C) COST-OF-LIVING ADJUSTMENT.—

“(i) IN GENERAL.—In the case of any taxable year after 2027, the \$5,000 amount under subparagraph (A) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2026’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

“(ii) ROUNDING.—If any increase under this subparagraph is not a multiple of \$100, such amount shall be rounded to the next lowest multiple of \$100.

“(3) TIMING OF CONTRIBUTIONS.—Section 219(f)(3) shall not apply to any contribution made to a Trump account for any taxable year ending before the calendar year in which the account beneficiary attains age 18.

“(d) DISTRIBUTIONS.—

“(1) IN GENERAL.—Except as otherwise provided in this subsection, no distribution shall be allowed before the first day of the calendar year in which the account beneficiary attains age 18.

“(2) TAX TREATMENT OF ALLOWABLE DISTRIBUTIONS.—For purposes of applying section 72 to any amount distributed from a Trump account, the investment in the contract shall not include—

“(A) any qualified general contribution,

“(B) any contribution provided under section 6434, and

“(C) the amount of any contribution which is excluded from gross income under section 128.

“(3) QUALIFIED ROLLOVER CONTRIBUTIONS.—Paragraph (1) shall not apply to any distribution which is a qualified rollover contribution and the amount of such distribution shall not be included in the gross income of the beneficiary.

“(4) QUALIFIED ABLE ROLLOVER CONTRIBUTIONS.—

“(A) IN GENERAL.—Paragraph (1) shall not apply to any distribution which is a qualified ABLE rollover contribution and the amount of such distribution shall not be included in the gross income of the beneficiary.

“(B) QUALIFIED ABLE ROLLOVER CONTRIBUTION.—For purposes of this section, the term ‘qualified ABLE rollover contribution’ means an amount which is paid during the calendar year in which the account beneficiary attains age 17 in a direct trustee-to-trustee transfer from a Trump account maintained for the benefit of the account beneficiary to an ABLE account (as defined in section 529A(e)(6)) for the benefit of the such account beneficiary, but only if the amount of such payment is equal to the entire balance of the Trump account from which the payment is made.

“(5) DISTRIBUTIONS OF EXCESS CONTRIBUTIONS.—In the case of any contribution which is made before the calendar year in which the account beneficiary attains age 18 and which is in excess of the limitation in effect under subsection (c)(2)(A) for the calendar year—

“(A) paragraph (1) shall not apply to the distribution of such excess,

“(B) the amount of such distribution shall not be included in gross income of the account beneficiary, and

“(C) the tax imposed by this chapter on the distributee for the taxable year in which the distribution is made shall be increased by 100 percent of the amount of net income attributable to such excess (determined without regard to subparagraph (B)).

“(6) TREATMENT OF DEATH OF ACCOUNT BENEFICIARY.—If, by reason of the death of the account beneficiary before the first day of the calendar year in which the account beneficiary attains age 18, any person acquires the account beneficiary’s interest in the Trump account—

“(A) paragraph (1) shall not apply,

“(B) such account shall cease to be a Trump account as of the date of death, and

“(C) an amount equal to the fair market value of the assets (reduced by the investment in the contract) in such account on such date shall—

“(i) if such person is not the estate of such beneficiary, be includible in such person’s gross income for the taxable year which includes such date, or

“(ii) if such person is the estate of such beneficiary, be includible in such beneficiary’s gross income for the last taxable year of such beneficiary.

“(e) QUALIFIED ROLLOVER CONTRIBUTION.—For purposes of this section, the term ‘qualified rollover contribution’ means an amount which is paid in a direct trustee-to-trustee transfer from a Trump account maintained for the benefit of the account beneficiary to a Trump account maintained for such beneficiary, but only if the amount of such payment is equal to the entire balance of the Trump account from which the payment is made.

“(f) QUALIFIED GENERAL CONTRIBUTION.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified general contribution’ means any contribution which—

“(A) is made by the Secretary pursuant to a general funding contribution,

“(B) is made to the Trump account of an account beneficiary in the qualified class of account beneficiaries specified in the general funding contribution, and

“(C) is in an amount which is equal to the ratio of—

“(i) the amount of such general funding contribution, to

“(ii) the number of account beneficiaries in such qualified class.

“(2) GENERAL FUNDING CONTRIBUTION.—The term ‘general funding contribution’ means a contribution which—

“(A) is made by—

“(i) an entity described in section 170(c)(1) (other than a possession of the United States or a political subdivision thereof) or an Indian tribal government, or

“(ii) an organization described in section 501(c)(3) and exempt from tax under section 501(a), and

“(B) which specifies a qualified class of account beneficiaries to whom such contribution is to be distributed.

“(3) QUALIFIED CLASS.—

“(A) IN GENERAL.—The term ‘qualified class’ means any of the following:

“(i) All account beneficiaries who have not attained the age of 18 before the close of the calendar year in which the contribution is made.

“(ii) All account beneficiaries who have not attained the age of 18 before the close of the calendar year in which the contribution is made and who reside in one or more States or other qualified geographic areas specified by the terms of the general funding contribution.

“(iii) All account beneficiaries who have not attained the age of 18 before the close of the calendar year in which the contribution is made and who were born in one or more calendar years specified by the terms of the general funding contribution.

“(B) QUALIFIED GEOGRAPHIC AREA.—The term ‘qualified geographic area’ means any geographic area in which not

less than 5,000 account beneficiaries reside and which is designated by the Secretary as a qualified geographic area under this subparagraph.

“(g) TRUSTEE SELECTION.—In the case of any Trump account created or organized by the Secretary, the Secretary shall take into account the following criteria in selecting the trustee:

“(1) The history of reliability and regulatory compliance of the trustee.

“(2) The customer service experience of the trustee.

“(3) The costs imposed by the trustee on the account or the account beneficiary.

“(h) OTHER SPECIAL RULES AND COORDINATION WITH INDIVIDUAL RETIREMENT ACCOUNT RULES.—

“(1) IN GENERAL.—The rules of subsections (k) and (p) of section 408 shall not apply to a Trump account, and the rules of subsections (d) and (i) of section 408 shall not apply to a Trump account for any taxable year beginning before the calendar year in which the account beneficiary attains age 18.

“(2) CUSTODIAL ACCOUNTS.—In the case of a Trump account, section 408(h) shall be applied by substituting ‘a Trump account described in section 530A(b)(1)’ for ‘an individual retirement account described in subsection (a)’.

“(3) CONTRIBUTIONS.—In the case of any taxable year beginning before the first day of the calendar year in which the account beneficiary attains age 18, a contribution to a Trump account shall not be taken into account in applying any contribution limit to any individual retirement plan other than a Trump account.

“(4) DISTRIBUTIONS.—Section 408(d)(2) shall be applied separately with respect to Trump Accounts and other individual retirement plans.

“(5) EXCESS CONTRIBUTIONS.—For purposes of applying section 4973(b) to a Trump account for any taxable year beginning before the first day of the calendar year in which the account beneficiary attains age 18, the term ‘excess contributions’ means the sum of—

“(A) the amount by which the amount contributed to the account for the calendar year in which taxable year begins exceeds the amount permitted to be contributed to the account under subsection (c)(2), and

“(B) the amount determined under this paragraph for the preceding taxable year.

For purposes of this paragraph, the excess contributions for a taxable year are reduced by the distributions to which subsection (d)(5) applies that are made during the taxable year or by the date prescribed by law (including extensions of time) for filing the account beneficiary’s return for the taxable year.

“(i) REPORTS.—

“(1) IN GENERAL.—The trustee of a Trump account shall make such reports regarding such account to the Secretary and to the beneficiary of the account at such time and in such manner as may be required by the Secretary. Such reports shall include information with respect to—

“(A) contributions (including the amount and source of any contribution in excess of \$25 made from a person

other than the Secretary, the account beneficiary, or the parent or legal guardian of the account beneficiary),

“(B) distributions (including distributions which are qualified rollover contributions),

“(C) the fair market value of the account,

“(D) the investment in the contract with respect to such account, and

“(E) such other matters as the Secretary may require.

“(2) QUALIFIED ROLLOVER CONTRIBUTIONS.—Not later than 30 days after the date of any qualified rollover contribution, the trustee of the Trump account to which the contribution was made shall make a report to the Secretary. Such report shall include—

“(A) the name, address, and social security number of the account beneficiary,

“(B) the name and address of such trustee,

“(C) the account number,

“(D) the routing number of the trustee, and

“(E) such other information as the Secretary may require.

“(3) PERIOD OF REPORTING.—This subsection shall not apply to any period after the calendar year in which the beneficiary attains age 17.”.

(2) QUALIFIED ABLE ROLLOVER CONTRIBUTIONS EXEMPT FROM ABLE CONTRIBUTION LIMITATION.—

(A) IN GENERAL.—Section 529A(b)(2)(B) is amended by inserting “or received in a qualified ABLE rollover contribution described in section 530A(d)(4)(B)” after “except as provided in the case of contributions under subsection (c)(1)(C)”.

(B) PROHIBITION ON EXCESS CONTRIBUTIONS.—The second sentence of section 529A(b)(6) is amended by inserting “but do not include any contributions received in a qualified ABLE rollover contribution described in section 530A(d)(4)(B)” before the period at the end.

(C) CONFORMING AMENDMENT.—Section 4973(h)(1) is amended by inserting “or contributions received in a qualified ABLE rollover contribution described in section 530A(d)(4)(B)” after “other than contributions under section 529A(c)(1)(C)”.

(3) FAILURE TO PROVIDE REPORTS ON TRUMP ACCOUNTS.—Section 6693(a)(2) 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 inserting after subparagraph (F) the following new subparagraph:

“(G) section 530A(i) (relating to Trump accounts).”.

(4) CLERICAL AMENDMENT.—

(A) The table of parts for subchapter F of chapter 1 is amended by adding at the end the following new item:

“PART IX—TRUMP ACCOUNTS”.

(b) EMPLOYER CONTRIBUTIONS.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting after section 127 the following new section:

“SEC. 128. EMPLOYER CONTRIBUTIONS TO TRUMP ACCOUNTS.

“(a) IN GENERAL.—Gross income of an employee does not include amounts paid by the employer as a contribution to the Trump account of such employee or of any dependent of such employee if the amounts are paid or incurred pursuant to a program which is described in subsection (c).

“(b) LIMITATION.—

“(1) IN GENERAL.—The amount which may be excluded under subsection (a) with respect to any employee shall not exceed \$2,500.

“(2) INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—In the case of any taxable year beginning after 2027, the \$2,500 amount in paragraph (1) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins by substituting ‘calendar year 2026’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

“(B) ROUNDING.—If any increase determined under subparagraph (A) is not a multiple of \$100, such increase shall be rounded to the next lowest multiple of \$100.

“(c) TRUMP ACCOUNT CONTRIBUTION PROGRAM.—For purposes of this section, a Trump account contribution program is a separate written plan of an employer for the exclusive benefit of his employees to provide contributions to the Trump accounts of such employees or dependents of such employees which meets requirements similar to the requirements of paragraphs (2), (3), (6), (7), and (8) of section 129(d).”.

(2) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 127 the following new item:

“Sec. 128. Employer contributions to Trump accounts.”.

(c) CERTAIN CONTRIBUTIONS EXCLUDED FROM GROSS INCOME.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting before section 140 the following new section:

“SEC. 139J. CERTAIN CONTRIBUTIONS TO TRUMP ACCOUNTS.

“(a) IN GENERAL.—Gross income of an account beneficiary shall not include any qualified general contribution to a Trump account of the account beneficiary.

“(b) DEFINITIONS.—Any term used in this section which is used in section 530A shall have the meaning given such term under section 530A.”.

(2) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B is amended by inserting before the item relating to section 140 the following new item:

“Sec. 139J. Certain contributions to Trump accounts.”.

(d) TRUMP ACCOUNTS CONTRIBUTION PILOT PROGRAM.—

(1) IN GENERAL.—Subchapter B of chapter 65 is amended by adding at the end the following new section:

“SEC. 6434. TRUMP ACCOUNTS CONTRIBUTION PILOT PROGRAM.

“(a) IN GENERAL.—In the case of an individual who makes an election under this section with respect to an eligible child of the individual, such eligible child shall be treated as making a payment against the tax imposed by subtitle A (for the taxable year for which the election was made) in an amount equal to \$1,000.

“(b) REFUND OF PAYMENT.—The amount treated as a payment under subsection (a) shall be paid by the Secretary to the Trump account with respect to which such eligible child is the account beneficiary.

“(c) ELIGIBLE CHILD.—For purposes of this section, the term ‘eligible child’ means a qualifying child (as defined in section 152(c))—

“(1) who is born after December 31, 2024, and before January 1, 2029,

“(2) with respect to whom no prior election has been made under this section by such individual or any other individual, and

“(3) who is a United States citizen.

“(d) ELECTION.—An election under this section shall be made at such time and in such manner as the Secretary shall provide.

“(e) SOCIAL SECURITY NUMBER REQUIRED.—

“(1) IN GENERAL.—This section shall not apply to any taxpayer unless such individual includes with the election made under this section the social security number of the eligible child with respect to whom the election is made.

“(2) SOCIAL SECURITY NUMBER DEFINED.—For purposes of paragraph (1), the term ‘social security number’ shall have the meaning given such term in section 24(h)(7), determined by substituting ‘before the date of the election made under section 6434’ for ‘before the due date of such return’ in subparagraph (B) thereof.

“(f) EXCEPTION FROM REDUCTION OR OFFSET.—Any payment made to any individual under this section shall not be—

“(1) subject to reduction or offset pursuant to subsection (c), (d), (e), or (f) of section 6402 or any similar authority permitting offset, or

“(2) reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection.

“(g) SPECIAL RULE REGARDING INTEREST.—The period determined under section 6611(a) with respect to any payment under this section shall not begin before January 1, 2028.

“(h) MIRROR CODE POSSESSIONS.—In the case of any possession of the United States with a mirror code tax system (as defined in section 24(k)), this section shall not be treated as part of the income tax laws of the United States for purposes of determining the income tax law of such possession unless such possession elects to have this section be so treated.

“(i) DEFINITIONS.—For purposes of this section, the terms ‘Trump account’ and ‘account beneficiary’ have the meaning given such terms in section 530A(b).”.

(2) PENALTY FOR NEGLIGENT CLAIM OR FRAUDULENT CLAIM.—Part I of subchapter A of chapter 68 is amended by adding at the end the following new section:

“SEC. 6659. IMPROPER CLAIM FOR TRUMP ACCOUNT CONTRIBUTION PILOT PROGRAM CREDIT.

“(a) IN GENERAL.—In the case of any individual who makes an election under section 6434 with respect to an individual who is not an eligible child of the taxpayer—

“(1) if such election was made due to negligence or disregard of the rules or regulations, there shall be imposed a penalty of \$500, or

“(2) if such election was made due to fraud, there shall be imposed a penalty of \$1,000.

“(b) DEFINITIONS.—

“(1) ELIGIBLE CHILD.—The term ‘eligible child’ has the meaning given such term under section 6434.

“(2) NEGLIGENCE; DISREGARD.—The terms ‘negligence’ and ‘disregard’ have the same meaning as when such terms are used in section 6662.”.

(3) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended by striking “and” at the end of subparagraph (Y), by striking the period at the end of subparagraph (Z) and inserting “, and”, and by inserting after subparagraph (Z) the following new subparagraph:

“(AA) an omission of a correct social security number required under section 6434(e)(1) (relating to the Trump accounts contribution pilot program).”.

(4) CONFORMING AMENDMENTS.—

(A) The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

“Sec. 6434. Trump accounts contribution pilot program.”.

(B) The table of sections for part I of subchapter A of chapter 68 is amended by inserting after the item relating to section 6658 the following new item:

“Sec. 6659. Improper claim for Trump account contribution pilot program credit.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

(f) FUNDING.—In addition to amounts otherwise available, there is appropriated to the Department of the Treasury, out of any money in the Treasury not otherwise appropriated, \$410,000,000, to remain available until September 30, 2034, to carry out the amendments made by this section.

CHAPTER 3—ESTABLISHING CERTAINTY AND COMPETITIVENESS FOR AMERICAN JOB CREATORS

Subchapter A—Permanent U.S. Business Tax Reform and Boosting Domestic Investment

SEC. 70301. FULL EXPENSING FOR CERTAIN BUSINESS PROPERTY.

(a) MADE PERMANENT.—

(1) IN GENERAL.—Section 168(k)(2)(A) is amended by adding “and” at the end of clause (i), by striking “, and” at the end of clause (ii) and inserting a period, and by striking clause (iii).

(2) PROPERTY WITH LONGER PRODUCTION PERIODS.—Section 168(k)(2)(B) is amended—

(A) in clause (i), by striking subclauses (II) and (III) and redesignating subclauses (IV), (V), and (VI), as subclauses (II), (III), and (IV), respectively, and

(B) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(3) SELF-CONSTRUCTED PROPERTY.—Section 168(k)(2)(E) is amended by striking clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(4) CERTAIN PLANTS.—Section 168(k)(5)(A) is amended by striking “planted before January 1, 2027, or is grafted before such date to a plant that has already been planted,” in the matter preceding clause (i) and inserting “planted or grafted”.

(5) CONFORMING AMENDMENTS.—

(A) Section 168(k)(2)(A)(ii) is amended by striking “clause (ii) of subparagraph (E)” and inserting “clause (i) of subparagraph (E)”.

(B) Section 168(k)(2)(C)(i) is amended by striking “and subclauses (II) and (III) of subparagraph (B)(i)”.

(C) Section 168(k)(2)(C)(ii) is amended by striking “subparagraph (B)(iii)” and inserting “subparagraph (B)(ii)”.

(D) Section 460(c)(6)(B) is amended by striking “which” and all that follows through the period and inserting “which has a recovery period of 7 years or less.”.

(b) 100 PERCENT EXPENSING.—

(1) IN GENERAL.—Section 168(k) is amended—

(A) in paragraph (1)(A), by striking “the applicable percentage” and inserting “100 percent”, and

(B) by striking paragraphs (6) and (8).

(2) CERTAIN PLANTS.—Section 168(k)(5)(A)(i) is amended by striking “the applicable percentage” and inserting “100 percent”.

(3) TRANSITIONAL ELECTION OF REDUCED PERCENTAGE.—Section 168(k)(10) is amended by striking subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by inserting before subparagraph (C) (as so redesignated) the following new subparagraphs:

“(A) IN GENERAL.—In the case of qualified property placed in service by the taxpayer during the first taxable year ending after January 19, 2025, if the taxpayer elects to have this paragraph apply for such taxable year, paragraph (1)(A) shall be applied—

“(i) in the case of property which is not described in clause (ii), by substituting ‘40 percent’ for ‘100 percent’, or

“(ii) in the case of property which is described in subparagraph (B) or (C) of paragraph (2), by substituting ‘60 percent’ for ‘100 percent’.

“(B) SPECIFIED PLANTS.—In the case of any specified plant planted or grafted by the taxpayer during the first taxable year ending after January 19, 2025, if the taxpayer elects to have this paragraph apply for such taxable year, paragraph (5)(A)(i) shall be applied by substituting ‘40 percent’ for ‘100 percent’.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to property acquired after January 19, 2025.

(2) SPECIFIED PLANTS.—Except as provided in paragraph (3), in the case of any specified plant (as defined in section 168(k)(5)(B) of the Internal Revenue Code of 1986, as amended by this section), the amendments made by this section shall apply to such plants which are planted or grafted after January 19, 2025.

(3) TRANSITIONAL ELECTION OF REDUCED PERCENTAGE.—The amendment made by subsection (b)(3) shall apply to taxable years ending after January 19, 2025.

(4) ACQUISITION DATE DETERMINATION.—For purposes of paragraph (1), property shall not be treated as acquired after the date on which a written binding contract is entered into for such acquisition.

SEC. 70302. FULL EXPENSING OF DOMESTIC RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by inserting after section 174 the following new section:

“SEC. 174A. DOMESTIC RESEARCH OR EXPERIMENTAL EXPENDITURES.

“(a) TREATMENT AS EXPENSES.—Notwithstanding section 263, there shall be allowed as a deduction any domestic research or experimental expenditures which are paid or incurred by the taxpayer during the taxable year.

“(b) DOMESTIC RESEARCH OR EXPERIMENTAL EXPENDITURES.—For purposes of this section, the term ‘domestic research or experimental expenditures’ means research or experimental expenditures paid or incurred by the taxpayer in connection with the taxpayer’s trade or business other than such expenditures which are attributable to foreign research (within the meaning of section 41(d)(4)(F)).

“(c) AMORTIZATION OF CERTAIN DOMESTIC RESEARCH OR EXPERIMENTAL EXPENDITURES.—

“(1) IN GENERAL.—At the election of the taxpayer, made in accordance with regulations or other guidance provided by the Secretary, in the case of domestic research or experimental expenditures which would (but for subsection (a)) be chargeable to capital account but not chargeable to property of a character which is subject to the allowance under section 167 (relating to allowance for depreciation, etc.) or section 611 (relating to allowance for depletion), subsection (a) shall not apply and the taxpayer shall—

“(A) charge such expenditures to capital account, and

“(B) be allowed an amortization deduction of such expenditures ratably over such period of not less than 60 months as may be selected by the taxpayer (beginning with the month in which the taxpayer first realizes benefits from such expenditures).

“(2) TIME FOR AND SCOPE OF ELECTION.—The election provided by paragraph (1) may be made for any taxable year, but only if made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof). The method so elected, and the period selected by the taxpayer, shall be adhered to in computing taxable income for the taxable year for which the election is made and for

all subsequent taxable years unless, with the approval of the Secretary, a change to a different method (or to a different period) is authorized with respect to part or all of such expenditures. The election shall not apply to any expenditure paid or incurred during any taxable year before the taxable year for which the taxpayer makes the election.

“(d) SPECIAL RULES.—

“(1) LAND AND OTHER PROPERTY.—This section shall not apply to any expenditure for the acquisition or improvement of land, or for the acquisition or improvement of property to be used in connection with the research or experimentation and of a character which is subject to the allowance under section 167 (relating to allowance for depreciation, etc.) or section 611 (relating to allowance for depletion); but for purposes of this section allowances under section 167, and allowances under section 611, shall be considered as expenditures.

“(2) EXPLORATION EXPENDITURES.—This section shall not apply to any expenditure paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral (including oil and gas).

“(3) SOFTWARE DEVELOPMENT.—For purposes of this section, any amount paid or incurred in connection with the development of any software shall be treated as a research or experimental expenditure.”.

(b) COORDINATION WITH CERTAIN OTHER PROVISIONS.—

(1) FOREIGN RESEARCH EXPENSES.—Section 174 is amended—

(A) in subsection (a)—

(i) by striking “a taxpayer’s specified research or experimental expenditures” and inserting “a taxpayer’s foreign research or experimental expenditures”, and

(ii) by striking “over the 5-year period (15-year period in the case of any specified research or experimental expenditures which are attributable to foreign research (within the meaning of section 41(d)(4)(F)))” in paragraph (2)(B) and inserting “over the 15-year period”,

(B) in subsection (b)—

(i) by striking “specified research” and inserting “foreign research”,

(ii) by inserting “and which are attributable to foreign research (within the meaning of section 41(d)(4)(F))” before the period at the end, and

(iii) by striking “SPECIFIED” in the heading thereof and inserting “FOREIGN”, and

(C) in subsection (d)—

(i) by striking “specified research or experimental expenditures” and inserting “foreign research or experimental expenditures”, and

(ii) by inserting “or reduction to amount realized” after “no deduction”.

(2) RESEARCH CREDIT.—

(A) Section 41(d)(1)(A) is amended to read as follows:

“(A) with respect to which expenditures are treated as domestic research or experimental expenditures under section 174A.”.

(B) Section 280C(c)(1) is amended to read as follows:

“(1) IN GENERAL.—The domestic research or experimental expenditures (as defined in section 174A(b)) otherwise taken into account as a deduction or charged to capital account under this chapter shall be reduced by the amount of the credit allowed under section 41(a).”

(3) AMT ADJUSTMENT.—Section 56(b)(2) is amended—

(A) in subparagraph (A)—

(i) by striking “or 174(a)” in the matter preceding clause (i) and inserting “, 174(a), or 174A(a)”, and

(ii) by striking “research and experimental expenditures described in section 174(a)” in clause (ii) thereof and inserting “foreign research or experimental expenditures described in section 174(a) and domestic research or experimental expenditures in section 174A(a)”, and

(B) in subparagraph (C), by inserting “or 174A(a)” after “174(a)”.

(4) OPTIONAL 10-YEAR WRITEOFF.—Section 59(e)(2)(B) is amended by striking “section 174(a) (relating to research and experimental expenditures)” and inserting “section 174A(a) (relating to domestic research or experimental expenditures)”.

(5) QUALIFIED SMALL ISSUE BONDS.—Section 144(a)(4)(C)(iv) is amended by striking “174(a)” and inserting “174A(a)”.

(6) START-UP EXPENDITURES.—Section 195(c)(1) is amended by striking “or 174” in the last sentence and inserting “174, or 174A”.

(7) CAPITAL EXPENDITURES.—

(A) Section 263(a)(1)(B) is amended by inserting “or 174A” after “174”.

(B) Section 263A(c)(2) is amended by inserting “or 174A” after “174”.

(8) ACTIVE BUSINESS COMPUTER SOFTWARE ROYALTIES.—Section 543(d)(4)(A)(i) is amended by inserting “174A,” after “174,”.

(9) SOURCE RULES.—Section 864(g)(2) is amended—

(A) by striking “research and experimental expenditures within the meaning of section 174” in the first sentence and inserting “foreign research or experimental expenditures within the meaning of section 174 or domestic research or experimental expenditures within the meaning of section 174A”, and

(B) in the last sentence—

(i) by striking “treated as deferred expenses under subsection (b) of section 174” and inserting “allowed as an amortization deduction under section 174(a) or section 174A(c)”, and

(ii) by striking “such subsection” and inserting “such section (as the case may be)”.

(10) BASIS ADJUSTMENT.—Section 1016(a)(14) is amended by striking “deductions as deferred expenses under section 174(b)(1) (relating to research and experimental expenditures)” and inserting “deductions under section 174 or 174A(c)”.

(11) SMALL BUSINESS STOCK.—Section 1202(e)(2)(B) is amended by striking “which may be treated as research and experimental expenditures under section 174” and inserting “which are treated as foreign research or experimental expenditures under section 174 or domestic research or experimental expenditures under section 174A”.

(c) CHANGE IN METHOD OF ACCOUNTING.—

(1) IN GENERAL.—The amendments made by subsection (a) shall be treated as a change in method of accounting for purposes of section 481 of the Internal Revenue Code of 1986 and—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary, and

(C) such change shall be applied only on a cut-off basis for any domestic research or experimental expenditures (as defined in section 174A(b) of such Code (as added by this section) and determined by applying the rules of section 174A(d) of such Code) paid or incurred in taxable years beginning after December 31, 2024, and no adjustments under section 481(a) shall be made.

(2) SPECIAL RULES.—In the case of a taxable year which begins after December 31, 2024, and ends before the date of the enactment of this Act—

(A) paragraph (1)(C) shall not apply, and

(B) the change in method of accounting under paragraph (1) shall be applied on a modified cut-off basis, taking into account for purposes of section 481(a) of such Code only the domestic research or experimental expenditures (as defined in section 174A(b) of such Code (as added by this section) and determined by applying the rules of section 174A(d) of such Code) paid or incurred in such taxable year but not allowed as a deduction in such taxable year.

(d) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 174 the following new item:

“Sec. 174A. Domestic research or experimental expenditures.”.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection or subsection (f)(1), the amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2024.

(2) TREATMENT OF FOREIGN RESEARCH OR EXPERIMENTAL EXPENDITURES UPON DISPOSITION.—

(A) IN GENERAL.—The amendment by subsection (b)(1)(C)(ii) shall apply to property disposed, retired, or abandoned after May 12, 2025.

(B) NO INFERENCE.—The amendment made by subsection (b)(1)(C)(ii) shall not be construed to create any inference with respect to the proper application of section 174(d) of the Internal Revenue Code of 1986 with respect to taxable years beginning before May 13, 2025.

(3) COORDINATION WITH RESEARCH CREDIT.—The amendment made by subsection (b)(2)(B) shall apply to taxable years beginning after December 31, 2024.

(4) NO INFERENCE WITH RESPECT TO COORDINATION WITH RESEARCH CREDIT FOR PRIOR PERIODS.—The amendment made by subsection (b)(2)(B) shall not be construed to create any inference with respect to the proper application of section 280C(c) of the Internal Revenue Code of 1986 with respect to taxable years beginning before January 1, 2025.

(f) TRANSITION RULES.—

(1) ELECTION FOR RETROACTIVE APPLICATION BY CERTAIN SMALL BUSINESSES.—

(A) IN GENERAL.—At the election of an eligible taxpayer, paragraphs (1) and (3) of subsection (e) shall each be applied by substituting “December 31, 2021” for “December 31, 2024”. An election made under this subparagraph shall be made in such manner as the Secretary may provide and not later than the date that is 1 year after the date of the enactment of this Act. The taxpayer shall file an amended return for each taxable year affected by such election.

(B) ELIGIBLE TAXPAYER.—For purposes of this paragraph, the term “eligible taxpayer” means any taxpayer (other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 448(a)(3)) which meets the gross receipts test of section 448(c) for the first taxable year beginning after December 31, 2024.

(C) ELECTION TREATED AS CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer which elects the application of subparagraph (A)—

(i) such election may be treated as a change in method of accounting for purposes of section 481 of such Code for the taxpayer’s first taxable year affected by such election,

(ii) such change shall be treated as initiated by the taxpayer for such taxable year,

(iii) such change shall be treated as made with the consent of the Secretary, and

(iv) subsection (c) shall not apply to such taxpayer.

(D) ELECTION REGARDING COORDINATION WITH RESEARCH CREDIT.—An election under section 280C(c)(2) of the Internal Revenue Code of 1986 (or revocation of such election) for any taxable year beginning after December 31, 2021, by an eligible taxpayer making an election under subparagraph (A) shall not fail to be treated as timely made (or as made on the return) if made during the 1-year period beginning on the date of the enactment of this Act on an amended return for such taxable year.

(2) ELECTION TO DEDUCT CERTAIN UNAMORTIZED AMOUNTS PAID OR INCURRED IN TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 2025.—

(A) IN GENERAL.—In the case of any domestic research or experimental expenditures (as defined in section 174A, as added by subsection (a)) which are paid or incurred in taxable years beginning after December 31, 2021, and before January 1, 2025, and which was charged to capital account, a taxpayer may elect—

(i) to deduct any remaining unamortized amount with respect to such expenditures in the first taxable year beginning after December 31, 2024, or

(ii) to deduct such remaining unamortized amount with respect to such expenditures ratably over the 2-taxable year period beginning with the first taxable year beginning after December 31, 2024.

(B) CHANGE IN METHOD OF ACCOUNTING.—In the case of a taxpayer who makes an election under this paragraph—

(i) such taxpayer shall be treated as initiating a change in method of accounting for purposes of section 481 of the Internal Revenue Code of 1986 with respect to the expenditures to which the election applies,

(ii) such change shall be treated as made with the consent of the Secretary, and

(iii) such change shall be applied only on a cut-off basis for such expenditures and no adjustments under section 481(a) shall be made.

(C) REGULATIONS.—The Secretary of the Treasury (or the Secretary's delegate) shall publish such guidance or regulations as may be necessary to carry out the purposes of this paragraph, including regulations or guidance allowing for the deduction allowed under subparagraph (A) in the case of taxpayers with taxable years beginning after December 31, 2024, and ending before the date of the enactment of this Act.

SEC. 70303. MODIFICATION OF LIMITATION ON BUSINESS INTEREST.

(a) IN GENERAL.—Section 163(j)(8)(A)(v) is amended by striking “in the case of taxable years beginning before January 1, 2022,”.

(b) FLOOR PLAN FINANCING APPLICABLE TO CERTAIN TRAILERS AND CAMPERS.—Section 163(j)(9)(C) is amended by adding at the end the following new flush sentence:

“Such term shall also include any trailer or camper which is designed to provide temporary living quarters for recreational, camping, or seasonal use and is designed to be towed by, or affixed to, a motor vehicle.”.

(c) EFFECTIVE DATE AND SPECIAL RULE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

(2) SPECIAL RULE FOR SHORT TAXABLE YEARS.—The Secretary of the Treasury (or the Secretary's delegate) may prescribe such rules as are necessary or appropriate to provide for the application of the amendments made by this section in the case of any taxable year of less than 12 months that begins after December 31, 2024, and ends before the date of the enactment of this Act.

SEC. 70304. EXTENSION AND ENHANCEMENT OF PAID FAMILY AND MEDICAL LEAVE CREDIT.

(a) IN GENERAL.—Section 45S is amended—

(1) in subsection (a)—

(A) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—For purposes of section 38, in the case of an eligible employer, the paid family and medical leave credit is an amount equal to either of the following (as elected by such employer):

“(A) The applicable percentage of the amount of wages paid to qualifying employees with respect to any period in which such employees are on family and medical leave.

“(B) If such employer has an insurance policy with regards to the provision of paid family and medical leave

which is in force during the taxable year, the applicable percentage of the total amount of premiums paid or incurred by such employer during such taxable year with respect to such insurance policy.”, and

(B) by adding at the end the following:

“(3) RATE OF PAYMENT DETERMINED WITHOUT REGARD TO WHETHER LEAVE IS TAKEN.—For purposes of determining the applicable percentage with respect to paragraph (1)(B), the rate of payment under the insurance policy shall be determined without regard to whether any qualifying employees were on family and medical leave during the taxable year.”,

(2) in subsection (b)(1), by striking “credit allowed” and inserting “wages taken into account”,

(3) in subsection (c), by striking paragraphs (3) and (4) and inserting the following:

“(3) AGGREGATION RULE.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), all persons which are treated as a single employer under subsections (b) and (c) of section 414 shall be treated as a single employer.

“(B) EXCEPTION.—

“(i) IN GENERAL.—Subparagraph (A) shall not apply to any person who establishes to the satisfaction of the Secretary that such person has a substantial and legitimate business reason for failing to provide a written policy described in paragraph (1) or (2).

“(ii) SUBSTANTIAL AND LEGITIMATE BUSINESS REASON.—For purposes of clause (i), the term ‘substantial and legitimate business reason’ shall not include the operation of a separate line of business, the rate of wages or category of jobs for employees (or any similar basis), or the application of State or local laws relating to family and medical leave, but may include the grouping of employees of a common law employer.

“(4) TREATMENT OF BENEFITS MANDATED OR PAID FOR BY STATE OR LOCAL GOVERNMENTS.—For purposes of this section, any leave which is paid by a State or local government or required by State or local law—

“(A) except as provided in subparagraph (B), shall be taken into account in determining the amount of paid family and medical leave provided by the employer, and

“(B) shall not be taken into account in determining the amount of the paid family and medical leave credit under subsection (a).”,

(4) in subsection (d)—

(A) in paragraph (1), by inserting “(or, at the election of the employer, for not less than 6 months)” after “1 year or more”,

(B) in paragraph (2)—

(i) by inserting “, as determined on an annualized basis (pro-rata for part-time employees),” after “compensation”, and

(ii) by striking the period at the end and inserting “, and”, and

(C) by adding at the end the following:

“(3) is customarily employed for not less than 20 hours per week.”, and

- (5) by striking subsection (i).
- (b) **NO DOUBLE BENEFIT.**—Section 280C(a) is amended—
- (1) by striking “45S(a)” and inserting “45S(a)(1)(A)”, and
- (2) by inserting after the first sentence the following: “No deduction shall be allowed for that portion of the premiums paid or incurred for the taxable year which is equal to that portion of the paid family and medical leave credit which is determined for the taxable year under section 45S(a)(1)(B).”.
- (c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70305. EXCEPTIONS FROM LIMITATIONS ON DEDUCTION FOR BUSINESS MEALS.

(a) **EXCEPTION TO DENIAL OF DEDUCTION FOR BUSINESS MEALS.**—Section 274(o), as added by section 13304 of Public Law 115-97, is amended by striking “No deduction” and inserting “Except in the case of an expense described in subsection (e)(8) or (n)(2)(C), no deduction”.

(b) **MEALS PROVIDED ON CERTAIN FISHING BOATS AND AT CERTAIN FISH PROCESSING FACILITIES NOT SUBJECT TO 50 PERCENT LIMITATION.**—Section 274(n)(2)(C) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of clause (iii) and by adding at the end the following new clause:

- “(v) provided—
- “(I) on a fishing vessel, fish processing vessel, or fish tender vessel (as such terms are defined in section 2101 of title 46, United States Code), or
- “(II) at a facility for the processing of fish for commercial use or consumption which—
- “(aa) is located in the United States north of 50 degrees north latitude, and
- “(bb) is not located in a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2025.

SEC. 70306. INCREASED DOLLAR LIMITATIONS FOR EXPENSING OF CERTAIN DEPRECIABLE BUSINESS ASSETS.

- (a) **IN GENERAL.**—Section 179(b) is amended—
- (1) in paragraph (1), by striking “\$1,000,000” and inserting “\$2,500,000”, and
- (2) in paragraph (2), by striking “\$2,500,000” and inserting “\$4,000,000”.
- (b) **CONFORMING AMENDMENTS.**—Section 179(b)(6)(A) is amended—
- (1) by inserting “(2025 in the case of the dollar amounts in paragraphs (1) and (2))” after “In the case of any taxable year beginning after 2018”, and
- (2) in clause (ii), by striking “determined by substituting ‘calendar year 2017’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.” and inserting “determined by substituting in subparagraph (A)(ii) thereof—
- “(I) in the case of amounts in paragraphs (1) and (2), ‘calendar year 2024’ for ‘calendar year 2016’, and

“(II) in the case of the amount in paragraph (5)(A), ‘calendar year 2017’ for ‘calendar year 2016’.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service in taxable years beginning after December 31, 2024.

SEC. 70307. SPECIAL DEPRECIATION ALLOWANCE FOR QUALIFIED PRODUCTION PROPERTY.

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

“(n) SPECIAL ALLOWANCE FOR QUALIFIED PRODUCTION PROPERTY.—

“(1) IN GENERAL.—In the case of any qualified production property of a taxpayer making an election under this subsection—

“(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 100 percent of the adjusted basis of the qualified production property, and

“(B) the adjusted basis of the qualified production property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

“(2) QUALIFIED PRODUCTION PROPERTY.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘qualified production property’ means that portion of any nonresidential real property—

“(i) to which this section applies,

“(ii) which is used by the taxpayer as an integral part of a qualified production activity,

“(iii) which is placed in service in the United States or any possession of the United States,

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

“(v) the construction of which begins after January 19, 2025, and before January 1, 2029,

“(vi) which is designated by the taxpayer in the election made under this subsection, and

“(vii) which is placed in service before January 1, 2031.

For purposes of clause (ii), in the case of property with respect to which the taxpayer is a lessor, property used by a lessee shall not be considered to be used by the taxpayer as part of a qualified production activity.

“(B) SPECIAL RULE FOR CERTAIN PROPERTY NOT PREVIOUSLY USED IN QUALIFIED PRODUCTION ACTIVITIES.—

“(i) IN GENERAL.—In the case of property acquired by the taxpayer during the period described in subparagraph (A)(v), the requirements of clauses (iv) and (v) of subparagraph (A) shall be treated as satisfied if—

“(I) such property was not used in a qualified production activity (determined without regard to the second sentence of subparagraph (D)) by any

person at any time during the period beginning on January 1, 2021, and ending on May 12, 2025,

“(II) such property was not used by the taxpayer at any time prior to such acquisition, and

“(III) the acquisition of such property meets the requirements of paragraphs (2)(A), (2)(B), (2)(C), and (3) of section 179(d).

“(ii) WRITTEN BINDING CONTRACTS.—For purposes of determining under clause (i)—

“(I) whether such property is acquired before the period described in subparagraph (A)(v), such property shall be treated as acquired not later than the date on which the taxpayer enters into a written binding contract for such acquisition, and

“(II) whether such property is acquired after such period, such property shall be treated as acquired not earlier than such date.

“(C) EXCLUSION OF OFFICE SPACE, ETC.—The term ‘qualified production property’ shall not include that portion of any nonresidential real property which is used for offices, administrative services, lodging, parking, sales activities, research activities, software development or engineering activities, or other functions unrelated to the manufacturing, production, or refining of tangible personal property.

“(D) QUALIFIED PRODUCTION ACTIVITY.—The term ‘qualified production activity’ means the manufacturing, production, or refining of a qualified product. The activities of any taxpayer do not constitute manufacturing, production, or refining of a qualified product unless the activities of such taxpayer result in a substantial transformation of the property comprising the product.

“(E) PRODUCTION.—The term ‘production’ shall not include activities other than agricultural production and chemical production.

“(F) QUALIFIED PRODUCT.—The term ‘qualified product’ means any tangible personal property if such property is not a food or beverage prepared in the same building as a retail establishment in which such property is sold.

“(G) SYNDICATION.—For purposes of subparagraph (A)(iv), rules similar to the rules of subsection (k)(2)(E)(iii) shall apply.

“(H) EXTENSION OF PLACED IN SERVICE DATE UNDER CERTAIN CIRCUMSTANCES.—The Secretary may extend the date under subparagraph (A)(vii) with respect to any property that meets the requirements of clauses (i) through (vi) of subparagraph (A) if the Secretary determines that an act of God (as defined in section 101(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980) prevents the taxpayer from placing such property in service before such date.

“(3) DEDUCTION ALLOWED IN COMPUTING MINIMUM TAX.—For purposes of determining alternative minimum taxable income under section 55, the deduction under section 167 for qualified production property shall be determined under this section without regard to any adjustment under section 56.

“(4) COORDINATION WITH CERTAIN OTHER PROVISIONS.—

“(A) OTHER SPECIAL DEPRECIATION ALLOWANCES.—For purposes of subsections (k)(7), (l)(3)(D), and (m)(2)(B)(iii)—

“(i) qualified production property shall be treated as a separate class of property, and

“(ii) the taxpayer shall be treated as having made an election under such subsections with respect to such class.

“(B) ALTERNATIVE DEPRECIATION PROPERTY.—The term ‘qualified production property’ shall not include any property to which the alternative depreciation system under subsection (g) applies. For purposes of subsection (g)(7)(A), qualified production property to which this subsection applies shall be treated as separate nonresidential real property.

“(5) RECAPTURE.—If, at any time during the 10-year period beginning on the date that any qualified production property is placed in service by the taxpayer, such property ceases to be used as described in paragraph (2)(A)(ii) and is used by the taxpayer in a productive use not described in paragraph (2)(A)(ii)—

“(A) section 1245 shall be applied—

“(i) by treating such property as having been disposed of by the taxpayer as of the first time such property is so used in a productive use not described in paragraph (2)(A)(ii), and

“(ii) by treating the amount described in subparagraph (B) of section 1245(a)(1) with respect to such disposition as being not less than the amount described in subparagraph (A) of such section, and

“(B) the basis of the taxpayer in such property, and the taxpayer’s allowance for depreciation with respect to such property, shall be appropriately adjusted to take into account amounts recognized by reason of subparagraph (A).

“(6) ELECTION.—

“(A) IN GENERAL.—An election under this subsection for any taxable year shall—

“(i) specify the nonresidential real property subject to the election and the portion of such property designated under paragraph (2)(A)(vi), and

“(ii) except as otherwise provided by the Secretary, be made on the taxpayer’s return of the tax imposed by this chapter for the taxable year.

Such election shall be made in such manner as the Secretary may prescribe by regulations or other guidance.

“(B) ELECTION.—Any election made under this subsection, and any specification contained in any such election, may not be revoked except with the consent of the Secretary (and the Secretary shall provide such consent only in extraordinary circumstances).

“(7) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance—

“(A) providing rules for regarding what constitutes substantial transformation of property which are consistent with guidance provided under section 954(d), and

“(B) providing for the application of paragraph (5) with respect to a change in use described in such paragraph by a transferee following a fully or partially tax free transfer of qualified production property.”.

(b) **TREATMENT OF QUALIFIED PRODUCTION PROPERTY AS SECTION 1245 PROPERTY.**—Section 1245(a)(3) is amended by striking “or” at the end of subparagraph (E), by striking the period at the end of subparagraph (F) and inserting “, or”, and by adding at the end the following new subparagraph:

“(G) any qualified production property (as defined in section 168(n)(2)).”.

(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. 70308. ENHANCEMENT OF ADVANCED MANUFACTURING INVESTMENT CREDIT.

(a) **IN GENERAL.**—Section 48D(a) is amended by striking “25 percent” and inserting “35 percent”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to property placed in service after December 31, 2025.

SEC. 70309. SPACEPORTS ARE TREATED LIKE AIRPORTS UNDER EXEMPT FACILITY BOND RULES.

(a) **IN GENERAL.**—Section 142(a)(1) is amended to read as follows:

“(1) airports and spaceports.”.

(b) **TREATMENT OF GROUND LEASES.**—Section 142(b)(1) is amended by adding at the end the following new subparagraph:

“(C) **SPECIAL RULE FOR SPACEPORT GROUND LEASES.**—For purposes of subparagraph (A), spaceport property located on land leased by a governmental unit from the United States shall not fail to be treated as owned by a governmental unit if the requirements of this paragraph are met by the lease and any subleases of the property.”.

(c) **DEFINITION OF SPACEPORT.**—Section 142 is amended by adding at the end the following new subsection:

“(p) **SPACEPORT.**—

“(1) **IN GENERAL.**—For purposes of subsection (a)(1), the term ‘spaceport’ means any facility located at or in close proximity to a launch site or reentry site used for—

“(A) manufacturing, assembling, or repairing spacecraft, space cargo, other facilities described in this paragraph, or any component of the foregoing,

“(B) flight control operations,

“(C) providing launch services and reentry services,

or

“(D) transferring crew, spaceflight participants, or space cargo to or from spacecraft.

“(2) **ADDITIONAL TERMS.**—For purposes of paragraph (1)—

“(A) **SPACE CARGO.**—The term ‘space cargo’ includes satellites, scientific experiments, other property transported into space, and any other type of payload, whether or not such property returns from space.

“(B) **SPACECRAFT.**—The term ‘spacecraft’ means a launch vehicle or a reentry vehicle.

“(C) **OTHER TERMS.**—The terms ‘launch site’, ‘crew’, ‘space flight participant’, ‘launch services’, ‘launch vehicle’,

‘payload’, ‘reentry services’, ‘reentry site’, a ‘reentry vehicle’ shall have the respective meanings given to such terms by section 50902 of title 51, United States Code (as in effect on the date of enactment of this subsection).

“(3) PUBLIC USE REQUIREMENT.—A facility shall not be required to be available for use by the general public to be treated as a spaceport for purposes of this section.

“(4) MANUFACTURING FACILITIES AND INDUSTRIAL PARKS ALLOWED.—With respect to spaceports, subsection (c)(2)(E) shall not apply to spaceport property described in paragraph (1)(A).”.

(d) EXCEPTION FROM FEDERALLY GUARANTEED BOND PROHIBITION.—Section 149(b)(3) is amended by adding at the end the following new subparagraph:

“(F) EXCEPTION FOR SPACEPORTS.—A bond shall not be treated as federally guaranteed merely because of the payment of rent, user fees, or other charges by the United States (or any agency or instrumentality thereof) in exchange for the use of the spaceport by the United States (or any agency or instrumentality thereof).”.

(e) CONFORMING AMENDMENT.—The heading for section 142(c) is amended by inserting “SPACEPORTS,” after “AIRPORTS,”.

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

Subchapter B—Permanent America-first International Tax Reforms

PART I—FOREIGN TAX CREDIT

SEC. 70311. MODIFICATIONS RELATED TO FOREIGN TAX CREDIT LIMITATION.

(a) RULES FOR ALLOCATION OF CERTAIN DEDUCTIONS TO FOREIGN SOURCE NET CFC TESTED INCOME FOR PURPOSES OF FOREIGN TAX CREDIT LIMITATION.—Section 904(b) is amended by adding at the end the following new paragraph:

“(5) DEDUCTIONS TREATED AS ALLOCABLE TO FOREIGN SOURCE NET CFC TESTED INCOME.—Solely for purposes of the application of subsection (a) with respect to amounts described in subsection (d)(1)(A), the taxpayer’s taxable income from sources without the United States shall be determined by allocating and apportioning—

“(A) any deduction allowed under section 250(a)(1)(B) (and any deduction allowed under section 164(a)(3) for taxes imposed on amounts described in section 250(a)(1)(B)) to such income,

“(B) no amount of interest expense or research and experimental expenditures to such income, and

“(C) any other deduction to such income only if such deduction is directly allocable to such income.

Any amount or deduction which would (but for subparagraphs (B) and (C)) have been allocated or apportioned to such income shall only be allocated or apportioned to income which is from sources within the United States.”.

(b) OTHER MODIFICATIONS.—

(1) Section 904(d)(2)(H)(i) is amended by striking “paragraph (1)(B)” and inserting “paragraph (1)(D)”.

(2) Section 904(d)(4)(C)(ii) is amended by striking “paragraph (1)(A)” and inserting “paragraph (1)(C)”.

(3) Section 951A(f)(1)(A) is amended by striking “904(h)(1)” and inserting “904(h)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70312. MODIFICATIONS TO DETERMINATION OF DEEMED PAID CREDIT FOR TAXES PROPERLY ATTRIBUTABLE TO TESTED INCOME.

(a) INCREASE IN DEEMED PAID CREDIT.—

(1) IN GENERAL.—Section 960(d)(1) is amended by striking “80 percent” and inserting “90 percent”.

(2) GROSS UP FOR DEEMED PAID FOREIGN TAX CREDIT.—Section 78 is amended—

(A) by striking “subsections (a), (b), and (d)” and inserting “subsections (a) and (d)”, and

(B) by striking “80 percent” and inserting “90 percent”.

(b) DISALLOWANCE OF FOREIGN TAX CREDIT WITH RESPECT TO DISTRIBUTIONS OF PREVIOUSLY TAXED NET CFC TESTED INCOME.—Section 960(d) is amended by adding at the end the following new paragraph:

“(4) DISALLOWANCE OF FOREIGN TAX CREDIT WITH RESPECT TO DISTRIBUTIONS OF PREVIOUSLY TAXED NET CFC TESTED INCOME.—No credit shall be allowed under section 901 for 10 percent of any foreign income taxes paid or accrued (or deemed paid under subsection (b)(1)) with respect to any amount excluded from gross income under section 959(a) by reason of an inclusion in gross income under section 951A(a).”.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2025.

(2) DISALLOWANCE.—The amendment made by subsection (b) shall apply to foreign income taxes paid or accrued (or deemed paid under section 960(b)(1) of the Internal Revenue Code of 1986) with respect to any amount excluded from gross income under section 959(a) of such Code by reason of an inclusion in gross income under section 951A(a) of such Code after June 28, 2025.

SEC. 70313. SOURCING CERTAIN INCOME FROM THE SALE OF INVENTORY PRODUCED IN THE UNITED STATES.

(a) IN GENERAL.—Section 904(b), as amended by section 70311, is amended by adding at the end the following new paragraph:

“(6) SOURCE RULES FOR CERTAIN INVENTORY PRODUCED IN THE UNITED STATES AND SOLD THROUGH FOREIGN BRANCHES.—For purposes of this section, if a United States person maintains an office or other fixed place of business in a foreign country (determined under rules similar to the rules of section 864(c)(5)), the portion of income which—

“(A) is from the sale or exchange outside the United States of inventory property (within the meaning of section 865(i)(1))—

“(i) which is produced in the United States,

“(ii) which is for use outside the United States,

and

“(iii) to which the third sentence of section 863(b) applies, and
“(B) is attributable (determined under rules similar to the rules of section 864(c)(5)) to such office or other fixed place of business,
shall be treated as from sources without the United States, except that the amount so treated shall not exceed 50 percent of the income from the sale or exchange of such inventory property.”.
(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

PART II—FOREIGN-DERIVED DEDUCTION ELIGIBLE INCOME AND NET CFC TESTED INCOME

SEC. 70321. MODIFICATION OF DEDUCTION FOR FOREIGN-DERIVED DEDUCTION ELIGIBLE INCOME AND NET CFC TESTED INCOME.

(a) IN GENERAL.—Section 250(a) is amended—
(1) by striking “37.5 percent” in paragraph (1)(A) and inserting “33.34 percent”,
(2) by striking “50 percent” in paragraph (1)(B) and inserting “40 percent”, and
(3) by striking paragraph (3).
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70322. DETERMINATION OF DEDUCTION ELIGIBLE INCOME.

(a) SALES OR OTHER DISPOSITIONS OF CERTAIN PROPERTY.—
(1) IN GENERAL.—Section 250(b)(3)(A)(i) is amended—
(A) by striking “and” at the end of subclause (V),
(B) by striking “over” at the end of subclause (VI) and inserting “and”, and
(C) by adding at the end the following new subclause:
“(VII) except as otherwise provided by the Secretary, any income and gain from the sale or other disposition (including pursuant to the deemed sale or other deemed disposition or a transaction subject to section 367(d)) of—
“(aa) intangible property (as defined in section 367(d)(4)), and
“(bb) any other property of a type that is subject to depreciation, amortization, or depletion by the seller, over”.
(2) CONFORMING AMENDMENT.—Section 250(b)(5)(E) is amended by inserting “(other than paragraph (3)(A)(i)(VII))” after “For purposes of this subsection”.
(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to sales or other dispositions (including pursuant to deemed sales or other deemed dispositions or a transaction subject to section 367(d) of the Internal Revenue Code of 1986) occurring after June 16, 2025.
(b) EXPENSE APPORTIONMENT LIMITED TO PROPERLY ALLOCABLE EXPENSES.—

(1) IN GENERAL.—Section 250(b)(3)(A)(ii) is amended to read as follows:

“(ii) expenses and deductions (including taxes), other than interest expense and research or experimental expenditures, properly allocable to such gross income.”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2025.

SEC. 70323. RULES RELATED TO DEEMED INTANGIBLE INCOME.

(a) TAXATION OF NET CFC TESTED INCOME.—

(1) IN GENERAL.—Section 951A(a) is amended by striking “global intangible low-taxed income” and inserting “net CFC tested income”.

(2) REPEAL OF TAX-FREE DEEMED RETURN ON FOREIGN INVESTMENTS.—Section 951A, as amended by the preceding provisions of this Act, is amended by striking subsections (b) and (d) and by redesignating subsections (c), (e), and (f) as subsections (b), (c), and (d), respectively.

(3) CONFORMING AMENDMENTS.—

(A)(i) Section 250 is amended by striking “global intangible low-taxed income” each place it appears in subsections (a)(1)(B)(i), (a)(2), and (b)(3)(A)(i)(II) and inserting “net CFC tested income”.

(ii) The heading for section 250 of such Code is amended by striking “**GLOBAL INTANGIBLE LOW-TAXED INCOME**” and inserting “**NET CFC TESTED INCOME**”.

(iii) The item relating to section 250 in the table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking “global intangible low-taxed income” and inserting “net CFC tested income”.

(B) Section 951A(c)(1), as redesignated by paragraph (2), is amended by striking “subsections (b), (c)(1)(A), and (c)(1)(B)” and inserting “subsections (b)(1)(A) and (b)(1)(B)”.

(C) Section 951A(d), as redesignated by paragraph (2), is amended—

(i) by striking “global intangible low-taxed income” each place it appears and inserting “net CFC tested income”, and

(ii) by striking “subsection (c)(1)(A)” in paragraph (2)(B)(ii) and inserting “subsection (b)(1)(A)”.

(D) Section 960(d)(2) is amended—

(i) by striking “global intangible low-taxed income” in subparagraph (A) and inserting “net CFC tested income”, and

(ii) by striking “section 951A(c)(1)(A)” in subparagraph (B) and inserting “section 951A(b)(1)(A)”.

(E)(i) The heading for section 951A is amended by striking “**GLOBAL INTANGIBLE LOW-TAXED INCOME**” and inserting “**NET CFC TESTED INCOME**”.

(ii) The item relating to section 951A in the table of sections for subpart F of part III of subchapter N of chapter 1 is amended by striking “Global intangible low-taxed income” and inserting “Net CFC tested income”.

(b) DEDUCTION FOR FOREIGN-DERIVED DEDUCTION ELIGIBLE INCOME.—

(1) **IN GENERAL.**—Section 250(a)(1)(A) is amended by striking “foreign-derived intangible income” and inserting “foreign-derived deduction eligible income”.

(2) **CONFORMING AMENDMENTS.**—

(A) Section 250(a)(2) is amended by striking “foreign-derived intangible income” each place it appears and inserting “foreign-derived deduction eligible income”.

(B) Section 250(b), as amended by subsection (a), is amended—

(i) by striking paragraphs (1) and (2),

(ii) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2), respectively, and by moving such paragraphs before paragraph (3),

(iii) in paragraph (2)(B)(ii), as so redesignated, by striking “paragraph (4)(B)” and inserting “paragraph (1)(B)”, and

(iv) by striking “INTANGIBLE” in the heading thereof and inserting “DEDUCTION ELIGIBLE”.

(C)(i) The heading for section 250 is amended by striking “INTANGIBLE” in the heading thereof and inserting “DEDUCTION ELIGIBLE”.

(ii) The heading for section 172(d)(9) is amended by striking “INTANGIBLE” and inserting “DEDUCTION ELIGIBLE”.

(iii) The item relating to section 250 in the table of sections for part VIII of subchapter B of chapter 1 is amended by striking “intangible” and inserting “deduction eligible”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

PART III—BASE EROSION MINIMUM TAX

SEC. 70331. EXTENSION AND MODIFICATION OF BASE EROSION MINIMUM TAX AMOUNT.

(a) **IN GENERAL.**—Section 59A(b) is amended—

(1) by striking “10 percent” in paragraph (1) and inserting “10.5 percent”, and

(2) by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(b) **CONFORMING AMENDMENTS.**—

(1) Section 59A(b)(1) is amended by striking “Except as provided in paragraphs (2) and (3)” and inserting “Except as provided in paragraph (2)”.

(2) Section 59A(b)(2), as redesignated by subsection (a)(2), is amended by striking “the percentage otherwise in effect under paragraphs (1)(A) and (2)(A) shall each be increased” and inserting “the percentages otherwise in effect under paragraph (1)(A) shall be increased”.

(3) Section 59A(e)(1)(C) is amended by striking “in the case of a taxpayer described in subsection (b)(3)(B)” and inserting “in the case of a taxpayer described in subsection (b)(2)(B)”.

(c) **OTHER MODIFICATIONS.**—

(1) Section 59A(b)(2)(B)(ii), as redesignated by subsection (a)(2), is amended by striking “registered securities dealer” and inserting “securities dealer registered”.

(2) Section 59A(h)(2)(B) is amended by striking “section 6038B(b)(2)” and inserting “section 6038A(b)(2)”.

(3) Section 59A(i)(2) is amended—

(A) by striking “subsection (g)” and inserting “subsection (h)”, and

(B) by striking “subsection (g)(3)” and inserting “subsection (h)(3)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

PART IV—BUSINESS INTEREST LIMITATION

SEC. 70341. COORDINATION OF BUSINESS INTEREST LIMITATION WITH INTEREST CAPITALIZATION PROVISIONS.

(a) IN GENERAL.—Section 163(j) is amended by redesignating paragraphs (10) and (11) as paragraphs (11) and (12) and by inserting after paragraph (9) the following:

“(10) COORDINATION WITH INTEREST CAPITALIZATION PROVISIONS.—

“(A) IN GENERAL.—In applying this subsection—

“(i) the limitation under paragraph (1) shall apply to business interest without regard to whether the taxpayer would otherwise deduct such business interest or capitalize such business interest under an interest capitalization provision, and

“(ii) any reference in this subsection to a deduction for business interest shall be treated as including a reference to the capitalization of business interest.

“(B) AMOUNT ALLOWED APPLIED FIRST TO CAPITALIZED INTEREST.—The amount allowed after taking into account the limitation described in paragraph (1)—

“(i) shall be applied first to the aggregate amount of business interest which would otherwise be capitalized, and

“(ii) the remainder (if any) shall be applied to the aggregate amount of business interest which would be deducted.

“(C) TREATMENT OF DISALLOWED INTEREST CARRIED FORWARD.—No portion of any business interest carried forward under paragraph (2) from any taxable year to any succeeding taxable year shall, for purposes of this title (including any interest capitalization provision which previously applied to such portion) be treated as interest to which an interest capitalization provision applies.

“(D) INTEREST CAPITALIZATION PROVISION.—For purposes of this section, the term ‘interest capitalization provision’ means any provision of this subtitle under which interest—

“(i) is required to be charged to capital account,

or

“(ii) may be deducted or charged to capital account.”.

(b) CERTAIN CAPITALIZED INTEREST NOT TREATED AS BUSINESS INTEREST.—Section 163(j)(5) is amended by adding at the end the following new sentence: “Such term shall not include any interest which is capitalized under section 263(g) or 263A(f).”.

(c) **REGULATORY AUTHORITY.**—Section 163(j), as amended by subsection (a), is amended by redesignating paragraphs (11) and (12) as paragraphs (12) and (13) and by inserting after paragraph (10) the following:

“(11) **REGULATORY AUTHORITY.**—The Secretary shall issue such regulations or guidance as may be necessary or appropriate to carry out the purposes of this subsection, including regulations or guidance to determine which business interest is taken into account under this subsection and section 59A(c)(3).”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70342. DEFINITION OF ADJUSTED TAXABLE INCOME FOR BUSINESS INTEREST LIMITATION.

(a) **IN GENERAL.**—Subparagraph (A) of section 163(j)(8) is amended—

- (1) by striking “and” at the end of clause (iv), and
- (2) by adding at the end the following new clause:

“(vi) the amounts included in gross income under sections 951(a), 951A(a), and 78 (and the portion of the deductions allowed under sections 245A(a) (by reason of section 964(e)(4)) and 250(a)(1)(B) by reason of such inclusions), and”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

PART V—OTHER INTERNATIONAL TAX REFORMS

SEC. 70351. PERMANENT EXTENSION OF LOOK-THRU RULE FOR RELATED CONTROLLED FOREIGN CORPORATIONS.

(a) **IN GENERAL.**—Section 954(c)(6)(C) is amended by striking “and before January 1, 2026,”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2025.

SEC. 70352. REPEAL OF ELECTION FOR 1-MONTH DEFERRAL IN DETERMINATION OF TAXABLE YEAR OF SPECIFIED FOREIGN CORPORATIONS.

(a) **IN GENERAL.**—Section 898(c) is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years of specified foreign corporations beginning after November 30, 2025.

(c) **TRANSITION RULE.**—

(1) **IN GENERAL.**—In the case of a corporation that is a specified foreign corporation as of November 30, 2025, such corporation’s first taxable year beginning after such date shall end at the same time as the first required year (within the meaning of section 898(c)(1) of the Internal Revenue Code of 1986) ending after such date. If any specified foreign corporation is required by the amendments made by this section to change its taxable year for its first taxable year beginning after November 30, 2025—

(A) such change shall be treated as initiated by such corporation,

(B) such change shall be treated as having been made with the consent of the Secretary, and

(C) the Secretary shall issue regulations or other guidance for allocating foreign taxes that are paid or accrued in such first taxable year and the succeeding taxable year among such taxable years in the manner the Secretary determines appropriate to carry out the purposes of this section.

(2) SECRETARY.—For purposes of this subsection, the term “Secretary” means the Secretary of the Treasury or the Secretary’s delegate.

SEC. 70353. RESTORATION OF LIMITATION ON DOWNWARD ATTRIBUTION OF STOCK OWNERSHIP IN APPLYING CONSTRUCTIVE OWNERSHIP RULES.

(a) IN GENERAL.—Section 958(b) is amended—

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

“(4) Subparagraphs (A), (B), and (C) of section 318(a)(3) shall not be applied so as to consider a United States person as owning stock which is owned by a person who is not a United States person.”, and

(2) by striking “Paragraph (1)” in the last sentence and inserting “Paragraphs (1) and (4)”.

(b) FOREIGN CONTROLLED UNITED STATES SHAREHOLDERS.—Subpart F of part III of subchapter N of chapter 1 is amended by inserting after section 951A the following new section:

“SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME OF FOREIGN CONTROLLED UNITED STATES SHAREHOLDERS.

“(a) IN GENERAL.—In the case of any foreign controlled United States shareholder of a foreign controlled foreign corporation—

“(1) this subpart (other than sections 951A, 951(b), and 957) shall be applied with respect to such shareholder (separately from, and in addition to, the application of this subpart without regard to this section)—

“(A) by substituting ‘foreign controlled United States shareholder’ for ‘United States shareholder’ each place it appears therein, and

“(B) by substituting ‘foreign controlled foreign corporation’ for ‘controlled foreign corporation’ each place it appears therein, and

“(2) section 951A (and such other provisions of this subpart as provided by the Secretary) shall be applied with respect to such shareholder—

“(A) by treating each reference to ‘United States shareholder’ in such section as including a reference to such shareholder, and

“(B) by treating each reference to ‘controlled foreign corporation’ in such section as including a reference to such foreign controlled foreign corporation.

“(b) FOREIGN CONTROLLED UNITED STATES SHAREHOLDER.—For purposes of this section, the term ‘foreign controlled United States shareholder’ means, with respect to any foreign corporation, any United States person which would be a United States shareholder with respect to such foreign corporation if—

“(1) section 951(b) were applied by substituting ‘more than 50 percent’ for ‘10 percent or more’, and

“(2) section 958(b) were applied without regard to paragraph (4) thereof.

“(c) FOREIGN CONTROLLED FOREIGN CORPORATION.—For purposes of this section, the term ‘foreign controlled foreign corporation’ means a foreign corporation, other than a controlled foreign corporation, which would be a controlled foreign corporation if section 957(a) were applied—

“(1) by substituting ‘foreign controlled United States shareholders’ for ‘United States shareholders’, and

“(2) by substituting ‘section 958(b) (other than paragraph (4) thereof)’ for ‘section 958(b)’.

“(d) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance—

“(1) to treat a foreign controlled United States shareholder or a foreign controlled foreign corporation as a United States shareholder or as a controlled foreign corporation, respectively, for purposes of provisions of this title other than this subpart (including any reporting requirement), and

“(2) with respect to the treatment of foreign controlled foreign corporations that are passive foreign investment companies (as defined in section 1297).”.

(c) CLERICAL AMENDMENT.—The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by inserting after the item relating to section 951A the following new item: “Sec. 951B. Amounts included in gross income of foreign controlled United States shareholders.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2025.

(e) SPECIAL RULE.—

(1) IN GENERAL.—Except to the extent provided by the Secretary of the Treasury (or the Secretary’s delegate), the effective date of any amendment to the Internal Revenue Code of 1986 shall be applied by treating references to United States shareholders as including references to foreign controlled United States shareholders, and by treating references to controlled foreign corporations as including references to foreign controlled foreign corporations.

(2) DEFINITIONS.—Any term used in paragraph (1) which is used in subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986 (as amended by this section) shall have the meaning given such term in such subpart.

(f) NO INFERENCE.—The amendments made by this section shall not be construed to create any inference with respect to the proper application of any provision of the Internal Revenue Code of 1986 with respect to taxable years beginning before the taxable years to which such amendments apply.

SEC. 70354. MODIFICATIONS TO PRO RATA SHARE RULES.

(a) IN GENERAL.—Subsection (a) of section 951 is amended to read as follows:

“(a) AMOUNTS INCLUDED.—

“(1) IN GENERAL.—If a foreign corporation is a controlled foreign corporation at any time during a taxable year of the foreign corporation (in this subsection referred to as the ‘CFC year’)—

“(A) each United States shareholder which owns (within the meaning of section 958(a)) stock in such corporation on any day during the CFC year shall include in gross income such shareholder’s pro rata share (determined under paragraph (2)) of the corporation’s subpart F income for the CFC year, and

“(B) each United States shareholder which owns (within the meaning of section 958(a)) stock in such corporation on the last day, in the CFC year, on which such corporation is a controlled foreign corporation shall include in gross income the amount determined under section 956 with respect to such shareholder for the CFC year (but only to the extent not excluded from gross income under section 959(a)(2)).

“(2) PRO RATA SHARE OF SUBPART F INCOME.—A United States shareholder’s pro rata share of a controlled foreign corporation’s subpart F income for a CFC year shall be the portion of such income which is attributable to—

“(A) the stock of such corporation owned (within the meaning of section 958(a)) by such shareholder, and

“(B) any period of the CFC year during which—

“(i) such shareholder owned (within the meaning of section 958(a)) such stock,

“(ii) such shareholder was a United States shareholder of such corporation, and

“(iii) such corporation was a controlled foreign corporation.

“(3) TAXABLE YEAR OF INCLUSION.—Any amount required to be included in gross income by a United States shareholder under paragraph (1) with respect to a CFC year shall be included in gross income for the shareholder’s taxable year which includes the last day on which the shareholder owns (within the meaning of section 958(a)) stock in the controlled foreign corporation during such CFC year.

“(4) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance allowing taxpayers to elect, or requiring taxpayers, to close the taxable year of a controlled foreign corporation upon a direct or indirect disposition of stock of such corporation.”.

(b) COORDINATION WITH SECTION 951A.—

(1) TESTED INCOME.—Section 951A(b), as redesignated by section 70323(a)(2), is amended—

(A) in paragraph (1)(A), by striking “(determined for each taxable year of such controlled foreign corporation which ends in or with such taxable year of such United States shareholder)”, and

(B) in paragraph (1)(B), by striking “(determined for each taxable year of such controlled foreign corporation which ends in or with such taxable year of such United States shareholder)”.

(2) PRO RATA SHARE.—Section 951A(c), as redesignated by section 70323(a)(2), is amended—

(A) in paragraph (1), by striking “in which or with which the taxable year of the controlled foreign corporation ends” and inserting “determined under section 951(a)(3)”, and

(B) in paragraph (2), by striking “the last day in the taxable year of such foreign corporation on which such foreign corporation is a controlled foreign corporation” and inserting “any day in such taxable year”.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2025.

(2) TRANSITION RULE FOR DIVIDENDS.—Except to the extent provided by the Secretary of the Treasury (or the Secretary’s delegate), a dividend paid (or deemed paid) by a controlled foreign corporation shall not be treated as a dividend for purposes of applying section 951(a)(2)(B) of the Internal Revenue Code of 1986 (as in effect before the amendments made by this section) if—

(A) such dividend—

(i) was paid (or deemed paid) on or before June 28, 2025, during the taxable year of such controlled foreign corporation which includes such date and the United States shareholder described in section 951(a)(1) of such Code (as so in effect) did not own (within the meaning of section 958(a) of such Code) the stock of such controlled foreign corporation during the portion of such taxable year on or before June 28, 2025, or

(ii) was paid (or deemed paid) after June 28, 2025, and before such controlled foreign corporation’s first taxable year beginning after December 31, 2025, and

(B) such dividend does not increase the taxable income of a United States person that is subject to Federal income tax for the taxable year (including by reason of a dividends received deduction, an exclusion from gross income, or an exclusion from subpart F income).

CHAPTER 4—INVESTING IN AMERICAN FAMILIES, COMMUNITIES, AND SMALL BUSINESSES

Subchapter A—Permanent Investments in Families and Children

SEC. 70401. ENHANCEMENT OF EMPLOYER-PROVIDED CHILD CARE CREDIT.

(a) INCREASE OF AMOUNT OF QUALIFIED CHILD CARE EXPENDITURES TAKEN INTO ACCOUNT.—Section 45F(a)(1) is amended by striking “25 percent” and inserting “40 percent (50 percent in the case of an eligible small business)”.

(b) INCREASE OF MAXIMUM CREDIT AMOUNT.—Subsection (b) of section 45F is amended to read as follows:

“(b) DOLLAR LIMITATION.—

“(1) IN GENERAL.—The credit allowable under subsection (a) for any taxable year shall not exceed \$500,000 (\$600,000 in the case of an eligible small business).

“(2) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2026, the \$500,000 and \$600,000 amounts in paragraph (1) shall each be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2025’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.”.

(c) ELIGIBLE SMALL BUSINESS.—Section 45F(c) is amended by adding at the end the following new paragraph:

“(4) ELIGIBLE SMALL BUSINESS.—The term ‘eligible small business’ means a business that meets the gross receipts test of section 448(c), determined—

“(A) by substituting ‘5-taxable-year’ for ‘3-taxable-year’ in paragraph (1) thereof, and

“(B) by substituting ‘5-year’ for ‘3-year’ in paragraph (3)(A) thereof.”.

(d) CREDIT ALLOWED FOR THIRD-PARTY INTERMEDIARIES.—Section 45F(c)(1)(A)(iii) is amended by inserting “, or under a contract with an intermediate entity that contracts with one or more qualified child care facilities to provide such child care services” before the period at the end.

(e) TREATMENT OF JOINTLY OWNED OR OPERATED CHILD CARE FACILITY.—Section 45F(c)(2) is amended by adding at the end the following new subparagraph:

“(C) TREATMENT OF JOINTLY OWNED OR OPERATED CHILD CARE FACILITY.—A facility shall not fail to be treated as a qualified child care facility of the taxpayer merely because such facility is jointly owned or operated by the taxpayer and other persons.”.

(f) REGULATIONS AND GUIDANCE.—Section 45F is amended by adding at the end the following new subsection:

“(g) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as may be necessary to carry out the purposes of this section, including guidance to carry out the purposes of paragraphs (1)(A)(iii) and (2)(C) of subsection (c).”.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2025.

SEC. 70402. ENHANCEMENT OF ADOPTION CREDIT.

(a) IN GENERAL.—Section 23(a) is amended by adding at the end the following new paragraph:

“(4) PORTION OF CREDIT REFUNDABLE.—So much of the credit allowed under paragraph (1) as does not exceed \$5,000 shall be treated as a credit allowed under subpart C and not as a credit allowed under this subpart.”.

(b) ADJUSTMENTS FOR INFLATION.—Section 23(h) is amended to read as follows:

“(h) ADJUSTMENTS FOR INFLATION.—

“(1) IN GENERAL.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in paragraphs (3) and (4) of subsection (a) and paragraphs (1) and

(2)(A)(i) of subsection (b) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2001’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

“(2) ROUNDING.—If any amount as increased under paragraph (1) is not a multiple of \$10, such amount shall be rounded to the nearest multiple of \$10.

“(3) SPECIAL RULE FOR REFUNDABLE PORTION.—In the case of the dollar amount in subsection (a)(4), paragraph (1) shall be applied—

“(A) by substituting ‘2025’ for ‘2002’ in the matter preceding subparagraph (A), and

“(B) by substituting ‘calendar year 2024’ for ‘calendar year 2001’ in subparagraph (B) thereof.”.

(c) EXCLUSION OF REFUNDABLE PORTION OF CREDIT FROM CARRYFORWARD.—Section 23(c)(1) is amended by striking “credit allowable under subsection (a)” and inserting “portion of the credit allowable under subsection (a) which is allowed under this subpart”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 70403. RECOGNIZING INDIAN TRIBAL GOVERNMENTS FOR PURPOSES OF DETERMINING WHETHER A CHILD HAS SPECIAL NEEDS FOR PURPOSES OF THE ADOPTION CREDIT.

(a) IN GENERAL.—Section 23(d)(3) is amended—

(1) in subparagraph (A), by inserting “or Indian tribal government” after “a State”, and

(2) in subparagraph (B), by inserting “or Indian tribal government” after “such State”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 70404. ENHANCEMENT OF THE DEPENDENT CARE ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 129(a)(2)(A) is amended by striking “\$5,000 (\$2,500” and inserting “\$7,500 (\$3,750”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70405. ENHANCEMENT OF CHILD AND DEPENDENT CARE TAX CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 21(a) is amended to read as follows:

“(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term ‘applicable percentage’ means 50 percent—

“(A) reduced (but not below 35 percent) by 1 percentage point for each \$2,000 or fraction thereof by which the taxpayer’s adjusted gross income for the taxable year exceeds \$15,000, and

“(B) further reduced (but not below 20 percent) by 1 percentage point for each \$2,000 (\$4,000 in the case of a joint return) or fraction thereof by which the taxpayer’s

adjusted gross income for the taxable year exceeds \$75,000 (\$150,000 in the case of a joint return).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

Subchapter B—Permanent Investments in Students and Reforms to Tax-exempt Institutions

SEC. 70411. TAX CREDIT FOR CONTRIBUTIONS OF INDIVIDUALS TO SCHOLARSHIP GRANTING ORGANIZATIONS.

(a) ALLOWANCE OF CREDIT FOR CONTRIBUTIONS OF INDIVIDUALS TO SCHOLARSHIP GRANTING ORGANIZATIONS.—

(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 25E the following new section:

“SEC. 25F. QUALIFIED ELEMENTARY AND SECONDARY EDUCATION SCHOLARSHIPS.

“(a) ALLOWANCE OF CREDIT.—In the case of an individual who is a citizen or resident of the United States (within the meaning of section 7701(a)(9)), there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the aggregate amount of qualified contributions made by the taxpayer during the taxable year.

“(b) LIMITATIONS.—

“(1) IN GENERAL.—The credit allowed under subsection (a) to any taxpayer for any taxable year shall not exceed \$1,700.

“(2) REDUCTION BASED ON STATE CREDIT.—The amount allowed as a credit under subsection (a) for a taxable year shall be reduced by the amount allowed as a credit on any State tax return of the taxpayer for qualified contributions made by the taxpayer during the taxable year.

“(c) DEFINITIONS.—For purposes of this section—

“(1) COVERED STATE.—The term ‘covered State’ means one of the States, or the District of Columbia, that, for a calendar year, voluntarily elects to participate under this section and to identify scholarship granting organizations in the State, in accordance with subsection (g).

“(2) ELIGIBLE STUDENT.—The term ‘eligible student’ means an individual who—

“(A) is a member of a household with an income which, for the calendar year prior to the date of the application for a scholarship, is not greater than 300 percent of the area median gross income (as such term is used in section 42), and

“(B) is eligible to enroll in a public elementary or secondary school.

“(3) QUALIFIED CONTRIBUTION.—The term ‘qualified contribution’ means a charitable contribution of cash to a scholarship granting organization that uses the contribution to fund scholarships for eligible students solely within the State in which the organization is listed pursuant to subsection (g).

“(4) QUALIFIED ELEMENTARY OR SECONDARY EDUCATION EXPENSE.—The term ‘qualified elementary or secondary education expense’ means any expense of an eligible student which is described in section 530(b)(3)(A).

“(5) SCHOLARSHIP GRANTING ORGANIZATION.—The term ‘scholarship granting organization’ means any organization—

“(A) which—

“(i) is described in section 501(c)(3) and exempt from tax under section 501(a), and

“(ii) is not a private foundation,

“(B) which prevents the co-mingling of qualified contributions with other amounts by maintaining one or more separate accounts exclusively for qualified contributions,

“(C) which satisfies the requirements of subsection (d), and

“(D) which is included on the list submitted for the applicable covered State under subsection (g) for the applicable year.

“(d) REQUIREMENTS FOR SCHOLARSHIP GRANTING ORGANIZATIONS.—

“(1) IN GENERAL.—An organization meets the requirements of this subsection if—

“(A) such organization provides scholarships to 10 or more students who do not all attend the same school,

“(B) such organization spends not less than 90 percent of the income of the organization on scholarships for eligible students,

“(C) such organization does not provide scholarships for any expenses other than qualified elementary or secondary education expenses,

“(D) such organization provides a scholarship to eligible students with a priority for—

“(i) students awarded a scholarship the previous school year, and

“(ii) after application of clause (i), any eligible students who have a sibling who was awarded a scholarship from such organization,

“(E) such organization does not earmark or set aside contributions for scholarships on behalf of any particular student, and

“(F) such organization—

“(i) verifies the annual household income and family size of eligible students who apply for scholarships to ensure such students meet the requirement of subsection (c)(2)(A), and

“(ii) limits the awarding of scholarships to eligible students who are a member of a household for which the income does not exceed the amount established under subsection (c)(2)(A).

“(2) PROHIBITION ON SELF-DEALING.—

“(A) IN GENERAL.—A scholarship granting organization may not award a scholarship to any disqualified person.

“(B) DISQUALIFIED PERSON.—For purposes of this paragraph, a disqualified person shall be determined pursuant to rules similar to the rules of section 4946.

“(e) DENIAL OF DOUBLE BENEFIT.—Any qualified contribution for which a credit is allowed under this section shall not be taken into account as a charitable contribution for purposes of section 170.

“(f) CARRYFORWARD OF UNUSED CREDIT.—

“(1) IN GENERAL.—If the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section, section 23, and section 25D), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

“(2) LIMITATION.—No credit may be carried forward under this subsection to any taxable year following the fifth taxable year after the taxable year in which the credit arose. For purposes of the preceding sentence, credits shall be treated as used on a first-in first-out basis.

“(g) STATE LIST OF SCHOLARSHIP GRANTING ORGANIZATIONS.—

“(1) LIST.—

“(A) IN GENERAL.—Not later than January 1 of each calendar year (or, with respect to the first calendar year for which this section applies, as early as practicable), a State that voluntarily elects to participate under this section shall provide to the Secretary a list of the scholarship granting organizations that meet the requirements described in subsection (c)(5) and are located in the State.

“(B) PROCESS.—The election under this paragraph shall be made by the Governor of the State or by such other individual, agency, or entity as is designated under State law to make such elections on behalf of the State with respect to Federal tax benefits.

“(2) CERTIFICATION.—Each list submitted under paragraph (1) shall include a certification that the individual, agency, or entity submitting such list on behalf of the State has the authority to perform this function.

“(h) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary to carry out the purposes of this section, including regulations or other guidance—

“(1) providing for enforcement of the requirements under subsections (d) and (g), and

“(2) with respect to recordkeeping or information reporting for purposes of administering the requirements of this section.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 25(e)(1)(C) is amended by striking “and 25D” and inserting “25D, and 25F”.

(B) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25E the following new item:

“Sec. 25F. Qualified elementary and secondary education scholarships.”.

(b) EXCLUSION FROM GROSS INCOME FOR SCHOLARSHIPS FOR QUALIFIED ELEMENTARY OR SECONDARY EDUCATION EXPENSES OF ELIGIBLE STUDENTS.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting before section 140 the following new section:

“SEC. 139K. SCHOLARSHIPS FOR QUALIFIED ELEMENTARY OR SECONDARY EDUCATION EXPENSES OF ELIGIBLE STUDENTS.

“(a) IN GENERAL.—In the case of an individual, gross income shall not include any amounts provided to such individual or any

dependent of such individual pursuant to a scholarship for qualified elementary or secondary education expenses of an eligible student which is provided by a scholarship granting organization.

“(b) DEFINITIONS.—In this section, the terms ‘qualified elementary or secondary education expense’, ‘eligible student’, and ‘scholarship granting organization’ have the same meaning given such terms under section 25F(c).”.

(2) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting before the item relating to section 140 the following new item:

“Sec. 139K. Scholarships for qualified elementary or secondary education expenses of eligible students.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after December 31, 2026.

(2) EXCLUSION FROM GROSS INCOME.—The amendments made by subsection (b) shall apply to amounts received after December 31, 2026, in taxable years ending after such date.

SEC. 70412. EXCLUSION FOR EMPLOYER PAYMENTS OF STUDENT LOANS.

(a) IN GENERAL.—Section 127(c)(1)(B) is amended by striking “in the case of payments made before January 1, 2026,”.

(b) INFLATION ADJUSTMENT.—Section 127 is amended—

(1) by redesignating subsection (d) as subsection (e), and

(2) by inserting after subsection (c) the following new subsection:

“(d) INFLATION ADJUSTMENT.—

“(1) IN GENERAL.—In the case of any taxable year beginning after 2026, both of the \$5,250 amounts in subsection (a)(2) shall each be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2025’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

“(2) ROUNDING.—If any increase under paragraph (1) is not a multiple of \$50, such increase shall be rounded to the nearest multiple of \$50.”.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2025.

SEC. 70413. ADDITIONAL EXPENSES TREATED AS QUALIFIED HIGHER EDUCATION EXPENSES FOR PURPOSES OF 529 ACCOUNTS.

(a) IN GENERAL.—

(1) IN GENERAL.—Section 529(c)(7) is amended to read as follows:

“(7) TREATMENT OF ELEMENTARY AND SECONDARY TUITION.—Any reference in this section to the term ‘qualified higher education expense’ shall include a reference to the following expenses in connection with enrollment or attendance at, or for students enrolled at or attending, an elementary or secondary public, private, or religious school:

“(A) Tuition.

“(B) Curriculum and curricular materials.

“(C) Books or other instructional materials.

“(D) Online educational materials.

“(E) Tuition for tutoring or educational classes outside of the home, including at a tutoring facility, but only if the tutor or instructor is not related to the student and—

“(i) is licensed as a teacher in any State,

“(ii) has taught at an eligible educational institution, or

“(iii) is a subject matter expert in the relevant subject.

“(F) Fees for a nationally standardized norm-referenced achievement test, an advanced placement examination, or any examinations related to college or university admission.

“(G) Fees for dual enrollment in an institution of higher education.

“(H) Educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider, including occupational, behavioral, physical, and speech-language therapies.”.

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

(b) INCREASE IN LIMITATION.—

(1) IN GENERAL.—The last sentence of section 529(e)(3) is amended by striking “\$10,000” and inserting “\$20,000”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2025.

SEC. 70414. CERTAIN POSTSECONDARY CREDENTIALING EXPENSES TREATED AS QUALIFIED HIGHER EDUCATION EXPENSES FOR PURPOSES OF 529 ACCOUNTS.

(a) IN GENERAL.—Section 529(e)(3) is amended by adding at the end the following new subparagraph:

“(C) CERTAIN POSTSECONDARY CREDENTIALING EXPENSES.—The term ‘qualified higher education expenses’ includes qualified postsecondary credentialing expenses (as defined in subsection (f)).”.

(b) QUALIFIED POSTSECONDARY CREDENTIALING EXPENSES.—Section 529 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

“(f) QUALIFIED POSTSECONDARY CREDENTIALING EXPENSES.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified postsecondary credentialing expenses’ means—

“(A) tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary in a recognized postsecondary credential program, or any other expense incurred in connection with enrollment in or attendance at a recognized postsecondary credential program if such expense would, if incurred in connection with enrollment or attendance at an eligible educational institution, be covered under subsection (e)(3)(A),

“(B) fees for testing if such testing is required to obtain or maintain a recognized postsecondary credential, and

“(C) fees for continuing education if such education is required to maintain a recognized postsecondary credential.

“(2) RECOGNIZED POSTSECONDARY CREDENTIAL PROGRAM.—The term ‘recognized postsecondary credential program’ means any program to obtain a recognized postsecondary credential if—

“(A) such program is included on a State list prepared under section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)),

“(B) such program is listed in the public directory of the Web Enabled Approval Management System (WEAMS) of the Veterans Benefits Administration, or successor directory such program,

“(C) an examination (developed or administered by an organization widely recognized as providing reputable credentials in the occupation) is required to obtain or maintain such credential and such organization recognizes such program as providing training or education which prepares individuals to take such examination, or

“(D) such program is identified by the Secretary, after consultation with the Secretary of Labor, as being a reputable program for obtaining a recognized postsecondary credential for purposes of this subparagraph.

“(3) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term ‘recognized postsecondary credential’ means—

“(A) any postsecondary employment credential that is industry recognized and is—

“(i) any postsecondary employment credential issued by a program that is accredited by the Institute for Credentialing Excellence, the National Commission on Certifying Agencies, or the American National Standards Institute,

“(ii) any postsecondary employment credential that is included in the Credentialing Opportunities On-Line (COOL) directory of credentialing programs (or successor directory) maintained by the Department of Defense or by any branch of the Armed Forces, or

“(iii) any postsecondary employment credential identified for purposes of this clause by the Secretary, after consultation with the Secretary of Labor, as being industry recognized,

“(B) any certificate of completion of an apprenticeship that is registered and certified with the Secretary of Labor under the Act of August 16, 1937 (commonly known as the ‘National Apprenticeship Act’; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.),

“(C) any occupational or professional license issued or recognized by a State or the Federal Government (and any certification that satisfies a condition for obtaining such a license), and

“(D) any recognized postsecondary credential as defined in section 3(52) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102(52)), provided through a program described in paragraph (2)(A).”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to distributions made after the date of the enactment of this Act.

SEC. 70415. MODIFICATION OF EXCISE TAX ON INVESTMENT INCOME OF CERTAIN PRIVATE COLLEGES AND UNIVERSITIES.

(a) **IN GENERAL.**—Section 4968 is amended to read as follows:

“SEC. 4968. EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.

“(a) **TAX IMPOSED.**—There is hereby imposed on each applicable educational institution for the taxable year a tax equal to the applicable percentage of the net investment income of such institution for the taxable year.

“(b) **APPLICABLE PERCENTAGE.**—For purposes of this section, the term ‘applicable percentage’ means—

“(1) 1.4 percent in the case of an institution with a student adjusted endowment of at least \$500,000, and not in excess of \$750,000,

“(2) 4 percent in the case of an institution with a student adjusted endowment in excess of \$750,000, and not in excess of \$2,000,000, and

“(3) 8 percent in the case of an institution with a student adjusted endowment in excess of \$2,000,000.

“(c) **APPLICABLE EDUCATIONAL INSTITUTION.**—For purposes of this subchapter, the term ‘applicable educational institution’ means an eligible educational institution (as defined in section 25A(f)(2))—

“(1) which had at least 3,000 tuition-paying students during the preceding taxable year,

“(2) more than 50 percent of the tuition-paying students of which are located in the United States,

“(3) the student adjusted endowment of which is at least \$500,000, and

“(4) which is not described in the first sentence of section 511(a)(2)(B) (relating to State colleges and universities).

“(d) **STUDENT ADJUSTED ENDOWMENT.**—For purposes of this section, the term ‘student adjusted endowment’ means, with respect to any institution for any taxable year—

“(1) the aggregate fair market value of the assets of such institution (determined as of the end of the preceding taxable year), other than those assets which are used directly in carrying out the institution’s exempt purpose, divided by

“(2) the number of students of such institution.

“(e) **DETERMINATION OF NUMBER OF STUDENTS.**—For purposes of subsections (c) and (d), the number of students of an institution (including for purposes of determining the number of students at a particular location) shall be based on the daily average number of full-time students attending such institution (with part-time students taken into account on a full-time student equivalent basis).

“(f) **NET INVESTMENT INCOME.**—For purposes of this section—

“(1) **IN GENERAL.**—Net investment income shall be determined under rules similar to the rules of section 4940(c).

“(2) **OVERRIDE OF CERTAIN REGULATORY EXCEPTIONS.**—

“(A) **STUDENT LOAN INTEREST.**—Net investment income shall be determined by taking into account any interest income from a student loan made by the applicable educational institution (or any related organization) as gross investment income.

“(B) FEDERALLY-SUBSIDIZED ROYALTY INCOME.—

“(i) IN GENERAL.—Net investment income shall be determined by taking into account any Federally-subsidized royalty income as gross investment income.

“(ii) FEDERALLY-SUBSIDIZED ROYALTY INCOME.—For purposes of this subparagraph—

“(I) IN GENERAL.—The term ‘Federally-subsidized royalty income’ means any otherwise-regulatory-exempt royalty income if any Federal funds were used in the research, development, or creation of the patent, copyright, or other intellectual or intangible property from which such royalty income is derived.

“(II) OTHERWISE-REGULATORY-EXEMPT ROYALTY INCOME.—For purposes of this subparagraph, the term ‘otherwise-regulatory-exempt royalty income’ means royalty income which (but for this subparagraph) would not be taken into account as gross investment income by reason of being derived from patents, copyrights, or other intellectual or intangible property which resulted from the work of students or faculty members in their capacities as such with the applicable educational institution.

“(III) FEDERAL FUNDS.—The term ‘Federal funds’ includes any grant made by, and any payment made under any contract with, any Federal agency to the applicable educational institution, any related organization, or any student or faculty member referred to in subclause (II).

“(g) ASSETS AND NET INVESTMENT INCOME OF RELATED ORGANIZATIONS.—

“(1) IN GENERAL.—For purposes of subsections (d) and (f), assets and net investment income of any related organization with respect to an educational institution shall be treated as assets and net investment income, respectively, of the educational institution, except that—

“(A) no such amount shall be taken into account with respect to more than 1 educational institution, and

“(B) unless such organization is controlled by such institution or is described in section 509(a)(3) with respect to such institution for the taxable year, assets and net investment income which are not intended or available for the use or benefit of the educational institution shall not be taken into account.

“(2) RELATED ORGANIZATION.—For purposes of this subsection, the term ‘related organization’ means, with respect to an educational institution, any organization which—

“(A) controls, or is controlled by, such institution,

“(B) is controlled by 1 or more persons which also control such institution, or

“(C) is a supported organization (as defined in section 509(f)(3)), or an organization described in section 509(a)(3), during the taxable year with respect to such institution.

“(h) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary to prevent avoidance of the tax under this section, including regulations or other guidance

to prevent avoidance of such tax through the restructuring of endowment funds or other arrangements designed to reduce or eliminate the value of net investment income or assets subject to the tax imposed by this section.”.

(b) REQUIREMENT TO REPORT CERTAIN INFORMATION WITH RESPECT TO APPLICATION OF EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.—Section 6033 is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

“(o) REQUIREMENT TO REPORT CERTAIN INFORMATION WITH RESPECT TO EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.—Each applicable educational institution described in section 4968(c) which is subject to the requirements of subsection (a) shall include on the return required under subsection (a)—

“(1) the number of tuition-paying students taken into account under section 4968(c), and

“(2) the number of students of such institution (determined under the rules of section 4968(e)).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70416. EXPANDING APPLICATION OF TAX ON EXCESS COMPENSATION WITHIN TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Section 4960(c)(2) is amended to read as follows:

“(2) COVERED EMPLOYEE.—For purposes of this section, the term ‘covered employee’ means any employee of an applicable tax-exempt organization (or any predecessor of such an organization) and any former employee of such an organization (or predecessor) who was such an employee during any taxable year beginning after December 31, 2016.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2025.

Subchapter C—Permanent Investments in Community Development

SEC. 70421. PERMANENT RENEWAL AND ENHANCEMENT OF OPPORTUNITY ZONES.

(a) DECENNIAL DESIGNATIONS.—

(1) DETERMINATION PERIOD.—Section 1400Z-1(c)(2)(B) is amended by striking “beginning on the date of the enactment of the Tax Cuts and Jobs Act” and inserting “beginning on the decennial determination date”.

(2) DECENNIAL DETERMINATION DATE.—Section 1400Z-1(c)(2) is amended by adding at the end the following new subparagraph:

“(C) DECENNIAL DETERMINATION DATE.—The term ‘decennial determination date’ means—

“(i) July 1, 2026, and

“(ii) each July 1 of the year that is 10 years after the preceding decennial determination date under this subparagraph.”.

(3) REPEAL OF SPECIAL RULE FOR PUERTO RICO.—Section 1400Z-1(b) is amended by striking paragraph (3).

(4) LIMITATION ON NUMBER OF DESIGNATIONS.—Section 1400Z-1(d)(1) is amended—

(A) in paragraph (1)—

(i) by striking “and subsection (b)(3)”, and

(ii) by inserting “during any period” after “the number of population census tracts in a State that may be designated as qualified opportunity zones under this section”, and

(B) in paragraph (2), by inserting “during any period” before the period at the end.

(5) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall take effect on the date of the enactment of this Act.

(B) PUERTO RICO.—The amendment made by paragraph (3) shall take effect on December 31, 2026.

(b) QUALIFICATION FOR DESIGNATIONS.—

(1) DETERMINATION OF LOW-INCOME COMMUNITIES.—Section 1400Z-1(c) is amended by striking all that precedes paragraph (2) and inserting the following:

“(c) OTHER DEFINITIONS.—For purposes of this section—

“(1) LOW-INCOME COMMUNITIES.—The term ‘low-income community’ means any population census tract if—

“(A) such population census tract has a median family income that—

“(i) in the case of a population census tract not located within a metropolitan area, does not exceed 70 percent of the statewide median family income, or

“(ii) in the case of a population census tract located within a metropolitan area, does not exceed 70 percent of the metropolitan area median family income, or

“(B) such population census tract—

“(i) has a poverty rate of at least 20 percent, and

“(ii) has a median family income that—

“(I) in the case of a population census tract not located within a metropolitan area, does not exceed 125 percent of the statewide median family income, or

“(II) in the case of a population census tract located within a metropolitan area, does not exceed 125 percent of the metropolitan area median family income.”.

(2) REPEAL OF RULE FOR CONTIGUOUS CENSUS TRACTS.—Section 1400Z-1 is amended by striking subsection (e) and by redesignating subsection (f) as subsection (e).

(3) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—Section 1400Z-1(e), as redesignated by paragraph (2), is amended to read as follows:

“(e) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

“(1) IN GENERAL.—A designation as a qualified opportunity zone shall remain in effect for the period beginning on the applicable start date and ending on the day before the date that is 10 years after the applicable start date.

“(2) APPLICABLE START DATE.—For purposes of this section, the term ‘applicable start date’ means, with respect to any qualified opportunity zone designated under this section, the

January 1 following the date on which such qualified opportunity zone was certified and designated by the Secretary under subsection (b)(1)(B).”.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to areas designated under section 1400Z-1 of the Internal Revenue Code of 1986 after the date of the enactment of this Act.

(c) APPLICATION OF SPECIAL RULES FOR CAPITAL GAINS.—

(1) REPEAL OF SUNSET ON ELECTION.—Section 1400Z-2(a)(2) is amended to read as follows:

“(2) ELECTION.—No election may be made under paragraph (1) with respect to a sale or exchange if an election previously made with respect to such sale or exchange is in effect.”.

(2) MODIFICATION OF RULES FOR DEFERRAL OF GAIN.—Section 1400Z-2(b) is amended to read as follows:

“(b) DEFERRAL OF GAIN INVESTED IN OPPORTUNITY ZONE PROPERTY.—

“(1) YEAR OF INCLUSION.—Gain to which subsection (a)(1)(B) applies shall be included in gross income in the taxable year which includes the earlier of—

“(A) the date on which such investment is sold or exchanged, or

“(B) the date which is 5 years after the date the investment in the qualified opportunity fund was made.

“(2) AMOUNT INCLUDIBLE.—

“(A) IN GENERAL.—The amount of gain included in gross income under subsection (a)(1)(B) shall be the excess of—

“(i) the lesser of the amount of gain excluded under subsection (a)(1)(A) or the fair market value of the investment as determined as of the date described in paragraph (1), over

“(ii) the taxpayer’s basis in the investment.

“(B) DETERMINATION OF BASIS.—

“(i) IN GENERAL.—Except as otherwise provided in this subparagraph or subsection (c), the taxpayer’s basis in the investment shall be zero.

“(ii) INCREASE FOR GAIN RECOGNIZED UNDER SUBSECTION (a)(1)(B).—The basis in the investment shall be increased by the amount of gain recognized by reason of subsection (a)(1)(B) with respect to such investment.

“(iii) INVESTMENTS HELD FOR 5 YEARS.—

“(I) IN GENERAL.—In the case of any investment held for at least 5 years, the basis of such investment shall be increased by an amount equal to 10 percent (30 percent in the case of any investment in a qualified rural opportunity fund) of the amount of gain deferred by reason of subsection (a)(1)(A).

“(II) APPLICATION OF INCREASE.—For purposes of this subsection, any increase in basis under this clause shall be treated as occurring before the date described in paragraph (1)(B).

“(C) QUALIFIED RURAL OPPORTUNITY FUND.—For purposes of subparagraph (B)(iii)—

“(i) QUALIFIED RURAL OPPORTUNITY FUND.—The term ‘qualified rural opportunity fund’ means a qualified opportunity fund that holds at least 90 percent of its assets in qualified opportunity zone property which—

“(I) is qualified opportunity zone business property substantially all of the use of which, during substantially all of the fund’s holding period for such property, was in a qualified opportunity zone comprised entirely of a rural area, or

“(II) is qualified opportunity zone stock, or a qualified opportunity zone partnership interest, in a qualified opportunity zone business in which substantially all of the tangible property owned or leased is qualified opportunity zone business property described in subsection (d)(3)(A)(i) and substantially all the use of which is in a qualified opportunity zone comprised entirely of a rural area.

For purposes of the preceding sentence, property held in the fund shall be measured under rules similar to the rules of subsection (d)(1).

“(ii) RURAL AREA.—The term ‘rural area’ means any area other than—

“(I) a city or town that has a population of greater than 50,000 inhabitants, and

“(II) any urbanized area contiguous and adjacent to a city or town described in subclause (I).”.

(3) SPECIAL RULE FOR INVESTMENTS HELD AT LEAST 10 YEARS.—Section 1400Z-2(c) is amended by striking “makes an election under this clause” and all that follows and inserting “makes an election under this subsection, the basis of such investment shall be equal to—

“(A) in the case of an investment sold before the date that is 30 years after the date of the investment, the fair market value of such investment on the date such investment is sold or exchanged, or

“(B) in any other case, the fair market value of such investment on the date that is 30 years after the date of the investment.”.

(4) DETERMINATION OF QUALIFIED OPPORTUNITY ZONE PROPERTY.—

(A) QUALIFIED OPPORTUNITY ZONE BUSINESS PROPERTY.—Section 1400Z-2(d)(2)(D)(i)(I) is amended by striking “December 31, 2017” and inserting “the applicable start date (as defined in section 1400Z-1(e)(2)) with respect to the qualified opportunity zone described in subclause (III)”.

(B) QUALIFIED OPPORTUNITY ZONE STOCK AND PARTNERSHIP INTERESTS.—Section 1400Z-2(d)(2) is amended—

(i) by striking “December 31, 2017,” each place it appears in subparagraphs (B)(i)(I) and (C)(i) and inserting “the applicable date”, and

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

“(E) APPLICABLE DATE.—For purposes of this subparagraph, the term ‘applicable date’ means, with respect to

any corporation or partnership which is a qualified opportunity zone business, the earliest date described in subparagraph (D)(i)(I) with respect to the qualified opportunity zone business property held by such qualified opportunity zone business.”.

(C) SPECIAL RULE FOR IMPROVEMENT OF EXISTING STRUCTURES IN RURAL AREAS.—Section 1400Z–2(d)(2)(D)(ii) is amended by inserting “(50 percent of such adjusted basis in the case of property in a qualified opportunity zone comprised entirely of a rural area (as defined in subsection (b)(2)(C)(ii))” after “the adjusted basis of such property”.

(5) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this subsection shall apply to amounts invested in qualified opportunity funds after December 31, 2026.

(B) ACQUISITION OF QUALIFIED OPPORTUNITY ZONE PROPERTY.—The amendments made by subparagraphs (A) and (B) of paragraph (4) shall apply to property acquired after December 31, 2026.

(C) SUBSTANTIAL IMPROVEMENT.—The amendment made by paragraph (4)(C) shall take effect on the date of the enactment of this Act.

(d) INFORMATION REPORTING ON QUALIFIED OPPORTUNITY FUNDS AND QUALIFIED RURAL OPPORTUNITY FUNDS.—

(1) FILING REQUIREMENTS FOR FUNDS AND INVESTORS.—

Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6039J the following new sections:

“SEC. 6039K. RETURNS WITH RESPECT TO QUALIFIED OPPORTUNITY FUNDS AND QUALIFIED RURAL OPPORTUNITY FUNDS.

“(a) IN GENERAL.—Every qualified opportunity fund shall file an annual return (at such time and in such manner as the Secretary may prescribe) containing the information described in subsection (b).

“(b) INFORMATION FROM QUALIFIED OPPORTUNITY FUNDS.—The information described in this subsection is—

“(1) the name, address, and taxpayer identification number of the qualified opportunity fund,

“(2) whether the qualified opportunity fund is organized as a corporation or a partnership,

“(3) the value of the total assets held by the qualified opportunity fund as of each date described in section 1400Z–2(d)(1),

“(4) the value of all qualified opportunity zone property held by the qualified opportunity fund on each such date,

“(5) with respect to each investment held by the qualified opportunity fund in qualified opportunity zone stock or a qualified opportunity zone partnership interest—

“(A) the name, address, and taxpayer identification number of the corporation in which such stock is held or the partnership in which such interest is held, as the case may be,

“(B) each North American Industry Classification System (NAICS) code that applies to the trades or businesses conducted by such corporation or partnership,

“(C) the population census tract or population census tracts in which the qualified opportunity zone business property of such corporation or partnership is located,

“(D) the amount of the investment in such stock or partnership interest as of each date described in section 1400Z–2(d)(1),

“(E) the value of tangible property held by such corporation or partnership on each such date which is owned by such corporation or partnership,

“(F) the value of tangible property held by such corporation or partnership on each such date which is leased by such corporation or partnership,

“(G) the approximate number of residential units (if any) for any real property held by such corporation or partnership, and

“(H) the approximate average monthly number of full-time equivalent employees of such corporation or partnership for the year (within numerical ranges identified by the Secretary) or such other indication of the employment impact of such corporation or partnership as determined appropriate by the Secretary,

“(6) with respect to the items of qualified opportunity zone business property held by the qualified opportunity fund—

“(A) the North American Industry Classification System (NAICS) code that applies to the trades or businesses in which such property is held,

“(B) the population census tract in which the property is located,

“(C) whether the property is owned or leased,

“(D) the aggregate value of the items of qualified opportunity zone property held by the qualified opportunity fund as of each date described in section 1400Z–2(d)(1), and

“(E) in the case of real property, the number of residential units (if any),

“(7) the approximate average monthly number of full-time equivalent employees for the year of the trades or businesses of the qualified opportunity fund in which qualified opportunity zone business property is held (within numerical ranges identified by the Secretary) or such other indication of the employment impact of such trades or businesses as determined appropriate by the Secretary,

“(8) with respect to each person who disposed of an investment in the qualified opportunity fund during the year—

“(A) the name, address, and taxpayer identification number of such person,

“(B) the date or dates on which the investment disposed was acquired, and

“(C) the date or dates on which any such investment was disposed and the amount of the investment disposed, and

“(9) such other information as the Secretary may require.

“(c) STATEMENT REQUIRED TO BE FURNISHED TO INVESTORS.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return by reason of subsection (b)(8) (at such time and in such manner as the Secretary may prescribe) a written statement showing—

“(1) the name, address, and phone number of the information contact of the person required to make such return, and

“(2) the information required to be shown on such return by reason of subsection (b)(8) with respect to the person whose name is required to be so set forth.

“(d) DEFINITIONS.—For purposes of this section—

“(1) IN GENERAL.—Any term used in this section which is also used in subchapter Z of chapter 1 shall have the meaning given such term under such subchapter.

“(2) FULL-TIME EQUIVALENT EMPLOYEES.—The term ‘full-time equivalent employees’ means, with respect to any month, the sum of—

“(A) the number of full-time employees (as defined in section 4980H(c)(4)) for the month, plus

“(B) the number of employees determined (under rules similar to the rules of section 4980H(c)(2)(E)) by dividing the aggregate number of hours of service of employees who are not full-time employees for the month by 120.

“(e) APPLICATION TO QUALIFIED RURAL OPPORTUNITY FUNDS.—Every qualified rural opportunity fund (as defined in section 1400Z-2(b)(2)(C)) shall file the annual return required under subsection (a), and the statements required under subsection (c), applied—

“(1) by substituting ‘qualified rural opportunity’ for ‘qualified opportunity’ each place it appears,

“(2) by substituting ‘section 1400Z-2(b)(2)(C)’ for ‘section 1400Z-2(d)(1)’ each place it appears, and

“(3) by treating any reference (after the application of paragraph (1)) to qualified rural opportunity zone stock, a qualified rural opportunity zone partnership interest, a qualified rural opportunity zone business, or qualified opportunity zone business property as stock, an interest, a business, or property, respectively, described in subclause (I) or (II), as the case may be, of section 1400Z-2(b)(2)(C)(i).

“SEC. 6039L. INFORMATION REQUIRED FROM QUALIFIED OPPORTUNITY ZONE BUSINESSES AND QUALIFIED RURAL OPPORTUNITY ZONE BUSINESSES.

“(a) IN GENERAL.—Every applicable qualified opportunity zone business shall furnish to the qualified opportunity fund described in subsection (b) a written statement at such time, in such manner, and setting forth such information as the Secretary may by regulations prescribe for purposes of enabling such qualified opportunity fund to meet the requirements of section 6039K(b)(5).

“(b) APPLICABLE QUALIFIED OPPORTUNITY ZONE BUSINESS.—For purposes of subsection (a), the term ‘applicable qualified opportunity zone business’ means any qualified opportunity zone business—

“(1) which is a trade or business of a qualified opportunity fund,

“(2) in which a qualified opportunity fund holds qualified opportunity zone stock, or

“(3) in which a qualified opportunity fund holds a qualified opportunity zone partnership interest.

“(c) OTHER TERMS.—Any term used in this section which is also used in subchapter Z of chapter 1 shall have the meaning given such term under such subchapter.

“(d) APPLICATION TO QUALIFIED RURAL OPPORTUNITY BUSINESSES.—Every applicable qualified rural opportunity zone business (as defined in subsection (b) determined after application of the substitutions described in this sentence) shall furnish the written statement required under subsection (a), applied—

“(1) by substituting ‘qualified rural opportunity’ for ‘qualified opportunity’ each place it appears, and

“(2) by treating any reference (after the application of paragraph (1)) to qualified rural opportunity zone stock, a qualified rural opportunity zone partnership interest, or a qualified rural opportunity zone business as stock, an interest, or a business, respectively, described in subclause (I) or (II), as the case may be, of section 1400Z–2(b)(2)(C)(i).”.

(2) PENALTIES.—

(A) IN GENERAL.—Part II of subchapter B of chapter 68 is amended by inserting after section 6725 the following new section:

“SEC. 6726. FAILURE TO COMPLY WITH INFORMATION REPORTING REQUIREMENTS RELATING TO QUALIFIED OPPORTUNITY FUNDS AND QUALIFIED RURAL OPPORTUNITY FUNDS.

“(a) IN GENERAL.—If any person required to file a return under section 6039K fails to file a complete and correct return under such section in the time and in the manner prescribed therefor, such person shall pay a penalty of \$500 for each day during which such failure continues.

“(b) LIMITATION.—

“(1) IN GENERAL.—The maximum penalty under this section on failures with respect to any 1 return shall not exceed \$10,000.

“(2) LARGE QUALIFIED OPPORTUNITY FUNDS.—In the case of any failure described in subsection (a) with respect to a fund the gross assets of which (determined on the last day of the taxable year) are in excess of \$10,000,000, paragraph (1) shall be applied by substituting ‘\$50,000’ for ‘\$10,000’.

“(c) PENALTY IN CASES OF INTENTIONAL DISREGARD.—If a failure described in subsection (a) is due to intentional disregard, then—

“(1) subsection (a) shall be applied by substituting ‘\$2,500’ for ‘\$500’,

“(2) subsection (b)(1) shall be applied by substituting ‘\$50,000’ for ‘\$10,000’, and

“(3) subsection (b)(2) shall be applied by substituting ‘\$250,000’ for ‘\$50,000’.

“(d) INFLATION ADJUSTMENT.—

“(1) IN GENERAL.—In the case of any failure relating to a return required to be filed in a calendar year beginning after 2025, each of the dollar amounts in subsections (a), (b), and (c) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year determined by substituting ‘calendar year 2024’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

“(2) ROUNDING.—

“(A) IN GENERAL.—If the \$500 dollar amount in subsection (a) and (c)(1) or the \$2,500 amount in subsection (c)(1), after being increased under paragraph (1), is not

a multiple of \$10, such dollar amount shall be rounded to the next lowest multiple of \$10.

“(B) ASSET THRESHOLD.—If the \$10,000,000 dollar amount in subsection (b)(2), after being increased under paragraph (1), is not a multiple of \$10,000, such dollar amount shall be rounded to the next lowest multiple of \$10,000.

“(C) OTHER DOLLAR AMOUNTS.—If any dollar amount in subsection (b) or (c) (other than any amount to which subparagraph (A) or (B) applies), after being increased under paragraph (1), is not a multiple of \$1,000, such dollar amount shall be rounded to the next lowest multiple of \$1,000.”.

(B) INFORMATION REQUIRED TO BE SENT TO OTHER TAXPAYERS.—Section 6724(d)(2), as amended by the preceding provisions of this Act, is amended—

(i) by striking “or” at the end of subparagraph (LL),

(ii) by striking the period at the end of subparagraph (MM) and inserting a comma, and

(iii) by inserting after subparagraph (MM) the following new subparagraphs:

“(NN) section 6039K(c) (relating to disposition of qualified opportunity fund investments), or

“(OO) section 6039L (relating to information required from certain qualified opportunity zone businesses and qualified rural opportunity zone businesses).”.

(3) ELECTRONIC FILING.—Section 6011(e) is amended by adding at the end the following new paragraph:

“(8) QUALIFIED OPPORTUNITY FUNDS AND QUALIFIED RURAL OPPORTUNITY FUNDS.—Notwithstanding paragraphs (1) and (2), any return filed by a qualified opportunity fund or qualified rural opportunity fund under section 6039K shall be filed on magnetic media or other machine-readable form.”.

(4) CLERICAL AMENDMENTS.—

(A) The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6039J the following new items:

“Sec. 6039K. Returns with respect to qualified opportunity funds and qualified rural opportunity funds.

“Sec. 6039L. Information required from qualified opportunity zone businesses and qualified rural opportunity zone businesses.”.

(B) The table of sections for part II of subchapter B of chapter 68 is amended by inserting after the item relating to section 6725 the following new item:

“Sec. 6726. Failure to comply with information reporting requirements relating to qualified opportunity funds and qualified rural opportunity funds.”.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

(e) SECRETARY REPORTING OF DATA ON OPPORTUNITY ZONE AND RURAL OPPORTUNITY ZONE TAX INCENTIVES.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated, out of any money in the Treasury not otherwise appropriated, \$15,000,000, to remain available until September 30, 2028, for necessary expenses of the Internal

Revenue Service to make the reports described in paragraph (2).

(2) REPORTS.—As soon as practical after the date of the enactment of this Act, and annually thereafter, the Secretary of the Treasury, or the Secretary's delegate (referred to in this section as the "Secretary") shall make publicly available a report on qualified opportunity funds.

(3) INFORMATION INCLUDED.—The report required under paragraph (2) shall include, to the extent available, the following information:

(A) The number of qualified opportunity funds.

(B) The aggregate dollar amount of assets held in qualified opportunity funds.

(C) The aggregate dollar amount of investments made by qualified opportunity funds in qualified opportunity fund property, stated separately for each North American Industry Classification System (NAICS) code.

(D) The percentage of population census tracts designated as qualified opportunity zones that have received qualified opportunity fund investments.

(E) For each population census tract designated as a qualified opportunity zone, the approximate average monthly number of full-time equivalent employees of the qualified opportunity zone businesses in such qualified opportunity zone for the preceding 12-month period (within numerical ranges identified by the Secretary) or such other indication of the employment impact of such qualified opportunity fund businesses as determined appropriate by the Secretary.

(F) The percentage of the total amount of investments made by qualified opportunity funds in—

(i) qualified opportunity zone property which is real property; and

(ii) other qualified opportunity zone property.

(G) For each population census tract, the aggregate approximate number of residential units resulting from investments made by qualified opportunity funds in real property.

(H) The aggregate dollar amount of investments made by qualified opportunity funds in each population census tract.

(4) ADDITIONAL INFORMATION.—

(A) IN GENERAL.—Beginning with the report submitted under paragraph (2) for the 6th year after the date of the enactment of this Act, the Secretary shall include in such report the impacts and outcomes of a designation of a population census tract as a qualified opportunity zone as measured by economic indicators, such as job creation, poverty reduction, new business starts, and other metrics as determined by the Secretary.

(B) SEMI-DECENNIAL INFORMATION.—

(i) IN GENERAL.—In the case of any report submitted under paragraph (2) in the 6th year or the 11th year after the date of the enactment of this Act, the Secretary shall include the following information:

(I) For population census tracts designated as a qualified opportunity zone, a comparison (based

on aggregate information) of the factors listed in clause (iii) between the 5-year period ending on the date of the enactment of Public Law 115–97 and the most recent 5-year period for which data is available.

(II) For population census tracts designated as a qualified opportunity zone, a comparison (based on aggregate information) of the factors listed in clause (iii) for the most recent 5-year period for which data is available between such population census tracts and similar population census tracts that were not designated as a qualified opportunity zone.

(ii) CONTROL GROUPS.—For purposes of clause (i), the Secretary may combine population census tracts into such groups as the Secretary determines appropriate for purposes of making comparisons.

(iii) FACTORS LISTED.—The factors listed in this clause are the following:

(I) The unemployment rate.

(II) The number of persons working in the population census tract, including the percentage of such persons who were not residents in the population census tract in the preceding year.

(III) Individual, family, and household poverty rates.

(IV) Median family income of residents of the population census tract.

(V) Demographic information on residents of the population census tract, including age, income, education, race, and employment.

(VI) The average percentage of income of residents of the population census tract spent on rent annually.

(VII) The number of residences in the population census tract.

(VIII) The rate of home ownership in the population census tract.

(IX) The average value of residential property in the population census tract.

(X) The number of affordable housing units in the population census tract.

(XI) The number of new business starts in the population census tract.

(XII) The distribution of employees in the population census tract by North American Industry Classification System (NAICS) code.

(5) PROTECTION OF IDENTIFIABLE RETURN INFORMATION.—In making reports required under this subsection, the Secretary—

(A) shall establish appropriate procedures to ensure that any amounts reported do not disclose taxpayer return information that can be associated with any particular taxpayer or competitive or proprietary information, and

(B) if necessary to protect taxpayer return information, may combine information required with respect to individual population census tracts into larger geographic areas.

(6) DEFINITIONS.—Any term used in this subsection which is also used in subchapter Z of chapter 1 of the Internal Revenue Code of 1986 shall have the meaning given such term under such subchapter.

(7) REPORTS ON QUALIFIED RURAL OPPORTUNITY FUNDS.—The Secretary shall make publicly available, with respect to qualified rural opportunity funds, separate reports as required under this subsection, applied—

(A) by substituting “qualified rural opportunity” for “qualified opportunity” each place it appears,

(B) by substituting a reference to this Act for “Public Law 115–97”, and

(C) by treating any reference (after the application of subparagraph (A)) to qualified rural opportunity zone stock, qualified rural opportunity zone partnership interest, qualified rural opportunity zone business, or qualified opportunity zone business property as stock, interest, business, or property, respectively, described in subclause (I) or (II), as the case may be, of section 1400Z–2(b)(2)(C)(i) of the Internal Revenue Code of 1986.

SEC. 70422. PERMANENT ENHANCEMENT OF LOW-INCOME HOUSING TAX CREDIT.

(a) PERMANENT STATE HOUSING CREDIT CEILING INCREASE FOR LOW-INCOME HOUSING CREDIT.—

(1) IN GENERAL.—Section 42(h)(3)(I) is amended—

(A) by striking “2018, 2019, 2020, and 2021,” and inserting “beginning after December 31, 2025,”

(B) by striking “1.125” and inserting “1.12”, and

(C) by striking “2018, 2019, 2020, AND 2021” in the heading and inserting “CALENDAR YEARS AFTER 2025”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to calendar years beginning after December 31, 2025.

(b) TAX-EXEMPT BOND FINANCING REQUIREMENT.—

(1) IN GENERAL.—Section 42(h)(4) is amended by striking subparagraph (B) and inserting the following:

“(B) SPECIAL RULE WHERE MINIMUM PERCENT OF BUILDINGS IS FINANCED WITH TAX-EXEMPT BONDS SUBJECT TO VOLUME CAP.—For purposes of subparagraph (A), paragraph (1) shall not apply to any portion of the credit allowable under subsection (a) with respect to a building if—

“(i) 50 percent or more of the aggregate basis of such building and the land on which the building is located is financed by 1 or more obligations described in subparagraph (A), or

“(ii)(I) 25 percent or more of the aggregate basis of such building and the land on which the building is located is financed by 1 or more obligations described in subparagraph (A), and

“(II) 1 or more of such obligations—

“(aa) are part of an issue the issue date of which is after December 31, 2025, and

“(bb) provide the financing for not less than 5 percent of the aggregate basis of such building and the land on which the building is located.”.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by this subsection shall apply to buildings placed in service in taxable years beginning after December 31, 2025.

(B) REHABILITATION EXPENDITURES TREATED AS SEPARATE NEW BUILDING.—In the case of any building with respect to which any expenditures are treated as a separate new building under section 42(e) of the Internal Revenue Code of 1986, for purposes of subparagraph (A), both the existing building and the separate new building shall be treated as having been placed in service on the date such expenditures are treated as placed in service under section 42(e)(4) of such Code.

SEC. 70423. PERMANENT EXTENSION OF NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Section 45D(f)(1)(H) is amended by striking “for for each of calendar years 2020 through 2025” and inserting “for each calendar year after 2019”.

(b) CARRYOVER OF UNUSED LIMITATION.—Section 45D(f)(3) is amended—

(1) by striking “If the” and inserting the following:

“(A) IN GENERAL.—If the”, and

(2) by striking the second sentence and inserting the following:

“(B) LIMITATION.—No amount may be carried under subparagraph (A) to any calendar year after the fifth calendar year after the calendar year in which the excess described in such subparagraph occurred. For purposes of this subparagraph, any excess described in subparagraph (A) with respect to any calendar year before 2026 shall be treated as occurring in calendar year 2025.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2025.

SEC. 70424. PERMANENT AND EXPANDED REINSTATEMENT OF PARTIAL DEDUCTION FOR CHARITABLE CONTRIBUTIONS OF INDIVIDUALS WHO DO NOT ELECT TO ITEMIZE.

(a) IN GENERAL.—Section 170(p) is amended—

(1) by striking “\$300 (\$600” and inserting “\$1,000 (\$2,000”, and

(2) by striking “beginning in 2021”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70425. 0.5 PERCENT FLOOR ON DEDUCTION OF CONTRIBUTIONS MADE BY INDIVIDUALS.

(a) IN GENERAL.—

(1) IN GENERAL.—Paragraph (1) of section 170(b) is amended by adding at the end the following new subparagraph:

“(I) 0.5-PERCENT FLOOR.—Any charitable contribution otherwise allowable (without regard to this subparagraph) as a deduction under this section shall be allowed only to the extent that the aggregate of such contributions exceeds 0.5 percent of the taxpayer’s contribution base

for the taxable year. The preceding sentence shall be applied—

“(i) first, by taking into account charitable contributions to which subparagraph (D) applies to the extent thereof,

“(ii) second, by taking into account charitable contributions to which subparagraph (C) applies to the extent thereof,

“(iii) third, by taking into account charitable contributions to which subparagraph (B) applies to the extent thereof,

“(iv) fourth, by taking into account charitable contributions to which subparagraph (E) applies to the extent thereof,

“(v) fifth, by taking into account charitable contributions to which subparagraph (A) applies to the extent thereof, and

“(vi) sixth, by taking into account charitable contributions to which subparagraph (G) applies to the extent thereof.”

(2) APPLICATION OF CARRYFORWARD.—Paragraph (1) of section 170(d) is amended by adding at the end the following new subparagraph:

“(C) CONTRIBUTIONS DISALLOWED BY 0.5-PERCENT FLOOR CARRIED FORWARD ONLY FROM YEARS IN WHICH LIMITATION IS EXCEEDED.—

“(i) IN GENERAL.—In the case of any taxable year from which an excess is carried forward (determined without regard to this subparagraph) under any carryover rule, the applicable carryover rule shall be applied by increasing the excess determined under such applicable carryover rule for the contribution year (before the application of subparagraph (B)) by the amount attributable to the charitable contributions to which such rule applies which is not allowed as a deduction for the contribution year by reason of subsection (b)(1)(I).

“(ii) CARRYOVER RULE.—For purposes of this subparagraph, the term ‘carryover rule’ means—

“(I) subparagraph (A) of this paragraph,

“(II) subparagraphs (C)(ii), (D)(ii), (E)(ii), and (G)(ii) of subsection (b)(1), and

“(III) the second sentence of subsection (b)(1)(B).

“(iii) APPLICABLE CARRYOVER RULE.—For purposes of this subparagraph, the term ‘applicable carryover rule’ means any carryover rule applicable to charitable contributions which were (in whole or in part) not allowed as a deduction for the contribution year by reason of subsection (b)(1)(I).”

(3) COORDINATION WITH DEDUCTION FOR NONITEMIZERS.—Section 170(p), as amended by this Act, is further amended by inserting “, (b)(1)(I),” after “subsections (b)(1)(G)(ii)”.

(b) MODIFICATION OF LIMITATION FOR CASH CONTRIBUTIONS.—

(1) IN GENERAL.—Clause (i) of section 170(b)(1)(G) is amended to read as follows:

“(i) IN GENERAL.—For taxable years beginning after December 31, 2017, any contribution of cash to an organization described in subparagraph (A) shall be allowed as a deduction under subsection (a) to the extent that the aggregate of such contributions does not exceed the excess of—

“(I) 60 percent of the taxpayer’s contribution base for the taxable year, over

“(II) the aggregate amount of contributions taken into account under subparagraph (A) for such taxable year.”.

(2) COORDINATION WITH OTHER LIMITATIONS.—

(A) IN GENERAL.—Clause (iii) of section 170(b)(1)(G) is amended—

(i) by striking “SUBPARAGRAPHS (A) AND (B)” in the heading and inserting “SUBPARAGRAPH (A)”, and

(ii) in subclause (II), by striking “, and subparagraph (B)” and all that follows through “this subparagraph”.

(B) OTHER CONTRIBUTIONS.—Subparagraph (B) of section 170(b)(1) is amended—

(i) by striking “to which subparagraph (A)” both places it appears and inserting “to which subparagraph (A) or (G)”, and

(ii) in clause (ii), by striking “over the amount” and all that follows through “subparagraph (C)).” and inserting “over—

“(I) the amount of charitable contributions allowable under subparagraph (A) (determined without regard to subparagraph (C)) and subparagraph (G), reduced by

“(II) so much of the contributions taken into account under subparagraph (G) as does not exceed 10 percent of the taxpayer’s contribution base.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70426. 1-PERCENT FLOOR ON DEDUCTION OF CHARITABLE CONTRIBUTIONS MADE BY CORPORATIONS.

(a) IN GENERAL.—Section 170(b)(2)(A) is amended to read as follows:

“(A) IN GENERAL.—Any charitable contribution otherwise allowable (without regard to this subparagraph) as a deduction under this section for any taxable year, other than any contribution to which subparagraph (B) or (C) applies, shall be allowed only to the extent that the aggregate of such contributions—

“(i) exceeds 1 percent of the taxpayer’s taxable income for the taxable year, and

“(ii) does not exceed 10 percent of the taxpayer’s taxable income for the taxable year.”.

(b) APPLICATION OF CARRYFORWARD.—Section 170(d)(2) is amended to read as follows:

“(2) CORPORATIONS.—

“(A) IN GENERAL.—Any charitable contribution taken into account under subsection (b)(2)(A) for any taxable year which is not allowed as a deduction by reason of

clause (ii) thereof shall be taken into account as a charitable contribution for the succeeding taxable year, except that, for purposes of determining under this subparagraph whether such contribution is allowed in such succeeding taxable year, contributions in such succeeding taxable year (determined without regard to this paragraph) shall be taken into account under subsection (b)(2)(A) before any contribution taken into account by reason of this paragraph.

“(B) 5-YEAR CARRYFORWARD.—No charitable contribution may be carried forward under subparagraph (A) to any taxable year following the fifth taxable year after the taxable year in which the charitable contribution was first taken into account. For purposes of the preceding sentence, contributions shall be treated as allowed on a first-in first-out basis.

“(C) CONTRIBUTIONS DISALLOWED BY 1-PERCENT FLOOR CARRIED FORWARD ONLY FROM YEARS IN WHICH 10 PERCENT LIMITATION IS EXCEEDED.—In the case of any taxable year from which a charitable contribution is carried forward under subparagraph (A) (determined without regard this subparagraph), subparagraph (A) shall be applied by substituting ‘clause (i) or (ii)’ for ‘clause (ii)’.

“(D) SPECIAL RULE FOR NET OPERATING LOSS CARRYOVERS.—The amount of charitable contributions carried forward under subparagraph (A) shall be reduced to the extent that such carryforward would (but for this subparagraph) reduce taxable income (as computed for purposes of the second sentence of section 172(b)(2)) and increase a net operating loss carryover under section 172 to a succeeding taxable year.”.

(c) CONFORMING AMENDMENTS.—Subparagraphs (B)(ii) and (C)(ii) of section 170(b)(2) are each amended by inserting “other than subparagraph (C) thereof” after “subsection (d)(2)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70427. PERMANENT INCREASE IN LIMITATION ON COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended to read as follows:

“(1) \$13.25, or”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2025.

SEC. 70428. NONPROFIT COMMUNITY DEVELOPMENT ACTIVITIES IN REMOTE NATIVE VILLAGES.

(a) IN GENERAL.—For purposes of subchapter F of chapter 1 of the Internal Revenue Code of 1986, any activity substantially related to participation or investment in fisheries in the Bering Sea and Aleutian Islands statistical and reporting areas (as described in Figure 1 of section 679 of title 50, Code of Federal Regulations) carried on by an entity identified in section 305(i)(1)(D) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1855(i)(1)(D)) (as in effect on the date of enactment of this section) shall be considered substantially related to the exercise or performance of the purpose constituting the basis of such entity's exemption under section 501(a) of such Code if the

conduct of such activity is in furtherance of 1 or more of the purposes specified in section 305(i)(1)(A) of such Act (as so in effect). For purposes of this paragraph, activities substantially related to participation or investment in fisheries include the harvesting, processing, transportation, sales, and marketing of fish and fish products of the Bering Sea and Aleutian Islands statistical and reporting areas.

(b) APPLICATION TO CERTAIN WHOLLY OWNED SUBSIDIARIES.—If the assets of a trade or business relating to an activity described in subsection (a) of any subsidiary wholly owned by an entity identified in section 305(i)(1)(D) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1855(i)(1)(D)) (as in effect on the date of enactment of this section) are transferred to such entity (including in liquidation of such subsidiary) not later than 18 months after the date of the enactment of this Act—

(1) no gain or income resulting from such transfer shall be recognized to either such subsidiary or such entity under such Code, and

(2) all income derived from such subsidiary from such transferred trade or business shall be exempt from taxation under such Code.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act and shall remain effective during the existence of the western Alaska community development quota program established by Section 305(i)(1) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1855(i)(1)), as amended.

SEC. 70429. ADJUSTMENT OF CHARITABLE DEDUCTION FOR CERTAIN EXPENSES INCURRED IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.

(a) IN GENERAL.—Section 170(n)(1) of the Internal Revenue Code of 1986 is amended by striking “\$10,000” and inserting “\$50,000”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70430. EXCEPTION TO PERCENTAGE OF COMPLETION METHOD OF ACCOUNTING FOR CERTAIN RESIDENTIAL CONSTRUCTION CONTRACTS.

(a) IN GENERAL.—Section 460(e) is amended—

(1) in paragraph (1)—

(A) by striking “home construction contract” both places it appears and inserting “residential construction contract”, and

(B) by inserting “(determined by substituting ‘3-year’ for ‘2-year’ in subparagraph (B)(i) for any residential construction contract which is not a home construction contract)” after “the requirements of clauses (i) and (ii) of subparagraph (B)”,

(2) by striking paragraph (4) and redesignating paragraph (5) as paragraph (4), and

(3) in subparagraph (A) of paragraph (4), as so redesignated, by striking “paragraph (4)” and inserting “paragraph (3)”.

(b) APPLICATION OF EXCEPTION FOR PURPOSES OF ALTERNATIVE MINIMUM TAX.—Section 56(a)(3) is amended by striking “any home construction contract (as defined in section 460(e)(6))” and inserting

“any residential construction contract (as defined in section 460(e)(4))”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contracts entered into in taxable years beginning after the date of the enactment of this Act.

Subchapter D—Permanent Investments in Small Business and Rural America

SEC. 70431. EXPANSION OF QUALIFIED SMALL BUSINESS STOCK GAIN EXCLUSION.

(a) PHASED INCREASE IN EXCLUSION FOR GAIN FROM QUALIFIED SMALL BUSINESS STOCK.—

(1) IN GENERAL.—Section 1202(a)(1) is amended to read as follows:

“(1) IN GENERAL.— In the case of a taxpayer other than a corporation, gross income shall not include—

“(A) except as provided in paragraphs (3) and (4), 50 percent of any gain from the sale or exchange of qualified small business stock acquired on or before the applicable date and held for more than 5 years, and

“(B) the applicable percentage of any gain from the sale or exchange of qualified small business stock acquired after the applicable date and held for at least 3 years.”.

(2) APPLICABLE PERCENTAGE.—Section 1202(a) is amended by adding at the end the following new paragraph:

“(5) APPLICABLE PERCENTAGE.—The applicable percentage under paragraph (1) shall be determined under the following table:

“Years stock held:	Applicable percentage:
3 years	50%
4 years	75%
5 years or more	100%”.

(3) APPLICABLE DATE; ACQUISITION DATE.—Section 1202(a), as amended by paragraph (2), is amended by adding at the end the following new paragraph:

“(6) APPLICABLE DATE; ACQUISITION DATE.—For purposes of this section—

“(A) APPLICABLE DATE.—The term ‘applicable date’ means the date of the enactment of this paragraph.

“(B) ACQUISITION DATE.—In the case of any stock which would (but for this paragraph) be treated as having been acquired before, on, or after the applicable date, whichever is applicable, the acquisition date for purposes of this section shall be the first day on which such stock was held by the taxpayer determined after the application of section 1223.”.

(4) CONTINUED TREATMENT AS NOT ITEM OF TAX PREFERENCE.—

(A) IN GENERAL.—Section 57(a)(7) is amended by striking “An amount” and inserting “In the case of stock

acquired on or before the date of the enactment of the Creating Small Business Jobs Act of 2010, an amount”.

(B) CONFORMING AMENDMENT.—Section 1202(a)(4) is amended—

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

(ii) by striking subparagraph (C).

(5) OTHER CONFORMING AMENDMENTS.—

(A) Paragraphs (3)(A) and (4)(A) of section 1202(a) are each amended by striking “paragraph (1)” and inserting “paragraph (1)(A)”.

(B) Paragraph (4)(A) of section 1202(a) is amended by inserting “and on or before the applicable date” after “2010”.

(C) Sections 1202(b)(2), 1202(g)(2)(A), and 1202(j)(1)(A) are each amended by striking “more than 5 years” and inserting “at least 3 years (more than 5 years in the case of stock acquired on or before the applicable date)”.

(6) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

(B) CONTINUED TREATMENT AS NOT ITEM OF TAX PREFERENCE.—The amendments made by paragraph (4) shall take effect as if included in the enactment of section 2011 of the Creating Small Business Jobs Act of 2010.

(b) INCREASE IN PER ISSUER LIMITATION.—

(1) IN GENERAL.—Subparagraph (A) of section 1202(b)(1) is amended to read as follows:

“(A) the applicable dollar limit for the taxable year, or”.

(2) APPLICABLE DOLLAR LIMIT.—Section 1202 (b) is amended by adding at the end the following:

“(4) APPLICABLE DOLLAR LIMIT.—For purposes of paragraph (1)(A), the applicable dollar limit for any taxable year with respect to eligible gain from 1 or more dispositions by a taxpayer of qualified business stock of a corporation is—

“(A) if such stock was acquired by the taxpayer on or before the applicable date, \$10,000,000, reduced by the aggregate amount of eligible gain taken into account by the taxpayer under subsection (a) for prior taxable years and attributable to dispositions of stock issued by such corporation and acquired by the taxpayer before, on, or after the applicable date, and

“(B) if such stock was acquired by the taxpayer after the applicable date, \$15,000,000, reduced by the sum of—

“(i) the aggregate amount of eligible gain taken into account by the taxpayer under subsection (a) for prior taxable years and attributable to dispositions of stock issued by such corporation and acquired by the taxpayer before, on, or after the applicable date, plus

“(ii) the aggregate amount of eligible gain taken into account by the taxpayer under subsection (a) for the taxable year and attributable to dispositions of

stock issued by such corporation and acquired by the taxpayer on or before the applicable date.

“(5) INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—In the case of any taxable year beginning after 2026, the \$15,000,000 amount in paragraph (4)(B) shall be increased by an amount equal to —

- “(i) such dollar amount, multiplied by
- “(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2025’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

If any increase under this subparagraph is not a multiple of \$10,000, such increase shall be rounded to the nearest multiple of \$10,000.

“(B) NO INCREASE ONCE LIMIT REACHED.—If, for any taxable year, the eligible gain attributable to dispositions of stock issued by a corporation and acquired by the taxpayer after the applicable date exceeds the applicable dollar limit, then notwithstanding any increase under subparagraph (A) for any subsequent taxable year, the applicable dollar limit for such subsequent taxable year shall be zero.”.

(3) SEPARATE RETURNS.—Subparagraph (A) of section 1202(b)(3) is amended to read as follows:

“(A) SEPARATE RETURNS.—In the case of a separate return by a married individual for any taxable year—

- “(i) paragraph (4)(A) shall be applied by substituting ‘\$5,000,000’ for ‘\$10,000,000’, and
- “(ii) paragraph (4)(B) shall be applied by substituting one-half of the dollar amount in effect under such paragraph for the taxable year for the amount so in effect.”.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

(c) INCREASE IN LIMIT IN AGGREGATE GROSS ASSETS.—

(1) IN GENERAL.—Subparagraphs (A) and (B) of section 1202(d)(1) are each amended by striking “\$50,000,000” and inserting “\$75,000,000”.

(2) INFLATION ADJUSTMENT.—Section 1202(b) is amended by adding at the end the following:

“(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2026, the \$75,000,000 amounts in paragraphs (1)(A) and (1)(B) shall each be increased by an amount equal to—

- “(A) such dollar amount, multiplied by
- “(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2025’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

If any increase under this paragraph is not a multiple of \$10,000, such increase shall be rounded to the nearest multiple of \$10,000.”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to stock issued after the date of the enactment of this Act.

SEC. 70432. REPEAL OF REVISION TO DE MINIMIS RULES FOR THIRD PARTY NETWORK TRANSACTIONS.

(a) REINSTATEMENT OF EXCEPTION FOR DE MINIMIS PAYMENTS AS IN EFFECT PRIOR TO ENACTMENT OF AMERICAN RESCUE PLAN ACT OF 2021.—

(1) IN GENERAL.—Section 6050W(e) is amended to read as follows:

“(e) EXCEPTION FOR DE MINIMIS PAYMENTS BY THIRD PARTY SETTLEMENT ORGANIZATIONS.—A third party settlement organization shall be required to report any information under subsection (a) with respect to third party network transactions of any participating payee only if—

“(1) the amount which would otherwise be reported under subsection (a)(2) with respect to such transactions exceeds \$20,000, and

“(2) the aggregate number of such transactions exceeds 200.”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in section 9674 of the American Rescue Plan Act.

(b) APPLICATION OF DE MINIMIS RULE FOR THIRD PARTY NETWORK TRANSACTIONS TO BACKUP WITHHOLDING.—

(1) IN GENERAL.—Section 3406(b) is amended by adding at the end the following new paragraph:

“(8) OTHER REPORTABLE PAYMENTS INCLUDE PAYMENTS IN SETTLEMENT OF THIRD PARTY NETWORK TRANSACTIONS ONLY WHERE AGGREGATE TRANSACTIONS EXCEED REPORTING THRESHOLD FOR THE CALENDAR YEAR.—

“(A) IN GENERAL.—Any payment in settlement of a third party network transaction required to be shown on a return required under section 6050W which is made during any calendar year shall be treated as a reportable payment only if—

“(i) the aggregate number of transactions with respect to the participating payee during such calendar year exceeds the number of transactions specified in section 6050W(e)(2), and

“(ii) the aggregate amount of transactions with respect to the participating payee during such calendar year exceeds the dollar amount specified in section 6050W(e)(1) at the time of such payment.

“(B) EXCEPTION IF THIRD PARTY NETWORK TRANSACTIONS MADE IN PRIOR YEAR WERE REPORTABLE.—Subparagraph (A) shall not apply with respect to payments to any participating payee during any calendar year if one or more payments in settlement of third party network transactions made by the payor to the participating payee during the preceding calendar year were reportable payments.”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to calendar years beginning after December 31, 2024.

SEC. 70433. INCREASE IN THRESHOLD FOR REQUIRING INFORMATION REPORTING WITH RESPECT TO CERTAIN PAYEES.

(a) IN GENERAL.—Section 6041(a) is amended by striking “\$600” and inserting “\$2,000”.

(b) INFLATION ADJUSTMENT.—Section 6041 is amended by adding at the end the following new subsection:

“(h) INFLATION ADJUSTMENT.—In the case of any calendar year after 2026, the dollar amount in subsection (a) shall be increased by an amount equal to—

“(1) such dollar amount, multiplied by

“(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting ‘calendar year 2025’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

If any increase under the preceding sentence is not a multiple of \$100, such increase shall be rounded to the nearest multiple of \$100.”.

(c) APPLICATION TO REPORTING ON REMUNERATION FOR SERVICES.—Section 6041A(a)(2) is amended by striking “is \$600 or more” and inserting “equals or exceeds the dollar amount in effect for such calendar year under section 6041(a)”.

(d) APPLICATION TO BACKUP WITHHOLDING.—Section 3406(b)(6) is amended—

(1) by striking “\$600” in subparagraph (A) and inserting “the dollar amount in effect for such calendar year under section 6041(a)”, and

(2) by striking “ONLY WHERE AGGREGATE FOR CALENDAR YEAR IS \$600 OR MORE” in the heading and inserting “ONLY WHERE IN EXCESS OF THRESHOLD”.

(e) CONFORMING AMENDMENTS.—

(1) The heading of section 6041(a) is amended by striking “OF \$600 OR MORE” and inserting “EXCEEDING THRESHOLD”.

(2) Section 6041(a) is amended by striking “taxable year” and inserting “calendar year”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to payments made after December 31, 2025.

SEC. 70434. TREATMENT OF CERTAIN QUALIFIED SOUND RECORDING PRODUCTIONS.

(a) ELECTION TO TREAT COSTS AS EXPENSES.—Section 181(a)(1) is amended by striking “qualified film or television production, and any qualified live theatrical production,” and inserting “qualified film or television production, any qualified live theatrical production, and any qualified sound recording production”.

(b) DOLLAR LIMITATION.—Section 181(a)(2) is amended by adding at the end the following new subparagraph:

“(C) QUALIFIED SOUND RECORDING PRODUCTION.—Paragraph (1) shall not apply to so much of the aggregate cost of any qualified sound recording production, or to so much of the aggregate, cumulative cost of all such qualified sound recording productions in the taxable year, as exceeds \$150,000.”.

(c) NO OTHER DEDUCTION OR AMORTIZATION DEDUCTION ALLOWABLE.—Section 181(b) is amended by striking “qualified film or television production or any qualified live theatrical production” and inserting “qualified film or television production, any qualified live theatrical production, or any qualified sound recording production”.

(d) ELECTION.—Section 181(c)(1) is amended by striking “qualified film or television production or any qualified live theatrical

production” and inserting “qualified film or television production, any qualified live theatrical production, or any qualified sound recording production”.

(e) **QUALIFIED SOUND RECORDING PRODUCTION DEFINED.**—Section 181 is amended by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by inserting after subsection (e) the following new subsection:

“(f) **QUALIFIED SOUND RECORDING PRODUCTION.**—For purposes of this section, the term ‘qualified sound recording production’ means a sound recording (as defined in section 101 of title 17, United States Code) produced and recorded in the United States.”.

(f) **APPLICATION OF TERMINATION.**—Section 181(h), as redesignated by subsection (e), is amended by striking “qualified film and television productions or qualified live theatrical productions” and inserting “qualified film and television productions, qualified live theatrical productions, or qualified sound recording productions”.

(g) **BONUS DEPRECIATION.**—

(1) **QUALIFIED SOUND RECORDING PRODUCTION AS QUALIFIED PROPERTY.**—Section 168(k)(2)(A)(i) is amended—

(A) by striking “or” at the end of subclause (IV), by inserting “or” at the end of subclause (V), and by inserting after subclause (V) the following:

“(VI) which is a qualified sound recording production (as defined in subsection (f) of section 181) for which a deduction would have been allowable under section 181 without regard to subsections (a)(2) and (h) of such section or this subsection, and”, and

(B) in subclauses (IV) and (V) (as so amended) by striking “without regard to subsections (a)(2) and (g)” both places it appears and inserting “without regard to subsections (a)(2) and (h)”.

(2) **PRODUCTION PLACED IN SERVICE.**—Section 168(k)(2)(H) is amended by striking “and” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “, and”, and by adding after clause (ii) the following:

“(iii) a qualified sound recording production shall be considered to be placed in service at the time of initial release or broadcast.”.

(h) **CONFORMING AMENDMENTS.**—

(1) The heading for section 181 is amended to read as follows: “**TREATMENT OF CERTAIN QUALIFIED PRODUCTIONS.**”.

(2) The table of sections for part VI of subchapter B of chapter 1 is amended by striking the item relating to section 181 and inserting the following new item:

“Sec. 181. Treatment of certain qualified productions.”.

(i) **EFFECTIVE DATE.**—The amendments made by this section shall apply to productions commencing in taxable years ending after the date of the enactment of this Act.

SEC. 70435. EXCLUSION OF INTEREST ON LOANS SECURED BY RURAL OR AGRICULTURAL REAL PROPERTY.

(a) **IN GENERAL.**—Part III of subchapter B of chapter 1, as amended by the preceding provisions of this Act, is amended by inserting after section 139K the following new section:

“SEC. 139L. INTEREST ON LOANS SECURED BY RURAL OR AGRICULTURAL REAL PROPERTY.

“(a) IN GENERAL.—Gross income shall not include 25 percent of the interest received by a qualified lender on any qualified real estate loan.

“(b) QUALIFIED LENDER.—For purposes of this section, the term ‘qualified lender’ means—

“(1) any bank or savings association the deposits of which are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.),

“(2) any State- or federally-regulated insurance company,

“(3) any entity wholly owned, directly or indirectly, by a company that is treated as a bank holding company for purposes of section 8 of the International Banking Act of 1978 (12 U.S.C. 3106) if—

“(A) such entity is organized, incorporated, or established under the laws of the United States or any State, and

“(B) the principal place of business of such entity is in the United States (including any territory of the United States),

“(4) any entity wholly owned, directly or indirectly, by a company that is considered an insurance holding company under the laws of any State if such entity satisfies the requirements described in subparagraphs (A) and (B) of paragraph (3), and

“(5) with respect to interest received on a qualified real estate loan secured by real estate described in subsection (c)(3)(A), any federally chartered instrumentality of the United States established under section 8.1(a) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-1(a)).

“(c) QUALIFIED REAL ESTATE LOAN.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified real estate loan’ means any loan—

“(A) secured by—

“(i) rural or agricultural real estate, or

“(ii) a leasehold mortgage (with a status as a lien) on rural or agricultural real estate,

“(B) made to a person other than a specified foreign entity (as defined in section 7701(a)(51)), and

“(C) made after the date of the enactment of this section.

For purposes of the preceding sentence, the determination of whether property securing such loan is rural or agricultural real estate shall be made as of the time the interest income on such loan is accrued.

“(2) REFINANCINGS.—For purposes of subparagraphs (A) and (C) of paragraph (1), a loan shall not be treated as made after the date of the enactment of this section to the extent that the proceeds of such loan are used to refinance a loan which was made on or before the date of the enactment of this section (or, in the case of any series of refinancings, the original loan was made on or before such date).

“(3) RURAL OR AGRICULTURAL REAL ESTATE.—The term ‘rural or agricultural real estate’ means—

“(A) any real property which is substantially used for the production of one or more agricultural products,

“(B) any real property which is substantially used in the trade or business of fishing or seafood processing, and

“(C) any aquaculture facility.

Such term shall not include any property which is not located in a State or a possession of the United States.

“(4) AQUACULTURE FACILITY.—The term ‘aquaculture facility’ means any land, structure, or other appurtenance that is used for aquaculture (including any hatchery, rearing pond, raceway, pen, or incubator).

“(d) COORDINATION WITH SECTION 265.—In the case of any qualified real estate loan, section 265 shall be applied—

“(1) by treating any qualified real estate loan for purposes of subsection (a)(2) thereof as an obligation the interest on which is wholly exempt from the taxes imposed by this subtitle,

“(2) by substituting ‘25 percent of the interest on indebtedness’ for ‘Interest on indebtedness’ in such subsection (a)(2),

“(3) by treating 25 percent of the adjusted basis of any qualified real estate loan as adjusted basis of a tax-exempt obligation described in subsection (b)(4)(B) thereof, and

“(4) by substituting ‘25 percent of the amount of such indebtedness’ for ‘the amount of such indebtedness’ in subsection (b)(6)(A)(a)(ii) thereof.”.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1, as amended by the preceding provisions of this Act, is amended by inserting after the item relating to section 139K the following new item:

“Sec. 139L. Interest on loans secured by rural or agricultural real property.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 70436. REDUCTION OF TRANSFER AND MANUFACTURING TAXES FOR CERTAIN DEVICES.

(a) TRANSFER TAX.—Section 5811(a) is amended to read as follows:

“(a) RATE.—There shall be levied, collected, and paid on firearms transferred a tax at the rate of—

“(1) \$200 for each firearm transferred in the case of a machinegun or a destructive device, and

“(2) \$0 for any firearm transferred which is not described in paragraph (1).”.

(b) MAKING TAX.—Section 5821(a) is amended to read as follows:

“(a) RATE.—There shall be levied, collected, and paid upon the making of a firearm a tax at the rate of—

“(1) \$200 for each firearm made in the case of a machinegun or a destructive device, and

“(2) \$0 for any firearm made which is not described in paragraph (1).”.

(c) CONFORMING AMENDMENT.—Section 4182(a) is amended by adding at the end the following: “For purposes of the preceding sentence, any firearm described in section 5811(a)(2) shall be deemed to be a firearm on which the tax provided by section 5811 has been paid.”

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to calendar quarters beginning more than 90 days after the date of the enactment of this Act.

SEC. 70437. TREATMENT OF CAPITAL GAINS FROM THE SALE OF CERTAIN FARMLAND PROPERTY.

(a) **IN GENERAL.**—Part IV of subchapter O of chapter 1 is amended by redesignating section 1062 as section 1063 and by inserting after section 1061 the following new section:

“SEC. 1062. GAIN FROM THE SALE OR EXCHANGE OF QUALIFIED FARMLAND PROPERTY TO QUALIFIED FARMERS.

“(a) **ELECTION TO PAY TAX IN INSTALLMENTS.**—In the case of gain from the sale or exchange of qualified farmland property to a qualified farmer, at the election of the taxpayer, the portion of the net income tax of such taxpayer for the taxable year of the sale or exchange which is equal to the applicable net tax liability shall be paid in 4 equal installments.

“(b) **RULES RELATING TO INSTALLMENT PAYMENTS.**—

“(1) **DATE FOR PAYMENT OF INSTALLMENTS.**—If an election is made under subsection (a), the first installment shall be paid on the due date (determined without regard to any extension of time for filing the return) for the return of tax for the taxable year in which the sale or exchange occurs and each succeeding installment shall be paid on the due date (as so determined) for the return of tax for the taxable year following the taxable year with respect to which the preceding installment was made.

“(2) **ACCELERATION OF PAYMENT.**—

“(A) **IN GENERAL.**—If there is an addition to tax for failure to timely pay any installment required under this section, then the unpaid portion of all remaining installments shall be due on the date of such failure.

“(B) **INDIVIDUALS.**—In the case of an individual, if the individual dies, then the unpaid portion of all remaining installment shall be paid on the due date for the return of tax for the taxable year in which the taxpayer dies.

“(C) **C CORPORATIONS.**—In the case of a taxpayer which is a C corporation, trust, or estate, if there is a liquidation or sale of substantially all the assets of the taxpayer (including in a title 11 or similar case), a cessation of business by the taxpayer (in the case of a C corporation), or any similar circumstance, then the unpaid portion of all remaining installments shall be due on the date of such event (or in the case of a title 11 or similar case, the day before the petition is filed). The preceding sentence shall not apply to the sale of substantially all the assets of a taxpayer to a buyer if such buyer enters into an agreement with the Secretary under which such buyer is liable for the remaining installments due under this subsection in the same manner as if such buyer were the taxpayer.

“(3) **PRORATION OF DEFICIENCY TO INSTALLMENTS.**—If an election is made under subsection (a) to pay the applicable net tax liability in installments and a deficiency has been assessed with respect to such applicable net tax liability, the deficiency shall be prorated to the installments payable under subsection (a). The part of the deficiency so prorated to any

installment the date for payment of which has not arrived shall be collected at the same time as, and as a part of, such installment. The part of the deficiency so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the Secretary. This section shall not apply if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

“(c) ELECTION.—

“(1) IN GENERAL.—Any election under subsection (a) shall be made not later than the due date for the return of tax for the taxable year described in subsection (a).

“(2) PARTNERSHIPS AND S CORPORATIONS.—In the case of a sale or exchange described in subsection (a) by a partnership or S corporation, the election under subsection (a) shall be made at the partner or shareholder level. The Secretary may prescribe such regulations or other guidance as necessary to carry out the purposes of this paragraph.

“(d) DEFINITIONS.—For purposes of this section—

“(1) APPLICABLE NET TAX LIABILITY.—

“(A) IN GENERAL.—The applicable net tax liability with respect to the sale or exchange of any property described in subsection (a) is the excess (if any) of—

“(i) such taxpayer’s net income tax for the taxable year, over

“(ii) such taxpayer’s net income tax for such taxable year determined without regard to any gain recognized from the sale or exchange of such property.

“(B) NET INCOME TAX.—The term ‘net income tax’ means the regular tax liability reduced by the credits allowed under subparts A, B, and D of part IV of subchapter A.

“(2) QUALIFIED FARMLAND PROPERTY.—

“(A) IN GENERAL.—The term ‘qualified farmland property’ means real property located in the United States—

“(i) which—

“(I) has been used by the taxpayer as a farm for farming purposes, or

“(II) leased by the taxpayer to a qualified farmer for farming purposes,

during substantially all of the 10-year period ending on the date of the qualified sale or exchange, and

“(ii) which is subject to a covenant or other legally enforceable restriction which prohibits the use of such property other than as a farm for farming purposes for any period before the date that is 10 years after the date of the sale or exchange described in subsection (a).

For purposes of clause (i), property which is used or leased by a partnership or S corporation in a manner described in such clause shall be treated as used or leased in such manner by each person who holds a direct or indirect interest in such partnership or S corporation.

“(B) FARM; FARMING PURPOSES.—The terms ‘farm’ and ‘farming purposes’ have the respective meanings given such terms under section 2032A(e).

“(3) **QUALIFIED FARMER.**—The term ‘qualified farmer’ means any individual who is actively engaged in farming (within the meaning of subsections (b) and (c) of section 1001 of the Food Security Act of 1986 (7 U.S.C. 1308–1(b) and (c))).

“(e) **RETURN REQUIREMENT.**—A taxpayer making an election under subsection (a) shall include with the return for the taxable year of the sale or exchange described in subsection (a) a copy of the covenant or other legally enforceable restriction described in subsection (d)(2)(A)(ii).”.

(b) **CLERICAL AMENDMENT.**—The table of sections for part IV of subchapter O of chapter 1 is amended by redesignating the item relating to section 1062 as relating to section 1063 and by inserting after the item relating to section 1061 the following new item:

“Sec. 1062. Gain from the sale or exchange of qualified farmland property to qualified farmers.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to sales or exchanges in taxable years beginning after the date of the enactment of this Act.

SEC. 70438. EXTENSION OF RULES FOR TREATMENT OF CERTAIN DISASTER-RELATED PERSONAL CASUALTY LOSSES.

For purposes of applying section 304(b) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (division EE of Public Law 116–260), section 301 of such Act shall be applied by substituting the date of the enactment of this section for “the date of the enactment of this Act” each place it appears.

SEC. 70439. RESTORATION OF TAXABLE REIT SUBSIDIARY ASSET TEST.

(a) **IN GENERAL.**—Section 856(c)(4)(B)(ii) is amended by striking “20 percent” and inserting “25 percent”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

CHAPTER 5—ENDING GREEN NEW DEAL SPENDING, PROMOTING AMERICA-FIRST ENERGY, AND OTHER REFORMS

Subchapter A—Termination of Green New Deal Subsidies

SEC. 70501. TERMINATION OF PREVIOUSLY-OWNED CLEAN VEHICLE CREDIT.

Section 25E(g) is amended by striking “December 31, 2032” and inserting “September 30, 2025”.

SEC. 70502. TERMINATION OF CLEAN VEHICLE CREDIT.

(a) **IN GENERAL.**—Section 30D(h) is amended by striking “placed in service after December 31, 2032” and inserting “acquired after September 30, 2025”.

- (b) **CONFORMING AMENDMENTS.**—Section 30D(e) is amended—
- (1) in paragraph (1)(B)—
 - (A) in clause (iii), by inserting “and” after the comma at the end,
 - (B) in clause (iv), by striking “, and” and inserting a period, and
 - (C) by striking clause (v), and
 - (2) in paragraph (2)(B)—

(A) in clause (ii), by inserting “and” after the comma at the end,

(B) in clause (iii), by striking the comma at the end and inserting a period, and

(C) by striking clauses (iv) through (vi).

SEC. 70503. TERMINATION OF QUALIFIED COMMERCIAL CLEAN VEHICLES CREDIT.

Section 45W(g) is amended by striking “December 31, 2032” and inserting “September 30, 2025”.

SEC. 70504. TERMINATION OF ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.

Section 30C(i) is amended by striking “December 31, 2032” and inserting “June 30, 2026”.

SEC. 70505. TERMINATION OF ENERGY EFFICIENT HOME IMPROVEMENT CREDIT.

(a) IN GENERAL.—Section 25C(h) is amended by striking “placed in service” and all that follows through “December 31, 2032” and inserting “placed in service after December 31, 2025”.

(b) CONFORMING AMENDMENT.—Section 25C(d)(2)(C) is amended to read as follows:

“(C) Any oil furnace or hot water boiler which—

“(i) meets or exceeds 2021 Energy Star efficiency criteria, and

“(ii) is rated by the manufacturer for use with fuel blends at least 20 percent of the volume of which consists of an eligible fuel.”.

SEC. 70506. TERMINATION OF RESIDENTIAL CLEAN ENERGY CREDIT.

(a) IN GENERAL.—Section 25D(h) is amended by striking “to property placed in service after December 31, 2034” and inserting “with respect to any expenditures made after December 31, 2025”.

(b) CONFORMING AMENDMENTS.—Section 25D(g) is amended—

(1) in paragraph (2), by inserting “and” after the comma at the end,

(2) in paragraph (3), by striking “ and before January 1, 2033, 30 percent,” and inserting “30 percent.”, and

(3) by striking paragraphs (4) and (5).

SEC. 70507. TERMINATION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

Section 179D is amended by adding at the end the following new subsection:

“(i) TERMINATION.—This section shall not apply with respect to property the construction of which begins after June 30, 2026.”.

SEC. 70508. TERMINATION OF NEW ENERGY EFFICIENT HOME CREDIT.

Section 45L(h) is amended by striking “December 31, 2032” and inserting “June 30, 2026”.

SEC. 70509. TERMINATION OF COST RECOVERY FOR ENERGY PROPERTY.

(a) ENERGY PROPERTY.—Section 168(e)(3)(B)(vi), as amended by section 13703 of Public Law 117–169, is amended—

(1) by striking subclause (I), and

(2) by redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to property the construction of which begins after December 31, 2024.

SEC. 70510. MODIFICATIONS OF ZERO-EMISSION NUCLEAR POWER PRODUCTION CREDIT.

(a) **RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.**—Section 45U(c) is amended by adding at the end the following new paragraph:

“(3) **RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.**—

“(A) **IN GENERAL.**—No credit shall be determined under subsection (a) for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is a specified foreign entity (as defined in section 7701(a)(51)(B)).

“(B) **OTHER PROHIBITED FOREIGN ENTITIES.**—No credit shall be determined under subsection (a) for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph if the taxpayer is a foreign-influenced entity (as defined in section 7701(a)(51)(D), without regard to clause (i)(II) thereof).”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 70511. TERMINATION OF CLEAN HYDROGEN PRODUCTION CREDIT.

Section 45V(c)(3)(C) is amended by striking “January 1, 2033” and inserting “January 1, 2028”.

SEC. 70512. TERMINATION AND RESTRICTIONS ON CLEAN ELECTRICITY PRODUCTION CREDIT.

(a) **TERMINATION FOR WIND AND SOLAR FACILITIES.**—Section 45Y(d) is amended—

(1) in paragraph (1), by striking “The amount of” and inserting “Subject to paragraph (4), the amount of”, and

(2) by striking paragraph (3) and inserting the following new paragraphs:

“(3) **APPLICABLE YEAR.**—For purposes of this subsection, the term ‘applicable year’ means calendar year 2032.

“(4) **TERMINATION FOR WIND AND SOLAR FACILITIES.**—

“(A) **IN GENERAL.**—This section shall not apply with respect to any applicable facility placed in service after December 31, 2027.

“(B) **APPLICABLE FACILITY.**—For purposes of this paragraph, the term ‘applicable facility’ means a qualified facility which—

“(i) uses wind to produce electricity (within the meaning of such term as used in section 45(d)(1), as determined without regard to any requirement under such section with respect to the date on which construction of property begins), or

“(ii) uses solar energy to produce electricity (within the meaning of such term as used in section 45(d)(4), as determined without regard to any requirement under such section with respect to the date on which construction of property begins).”.

(b) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 45Y is amended—

(1) in subsection (b)(1), by adding at the end the following new subparagraph:

“(E) MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTITIES.—The term ‘qualified facility’ shall not include any facility for which construction begins after December 31, 2025, if the construction of such facility includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52)).”, and

(2) in subsection (g), by adding at the end the following new paragraph:

“(13) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

“(A) IN GENERAL.—No credit shall be determined under subsection (a) for any taxable year if the taxpayer is—

“(i) a specified foreign entity (as defined in section 7701(a)(51)(B)), or

“(ii) a foreign-influenced entity (as defined in section 7701(a)(51)(D), without regard to clause (i)(II) thereof).

“(B) EFFECTIVE CONTROL.—In the case of a taxpayer for which section 7701(a)(51)(D)(i)(II) is determined to apply for any taxable year, no credit shall be determined under subsection (a) for such taxable year if such determination relates to a qualified facility described in subsection (b)(1).”.

(c) DEFINITIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 7701(a) is amended by adding at the end the following new paragraphs:

“(51) PROHIBITED FOREIGN ENTITY.—

“(A) IN GENERAL.—

“(i) DEFINITION.—The term ‘prohibited foreign entity’ means a specified foreign entity or a foreign-influenced entity.

“(ii) DETERMINATION.—

“(I) IN GENERAL.—Subject to subclause (II), for any taxable year, the determination as to whether an entity is a specified foreign entity or foreign-influenced entity shall be made as of the last day of such taxable year.

“(II) INITIAL TAXABLE YEAR.—For purposes of the first taxable year beginning after the date of enactment of this paragraph, the determination as to whether an entity is a specified foreign entity described in clauses (i) through (iv) of subparagraph (B) shall be made as of the first day of such taxable year.

“(B) SPECIFIED FOREIGN ENTITY.—For purposes of this paragraph, the term ‘specified foreign entity’ means—

“(i) a foreign entity of concern described in subparagraph (A), (B), (D), or (E) of section 9901(8) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283; 15 U.S.C. 4651),

“(ii) an entity identified as a Chinese military company operating in the United States in accordance

with section 1260H of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283; 10 U.S.C. 113 note),

“(iii) an entity included on a list required by clause (i), (ii), (iv), or (v) of section 2(d)(2)(B) of Public Law 117–78 (135 Stat. 1527),

“(iv) an entity specified under section 154(b) of the National Defense Authorization Act for Fiscal Year 2024 (Public Law 118–31; 10 U.S.C. note prec. 4651), or

“(v) a foreign-controlled entity.

“(C) FOREIGN-CONTROLLED ENTITY.—For purposes of subparagraph (B), the term ‘foreign-controlled entity’ means—

“(i) the government (including any level of government below the national level) of a covered nation,

“(ii) an agency or instrumentality of a government described in clause (i),

“(iii) a person who is a citizen or national of a covered nation, provided that such person is not an individual who is a citizen, national, or lawful permanent resident of the United States,

“(iv) an entity or a qualified business unit (as defined in section 989(a)) incorporated or organized under the laws of, or having its principal place of business in, a covered nation, or

“(v) an entity (including subsidiary entities) controlled (as determined under subparagraph (G)) by an entity described in clause (i), (ii), (iii), or (iv).

“(D) FOREIGN-INFLUENCED ENTITY.—

“(i) IN GENERAL.—For purposes of subparagraph (A), the term ‘foreign-influenced entity’ means an entity—

“(I) with respect to which, during the taxable year—

“(aa) a specified foreign entity has the direct authority to appoint a covered officer of such entity,

“(bb) a single specified foreign entity owns at least 25 percent of such entity,

“(cc) one or more specified foreign entities own in the aggregate at least 40 percent of such entity, or

“(dd) at least 15 percent of the debt of such entity has been issued, in the aggregate, to 1 or more specified foreign entities, or

“(II) which, during the previous taxable year, made a payment to a specified foreign entity pursuant to a contract, agreement, or other arrangement which entitles such specified foreign entity (or an entity related to such specified foreign entity) to exercise effective control over—

“(aa) any qualified facility or energy storage technology of the taxpayer (or any person related to the taxpayer), or

“(bb) with respect to any eligible component produced by the taxpayer (or any person related to the taxpayer)—

“(AA) the extraction, processing, or recycling of any applicable critical mineral, or

“(BB) the production of an eligible component which is not an applicable critical mineral.

“(ii) EFFECTIVE CONTROL.—

“(I) IN GENERAL.—

“(aa) GENERAL RULE.—Subject to subclause (II), for purposes of clause (i)(II), the term ‘effective control’ means 1 or more agreements or arrangements similar to those described in subclauses (II) and (III) which provide 1 or more contractual counterparties of a taxpayer with specific authority over key aspects of the production of eligible components, energy generation in a qualified facility, or energy storage which are not included in the measures of control through authority, ownership, or debt held which are described in clause (i)(I).

“(bb) GUIDANCE.—The Secretary shall issue such guidance as is necessary to carry out the purposes of this clause, including the establishment of rules to prevent entities from evading, circumventing, or abusing the application of the restrictions described subparagraph (C) and subclauses (II) and (III) of this clause through a contract, agreement, or other arrangement.

“(II) APPLICATION OF RULES PRIOR TO ISSUANCE OF GUIDANCE.—During any period prior to the date that the guidance described in subclause (I)(bb) is issued by the Secretary, for purposes of clause (i)(II), the term ‘effective control’ means the unrestricted contractual right of a contractual counterparty to—

“(aa) determine the quantity or timing of production of an eligible component produced by the taxpayer,

“(bb) determine the amount or timing of activities related to the production of electricity undertaken at a qualified facility of the taxpayer or the storage of electrical energy in energy storage technology of the taxpayer,

“(cc) determine which entity may purchase or use the output of a production unit of the taxpayer that produces eligible components,

“(dd) determine which entity may purchase or use the output of a qualified facility of the taxpayer,

“(ee) restrict access to data critical to production or storage of energy undertaken at a qualified facility of the taxpayer, or to

the site of production or any part of a qualified facility or energy storage technology of the taxpayer, to the personnel or agents of such contractual counterparty, or

“(ff) on an exclusive basis, maintain, repair, or operate any plant or equipment which is necessary to the production by the taxpayer of eligible components or electricity.

“(III) LICENSING AND OTHER AGREEMENTS.—

“(aa) IN GENERAL.—In addition to subclause (II), for purposes of clause (i)(II), the term ‘effective control’ means, with respect to a licensing agreement for the provision of intellectual property (or any other contract, agreement or other arrangement entered into with a contractual counterparty related to such licensing agreement) with respect to a qualified facility, energy storage technology, or the production of an eligible component, any of the following:

“(AA) A contractual right retained by the contractual counterparty to specify or otherwise direct 1 or more sources of components, subcomponents, or applicable critical minerals utilized in a qualified facility, energy storage technology, or in the production of an eligible component.

“(BB) A contractual right retained by the contractual counterparty to direct the operation of any qualified facility, any energy storage technology, or any production unit that produces an eligible component.

“(CC) A contractual right retained by the contractual counterparty to limit the taxpayer’s utilization of intellectual property related to the operation of a qualified facility or energy storage technology, or in the production of an eligible component.

“(DD) A contractual right retained by the contractual counterparty to receive royalties under the licensing agreement or any similar agreement (or payments under any related agreement) beyond the 10th year of the agreement (including modifications or extensions thereof).

“(EE) A contractual right retained by the contractual counterparty to direct or otherwise require the taxpayer to enter into an agreement for the provision of services for a duration longer than 2 years (including any modifications or extensions thereof).

“(FF) Such contract, agreement, or other arrangement does not provide the licensee with all the technical data, information, and know-how necessary to

enable the licensee to produce the eligible component or components subject to the contract, agreement, or other arrangement without further involvement from the contractual counterparty or a specified foreign entity.

“(GG) Such contract, agreement, or other arrangement was entered into (or modified) on or after the date of enactment of this paragraph.

“(bb) EXCEPTION.—

“(AA) IN GENERAL.—Item (aa) shall not apply in the case of a bona fide purchase or sale of intellectual property.

“(BB) BONA FIDE PURCHASE OR SALE.—For purposes of item (aa), any purchase or sale of intellectual property where the agreement provides that ownership of the intellectual property reverts to the contractual counterparty after a period of time shall not be considered a bona-fide purchase or sale.

“(IV) PERSONS RELATED TO THE TAXPAYER.—For purposes of subclauses (I), (II), and (III), the term ‘taxpayer’ shall include any person related to the taxpayer.

“(V) CONTRACTUAL COUNTERPARTY.—For purposes of this clause, the term ‘contractual counterparty’ means an entity with which the taxpayer has entered into a contract, agreement, or other arrangement.

“(iii) GUIDANCE.—Not later than December 31, 2026, the Secretary shall issue such guidance as is necessary to carry out the purposes of this subparagraph, including establishment of rules to prevent entities from evading, circumventing, or abusing the application of the restrictions against impermissible technology licensing arrangements with specified foreign entities, such as through temporary transfers of intellectual property, retention by a specified foreign entity of a reversionary interest in transferred intellectual property, or otherwise.

“(E) PUBLICLY TRADED ENTITIES.—

“(i) IN GENERAL.—

“(I) NONAPPLICATION OF CERTAIN FOREIGN-CONTROLLED ENTITY RULES.—Subparagraph (C)(v) shall not apply in the case of any entity the securities of which are regularly traded on—

“(aa) a national securities exchange which is registered with the Securities and Exchange Commission,

“(bb) the national market system established pursuant to section 11A of the Securities and Exchange Act of 1934, or

“(cc) any other exchange or other market which the Secretary has determined in guidance issued under section 1296(e)(1)(A)(ii) has

rules adequate to carry out the purposes of part VI of subchapter P of chapter 1 of subtitle A.

“(II) NONAPPLICATION OF CERTAIN FOREIGN-INFLUENCED ENTITY RULES.—Subparagraph (D)(i)(I) shall not apply in the case of any entity—

“(aa) the securities of which are regularly traded in a manner described in subclause (I), or

“(bb) for which not less than 80 percent of the equity securities of such entity are owned directly or indirectly by an entity which is described in item (aa).

“(III) EXCLUSION OF EXCHANGES OR MARKETS IN COVERED NATIONS.—Subclause (I)(cc) shall not apply with respect to any exchange or market which—

“(aa) is incorporated or organized under the laws of a covered nation, or

“(bb) has its principal place of business in a covered nation.

“(ii) ADDITIONAL FOREIGN-CONTROLLED ENTITY REQUIREMENTS FOR PUBLICLY TRADED COMPANIES.—In the case of an entity described in clause (i)(I), such entity shall be deemed to be a foreign-controlled entity under subparagraph (C)(v) if such entity is controlled (as determined under subparagraph (G)) by—

“(I) 1 or more specified foreign entities (as determined without regard to subparagraph (B)(v)) that are each required to report their beneficial ownership pursuant to a rule described in clause (iii)(I)(bb), or

“(II) 1 or more foreign-controlled entities (as determined without regard to subparagraph (C)(v)) that are each required to report their beneficial ownership pursuant to a rule described in such clause.

“(iii) ADDITIONAL FOREIGN-INFLUENCED ENTITY REQUIREMENTS FOR PUBLICLY TRADED COMPANIES.—In the case of an entity described in clause (i)(II), such entity shall be deemed to be a foreign-influenced entity under subparagraph (D)(i)(I) if—

“(I) during the taxable year—

“(aa) a specified foreign entity has the authority to appoint a covered officer of such entity,

“(bb) a single specified foreign entity required to report its beneficial ownership under Rule 13d-3 of the Securities and Exchange Act of 1934 (or, in the case of an exchange or market described in clause (i)(I)(cc), an equivalent rule) owns not less than 25 percent of such entity, or

“(cc) 1 or more specified foreign entities that are each required to report their beneficial ownership under Rule 13d-3 of the Securities and Exchange Act of 1934 own, in the

aggregate, not less than 40 percent of such entity, or

“(II) such entity has issued debt, as part of an original issuance, in excess of 15 percent of its publicly-traded debt to 1 or more specified foreign entities.

“(F) COVERED OFFICER.—For purposes of this paragraph, the term ‘covered officer’ means, with respect to an entity—

“(i) a member of the board of directors, board of supervisors, or equivalent governing body,

“(ii) an executive-level officer, including the president, chief executive officer, chief operating officer, chief financial officer, general counsel, or senior vice president, or

“(iii) an individual having powers or responsibilities similar to those of officers or members described in clause (i) or (ii).

“(G) DETERMINATION OF CONTROL.—For purposes of subparagraph (C)(v), the term ‘control’ means—

“(i) in the case of a corporation, ownership (by vote or value) of more than 50 percent of the stock in such corporation,

“(ii) in the case of a partnership, ownership of more than 50 percent of the profits interests or capital interests in such partnership, or

“(iii) in any other case, ownership of more than 50 percent of the beneficial interests in the entity.

“(H) DETERMINATION OF OWNERSHIP.—For purposes of this paragraph, section 318(a)(2) shall apply for purposes of determining ownership of stock in a corporation. Similar principles shall apply for purposes of determining ownership of interests in any other entity.

“(I) OTHER DEFINITIONS.—For purposes of this paragraph—

“(i) APPLICABLE CRITICAL MINERAL.—The term ‘applicable critical mineral’ has the same meaning given such term under section 45X(c)(6).

“(ii) COVERED NATION.—The term ‘covered nation’ has the same meaning given such term under section 4872(f)(2) of title 10, United States Code.

“(iii) ELIGIBLE COMPONENT.—The term ‘eligible component’ has the same meaning given such term under section 45X(c)(1).

“(iv) ENERGY STORAGE TECHNOLOGY.—The term ‘energy storage technology’ has the same meaning given such term under section 48E(c)(2).

“(v) QUALIFIED FACILITY.—The term ‘qualified facility’ means—

“(I) a qualified facility, as defined in section 45Y(b)(1), and

“(II) a qualified facility, as defined in section 48E(b)(3).

“(vi) RELATED.—The term ‘related’ shall have the same meaning given such term under sections 267(b) and 707(b).

“(J) BEGINNING OF CONSTRUCTION.—For purposes of applying any provision under this paragraph, the beginning of construction with respect to any property shall be determined pursuant to rules similar to the rules under Internal Revenue Service Notice 2013–29 and Internal Revenue Service Notice 2018–59 (as well as any subsequently issued guidance clarifying, modifying, or updating either such Notice), as in effect on January 1, 2025.

“(K) REGULATIONS AND GUIDANCE.—The Secretary may prescribe such regulations and guidance as may be necessary or appropriate to carry out the provisions of this paragraph, including rules to prevent the circumvention of any rules or restrictions with respect to prohibited foreign entities.

“(52) MATERIAL ASSISTANCE FROM A PROHIBITED FOREIGN ENTITY.—

“(A) IN GENERAL.—The term ‘material assistance from a prohibited foreign entity’ means—

“(i) with respect to any qualified facility or energy storage technology, a material assistance cost ratio which is less than the threshold percentage applicable under subparagraph (B), or

“(ii) with respect to any facility which produces eligible components, a material assistance cost ratio which is less than the threshold percentage applicable under subparagraph (C).

“(B) THRESHOLD PERCENTAGE FOR QUALIFIED FACILITIES AND ENERGY STORAGE TECHNOLOGY.—For purposes of subparagraph (A)(i), the threshold percentage shall be—

“(i) in the case of a qualified facility the construction of which begins—

“(I) during calendar year 2026, 40 percent,

“(II) during calendar year 2027, 45 percent,

“(III) during calendar year 2028, 50 percent,

“(IV) during calendar year 2029, 55 percent,

and

“(V) after December 31, 2029, 60 percent, and

“(ii) in the case of energy storage technology the construction of which begins—

“(I) during calendar year 2026, 55 percent,

“(II) during calendar year 2027, 60 percent,

“(III) during calendar year 2028, 65 percent,

“(IV) during calendar year 2029, 70 percent,

and

“(V) after December 31, 2029, 75 percent.

“(C) THRESHOLD PERCENTAGE FOR ELIGIBLE COMPONENTS.—

“(i) IN GENERAL.—For purposes of subparagraph (A)(ii), the threshold percentage shall be—

“(I) in the case of any solar energy component (as such term is defined in section 45X(c)(3)(A)) which is sold—

“(aa) during calendar year 2026, 50 percent,

“(bb) during calendar year 2027, 60 percent,

“(cc) during calendar year 2028, 70 percent,
“(dd) during calendar year 2029, 80 percent, and
“(ee) after December 31, 2029, 85 percent,
“(II) in the case of any wind energy component (as such term is defined in section 45X(c)(4)(A)) which is sold—
“(aa) during calendar year 2026, 85 percent, and
“(bb) during calendar year 2027, 90 percent,
“(III) in the case of any inverter described in subparagraphs (B) through (G) of section 45X(c)(2) which is sold—
“(aa) during calendar year 2026, 50 percent,
“(bb) during calendar year 2027, 55 percent,
“(cc) during calendar year 2028, 60 percent,
“(dd) during calendar year 2029, 65 percent, and
“(ee) after December 31, 2029, 70 percent,
“(IV) in the case of any qualifying battery component (as such term is defined in section 45X(c)(5)(A)) which is sold—
“(aa) during calendar year 2026, 60 percent,
“(bb) during calendar year 2027, 65 percent,
“(cc) during calendar year 2028, 70 percent,
“(dd) during calendar year 2029, 80 percent, and
“(ee) after December 31, 2029, 85 percent, and
“(V) subject to clause (ii), in the case of any applicable critical mineral (as such term is defined in section 45X(c)(6)) which is sold—
“(aa) after December 31, 2025, and before January 1, 2030, 0 percent,
“(bb) during calendar year 2030, 25 percent,
“(cc) during calendar year 2031, 30 percent,
“(dd) during calendar year 2032, 40 percent, and
“(ee) after December 31, 2032, 50 percent.
“(ii) ADJUSTED THRESHOLD PERCENTAGE FOR APPLICABLE CRITICAL MINERALS.—Not later than December 31, 2027, the Secretary shall issue threshold percentages for each of the applicable critical minerals described in section 45X(c)(6)), which shall—
“(I) apply in lieu of the threshold percentage determined under clause (i)(V) for each calendar year, and

“(II) equal or exceed the threshold percentage which would otherwise apply with respect to such applicable critical mineral under such clause for such calendar year, taking into account—

“(aa) domestic geographic availability,

“(bb) supply chain constraints,

“(cc) domestic processing capacity needs,

and

“(dd) national security concerns.

“(D) MATERIAL ASSISTANCE COST RATIO.—

“(i) QUALIFIED FACILITIES AND ENERGY STORAGE TECHNOLOGY.—For purposes of subparagraph (A)(i), the term ‘material assistance cost ratio’ means the amount (expressed as a percentage) equal to the quotient of—

“(I) an amount equal to—

“(aa) the total direct costs to the taxpayer attributable to all manufactured products (including components) which are incorporated into the qualified facility or energy storage technology upon completion of construction, minus

“(bb) the total direct costs to the taxpayer attributable to all manufactured products (including components) which are—

“(AA) incorporated into the qualified facility or energy storage technology upon completion of construction, and

“(BB) mined, produced, or manufactured by a prohibited foreign entity, divided by

“(II) the amount described in subclause (I)(aa).

“(ii) ELIGIBLE COMPONENTS.—For purposes of subparagraph (A)(ii), the term ‘material assistance cost ratio’ means the amount (expressed as a percentage) equal to the quotient of—

“(I) an amount equal to—

“(aa) with respect to an eligible component, the total direct material costs that are paid or incurred (within the meaning of section 461 and any regulations issued under section 263A) by the taxpayer for production of such eligible component, minus

“(bb) with respect to an eligible component, the total direct material costs that are paid or incurred (within the meaning of section 461 and any regulations issued under section 263A) by the taxpayer for production of such eligible component that are mined, produced, or manufactured by a prohibited foreign entity, divided by

“(II) the amount described in subclause (I)(aa).

“(iii) SAFE HARBOR TABLES.—

“(I) IN GENERAL.—Not later than December 31, 2026, the Secretary shall issue safe harbor tables (and such other guidance as deemed necessary) to—

“(aa) identify the percentage of total direct costs of any manufactured product which is attributable to a prohibited foreign entity,

“(bb) identify the percentage of total direct material costs of any eligible component which is attributable to a prohibited foreign entity, and

“(cc) provide all rules necessary to determine the amount of a taxpayer’s material assistance from a prohibited foreign entity within the meaning of this paragraph.

“(II) SAFE HARBORS PRIOR TO ISSUANCE.—For purposes of this paragraph, prior to the date on which the Secretary issues the safe harbor tables described in subclause (I), and for construction of a qualified facility or energy storage technology which begins on or before the date which is 60 days after the date of issuance of such tables, a taxpayer may—

“(aa) use the tables included in Internal Revenue Service Notice 2025–08 to establish the percentage of the total direct costs of any listed eligible component and any manufactured product, and

“(bb) rely on a certification by the supplier of the manufactured product, eligible component, or constituent element, material, or subcomponent of an eligible component—

“(AA) of the total direct costs or the total direct material costs, as applicable, of such product or component that was not produced or manufactured by a prohibited foreign entity, or

“(BB) that such product or component was not produced or manufactured by a prohibited foreign entity.

“(III) EXCEPTION.—Notwithstanding subclauses (I) and (II)—

“(aa) if the taxpayer knows (or has reason to know) that a manufactured product or eligible component was produced or manufactured by a prohibited foreign entity, the taxpayer shall treat all direct costs with respect to such manufactured product, or all direct material costs with respect to such eligible component, as attributable to a prohibited foreign entity, and

“(bb) if the taxpayer knows (or has reason to know) that the certification referred to in subclause (II)(bb) pertaining to a manufactured product or eligible component is inaccurate, the taxpayer may not rely on such certification.

“(IV) CERTIFICATION REQUIREMENT.—In a manner consistent with Treasury Regulation section 1.45X–4(c)(4)(i) (as in effect on the date of

enactment of this paragraph), the certification referred to in subclause (II)(bb) shall—

“(aa) include—

“(AA) the supplier’s employer identification number, or

“(BB) any such similar identification number issued by a foreign government,

“(bb) be signed under penalties of perjury,

“(cc) be retained by the supplier and the taxpayer for a period of not less than 6 years and shall be provided to the Secretary upon request, and

“(dd) be from the supplier from which the taxpayer purchased any manufactured product, eligible component, or constituent elements, materials, or subcomponents of an eligible component, stating—

“(AA) that such property was not produced or manufactured by a prohibited foreign entity and that the supplier does not know (or have reason to know) that any prior supplier in the chain of production of that property is a prohibited foreign entity,

“(BB) for purposes of section 45X, the total direct material costs for each component, constituent element, material, or subcomponent that were not produced or manufactured by a prohibited foreign entity, or

“(CC) for purposes of section 45Y or section 48E, the total direct costs attributable to all manufactured products that were not produced or manufactured by a prohibited foreign entity.

“(iv) EXISTING CONTRACT.—Upon the election of the taxpayer (in such form and manner as the Secretary shall designate), in the case of any manufactured product, eligible component, or constituent element, material, or subcomponent of an eligible component which is—

“(I) acquired by the taxpayer, or manufactured or assembled by or for the taxpayer, pursuant to a binding written contract which was entered into prior to June 16, 2025, and

“(II)(aa) placed into service before January 1, 2030 (or, in the case of an applicable facility, as defined in section 45Y(d)(4)(B), before January 1, 2028) in a facility the construction of which began before August 1, 2025, or

“(bb) in the case of a constituent element, material, or subcomponent, used in a product sold before January 1, 2030,

the cost to the taxpayer with respect to such product, component, element, material, or subcomponent shall not be included for purposes of determining the material assistance cost ratio under this subparagraph.

“(v) ANTI-CIRCUMVENTION RULES.—The Secretary shall prescribe such regulations and guidance as may be necessary or appropriate to prevent circumvention of the rules under this subparagraph, including prevention of—

“(I) any abuse of the exception provided under clause (iv) through the stockpiling of any manufactured product, eligible component, or constituent element, material, or subcomponent of an eligible component during any period prior to the application of the requirements under this paragraph, or

“(II) any evasion with respect to the requirements of this subparagraph where the facts and circumstances demonstrate that the beginning of construction of a qualified facility or energy storage technology has not in fact occurred.

“(E) OTHER DEFINITIONS.—For purposes of this paragraph—

“(i) ELIGIBLE COMPONENT.—The term ‘eligible component’ means—

“(I) any property described in section 45X(c)(1), or

“(II) any component which is identified by the Secretary pursuant to regulations or guidance issued under subparagraph (G).

“(ii) ENERGY STORAGE TECHNOLOGY.—The term ‘energy storage technology’ has the same meaning given such term under section 48E(c)(2).

“(iii) MANUFACTURED PRODUCT.—The term ‘manufactured product’ means—

“(I) a manufactured product which is a component of a qualified facility, as described in section 45Y(g)(11)(B) and any guidance issued thereunder, or

“(II) any product which is identified by the Secretary pursuant to regulations or guidance issued under subparagraph (G).

“(iv) QUALIFIED FACILITY.—The term ‘qualified facility’ means—

“(I) a qualified facility, as defined in section 45Y(b)(1),

“(II) a qualified facility, as defined in section 48E(b)(3), and

“(III) any qualified interconnection property (as defined in section 48E(b)(4)) which is part of the qualified investment with respect to a qualified facility (as described in section 48E(b)(1)).

“(F) DETERMINATION OF OWNERSHIP; BEGINNING OF CONSTRUCTION.—Rules similar to the rules under subparagraphs (H) and (J) of paragraph (51) shall apply for purposes of this paragraph.

“(G) REGULATIONS AND GUIDANCE.—The Secretary may prescribe such regulations and guidance as may be necessary or appropriate to carry out the provisions of this paragraph, including—

“(i) identification of components or products for purposes of clauses (i) and (iii) of subparagraph (E), and

“(ii) for purposes of subparagraph (A)(ii), rules to address facilities which produce more than one eligible component.”.

(d) DENIAL OF CREDIT FOR CERTAIN WIND AND SOLAR LEASING ARRANGEMENTS.—Section 45Y is amended by adding at the end the following new subsection:

“(h) DENIAL OF CREDIT FOR WIND AND SOLAR LEASING ARRANGEMENTS.—No credit shall be determined under this section with respect to any production of electricity during the taxable year with respect to property described in paragraph (1) or (4) of section 25D(d) (as applied by substituting ‘lessee’ for ‘taxpayer’) if the taxpayer rents or leases such property to a third party during such taxable year.”.

(e) EMISSIONS RATES TABLES.—Section 45Y(b)(2)(C) is amended by adding at the end the following new clause:

“(iii) EXISTING STUDIES.—For purposes of clause (i), in determining greenhouse gas emissions rates for types or categories of facilities for the purpose of determining whether a facility satisfies the requirements under paragraph (1), the Secretary shall consider studies published on or before the date of enactment of this clause which demonstrate a net lifecycle greenhouse gas emissions rate which is not greater than zero using widely accepted lifecycle assessment concepts, such as concepts described in standards developed by the International Organization for Standardization.”.

(f) NUCLEAR ENERGY COMMUNITIES.—

(1) IN GENERAL.—Section 45(b)(11) is amended—

(A) in subparagraph (B)—

(i) in clause (ii)(II), by striking “or” at the end,

(ii) in clause (iii)(II), by striking the period at the end and inserting “, or”, and

(iii) by adding at the end the following new clause:

“(iv) for purposes of any qualified facility which is an advanced nuclear facility, a metropolitan statistical area which has (or, at any time during the period beginning after December 31, 2009, had) 0.17 percent or greater direct employment related to the advancement of nuclear power, including employment related to—

“(I) an advanced nuclear facility,

“(II) advanced nuclear power research and development,

“(III) nuclear fuel cycle research, development, or production, including mining, enrichment, manufacture, storage, disposal, or recycling of nuclear fuel, and

“(IV) the manufacturing or assembly of components used in an advanced nuclear facility.”, and

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

“(C) ADVANCED NUCLEAR FACILITIES.—

“(i) IN GENERAL.—Subject to clause (ii), for purposes of subparagraph (B)(iv), the term ‘advanced nuclear facility’ means any nuclear facility the reactor design for which is approved in the manner described in section 45J(d)(2).

“(ii) SPECIAL RULE.—For purposes of clause (i), a facility shall be deemed to have a reactor design which is approved in the manner described in section 45J(d)(2) if the Nuclear Regulatory Commission has authorized construction and issued a site-specific construction permit or combined license with respect to such facility (without regard to whether the reactor design was approved after December 31, 1993).”

(2) NONAPPLICATION FOR CLEAN ELECTRICITY INVESTMENT CREDIT.—Section 48E(a)(3)(A)(i) is amended by inserting “, as applied without regard to clause (iv) thereof” after “section 45(b)(11)(B)”.

(g) CONFORMING AMENDMENTS.—Section 45Y(b)(1) is amended—

(1) by redesignating subparagraph (D) as subparagraph (E), and

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

“(D) DETERMINATION OF CAPACITY.—For purposes of subparagraph (C), additions of capacity of a facility shall be determined in any reasonable manner, including based on—

“(i) determinations by, or reports to, the Federal Energy Regulatory Commission (including interconnection agreements), the Nuclear Regulatory Commission, or any similar entity, reflecting additions of capacity,

“(ii) determinations or reports reflecting additions of capacity made by an independent professional engineer,

“(iii) reports to, or issued by, regional transmission organizations or independent system operators reflecting additions of capacity, or

“(iv) any other method or manner provided by the Secretary.”

(h) PROHIBITION ON TRANSFER OF CREDITS TO SPECIFIED FOREIGN ENTITIES.—Section 6418(g) is amended by adding at the end the following new paragraph:

“(5) PROHIBITION ON TRANSFER OF CREDITS TO SPECIFIED FOREIGN ENTITIES.—With respect to any eligible credit described in clause (iii), (iv), (vi), (vii), (viii), or (xi) of subsection (f)(1)(A), an eligible taxpayer may not elect to transfer any portion of such credit to a taxpayer that is a specified foreign entity (as defined in section 7701(a)(51)(B)).”

(i) EXTENSION OF PERIOD OF LIMITATIONS FOR ERRORS RELATING TO DETERMINING OF MATERIAL ASSISTANCE FROM A PROHIBITED FOREIGN ENTITY.—Section 6501 is amended—

(1) by redesignating subsection (o) as subsection (p), and

(2) by inserting after subsection (n) the following new subsection:

“(o) MATERIAL ASSISTANCE FROM A PROHIBITED FOREIGN ENTITY.—In the case of a deficiency attributable to an error with

respect to the determination under section 7701(a)(52) for any taxable year, such deficiency may be assessed at any time within 6 years after the return for such year was filed.”.

(j) IMPOSITION OF ACCURACY-RELATED PENALTIES.—

(1) IN GENERAL.—Section 6662 is amended by adding at the end the following new subsection:

“(m) SUBSTANTIAL UNDERSTATEMENT OF INCOME TAX DUE TO DISALLOWANCE OF APPLICABLE ENERGY CREDITS.—

“(1) IN GENERAL.—In the case of a taxpayer for which there is a disallowance of an applicable energy credit for any taxable year, for purposes of determining whether there is a substantial understatement of income tax for such taxable year, subsection (d)(1) shall be applied—

“(A) in subparagraphs (A) and (B), by substituting ‘1 percent’ for ‘10 percent’ each place it appears, and

“(B) without regard to subparagraph (C).

“(2) DISALLOWANCE OF AN APPLICABLE ENERGY CREDIT.—

For purposes of this subsection, the term ‘disallowance of an applicable energy credit’ means the disallowance of a credit under section 45X, 45Y, or 48E by reason of overstating the material assistance cost ratio (as determined under section 7701(a)(52)) with respect to any qualified facility, energy storage technology, or facility which produces eligible components.”.

(2) CONFORMING AMENDMENT.—Section 6417(d)(6) is amended by adding at the end the following new subparagraph:

“(D) DISALLOWANCE OF AN APPLICABLE ENERGY CREDIT.—In the case of an applicable entity which made an election under subsection (a) with respect to an applicable credit for which there is a disallowance described in section 6662(m)(2), subparagraph (A) shall apply with respect to any excessive payment resulting from such disallowance.”.

(k) PENALTY FOR SUBSTANTIAL MISSTATEMENTS ON CERTIFICATION PROVIDED BY SUPPLIER.—

(1) IN GENERAL.—Part I of subchapter B of chapter 68 is amended by inserting after section 6695A the following new section:

“SEC. 6695B. PENALTY FOR SUBSTANTIAL MISSTATEMENTS ON CERTIFICATION PROVIDED BY SUPPLIER.

“(a) IMPOSITION OF PENALTY.—If—

“(1) a person—

“(A) provides a certification described in clause (iii)(II)(bb) of section 7701(a)(52)(D) with respect to any manufactured product, eligible component, or constituent element, material, or subcomponent of an eligible component, and

“(B) knows, or reasonably should have known, that the certification would be used in connection with a determination under such section,

“(2) such person knows, or reasonably should have known, that such certification is inaccurate or false with respect to—

“(A) whether such property was produced or manufactured by a prohibited foreign entity, or

“(B) the total direct costs or total direct material costs of such property that was not produced or manufactured

by a prohibited foreign entity that were provided on such certification, and

“(3) the inaccuracy or falsity described in paragraph (2) resulted in the disallowance of an applicable energy credit (as defined in section 6662(m)(2)) and an understatement of income tax (within the meaning of section 6662(d)(2)) for the taxable year in an amount which exceeds the lesser of—

“(A) 5 percent of the tax required to be shown on the return for the taxable year, or

“(B) \$100,000,

then such person shall pay a penalty in the amount determined under subsection (b).

“(b) AMOUNT OF PENALTY.—The amount of the penalty imposed under subsection (a) on any person with respect to a certification shall be equal to the greater of—

“(1) 10 percent of the amount of the underpayment (as defined in section 6664(a)) solely attributable to the inaccuracy or falsity described in subsection (a)(2), or

“(2) \$5,000.

“(c) EXCEPTION.—No penalty shall be imposed under subsection (a) if the person establishes to the satisfaction of the Secretary that any inaccuracy or falsity described in subsection (a)(2) is due to a reasonable cause and not willful neglect.

“(d) DEFINITIONS.—Any term used in this section which is also used in section 7701(a)(52) shall have the meaning given such term in such section.”.

(2) CLERICAL AMENDMENTS.—

(A) Section 6696 is amended—

(i) in the heading, by striking “AND 6695A” and inserting “6695A, AND 6695B”,

(ii) in subsections (a), (b), and (e), by striking “and 6695A” each place it appears and inserting “6695A, and 6695B”,

(iii) in subsection (c), by striking “or 6695A” and inserting “6695A, or 6695B”, and

(iv) in subsection (d)—

(I) in paragraph (1), by inserting “(or, in the case of any penalty under section 6695B, 6 years)” after “assessed within 3 years”, and

(II) in paragraph (2), by inserting “(or, in the case of any claim for refund of an overpayment of any penalty assessed under section 6695B, 6 years)” after “filed within 3 years”.

(B) The table of sections for part I of subchapter B of chapter 68 is amended by inserting after item relating to section 6695A the following new item:

“Sec. 6695B. Penalty for substantial misstatements on certification provided by supplier.”.

(1) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4), the amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

(2) MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTITIES.—The amendments made by subsection (b)(1) shall apply to facilities for which construction begins after December 31, 2025.

(3) **PENALTY FOR SUBSTANTIAL MISSTATEMENTS ON CERTIFICATION PROVIDED BY SUPPLIER.**—The amendments made by subsection (k) shall apply to certifications provided after December 31, 2025.

(4) **TERMINATION FOR WIND AND SOLAR FACILITIES.**—The amendments made by subsection (a) shall apply to facilities the construction of which begins after the date which is 12 months after the date of enactment of this Act.

SEC. 70513. TERMINATION AND RESTRICTIONS ON CLEAN ELECTRICITY INVESTMENT CREDIT.

(a) **TERMINATION FOR WIND AND SOLAR FACILITIES.**—Section 48E(e) is amended—

(1) in paragraph (1), by striking “The amount of” and inserting “Subject to paragraph (4), the amount of”, and

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

“(4) **TERMINATION FOR WIND AND SOLAR FACILITIES.**—

“(A) **IN GENERAL.**—This section shall not apply to any qualified property placed in service by the taxpayer after December 31, 2027, which is part of an applicable facility.

“(B) **APPLICABLE FACILITY.**—For purposes of this paragraph, the term ‘applicable facility’ means a qualified facility which—

“(i) uses wind to produce electricity (within the meaning of such term as used in section 45(d)(1), as determined without regard to any requirement under such section with respect to the date on which construction of property begins), or

“(ii) uses solar energy to produce electricity (within the meaning of such term as used in section 45(d)(4), as determined without regard to any requirement under such section with respect to the date on which construction of property begins).

“(C) **EXCEPTION.**—This paragraph shall not apply with respect to any energy storage technology which is placed in service at any applicable facility.”.

(b) **RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.**—

(1) **IN GENERAL.**—Section 48E is amended—

(A) in subsection (b)—

(i) by redesignating paragraph (6) as paragraph (7), and

(ii) by inserting after paragraph (5) the following new paragraph:

“(6) **MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTITIES.**—The terms ‘qualified facility’ and ‘qualified interconnection property’ shall not include any facility or property the construction, reconstruction, or erection of which begins after December 31, 2025, if the construction, reconstruction, or erection of such facility or property includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52)).”, and

(B) in subsection (c), by adding at the end the following new paragraph:

“(3) **MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTITIES.**—The term ‘energy storage technology’ shall not include any property the construction of which begins after December

31, 2025, if the construction of such property includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52)).”.

(2) ADDITIONAL RESTRICTIONS.—Section 48E(d) is amended by adding at the end the following new paragraph:

“(6) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

“(A) IN GENERAL.—No credit shall be determined under subsection (a) for any taxable year if the taxpayer is—

“(i) a specified foreign entity (as defined in section 7701(a)(51)(B)), or

“(ii) a foreign-influenced entity (as defined in section 7701(a)(51)(D), without regard to clause (i)(II) thereof).

“(B) EFFECTIVE CONTROL.—In the case of a taxpayer for which section 7701(a)(51)(D)(i)(II) is determined to apply for any taxable year, no credit shall be determined under subsection (a) for such taxable year if such determination relates to a qualified facility described in subsection (b)(3) or energy storage technology described in subsection (c)(2).”.

(3) RECAPTURE.—

(A) IN GENERAL.—Section 50(a) is amended—

(i) by redesignating paragraphs (4) through (6) as paragraphs (5) through (7), respectively,

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

“(4) PAYMENTS TO PROHIBITED FOREIGN ENTITIES.—

“(A) IN GENERAL.—If there is an applicable payment made by a specified taxpayer before the close of the 10-year period beginning on the date such taxpayer placed in service investment credit property which is eligible for the clean electricity investment credit under section 48E(a), then the tax under this chapter for the taxable year in which such applicable payment occurs shall be increased by 100 percent of the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from reducing to zero any credit determined under section 46 which is attributable to the clean electricity investment credit under section 48E(a) with respect to such property.

“(B) APPLICABLE PAYMENT.—For purposes of this paragraph, the term ‘applicable payment’ means, with respect to any taxable year, a payment or payments described in section 7701(a)(51)(D)(i)(II).

“(C) SPECIFIED TAXPAYER.—For purposes of this paragraph, the term ‘specified taxpayer’ means any taxpayer who has been allowed a credit under section 48E(a) for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph.”.

(iii) in paragraph (5), as redesignated by clause (i), by striking “or any applicable transaction to which paragraph (3)(A) applies,” and inserting “any applicable transaction to which paragraph (3)(A) applies, or any applicable payment to which paragraph (4)(A) applies,” and

(iv) in paragraph (7), as redesignated by clause (i), by striking “or (3)” and inserting “(3), or (4)”.

(B) CONFORMING AMENDMENTS.—

(i) Section 1371(d)(1) is amended by striking “section 50(a)(5)” and inserting “section 50(a)(6)”.

(ii) Section 6418(g)(3) is amended by striking “subsection (a)(5)” each place it appears and inserting “subsection (a)(7)”.

(c) DENIAL OF CREDIT FOR EXPENDITURES FOR CERTAIN WIND AND SOLAR LEASING ARRANGEMENTS.—

(1) IN GENERAL.—Section 48E is amended—

(A) by redesignating subsection (i) as subsection (j), and

(B) by inserting after subsection (h) the following new subsection:

“(i) DENIAL OF CREDIT FOR EXPENDITURES FOR WIND AND SOLAR LEASING ARRANGEMENTS.—No credit shall be determined under this section for any qualified investment during the taxable year with respect to property described in paragraph (1) or (4) of section 25D(d) (as applied by substituting ‘lessee’ for ‘taxpayer’) if the taxpayer rents or leases such property to a third party during such taxable year.”.

(2) CONFORMING RULES.—Section 50 is amended by adding at the end the following new subsection:

“(e) RULES FOR GEOTHERMAL HEAT PUMPS.—For purposes of this section and section 168, the ownership of energy property described in section 48(a)(3)(A)(vii) shall be determined without regard to whether such property is readily usable by a person other than the lessee or service recipient.”.

(d) DOMESTIC CONTENT RULES.—Subparagraph (B) of section 48E(a)(3) is amended to read as follows:

“(B) DOMESTIC CONTENT.—Rules similar to the rules of section 48(a)(12) shall apply, except that, for purposes of subparagraph (B) of such section and the application of rules similar to the rules of section 45(b)(9)(B), the adjusted percentage (as determined under section 45(b)(9)(C)) shall be determined as follows:

“(i) In the case of any qualified investment with respect to any qualified facility or energy storage technology the construction of which begins before June 16, 2025, 40 percent (or, in the case of a qualified facility which is an offshore wind facility, 20 percent).

“(ii) In the case of any qualified investment with respect to any qualified facility or energy storage technology the construction of which begins on or after June 16, 2025, and before January 1, 2026, 45 percent (or, in the case of a qualified facility which is an offshore wind facility, 27.5 percent).

“(iii) In the case of any qualified investment with respect to any qualified facility or energy storage technology the construction of which begins during calendar year 2026, 50 percent (or, in the case of a qualified facility which is an offshore wind facility, 35 percent).

“(iv) In the case of any qualified investment with respect to any qualified facility or energy storage technology the construction of which begins after December 31, 2026, 55 percent.”.

(e) ELIMINATION OF ENERGY CREDIT FOR CERTAIN ENERGY PROPERTY.—Section 48(a)(2) is amended—

(1) in subparagraph (A)(ii), by striking “2 percent” and inserting “0 percent”, and

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

“(C) NONAPPLICATION OF INCREASES TO ENERGY PERCENTAGE.—For purposes of energy property described in subparagraph (A)(ii), the energy percentage applicable to such property pursuant to such subparagraph shall not be increased or otherwise adjusted by any provision of this section.”.

(f) APPLICATION OF CLEAN ELECTRICITY INVESTMENT CREDIT TO QUALIFIED FUEL CELL PROPERTY.—Section 48E, as amended by subsection (c), is amended—

(1) by redesignating subsection (j) as subsection (k), and

(2) by inserting after subsection (i) the following new subsection:

“(j) APPLICATION TO QUALIFIED FUEL CELL PROPERTY.—For purposes of this section, in the case of any qualified fuel cell property (as defined in section 48(c)(1), as applied without regard to subparagraph (E) thereof)—

“(1) subsection (b)(3)(A) shall be applied without regard to clause (iii) thereof,

“(2) for purposes of subsection (a)(1), the applicable percentage shall be 30 percent and such percentage shall not be increased or otherwise adjusted by any other provision of this section, and

“(3) subsection (g) shall not apply.”.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraphs (2), (3), (4), and (5), the amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

(2) DOMESTIC CONTENT RULES.—The amendment made by subsection (d) shall apply on or after June 16, 2025.

(3) ELIMINATION OF ENERGY CREDIT FOR CERTAIN ENERGY PROPERTY.—The amendments made by subsection (e) shall apply to property the construction of which begins on or after June 16, 2025.

(4) APPLICATION OF CLEAN ELECTRICITY INVESTMENT CREDIT TO QUALIFIED FUEL CELL PROPERTY.—The amendments made by subsection (f) shall apply to property the construction of which begins after December 31, 2025.

(5) TERMINATION FOR WIND AND SOLAR FACILITIES.—The amendments made by subsection (a) shall apply to facilities the construction of which begins after the date which is 12 months after the date of enactment of this Act.

SEC. 70514. PHASE-OUT AND RESTRICTIONS ON ADVANCED MANUFACTURING PRODUCTION CREDIT.

(a) MODIFICATION OF PROVISION RELATING TO SALE OF INTEGRATED COMPONENTS.—Paragraph (4) of section 45X(d) is amended to read as follows:

“(4) SALE OF INTEGRATED COMPONENTS.—

“(A) IN GENERAL.—For purposes of this section, a person shall be treated as having sold an eligible component to an unrelated person if—

“(i) such component (referred to in this paragraph as the ‘primary component’) is integrated, incorporated, or assembled into another eligible component (referred to in this paragraph as the ‘secondary component’) produced within the same manufacturing facility as the primary component, and

“(ii) the secondary component is sold to an unrelated person.

“(B) ADDITIONAL REQUIREMENTS.—Subparagraph (A) shall only apply with respect to a secondary component for which not less than 65 percent of the total direct material costs which are paid or incurred (within the meaning of section 461 and any regulations issued under section 263A) by the taxpayer to produce such secondary component are attributable to primary components which are mined, produced, or manufactured in the United States.”.

(b) PHASE OUT AND TERMINATION.—Section 45X(b)(3) is amended—

(1) in the heading, by inserting “AND TERMINATION” after “PHASE OUT”,

(2) in subparagraph (A), in the matter preceding clause (i), by striking “subparagraph (C)” and inserting “subparagraphs (C) and (D)”, and

(3) by striking subparagraph (C) and inserting the following:

“(C) PHASE OUT FOR APPLICABLE CRITICAL MINERALS OTHER THAN METALLURGICAL COAL.—

“(i) IN GENERAL.—In the case of any applicable critical mineral (other than metallurgical coal) produced after December 31, 2030, the amount determined under this subsection with respect to such mineral shall be equal to the product of—

“(I) the amount determined under paragraph (1) with respect to such mineral, as determined without regard to this subparagraph, multiplied by

“(II) the phase out percentage under clause (ii).

“(ii) PHASE OUT PERCENTAGE FOR APPLICABLE CRITICAL MINERALS OTHER THAN METALLURGICAL COAL.—The phase out percentage under this clause is equal to—

“(I) in the case of any applicable critical mineral produced during calendar year 2031, 75 percent,

“(II) in the case of any applicable critical mineral produced during calendar year 2032, 50 percent,

“(III) in the case of any applicable critical mineral produced during calendar year 2033, 25 percent, and

“(IV) in the case of any applicable critical mineral produced after December 31, 2033, 0 percent.

“(D) TERMINATION FOR WIND ENERGY COMPONENTS.—This section shall not apply to any wind energy component produced and sold after December 31, 2027.

“(E) TERMINATION FOR METALLURGICAL COAL.—This section shall not apply to any metallurgical coal produced after December 31, 2029.”.

(c) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 45X is amended—

(1) in subsection (c)(1), by adding at the end the following new subparagraph:

“(C) MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTITIES.—In the case of taxable years beginning after the date of enactment of this subparagraph, the term ‘eligible component’ shall not include any property which includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52), as applied by substituting ‘used in a product sold before January 1, 2027’ for ‘used in a product sold before January 1, 2030’ in subparagraph (D)(iv)(II)(bb) thereof).”, and

(2) in subsection (d), as amended by subsection (a) of this section, by adding at the end the following new paragraph:

“(4) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

“(A) IN GENERAL.—No credit shall be determined under subsection (a) for any taxable year if the taxpayer is—

“(i) a specified foreign entity (as defined in section 7701(a)(51)(B)), or

“(ii) a foreign-influenced entity (as defined in section 7701(a)(51)(D), without regard to clause (i)(II) thereof).

“(B) EFFECTIVE CONTROL.—In the case of a taxpayer for which section 7701(a)(51)(D)(i)(II) is determined to apply for any taxable year, no credit shall be determined under subsection (a) for such taxable year if such determination relates to an eligible component described in subsection (c)(1).”.

(d) MODIFICATION OF DEFINITION OF BATTERY MODULE.—Section 45X(c)(5)(B)(iii) is amended—

(1) in subclause (I)(bb), by striking “and” at the end,

(2) in subclause (II), by striking the period at the end and inserting “, and”, and

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

“(III) which is comprised of all other essential equipment needed for battery functionality, such as current collector assemblies and voltage sense harnesses, or any other essential energy collection equipment.”.

(e) INCLUSION OF METALLURGICAL COAL AS AN APPLICABLE CRITICAL MINERAL FOR PURPOSES OF THE ADVANCED MANUFACTURING PRODUCTION CREDIT.—

(1) IN GENERAL.—Section 45X(c)(6) is amended—

(A) by redesignating subparagraphs (R) through (Z) as subparagraphs (S) through (AA), respectively, and

(B) by inserting after subparagraph (Q) the following new subparagraph:

“(R) METALLURGICAL COAL.—Metallurgical coal which is suitable for use in the production of steel (within the

meaning of the notice published by the Department of Energy entitled ‘Critical Material List; Addition of Metallurgical Coal Used for Steelmaking’ (90 Fed. Reg. 22711 (May 29, 2025))), regardless of whether such production occurs inside or outside of the United States.”.

(2) CREDIT AMOUNT.—Section 45X(b)(1)(M) is amended by inserting “(2.5 percent in the case of metallurgical coal)” after “10 percent”.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

(2) MODIFICATION OF PROVISION RELATING TO SALE OF INTEGRATED COMPONENTS.—The amendment made by subsection (a) shall apply to components sold during taxable years beginning after December 31, 2026.

SEC. 70515. RESTRICTION ON THE EXTENSION OF ADVANCED ENERGY PROJECT CREDIT PROGRAM.

(a) IN GENERAL.—Section 48C(e)(3)(C) is amended by striking “shall be increased” and inserting “shall not be increased”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act.

Subchapter B—Enhancement of America-first Energy Policy

SEC. 70521. EXTENSION AND MODIFICATION OF CLEAN FUEL PRODUCTION CREDIT.

(a) PROHIBITION ON FOREIGN FEEDSTOCKS.—

(1) IN GENERAL.—Section 45Z(f)(1)(A) is amended—

(A) in clause (i)(II)(bb), by striking “and” at the end,
(B) in clause (ii), by striking the period at the end
and inserting “, and”, and

(C) by adding at the end the following new clause:
“(iii) such fuel is exclusively derived from a feedstock which was produced or grown in the United States, Mexico, or Canada.”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to transportation fuel produced after December 31, 2025.

(b) PROHIBITION ON NEGATIVE EMISSION RATES.—

(1) IN GENERAL.—Section 45Z(b)(1) is amended—

(A) by striking subparagraph (C) and inserting the following:

“(C) ROUNDING OF EMISSIONS RATE.—The Secretary may round the emissions rates under subparagraph (B) to the nearest multiple of 5 kilograms of CO₂e per mmBTU.”, and

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

“(E) PROHIBITION ON NEGATIVE EMISSION RATES.—For purposes of this section, the emissions rate for a transportation fuel may not be less than zero.”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to emissions rates published for transportation fuel produced after December 31, 2025.

(c) DETERMINATION OF EMISSIONS RATE.—

(1) IN GENERAL.—Section 45Z(b)(1)(B) is amended by adding at the end the following new clauses:

“(iv) EXCLUSION OF INDIRECT LAND USE CHANGES.—Notwithstanding clauses (i), (ii), and (iii), the emissions rate shall be adjusted as necessary to exclude any emissions attributed to indirect land use change. Any such adjustment shall be based on regulations or methodologies determined by the Secretary.

“(v) ANIMAL MANURES.—With respect to any transportation fuel which is derived from animal manure, the Secretary—

“(I) shall provide a distinct emissions rate with respect to such fuel based on the specific animal manure feedstock, which may include dairy manure, swine manure, poultry manure, or any other sources as are determined appropriate by the Secretary, and

“(II) notwithstanding subparagraph (E), may provide an emissions rate that is less than zero.”.

(2) CONFORMING AMENDMENT.—Section 45Z(b)(1)(B)(i) is amended by striking “clauses (ii) and (iii)” and inserting “clauses (ii), (iii), (iv), and (v)”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to emissions rates published for transportation fuel produced after December 31, 2025.

(d) EXTENSION OF CLEAN FUEL PRODUCTION CREDIT.—Section 45Z(g) is amended by striking “December 31, 2027” and inserting “December 31, 2029”.

(e) PREVENTING DOUBLE CREDIT.—Section 45Z(d)(5) is amended—

(1) in subparagraph (A)—

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

(B) in clause (iii), by striking the period at the end and inserting “, and”, and

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

“(iv) is not produced from a fuel for which a credit under this section is allowable.”, and

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

“(C) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary to carry out the purposes of subparagraph (A)(iv).”.

(f) SALES TO UNRELATED PERSONS.—Section 45Z(f)(3) is amended by adding at the end the following: “The Secretary may prescribe additional related person rules similar to the rule described in the preceding sentence for entities which are not described in such sentence, including rules for related persons with respect to which the taxpayer has reason to believe will sell fuel to an unrelated person in a manner described in subsection (a)(4).”.

(g) TREATMENT OF SUSTAINABLE AVIATION FUEL.—

(1) COORDINATION OF CREDITS.—

(A) IN GENERAL.—Section 6426(k) is amended by adding at the end the following new paragraph:

“(4) COORDINATION OF CREDITS.—With respect to any gallon of sustainable aviation fuel in a qualified mixture, this subsection shall not apply to any such gallon for which a credit

under section 45Z is allowable (as determined without regard to subsection (a)(1)(A) of such section).”.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to—

(i) fuel sold or used on or after the date of the enactment of this Act, and

(ii) fuel sold or used before the date of enactment of this Act, but only to the extent that claims for the credit under section 6426(k) of the Internal Revenue Code of 1986 with respect to such sale or use have not been paid or allowed as of such date.

(2) ELIMINATION OF SPECIAL RATE.—

(A) IN GENERAL.—Paragraph (3) of section 45Z(a) is amended to read as follows:

“(3) DEFINITION OF SUSTAINABLE AVIATION FUEL.—For purposes of this section, the term ‘sustainable aviation fuel’ means liquid fuel, the portion of which is not kerosene, which is sold for use in an aircraft and which—

“(A) meets the requirements of—

“(i) ASTM International Standard D7566, or

“(ii) the Fischer Tropsch provisions of ASTM International Standard D1655, Annex A1, and

“(B) is not derived from palm fatty acid distillates or petroleum.”.

(B) CONFORMING AMENDMENT.—Section 45Z(c)(1) is amended by striking “, the \$1.00 amount in subsection (a)(2)(B), the 35 cent amount in subsection (a)(3)(A)(i), and the \$1.75 amount in subsection (a)(3)(A)(ii)” and inserting “and the \$1.00 amount in subsection (a)(2)(B)”.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to fuel produced after December 31, 2025.

(h) SUSTAINABLE AVIATION FUEL CREDIT.—Section 6426(k), as amended by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

“(5) TERMINATION.—This subsection shall not apply to any sale or use for any period after September 30, 2025.”.

(i) REGISTRATION OF PRODUCERS OF FUEL ELIGIBLE FOR CLEAN FUEL PRODUCTION CREDIT.—

(1) IN GENERAL.—Section 13704(b)(5) of Public Law 117-169 is amended by striking “after ‘section 6426(k)(3),’” and inserting “after ‘section 40B),’”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to transportation fuel produced after December 31, 2024.

(j) EXTENSION AND MODIFICATION OF SMALL AGRI-BIODIESEL PRODUCER CREDIT.—

(1) IN GENERAL.—Section 40A is amended—

(A) in subsection (b)(4)—

(i) in subparagraph (A), by striking “10 cents” and inserting “20 cents”,

(ii) in subparagraph (B), by inserting “in a manner which complies with the requirements under section 45Z(f)(1)(A)(iii)” after “produced by an eligible small agri-biodiesel producer”, and

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

“(D) COORDINATION WITH CLEAN FUEL PRODUCTION CREDIT.—The credit determined under this paragraph with respect to any gallon of fuel shall be in addition to any credit determined under section 45Z with respect to such gallon of fuel.”, and

(B) in subsection (g), by inserting “(or, in the case of the small agri-biodiesel producer credit, any sale or use after December 31, 2026)” after “December 31, 2024”.

(2) TRANSFER OF CREDIT.—Section 6418(f)(1)(A) is amended by adding at the end the following new clause:

“(xii) So much of the biodiesel fuels credit determined under section 40A which consists of the small agri-biodiesel producer credit determined under subsection (b)(4) of such section.”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to fuel sold or used after June 30, 2025.

(k) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

(1) IN GENERAL.—Section 45Z(f) is amended by adding at the end the following new paragraph:

“(8) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—

“(A) IN GENERAL.—No credit shall be determined under subsection (a) for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is a specified foreign entity (as defined in section 7701(a)(51)(B)).

“(B) OTHER PROHIBITED FOREIGN ENTITIES.—No credit shall be determined under subsection (a) for any taxable year beginning after the date which is 2 years after the date of enactment of this paragraph if the taxpayer is a foreign-influenced entity (as defined in section 7701(a)(51)(D), without regard to clause (i)(II) thereof).”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 70522. RESTRICTIONS ON CARBON OXIDE SEQUESTRATION CREDIT.

(a) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—Section 45Q(f) is amended by adding at the end the following new paragraph:

“(10) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—No credit shall be determined under subsection (a) for any taxable year beginning after the date of enactment of this paragraph if the taxpayer is—

“(A) a specified foreign entity (as defined in section 7701(a)(51)(B)), or

“(B) a foreign-influenced entity (as defined in section 7701(a)(51)(D), determined without regard to clause (i)(II) thereof).”.

(b) PARITY FOR DIFFERENT USES AND UTILIZATIONS OF QUALIFIED CARBON OXIDE.—Section 45Q is amended—

(1) in subsection (a)—

(A) in paragraph (2)(B)(ii), by adding “and” at the end,

(B) in paragraph (3), by striking subparagraph (B) and inserting the following:

“(B)(i) disposed of by the taxpayer in secure geological storage and not used by the taxpayer as described in clause (ii) or (iii),

“(ii) used by the taxpayer as a tertiary injectant in a qualified enhanced oil or natural gas recovery project and disposed of by the taxpayer in secure geological storage, or

“(iii) utilized by the taxpayer in a manner described in subsection (f)(5).”, and

(C) by striking paragraph (4),

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL.—Except as provided in subparagraph (B) or (C), the applicable dollar amount shall be an amount equal to—

“(i) for any taxable year beginning in a calendar year after 2024 and before 2027, \$17, and

“(ii) for any taxable year beginning in a calendar year after 2026, an amount equal to the product of \$17 and the inflation adjustment factor for such calendar year determined under section 43(b)(3)(B) for such calendar year, determined by substituting ‘2025’ for ‘1990’.”, and

(ii) in subparagraph (B), by striking “shall be applied” and all that follows through the period and inserting “shall be applied by substituting ‘\$36’ for ‘\$17’ each place it appears.”,

(B) in paragraph (2)(B), by striking “paragraphs (3)(A) and (4)(A)” and inserting “paragraph (3)(A)”, and

(C) in paragraph (3), by striking “the dollar amounts applicable under paragraph (3) or (4)” and inserting “the dollar amount applicable under paragraph (3)”,

(3) in subsection (f)—

(A) in paragraph (5)(B)(i), by striking “(4)(B)(ii)” and inserting “(3)(B)(iii)”, and

(B) in paragraph (9), by striking “paragraphs (3) and (4) of subsection (a)” and inserting “subsection (a)(3)”, and

(4) in subsection (h)(3)(A)(ii), by striking “paragraph (3)(A) or (4)(A) of subsection (a)” and inserting “subsection (a)(3)(A)”.

(c) CONFORMING AMENDMENT.—Section 6417(d)(3)(C)(i)(II)(bb) is amended by striking “paragraph (3)(A) or (4)(A) of section 45Q(a)” and inserting “section 45Q(a)(3)(A)”.

(d) EFFECTIVE DATES.—

(1) RESTRICTIONS RELATING TO PROHIBITED FOREIGN ENTITIES.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of enactment of this Act.

(2) PARITY FOR DIFFERENT USES AND UTILIZATIONS OF QUALIFIED CARBON OXIDE.—The amendments made subsections (b) and (c) shall apply to facilities or equipment placed in service after the date of enactment of this Act.

SEC. 70523. INTANGIBLE DRILLING AND DEVELOPMENT COSTS TAKEN INTO ACCOUNT FOR PURPOSES OF COMPUTING ADJUSTED FINANCIAL STATEMENT INCOME.

(a) IN GENERAL.—Section 56A(c)(13) is amended—

(1) by striking subparagraph (A) and inserting the following:

“(A) reduced by—

“(i) depreciation deductions allowed under section 167 with respect to property to which section 168 applies to the extent of the amount allowed as deductions in computing taxable income for the year, and

“(ii) any deduction allowed for expenses under section 263(c) (including any deduction for such expenses under section 59(e) or 291(b)(2)) with respect to property described therein to the extent of the amount allowed as deductions in computing taxable income for the year, and”, and

(2) by striking subparagraph (B)(i) and inserting the following:

“(i) to disregard any amount of—

“(I) depreciation expense that is taken into account on the taxpayer’s applicable financial statement with respect to such property, and

“(II) depletion expense that is taken into account on the taxpayer’s applicable financial statement with respect to the intangible drilling and development costs of such property, and”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70524. INCOME FROM HYDROGEN STORAGE, CARBON CAPTURE, ADVANCED NUCLEAR, HYDROPOWER, AND GEOTHERMAL ENERGY ADDED TO QUALIFYING INCOME OF CERTAIN PUBLICLY TRADED PARTNERSHIPS.

(a) IN GENERAL.—Section 7704(d)(1)(E) is amended—

(1) by striking “income and gains derived from the exploration” and inserting the following: “income and gains derived from—

“(i) the exploration”.

(2) by inserting “or” before “industrial source”, and

(3) by striking “or the transportation or storage” and all that follows and inserting the following:

“(ii) the transportation or storage of—

“(I) any fuel described in subsection (b), (c), (d), (e), or (k) of section 6426, or any alcohol fuel defined in section 6426(b)(4)(A) or any biodiesel fuel as defined in section 40A(d)(1) or sustainable aviation fuel as defined in section 40B(d)(1), or

“(II) liquified hydrogen or compressed hydrogen,

“(iii) in the case of a qualified facility (as defined in section 45Q(d), without regard to any date by which construction of the facility or equipment is required to begin) not less than 50 percent of the total carbon oxide production of which is qualified carbon oxide (as defined in section 45Q(c))—

“(I) the generation, availability for such generation, or storage of electric power at such facility, or

“(II) the capture of carbon dioxide by such facility,

“(iv) the production of electricity from any advanced nuclear facility (as defined in section 45J(d)(2)),

“(v) the production of electricity or thermal energy exclusively using a qualified energy resource described in subparagraph (D) or (H) of section 45(c)(1), or

“(vi) the operation of energy property described in clause (iii) or (vii) of section 48(a)(3)(A) (determined without regard to any requirement under such section with respect to the date on which construction of property begins).”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70525. ALLOW FOR PAYMENTS TO CERTAIN INDIVIDUALS WHO DYE FUEL.

(a) **IN GENERAL.**—Subchapter B of chapter 65, as amended by the preceding provisions of this Act, is amended by adding at the end the following new section:

“SEC. 6435. DYED FUEL.

“(a) **IN GENERAL.**—If a person establishes to the satisfaction of the Secretary that such person meets the requirements of subsection (b) with respect to diesel fuel or kerosene, then the Secretary shall pay to such person an amount (without interest) equal to the tax described in subsection (b)(2)(A) with respect to such diesel fuel or kerosene.

“(b) **REQUIREMENTS.**—

“(1) **IN GENERAL.**—A person meets the requirements of this subsection with respect to diesel fuel or kerosene if such person removes from a terminal eligible indelibly dyed diesel fuel or kerosene.

“(2) **ELIGIBLE INDELIBLY DYED DIESEL FUEL OR KEROSENE DEFINED.**—The term ‘eligible indelibly dyed diesel fuel or kerosene’ means diesel fuel or kerosene—

“(A) with respect to which a tax under section 4081 was previously paid (and not credited or refunded), and

“(B) which is exempt from taxation under section 4082(a).

“(c) **CROSS REFERENCE.**—For civil penalty for excessive claims under this section, see section 6675.”.

(b) **CONFORMING AMENDMENTS.**—

(1) Section 6206 is amended—

(A) by striking “or 6427” each place it appears and inserting “6427, or 6435”, and

(B) by striking “6420 and 6421” and inserting “6420, 6421, and 6435”.

(2) Section 6430 is amended—

(A) by striking “or” at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting “, or”, and by adding at the end the following new paragraph:

“(4) which are removed as eligible indelibly dyed diesel fuel or kerosene under section 6435.”.

(3) Section 6675 is amended—

(A) in subsection (a), by striking “or 6427 (relating to fuels not used for taxable purposes)” and inserting “6427 (relating to fuels not used for taxable purposes), or 6435 (relating to eligible indelibly dyed fuel)”, and

(B) in subsection (b)(1), by striking “6421, or 6427,” and inserting “6421, 6427, or 6435,”.

(4) The table of sections for subchapter B of chapter 65, as amended by the preceding provisions of this Act, is amended by adding at the end the following new item:

“Sec. 6435. Dyed fuel.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to eligible indelibly dyed diesel fuel or kerosene removed on or after the date that is 180 days after the date of the enactment of this section.

Subchapter C—Other Reforms

SEC. 70531. MODIFICATIONS TO DE MINIMIS ENTRY PRIVILEGE FOR COMMERCIAL SHIPMENTS.

(a) **CIVIL PENALTY.**—

(1) **ADDITIONAL PENALTY IMPOSED.**—Section 321 of the Tariff Act of 1930 (19 U.S.C. 1321) is amended by adding at the end the following new subsection:

“(c) Any person who enters, introduces, facilitates, or attempts to introduce an article into the United States using the privilege of this section, the importation of which violates any other provision of United States customs law, shall be assessed, in addition to any other penalty permitted by law, a civil penalty of up to \$5,000 for the first violation and up to \$10,000 for each subsequent violation.”.

(2) **EFFECTIVE DATE.**—The amendment made by paragraph (1) shall take effect 30 days after the date of the enactment of this Act.

(b) **REPEAL OF COMMERCIAL SHIPMENT EXCEPTION.**—

(1) **REPEAL.**—Section 321(a)(2) of such Act (19 U.S.C. 1321(a)(2)) is amended by striking “of this Act, or” and all that follows through “subdivision (2); and” and inserting “of this Act; and”.

(2) **CONFORMING REPEAL.**—Subsection (c) of such section 321, as added by subsection (a) of this section, is repealed.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall take effect on July 1, 2027.

CHAPTER 6—ENHANCING DEDUCTION AND INCOME TAX CREDIT GUARDRAILS, AND OTHER REFORMS

SEC. 70601. MODIFICATION AND EXTENSION OF LIMITATION ON EXCESS BUSINESS LOSSES OF NONCORPORATE TAXPAYERS.

(a) **RULE MADE PERMANENT.**—Section 461(l)(1) is amended by striking “and before January 1, 2029,” each place it appears.

(b) **ADJUSTMENT OF AMOUNTS FOR CALCULATION OF EXCESS BUSINESS LOSS.**—Section 461(l)(3)(C) is amended—

(1) in the matter preceding clause (i), by striking “December 31, 2018” and inserting “December 31, 2025”, and

(2) in clause (ii), by striking “2017” and inserting “2024”.

(c) EFFECTIVE DATES.—

(1) RULE MADE PERMANENT.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2026.

(2) ADJUSTMENT OF AMOUNTS FOR CALCULATION OF EXCESS BUSINESS LOSS.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2025.

SEC. 70602. TREATMENT OF PAYMENTS FROM PARTNERSHIPS TO PARTNERS FOR PROPERTY OR SERVICES.

(a) IN GENERAL.—Section 707(a)(2) is amended by striking “Under regulations prescribed” and inserting “Except as provided”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to services performed, and property transferred, after the date of the enactment of this Act.

(c) RULE OF CONSTRUCTION.—Nothing in this section, or the amendments made by this section, shall be construed to create any inference with respect to the proper treatment under section 707(a) of the Internal Revenue Code of 1986 with respect to payments from a partnership to a partner for services performed, or property transferred, on or before the date of the enactment of this Act.

SEC. 70603. EXCESSIVE EMPLOYEE REMUNERATION FROM CONTROLLED GROUP MEMBERS AND ALLOCATION OF DEDUCTION.

(a) APPLICATION OF AGGREGATION RULES.—Section 162(m) is amended by adding at the end the following new paragraph:

“(7) REMUNERATION FROM CONTROLLED GROUP MEMBERS.—

“(A) IN GENERAL.—In the case of any publicly held corporation which is a member of a controlled group—

“(i) paragraph (1) shall be applied by substituting ‘specified covered employee’ for ‘covered employee’, and

“(ii) if any person which is a member of such controlled group (other than such publicly held corporation) provides applicable employee remuneration to an individual who is a specified covered employee of such controlled group and the aggregate amount described in subparagraph (B)(ii) with respect to such specified covered employee exceeds \$1,000,000—

“(I) paragraph (1) shall apply to such person with respect to such remuneration, and

“(II) paragraph (1) shall apply to such publicly held corporation and to each such related person by substituting ‘the allocable limitation amount’ for ‘\$1,000,000’.

“(B) ALLOCABLE LIMITATION AMOUNT.—For purposes of this paragraph, the term ‘allocable limitation amount’ means, with respect to any member of the controlled group referred to in subparagraph (A) with respect to any specified covered employee of such controlled group, the amount which bears the same ratio to \$1,000,000 as—

“(i) the amount of applicable employee remuneration provided by such member with respect to such specified covered employee, bears to

“(ii) the aggregate amount of applicable employee remuneration provided by all such members with respect to such specified covered employee.

“(C) SPECIFIED COVERED EMPLOYEE.—For purposes of this paragraph, the term ‘specified covered employee’ means, with respect to any controlled group—

“(i) any employee described in subparagraph (A), (B), or (D) of paragraph (3), with respect to the publicly held corporation which is a member of such controlled group, and

“(ii) any employee who would be described in subparagraph (C) of paragraph (3) if such subparagraph were applied by taking into account the employees of all members of the controlled group.

“(D) CONTROLLED GROUP.—For purposes of this paragraph, the term ‘controlled group’ means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70604. EXCISE TAX ON CERTAIN REMITTANCE TRANSFERS.

(a) IN GENERAL.—Chapter 36 is amended by inserting after subchapter B the following new subchapter:

“Subchapter C—Remittance Transfers

“Sec. 4475. Imposition of tax.

“SEC. 4475. IMPOSITION OF TAX.

“(a) IN GENERAL.—There is hereby imposed on any remittance transfer a tax equal to 1 percent of the amount of such transfer.

“(b) PAYMENT OF TAX.—

“(1) IN GENERAL.—The tax imposed by this section with respect to any remittance transfer shall be paid by the sender with respect to such transfer.

“(2) COLLECTION OF TAX.—The remittance transfer provider with respect to any remittance transfer shall collect the amount of the tax imposed under subsection (a) with respect to such transfer from the sender and remit such tax quarterly to the Secretary at such time and in such manner as provided by the Secretary,

“(3) SECONDARY LIABILITY.—Where any tax imposed by subsection (a) is not paid at the time the transfer is made, then to the extent that such tax is not collected, such tax shall be paid by the remittance transfer provider.

“(c) TAX LIMITED TO CASH AND SIMILAR INSTRUMENTS.—The tax imposed under subsection (a) shall apply only to any remittance transfer for which the sender provides cash, a money order, a cashier’s check, or any other similar physical instrument (as determined by the Secretary) to the remittance transfer provider.

“(d) NONAPPLICATION TO CERTAIN NONCASH REMITTANCE TRANSFERS.—Subsection (a) shall not apply to any remittance transfer for which the funds being transferred are—

“(1) withdrawn from an account held in or by a financial institution—

“(A) which is described in subparagraphs (A) through (H) of section 5312(a)(2) of title 31, United States Code, and

“(B) that is subject to the requirements under subchapter II of chapter 53 of such title, or

“(2) funded with a debit card or a credit card which is issued in the United States.

“(e) DEFINITIONS.—For purposes of this section—

“(1) IN GENERAL.—The terms ‘remittance transfer’, ‘remittance transfer provider’, and ‘sender’ shall each have the respective meanings given such terms by section 919(g) of the Electronic Fund Transfer Act (15 U.S.C. 1693o–1(g)).

“(2) CREDIT CARD.—The term ‘credit card’ has the same meaning given such term under section 920(c)(3) of the Electronic Fund Transfer Act (15 U.S.C. 1693o–2(c)(3)).

“(3) DEBIT CARD.—The term ‘debit card’ has the same meaning given such term under section 920(c)(2) of the Electronic Fund Transfer Act (15 U.S.C. 1693o–2(c)(2)), without regard to subparagraph (B) of such section.

“(f) APPLICATION OF ANTI-CONDUIT RULES.—For purposes of section 7701(l), with respect to any multiple-party arrangements involving the sender, a remittance transfer shall be treated as a financing transaction.”.

(b) CONFORMING AMENDMENT.—The table of subchapters for chapter 36 is amended by inserting after the item relating to subchapter B the following new item:

“SUBCHAPTER C—REMITTANCE TRANSFERS”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers made after December 31, 2025.

SEC. 70605. ENFORCEMENT PROVISIONS WITH RESPECT TO COVID-RELATED EMPLOYEE RETENTION CREDITS.

(a) ASSESSABLE PENALTY FOR FAILURE TO COMPLY WITH DUE DILIGENCE REQUIREMENTS.—

(1) IN GENERAL.—Any COVID-ERTC promoter which provides aid, assistance, or advice with respect to any COVID-ERTC document and which fails to comply with due diligence requirements imposed by the Secretary with respect to determining eligibility for, or the amount of, any credit or advance payment of a credit under section 3134 of the Internal Revenue Code of 1986, shall pay a penalty of \$1,000 for each such failure.

(2) DUE DILIGENCE REQUIREMENTS.—The due diligence requirements referred to in paragraph (1) shall be similar to the due diligence requirements imposed under section 6695(g) of the Internal Revenue Code of 1986.

(3) RESTRICTION TO DOCUMENTS USED IN CONNECTION WITH RETURNS OR CLAIMS FOR REFUND.—Paragraph (1) shall not apply with respect to any COVID-ERTC document unless such document constitutes, or relates to, a return or claim for refund.

(4) TREATMENT AS ASSESSABLE PENALTY, ETC.—For purposes of the Internal Revenue Code of 1986, the penalty imposed under paragraph (1) shall be treated as a penalty which is imposed under section 6695(g) of such Code and assessed under section 6201 of such Code.

(5) SECRETARY.—For purposes of this subsection, the term “Secretary” means the Secretary of the Treasury or the Secretary’s delegate.

(b) COVID-ERTC PROMOTER.—For purposes of this section—

(1) IN GENERAL.—The term “COVID-ERTC promoter” means, with respect to any COVID-ERTC document, any person which provides aid, assistance, or advice with respect to such document if—

(A) such person charges or receives a fee for such aid, assistance, or advice which is based on the amount of the refund or credit with respect to such document and, with respect to such person’s taxable year in which such person provided such assistance or the preceding taxable year, the aggregate of the gross receipts of such person for aid, assistance, and advice with respect to all COVID-ERTC documents exceeds 20 percent of the gross receipts of such person for such taxable year, or

(B) with respect to such person’s taxable year in which such person provided such assistance or the preceding taxable year—

(i) the aggregate of the gross receipts of such person for aid, assistance, and advice with respect to all COVID-ERTC documents exceeds 50 percent of the gross receipts of such person for such taxable year, or

(ii) both—

(I) such aggregate gross receipts exceed 20 percent of the gross receipts of such person for such taxable year, and

(II) the aggregate of the gross receipts of such person for aid, assistance, and advice with respect to all COVID-ERTC documents (determined after application of paragraph (3)) exceeds \$500,000.

(2) EXCEPTION FOR CERTIFIED PROFESSIONAL EMPLOYER ORGANIZATIONS.—The term “COVID-ERTC promoter” shall not include a certified professional employer organization (as defined in section 7705 of the Internal Revenue Code of 1986).

(3) AGGREGATION RULE.—For purposes of paragraph (1), all persons treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986, or subsection (m) or (o) of section 414 of such Code, shall be treated as 1 person.

(4) SHORT TAXABLE YEARS.—In the case of any taxable year of less than 12 months, a person shall be treated as a COVID-ERTC promoter if such person is described in paragraph (1) either with respect to such taxable year or by treating any reference to such taxable year as a reference to the calendar year in which such taxable year begins.

(c) COVID-ERTC DOCUMENT.—For purposes of this section, the term “COVID-ERTC document” means any return, affidavit, claim, or other document related to any credit or advance payment of a credit under section 3134 of the Internal Revenue Code of 1986, including any document related to eligibility for, or the calculation or determination of any amount directly related to, any such credit or advance payment.

(d) LIMITATION ON CREDITS AND REFUNDS.—Notwithstanding section 6511 of the Internal Revenue Code of 1986, no credit under

section 3134 of the Internal Revenue Code of 1986 shall be allowed, and no refund with respect to any such credit shall be made, after the date of the enactment of this Act, unless a claim for such credit or refund was filed by the taxpayer on or before January 31, 2024.

(e) EXTENSION OF LIMITATION ON ASSESSMENT.—Section 3134(l) is amended to read as follows:

“(1) EXTENSION OF LIMITATION ON ASSESSMENT.—

“(1) IN GENERAL.—Notwithstanding section 6501, the limitation on the time period for the assessment of any amount attributable to a credit claimed under this section shall not expire before the date that is 6 years after the latest of—

“(A) the date on which the original return which includes the calendar quarter with respect to which such credit is determined is filed,

“(B) the date on which such return is treated as filed under section 6501(b)(2), or

“(C) the date on which the claim for credit or refund with respect to such credit is made.

“(2) DEDUCTION FOR WAGES TAKEN INTO ACCOUNT IN DETERMINING IMPROPERLY CLAIMED CREDIT.—

“(A) IN GENERAL.—Notwithstanding section 6511, in the case of an assessment attributable to a credit claimed under this section, the limitation on the time period for credit or refund of any amount attributable to a deduction for improperly claimed ERTC wages shall not expire before the time period for such assessment expires under paragraph (1).

“(B) IMPROPERLY CLAIMED ERTC WAGES.—For purposes of this paragraph, the term ‘improperly claimed ERTC wages’ means, with respect to an assessment attributable to a credit claimed under this section, the wages with respect to which a deduction would not have been allowed if the portion of the credit to which such assessment relates had been properly claimed.”.

(f) AMENDMENT TO PENALTY FOR ERRONEOUS CLAIM FOR REFUND OR CREDIT.—Section 6676(a) is amended by striking “income tax” and inserting “income or employment tax”.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—The provisions of this section shall apply to aid, assistance, and advice provided after the date of the enactment of this Act.

(2) LIMITATION ON CREDITS AND REFUNDS.—Subsection (d) shall apply to credits and refunds allowed or made after the date of the enactment of this Act.

(3) EXTENSION OF LIMITATION ON ASSESSMENT.—The amendment made by subsection (e) shall apply to assessments made after the date of the enactment of this Act.

(4) AMENDMENT TO PENALTY FOR ERRONEOUS CLAIM FOR REFUND OR CREDIT.—The amendment made by subsection (f) shall apply to claims for credit or refund after the date of the enactment of this Act.

(h) REGULATIONS.—The Secretary (as defined in subsection (a)(5)) shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section (and the amendments made by this section).

SEC. 70606. SOCIAL SECURITY NUMBER REQUIREMENT FOR AMERICAN OPPORTUNITY AND LIFETIME LEARNING CREDITS.

(a) **SOCIAL SECURITY NUMBER OF TAXPAYER REQUIRED.**—Section 25A(g)(1) is amended to read as follows:

“(1) **IDENTIFICATION REQUIREMENT.**—

“(A) **SOCIAL SECURITY NUMBER REQUIREMENT.**—No credit shall be allowed under subsection (a) to an individual unless the individual includes on the return of tax for the taxable year—

“(i) such individual’s social security number, and

“(ii) in the case of a credit with respect to the qualified tuition and related expenses of an individual other than the taxpayer or the taxpayer’s spouse, the name and social security number of such individual.

“(B) **INSTITUTION.**—No American Opportunity Tax Credit shall be allowed under this section unless the taxpayer includes the employer identification number of any institution to which the taxpayer paid qualified tuition and related expenses taken into account under this section on the return of tax for the taxable year.

“(C) **SOCIAL SECURITY NUMBER DEFINED.**—For purposes of this paragraph, the term ‘social security number’ shall have the meaning given such term in section 24(h)(7).”.

(b) **OMISSION TREATED AS MATHEMATICAL OR CLERICAL ERROR.**—Section 6213(g)(2)(J) is amended by striking “TIN” and inserting “social security number or employer identification number”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 70607. TASK FORCE ON THE REPLACEMENT OF DIRECT FILE.

Out of any money in the Treasury not otherwise appropriated, there is hereby appropriated for the fiscal year ending September 30, 2026, \$15,000,000, to remain available until September 30, 2026, for necessary expenses of the Department of the Treasury to deliver to Congress, within 90 days following the date of the enactment of this Act, a report on—

(1) the cost of enhancing and establishing public-private partnerships which provide for free tax filing for up to 70 percent of all taxpayers calculated by adjusted gross income, and to replace any direct e-file programs run by the Internal Revenue Service;

(2) taxpayer opinions and preferences regarding a taxpayer-funded, government-run service or a free service provided by the private sector;

(3) assessment of the feasibility of a new approach, how to make the options consistent and simple for taxpayers across all participating providers, and how to provide features to address taxpayer needs; and

(4) the cost (including options for differential coverage based on taxpayer adjusted gross income and return complexity) of developing and running a free direct e-file tax return system, including costs to build and administer each release.

Subtitle B—Health

CHAPTER 1—MEDICAID

Subchapter A—Reducing Fraud and Improving Enrollment Processes

SEC. 71101. MORATORIUM ON IMPLEMENTATION OF RULE RELATING TO ELIGIBILITY AND ENROLLMENT IN MEDICARE SAVINGS PROGRAMS.

(a) IN GENERAL.—The Secretary of Health and Human Services shall not, during the period beginning on the date of the enactment of this section and ending September 30, 2034, implement, administer, or enforce the amendments made by the provisions of the final rule published by the Centers for Medicare & Medicaid Services on September 21, 2023, and titled “Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment” (88 Fed. Reg. 65230) to the following sections of title 42, Code of Federal Regulations:

- (1) Section 406.21(c).
- (2) Section 435.4.
- (3) Section 435.601.
- (4) Section 435.911.
- (5) Section 435.952.

(b) IMPLEMENTATION FUNDING.—For the purposes of carrying out the provisions of this section and section 71102, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services, \$1,000,000 for fiscal year 2026, to remain available until expended.

SEC. 71102. MORATORIUM ON IMPLEMENTATION OF RULE RELATING TO ELIGIBILITY AND ENROLLMENT FOR MEDICAID, CHIP, AND THE BASIC HEALTH PROGRAM.

The Secretary of Health and Human Services shall not, during the period beginning on the date of the enactment of this section and ending September 30, 2034, implement, administer, or enforce the amendments made by the provisions of the final rule published by the Centers for Medicare & Medicaid Services on April 2, 2024, and titled “Medicaid Program; Streamlining the Medicaid, Children’s Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes” (89 Fed. Reg. 22780) to the following sections of title 42, Code of Federal Regulations:

- (1) PART 431.—
 - (A) Section 431.213(d).
- (2) PART 435.—
 - (A) Section 435.222.
 - (B) Section 435.407.
 - (C) Section 435.907.
 - (D) Section 435.911(c).
 - (E) Section 435.912.
 - (F) Section 435.916.
 - (G) Section 435.919.
 - (H) Section 435.1200(b)(3)(i)-(v).
 - (I) Section 435.1200(e)(1)(ii).
 - (J) Section 435.1200(h)(1).

(3) PART 447.—Section 447.56(a)(1)(v).

(4) PART 457.—

(A) Section 457.344.

(B) Section 457.960.

(C) Section 457.1140(d)(4).

(D) Section 457.1170.

(E) Section 457.1180.

SEC. 71103. REDUCING DUPLICATE ENROLLMENT UNDER THE MEDICAID AND CHIP PROGRAMS.

(a) MEDICAID.—

(1) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(A) in subsection (a)—

(i) in paragraph (86), by striking “and” at the end;

(ii) in paragraph (87), by striking the period and inserting “; and”; and

(iii) by inserting after paragraph (87) the following new paragraph:

“(88) provide—

“(A) beginning not later than January 1, 2027, in the case of 1 of the 50 States and the District of Columbia, for a process to regularly obtain address information for individuals enrolled under such plan (or a waiver of such plan) in accordance with subsection (vv); and

“(B) beginning not later than October 1, 2029—

“(i) for the State to submit to the system established by the Secretary under subsection (uu), with respect to an individual enrolled or seeking to enroll under such plan, not less frequently than once each month and during each determination or redetermination of the eligibility of such individual for medical assistance under such plan (or waiver of such plan)—

“(I) the social security number of such individual, if such individual has a social security number and is required to provide such number to enroll under such plan (or waiver); and

“(II) such other information with respect to such individual as determined necessary by the Secretary for purposes of preventing individuals from simultaneously being enrolled under State plans (or waivers of such plans) of multiple States;

“(ii) for the use of such system to prevent such simultaneous enrollment; and

“(iii) in the case that such system indicates that an individual enrolled or seeking to enroll under such plan (or waiver of such plan) is enrolled under a State plan (or waiver of such a plan) of another State, for the taking of appropriate action (as determined by the Secretary) to identify whether such an individual resides in the State and disenroll an individual from the State plan of such State if such individual does not reside in such State (unless such individual meets such an exception as the Secretary may specify).”; and

(B) by adding at the end the following new subsections:

“(uu) PREVENTION OF ENROLLMENT UNDER MULTIPLE STATE PLANS.—

“(1) IN GENERAL.—Not later than October 1, 2029, the Secretary shall establish a system to be utilized by the Secretary and States to prevent an individual from being simultaneously enrolled under the State plans (or waivers of such plans) of multiple States. Such system shall—

“(A) provide for the receipt of information submitted by a State under subsection (a)(88)(B)(i); and

“(B) not less than once each month, transmit information to a State (or allow the Secretary to transmit information to a State) regarding whether an individual enrolled or seeking to enroll under the State plan of such State (or waiver of such plan) is enrolled under the State plan (or waiver of such plan) of another State.

“(2) STANDARDS.—The Secretary shall establish such standards as determined necessary by the Secretary to limit and protect information submitted under such system and ensure the privacy of such information, consistent with subsection (a)(7).

“(3) IMPLEMENTATION FUNDING.—There are appropriated to the Administrator of the Centers for Medicare & Medicaid Services, out of amounts in the Treasury not otherwise appropriated, in addition to amounts otherwise available—

“(A) for fiscal year 2026, \$10,000,000 for purposes of establishing the system and standards required under this subsection, to remain available until expended; and

“(B) for fiscal year 2029, \$20,000,000 for purposes of maintaining such system, to remain available until expended.

“(vv) PROCESS TO OBTAIN ENROLLEE ADDRESS INFORMATION.—

“(1) IN GENERAL.—For purposes of subsection (a)(88)(A), a process to regularly obtain address information for individuals enrolled under a State plan (or a waiver of such plan) shall obtain address information from reliable data sources described in paragraph (2) and take such actions as the Secretary shall specify with respect to any changes to such address based on such information.

“(2) RELIABLE DATA SOURCES DESCRIBED.—For purposes of paragraph (1), the reliable data sources described in this paragraph are the following:

“(A) Mail returned to the State by the United States Postal Service with a forwarding address.

“(B) The National Change of Address Database maintained by the United States Postal Service.

“(C) A managed care entity (as defined in section 1932(a)(1)(B)) or prepaid inpatient health plan or prepaid ambulatory health plan (as such terms are defined in section 1903(m)(9)(D)) that has a contract under the State plan if the address information is provided to such entity or plan directly from, or verified by such entity or plan directly with, such individual.

“(D) Other data sources as identified by the State and approved by the Secretary.”.

(2) CONFORMING AMENDMENTS.—

(A) PARIS.—Section 1903(r)(3) of the Social Security Act (42 U.S.C. 1396b(r)(3)) is amended—

(i) by striking “In order” and inserting “(A) In order”;

(ii) by striking “through the Public” and inserting “through—

“(i) the Public”;

(iii) by striking the period at the end and inserting “; and

“(ii) beginning October 1, 2029, the system established by the Secretary under section 1902(uu).”; and

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

“(B) Beginning October 1, 2029, the Secretary may determine that a State is not required to have in operation an eligibility determination system which provides for data matching (for purposes of address verification under section 1902(vv)) through the system described in subparagraph (A)(i) to meet the requirements of this paragraph.”.

(B) **MANAGED CARE.**—Section 1932 of the Social Security Act (42 U.S.C. 1396u–2) is amended by adding at the end the following new subsection:

“(j) **TRANSMISSION OF ADDRESS INFORMATION.**—Beginning January 1, 2027, each contract under a State plan with a managed care entity (as defined in section 1932(a)(1)(B)) or with a prepaid inpatient health plan or prepaid ambulatory health plan (as such terms are defined in section 1903(m)(9)(D)), shall provide that such entity or plan shall promptly transmit to the State any address information for an individual enrolled with such entity or plan that is provided to such entity or plan directly from, or verified by such entity or plan directly with, such individual.”.

(b) **CHIP.**—

(1) **IN GENERAL.**—Section 2107(e)(1) of the Social Security Act (42 U.S.C. 1397gg(e)(1)) is amended—

(A) by redesignating subparagraphs (H) through (U) as subparagraphs (I) through (V), respectively; and

(B) by inserting after subparagraph (G) the following new subparagraph:

“(H) Section 1902(a)(88) (relating to address information for enrollees and prevention of simultaneous enrollments).”.

(2) **MANAGED CARE.**—Section 2103(f)(3) of the Social Security Act (42 U.S.C. 1397cc(f)(3)) is amended by striking “and (e)” and inserting “(e), and (j)”.

SEC. 71104. ENSURING DECEASED INDIVIDUALS DO NOT REMAIN ENROLLED.

Section 1902 of the Social Security Act (42 U.S.C. 1396a), as amended by section 71103, is further amended—

(1) in subsection (a)—

(A) in paragraph (87), by striking “; and” and inserting a semicolon;

(B) in paragraph (88), by striking the period at the end and inserting “; and”; and

(C) by inserting after paragraph (88) the following new paragraph:

“(89) provide that the State shall comply with the eligibility verification requirements under subsection (ww), except that

this paragraph shall apply only in the case of the 50 States and the District of Columbia.”; and

(2) by adding at the end the following new subsection: “(ww) VERIFICATION OF CERTAIN ELIGIBILITY CRITERIA.—

“(1) IN GENERAL.—For purposes of subsection (a)(89), the eligibility verification requirements, beginning January 1, 2027, are as follows:

“(A) QUARTERLY SCREENING TO VERIFY ENROLLEE STATUS.—The State shall, not less frequently than quarterly, review the Death Master File (as such term is defined in section 203(d) of the Bipartisan Budget Act of 2013) or a successor system that provides such information needed to determine whether any individuals enrolled for medical assistance under the State plan (or waiver of such plan) are deceased.

“(B) DISENROLLMENT UNDER STATE PLAN.—If the State determines, based on information obtained from the Death Master File, that an individual enrolled for medical assistance under the State plan (or waiver of such plan) is deceased, the State shall—

“(i) treat such information as factual information confirming the death of a beneficiary;

“(ii) disenroll such individual from the State plan (or waiver of such plan) in accordance with subsection (a)(3); and

“(iii) discontinue any payments for medical assistance under this title made on behalf of such individual (other than payments for any items or services furnished to such individual prior to the death of such individual).

“(C) REINSTATEMENT OF COVERAGE IN THE EVENT OF ERROR.—If a State determines that an individual was misidentified as deceased based on information obtained from the Death Master File and was erroneously disenrolled from medical assistance under the State plan (or waiver of such plan) based on such misidentification, the State shall immediately re-enroll such individual under the State plan (or waiver of such plan), retroactive to the date of such disenrollment.

“(2) RULE OF CONSTRUCTION.—Nothing under this subsection shall be construed to preclude the ability of a State to use other electronic data sources to timely identify potentially deceased beneficiaries, so long as the State is also in compliance with the requirements of this subsection (and all other requirements under this title relating to Medicaid eligibility determination and redetermination).”.

SEC. 71105. ENSURING DECEASED PROVIDERS DO NOT REMAIN ENROLLED.

Section 1902(kk)(1) of the Social Security Act (42 U.S.C. 1396a(kk)(1)) is amended—

(1) by striking “The State” and inserting:

“(A) IN GENERAL.—The State”; and

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

“(B) PROVIDER SCREENING AGAINST DEATH MASTER FILE.—Beginning January 1, 2028, as part of the enrollment (or reenrollment or revalidation of enrollment) of a provider

or supplier under this title, and not less frequently than quarterly during the period that such provider or supplier is so enrolled, the State conducts a check of the Death Master File (as such term is defined in section 203(d) of the Bipartisan Budget Act of 2013) to determine whether such provider or supplier is deceased.”.

SEC. 71106. PAYMENT REDUCTION RELATED TO CERTAIN ERRONEOUS EXCESS PAYMENTS UNDER MEDICAID.

(a) **IN GENERAL.**—Section 1903(u)(1) of the Social Security Act (42 U.S.C. 1396b(u)(1)) is amended—

(1) in subparagraph (A)—

(A) by inserting “for audits conducted by the Secretary, or, at the option of the Secretary, audits conducted by the State” after “exceeds 0.03”; and

(B) by inserting “, to the extent practicable” before the period at the end;

(2) in subparagraph (B)—

(A) by striking “The Secretary” and inserting “(i) Subject to clause (ii), the Secretary”; and

(B) by adding at the end the following new clause:

“(ii) The amount waived under clause (i) for a fiscal year may not exceed an amount equal to the erroneous excess payments for medical assistance described in subparagraph (D)(i)(II) made for such fiscal year that exceed the allowable error rate of 0.03.”.

(3) in subparagraph (C), by striking “he” in each place it appears and inserting “the Secretary” in each such place; and

(4) in subparagraph (D)(i)—

(A) in subclause (I), by striking “and” at the end;

(B) in subclause (II), by striking the period at the end and inserting “, or payments where insufficient information is available to confirm eligibility, and”; and

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

“(III) payments (other than payments described in subclause (I)) for items and services furnished to an individual who is not eligible for medical assistance under the State plan (or a waiver of such plan) with respect to such items and services, or payments where insufficient information is available to confirm eligibility.”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply beginning with respect to fiscal year 2030.

SEC. 71107. ELIGIBILITY REDETERMINATIONS.

(a) **IN GENERAL.**—Section 1902(e)(14) of the Social Security Act (42 U.S.C. 1396a(e)(14)) is amended by adding at the end the following new subparagraph:

“(L) **FREQUENCY OF ELIGIBILITY REDETERMINATIONS FOR CERTAIN INDIVIDUALS.**—

“(i) **IN GENERAL.**—Subject to clause (ii), with respect to redeterminations of eligibility for medical assistance under a State plan (or waiver of such plan) scheduled on or after the first day of the first quarter that begins after December 31, 2026, a State shall make such a redetermination once every 6 months for the following individuals:

“(I) Individuals enrolled under subsection (a)(10)(A)(i)(VIII).

“(II) Individuals described in such subsection who are otherwise enrolled under a waiver of such plan that provides coverage that is equivalent to minimum essential coverage (as described in section 5000A(f)(1)(A) of the Internal Revenue Code of 1986 and determined in accordance with standards prescribed by the Secretary in regulations) to all individuals described in subsection (a)(10)(A)(i)(VIII).

“(ii) EXEMPTION.—The requirements described in clause (i) shall not apply to any individual described in subsection (xx)(9)(A)(ii)(II).

“(iii) STATE DEFINED.—For purposes of this subparagraph, the term ‘State’ means 1 of the 50 States or the District of Columbia.”.

(b) GUIDANCE.—Not later than 180 days after the date of enactment of this section, the Secretary of Health and Human Services, acting through the Administrator of the Centers for Medicare & Medicaid Services, shall issue guidance relating to the implementation of the amendments made by this section.

(c) IMPLEMENTATION FUNDING.—For the purposes of carrying out the provisions of, and the amendments made by, this section, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services, \$75,000,000 for fiscal year 2026, to remain available until expended.

SEC. 71108. REVISING HOME EQUITY LIMIT FOR DETERMINING ELIGIBILITY FOR LONG-TERM CARE SERVICES UNDER THE MEDICAID PROGRAM.

(a) REVISING HOME EQUITY LIMIT.—Section 1917(f)(1) of the Social Security Act (42 U.S.C. 1396p(f)(1)) is amended—

(1) in subparagraph (B)—

(A) by striking “A State” and inserting “(i) A State”;

(B) in clause (i), as inserted by subparagraph (A)—

(i) by striking “\$500,000” and inserting “the amount specified in subparagraph (A)”; and

(ii) by inserting “, in the case of an individual’s home that is located on a lot that is zoned for agricultural use,” after “apply subparagraph (A)”; and

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

“(ii) A State may elect, without regard to the requirements of section 1902(a)(1) (relating to statewideness) and section 1902(a)(10)(B) (relating to comparability), to apply subparagraph (A), in the case of an individual’s home that is not described in clause (i), by substituting for the amount specified in such subparagraph, an amount that exceeds such amount, but does not exceed \$1,000,000.”; and

(2) in subparagraph (C)—

(A) by inserting “(other than the amount specified in subparagraph (B)(ii) (relating to certain non-agricultural homes))” after “specified in this paragraph”; and

(B) by adding at the end the following new sentence: “In the case that application of the preceding sentence would result in a dollar amount (other than the amount

specified in subparagraph (B)(i) (relating to certain agricultural homes)) exceeding \$1,000,000, such amount shall be deemed to be equal to \$1,000,000.”.

(b) CLARIFICATION.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(1) in subsection (r)(2), by adding at the end the following new subparagraph:

“(C) This paragraph shall not be construed as permitting a State to determine the eligibility of an individual for medical assistance with respect to nursing facility services or other long-term care services without application of the limit under section 1917(f)(1).”; and

(2) in subsection (e)(14)(D)(iv)—

(A) by striking “Subparagraphs” and inserting

“(I) IN GENERAL.—Subparagraphs”; and

(B) by adding at the end the following new subclause:

“(II) APPLICATION OF HOME EQUITY INTEREST LIMIT.—Section 1917(f) shall apply for purposes of determining the eligibility of an individual for medical assistance with respect to nursing facility services or other long-term care services.”.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply beginning on January 1, 2028.

SEC. 71109. ALIEN MEDICAID ELIGIBILITY.

(a) MEDICAID.—Section 1903(v) of the Social Security Act (42 U.S.C. 1396b(v)) is amended—

(1) in paragraph (1), by striking “and (4)” and inserting “, (4), and (5)”; and

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

“(5) Notwithstanding the preceding paragraphs of this subsection, beginning on October 1, 2026, except as provided in paragraphs (2) and (4), in no event shall payment be made to a State under this section for medical assistance furnished to an individual unless such individual is—

“(A) a resident of 1 of the 50 States, the District of Columbia, or a territory of the United States; and

“(B) either—

“(i) a citizen or national of the United States;

“(ii) an alien lawfully admitted for permanent residence as an immigrant as defined by sections 101(a)(15) and 101(a)(20) of the Immigration and Nationality Act, excluding, among others, alien visitors, tourists, diplomats, and students who enter the United States temporarily with no intention of abandoning their residence in a foreign country;

“(iii) an alien who has been granted the status of Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96–422); or

“(iv) an individual who lawfully resides in the United States in accordance with a Compact of Free Association referred to in section 402(b)(2)(G) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.”.

(b) CHIP.—Section 2107(e)(1) of the Social Security Act, as amended by section 71103(b), is further amended—

(1) by redesignating subparagraphs (R) through (V) as paragraphs (S) through (W), respectively; and

(2) by inserting after paragraph (Q) the following:

“(R) Section 1903(v)(5) (relating to payments for medical assistance furnished to aliens), except in relation to payments for services provided under section 2105(a)(1)(D)(ii).”.

(c) **IMPLEMENTATION FUNDING.**—For the purposes of carrying out the provisions of, and the amendments made by, this section, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services, \$15,000,000 for fiscal year 2026, to remain available until expended.

SEC. 71110. EXPANSION FMAP FOR EMERGENCY MEDICAID.

(a) **IN GENERAL.**—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended by adding at the end the following new subsection:

“(kk) **FMAP FOR TREATMENT OF AN EMERGENCY MEDICAL CONDITION.**—Notwithstanding subsection (y) and (z), beginning on October 1, 2026, the Federal medical assistance percentage for payments for care and services described in paragraph (2) of subsection 1903(v) furnished to an alien described in paragraph (1) of such subsection shall not exceed the Federal medical assistance percentage determined under subsection (b) for such State.”.

(b) **IMPLEMENTATION FUNDING.**—For the purposes of carrying out the provisions of, and the amendments made by this section, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services, \$1,000,000 for fiscal year 2026, to remain available until expended.

Subchapter B—Preventing Wasteful Spending

SEC. 71111. MORATORIUM ON IMPLEMENTATION OF RULE RELATING TO STAFFING STANDARDS FOR LONG-TERM CARE FACILITIES UNDER THE MEDICARE AND MEDICAID PROGRAMS.

The Secretary of Health and Human Services shall not, during the period beginning on the date of the enactment of this section and ending September 30, 2034, implement, administer, or enforce the amendments made by the provisions of the final rule published by the Centers for Medicare & Medicaid Services on May 10, 2024, and titled “Medicare and Medicaid Programs; Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting” (89 Fed. Reg. 40876) to the following sections of part 483 of title 42, Code of Federal Regulations:

- (1) Section 483.5.
- (2) Section 483.35.

SEC. 71112. REDUCING STATE MEDICAID COSTS.

(a) **IN GENERAL.**—Section 1902(a)(34) of the Social Security Act (42 U.S.C. 1396a(a)(34)) is amended to read as follows:

“(34) provide that in the case of any individual who has been determined to be eligible for medical assistance under the plan and—

“(A) is enrolled under paragraph (10)(A)(i)(VIII), such assistance will be made available to the individual for care and services included under the plan and furnished in or after the month before the month in which the individual made application (or application was made on the individual’s behalf in the case of a deceased individual) for such assistance if such individual was (or upon application would have been) eligible for such assistance at the time such care and services were furnished; or

“(B) is not described in subparagraph (A), such assistance will be made available to the individual for care and services included under the plan and furnished in or after the second month before the month in which the individual made application (or application was made on the individual’s behalf in the case of a deceased individual) for such assistance if such individual was (or upon application would have been) eligible for such assistance at the time such care and services were furnished.”

(b) DEFINITION OF MEDICAL ASSISTANCE.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended by striking “in or after the third month before the month in which the recipient makes application for assistance” and inserting “, with respect to an individual described in section 1902(a)(34)(A), in or after the month before the month in which the recipient makes application for assistance, and with respect to an individual described in section 1902(a)(34)(B), in or after the second month before the month in which the recipient makes application for assistance”.

(c) CHIP.—Section 2102(b)(1)(B) of the Social Security Act (42 U.S.C. 1397bb(b)(1)(B)) is amended—

(1) in clause (iv), by striking “and” at the end;

(2) in clause (v), by striking the period and inserting “; and”; and

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

“(vi) shall, in the case that the State elects to provide child health or pregnancy-related assistance to an individual for any period prior to the month in which the individual made application for such assistance (or application was made on behalf of the individual), provide that such assistance is not made available to such individual for items and services included under the State child health plan (or waiver of such plan) that are furnished before the second month preceding the month in which such individual made application (or application was made on behalf of such individual) for assistance.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance, child health assistance, and pregnancy-related assistance with respect to individuals whose eligibility for such medical assistance, child health assistance, or pregnancy-related assistance is based on an application made on or after the first day of the first quarter that begins after December 31, 2026.

(e) IMPLEMENTATION FUNDING.—For the purposes of carrying out the provisions of, and the amendments made by, this section, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for

Medicare & Medicaid Services, \$10,000,000 for fiscal year 2026, to remain available until expended.

SEC. 71113. FEDERAL PAYMENTS TO PROHIBITED ENTITIES.

(a) **IN GENERAL.**—No Federal funds that are considered direct spending and provided to carry out a State plan under title XIX of the Social Security Act or a waiver of such a plan shall be used to make payments to a prohibited entity for items and services furnished during the 1-year period beginning on the date of the enactment of this Act, including any payments made directly to the prohibited entity or under a contract or other arrangement between a State and a covered organization.

(b) **DEFINITIONS.**—In this section:

(1) **PROHIBITED ENTITY.**—The term “prohibited entity” means an entity, including its affiliates, subsidiaries, successors, and clinics—

(A) that, as of the first day of the first quarter beginning after the date of enactment of this Act—

(i) is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code;

(ii) is an essential community provider described in section 156.235 of title 45, Code of Federal Regulations (as in effect on the date of enactment of this Act), that is primarily engaged in family planning services, reproductive health, and related medical care; and

(iii) provides for abortions, other than an abortion—

(I) if the pregnancy is the result of an act of rape or incest; or

(II) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed; and

(B) for which the total amount of Federal and State expenditures under the Medicaid program under title XIX of the Social Security Act for medical assistance furnished in fiscal year 2023 made directly, or by a covered organization, to the entity or to any affiliates, subsidiaries, successors, or clinics of the entity, or made to the entity or to any affiliates, subsidiaries, successors, or clinics of the entity as part of a nationwide health care provider network, exceeded \$800,000.

(2) **DIRECT SPENDING.**—The term “direct spending” has the meaning given that term under section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)).

(3) **COVERED ORGANIZATION.**—The term “covered organization” means a managed care entity (as defined in section 1932(a)(1)(B) of the Social Security Act (42 U.S.C. 1396u–2(a)(1)(B))) or a prepaid inpatient health plan or prepaid ambulatory health plan (as such terms are defined in section 1903(m)(9)(D) of such Act (42 U.S.C. 1396b(m)(9)(D))).

(4) STATE.—The term “State” has the meaning given such term in section 1101 of the Social Security Act (42 U.S.C. 1301).

(c) IMPLEMENTATION FUNDING.—For the purposes of carrying out this section, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services, \$1,000,000 for fiscal year 2026, to remain available until expended.

Subchapter C—Stopping Abusive Financing Practices

SEC. 71114. SUNSETTING INCREASED FMAP INCENTIVE.

Section 1905(ii)(3) of the Social Security Act (42 U.S.C. 1396d(ii)(3)) is amended—

(1) by striking “which has not” and inserting the following: “which—

“(A) has not”;

(2) in subparagraph (A), as so inserted, by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new subparagraph: “(B) begins to expend amounts for all such individuals prior to January 1, 2026.”.

SEC. 71115. PROVIDER TAXES.

(a) CHANGE IN THRESHOLD FOR HOLD HARMLESS PROVISION OF BROAD-BASED HEALTH CARE RELATED TAXES.—Section 1903(w)(4) of the Social Security Act (42 U.S.C. 1396b(w)(4)) is amended—

(1) in subparagraph (C)(ii), by inserting “, and for fiscal years beginning on or after October 1, 2026, the applicable percent determined under subparagraph (D) shall be substituted for ‘6 percent’ each place it appears” after “each place it appears”; and

(2) by inserting after subparagraph (C)(ii), the following new subparagraph:

“(D)(i) For purposes of subparagraph (C)(ii), the applicable percent determined under this subparagraph is—

“(I) in the case of a non-expansion State or unit of local government in such State and a class of health care items or services described in section 433.56(a) of title 42, Code of Federal Regulations (as in effect on May 1, 2025)—

“(aa) if, on the date of enactment of this subparagraph, the non-expansion State or unit of local government in such State has enacted a tax and imposes such tax on such class and the Secretary determines that the tax is within the hold harmless threshold as of that date, the applicable percent of net patient revenue attributable to such class that has been so determined; and

“(bb) if, on the date of enactment of this subparagraph, the non-expansion State or unit of local government in such State has not enacted or does not impose a tax with respect to such class, 0 percent; and

“(II) in the case of an expansion State or unit of local government in such State and a class of health care items or services described in section 433.56(a) of title 42, Code

of Federal Regulations (as in effect on May 1, 2025), subject to clause (iv)—

“(aa) if, on the date of enactment of this subparagraph, the expansion State or unit of local government in such State has enacted a tax and imposes such tax on such class and the Secretary determines that the tax is within the hold harmless threshold as of that date, the lower of—

“(AA) the applicable percent of net patient revenue attributable to such class that has been so determined; and

“(BB) the applicable percent specified in clause (ii) for the fiscal year; and

“(bb) if, on the date of enactment of this subparagraph, the expansion State or unit of local government in such State has not enacted or does not impose a tax with respect to such class, 0 percent.

“(ii) For purposes of clause (i)(II)(aa)(BB), the applicable percent is—

“(I) for fiscal year 2028, 5.5 percent;

“(II) for fiscal year 2029, 5 percent;

“(III) for fiscal year 2030, 4.5 percent;

“(IV) for fiscal year 2031, 4 percent; and

“(V) for fiscal year 2032 and each subsequent fiscal year, 3.5 percent.

“(iii) For purposes of clause (i):

“(I) EXPANSION STATE.—The term ‘expansion State’ means a State that, beginning on January 1, 2014, or on any date thereafter, elects to provide medical assistance to all individuals described in section 1902(a)(10)(A)(i)(VIII) under the State plan under this title or under a waiver of such plan.

“(II) NON-EXPANSION STATE.—The term ‘non-expansion State’ means a State that is not an expansion State.

“(iv) In the case of a tax of an expansion State or unit of local government in such State in effect on the date of enactment of this clause, that applies to a class of health care items or services that is described in paragraph (3) or (4) of section 433.56(a) of title 42, Code of Federal Regulations (as in effect on May 1, 2025), and for which, on such date of enactment, is within the hold harmless threshold (as determined by the Secretary), the applicable percent of net patient revenue attributable to such class that has been so determined shall apply for a fiscal year instead of the applicable percent specified in clause (ii) for the fiscal year.”.

(b) NON-APPLICATION TO TERRITORIES.—The amendments made by this section shall only apply with respect to a State that is 1 of the 50 States or the District of Columbia.

(c) IMPLEMENTATION FUNDING.—For the purposes of carrying out the provisions of, and the amendments made by, this section, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services, \$20,000,000 for fiscal year 2026, to remain available until expended.

SEC. 71116. STATE DIRECTED PAYMENTS.

(a) **IN GENERAL.**—Subject to subsection (b), the Secretary of Health and Human Services (in this section referred to as the Secretary) shall revise section 438.6(c)(2)(iii) of title 42, Code of Federal Regulations (or a successor regulation) such that, with respect to a payment described in such section made for a service furnished during a rating period beginning on or after the date of the enactment of this Act, the total payment rate for such service is limited to—

(1) in the case of a State that provides coverage to all individuals described in section 1902(a)(10)(A)(i)(VIII) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)(VIII)) that is equivalent to minimum essential coverage (as described in section 5000A(f)(1)(A) of the Internal Revenue Code of 1986 and determined in accordance with standards prescribed by the Secretary in regulations) under the State plan (or waiver of such plan) of such State under title XIX of such Act, 100 percent of the specified total published Medicare payment rate (or, in the absence of a specified total published Medicare payment rate, the payment rate under a Medicaid State plan (or under a waiver of such plan)); or

(2) in the case of a State other than a State described in paragraph (1), 110 percent of the specified total published Medicare payment rate (or, in the absence of a specified total published Medicare payment rate, the payment rate under a Medicaid State plan (or under a waiver of such plan)).

(b) **GRANDFATHERING CERTAIN PAYMENTS.**—In the case of a payment described in section 438.6(c)(2)(iii) of title 42, Code of Federal Regulations (or a successor regulation) for which written prior approval (or a good faith effort to receive such approval, as determined by the Secretary) was made before May 1, 2025, or a payment described in such section for a rural hospital (as defined in subsection (d)(2)) for which written prior approval (or a good faith effort to receive such approval, as determined by the Secretary) was made by the date of enactment of this Act, for the rating period occurring within 180 days of the date of the enactment of this Act, or a payment so described for such rating period for which a completed preprint was submitted to the Secretary prior to the date of enactment of this Act, beginning with the rating period on or after January 1, 2028, the total amount of such payment shall be reduced by 10 percentage points each year until the total payment rate for such service is equal to the rate for such service specified in subsection (a).

(c) **TREATMENT OF EXPANSION STATES.**—The revisions described in subsection (a) shall provide that, with respect to a State that begins providing the coverage described in paragraph (1) of such subsection on or after the date of the enactment of this Act, the limitation described in such paragraph shall apply to such State with respect to a payment described in section 438.6(c)(2)(iii) of title 42, Code of Federal Regulations (or a successor regulation) for a service furnished during a rating period beginning on or after the date of enactment of this Act.

(d) **DEFINITIONS.**—In this section:

(1) **RATING PERIOD.**—The term “rating period” has the meaning given such term in section 438.2 of title 42, Code of Federal Regulations (or a successor regulation).

(2) **RURAL HOSPITAL.**—The term “rural hospital” means the following:

(A) A subsection (d) hospital (as defined in paragraph (1)(B) of section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d))) that—

(i) is located in a rural area (as defined in paragraph (2)(D) of such section);

(ii) is treated as being located in a rural area pursuant to paragraph (8)(E) of such section; or

(iii) is located in a rural census tract of a metropolitan statistical area (as determined under the most recent modification of the Goldsmith Modification, originally published in the Federal Register on February 27, 1992 (57 Fed. Reg. 6725)).

(B) A critical access hospital (as defined in section 1861(mm)(1) of such Act (42 U.S.C. 1395x(mm)(1))).

(C) A sole community hospital (as defined in section 1886(d)(5)(D)(iii) of such Act (42 U.S.C. 1395ww(d)(5)(D)(iii))).

(D) A Medicare-dependent, small rural hospital (as defined in section 1886(d)(5)(G)(iv) of such Act (42 U.S.C. 1395ww(d)(5)(G)(iv))).

(E) A low-volume hospital (as defined in section 1886(d)(12)(C) of such Act (42 U.S.C. 1395ww(d)(12)(C))).

(F) A rural emergency hospital (as defined in section 1861(kkk)(2) of such Act (42 U.S.C. 1395x(kkk)(2))).

(3) **STATE.**—The term “State” means 1 of the 50 States or the District of Columbia.

(4) **TOTAL PUBLISHED MEDICARE PAYMENT RATE.**—The term “total published Medicare payment rate” has the meaning given to such term in section 438.6(a) of title 42, Code of Federal Regulations (or a successor regulation).

(5) **WRITTEN PRIOR APPROVAL.**—The term “written prior approval” has the meaning given to such term in section 438.6(c)(2)(i) of title 42, Code of Federal Regulations (or a successor regulation).

(e) **FUNDING.**—There are appropriated out of any monies in the Treasury not otherwise appropriated \$7,000,000 for each of fiscal years 2026 through 2033 for purposes of carrying out this section, to remain available until expended.

SEC. 71117. REQUIREMENTS REGARDING WAIVER OF UNIFORM TAX REQUIREMENT FOR MEDICAID PROVIDER TAX.

(a) **IN GENERAL.**—Section 1903(w) of the Social Security Act (42 U.S.C. 1396b(w)) is amended—

(1) in paragraph (3)(E), by inserting after clause (ii)(II) the following new clause:

“(iii) For purposes of clause (ii)(I), a tax is not considered to be generally redistributive if any of the following conditions apply:

“(I) Within a permissible class, the tax rate imposed on any taxpayer or tax rate group (as defined in paragraph (7)(J)) explicitly defined by its relatively lower volume or percentage of Medicaid taxable units (as defined in paragraph (7)(H)) is lower than the tax rate imposed on any other taxpayer or tax rate group explicitly defined by its relatively higher volume or percentage of Medicaid taxable units.

“(II) Within a permissible class, the tax rate imposed on any taxpayer or tax rate group (as so defined) based upon its Medicaid taxable units (as so defined) is higher than the tax rate imposed on any taxpayer or tax rate group based upon its non-Medicaid taxable unit (as defined in paragraph (7)(I)).

“(III) The tax excludes or imposes a lower tax rate on a taxpayer or tax rate group (as so defined) based on or defined by any description that results in the same effect as described in subclause (I) or (II) for a taxpayer or tax rate group. Characteristics that may indicate such type of exclusion include the use of terminology to establish a tax rate group—

“(aa) based on payments or expenditures made under the program under this title without mentioning the term ‘Medicaid’ (or any similar term) to accomplish the same effect as described in subclause (I) or (II); or

“(bb) that closely approximates a taxpayer or tax rate group under the program under this title, to the same effect as described in subclause (I) or (II).”; and

(2) in paragraph (7), by adding at the end the following new subparagraphs:

“(H) The term ‘Medicaid taxable unit’ means a unit that is being taxed within a health care related tax that is applicable to the program under this title. Such term includes a unit that is used as the basis for—

“(i) payment under the program under this title (such as Medicaid bed days);

“(ii) Medicaid revenue;

“(iii) costs associated with the program under this title (such as Medicaid charges, claims, or expenditures); and

“(iv) other units associated with the program under this title, as determined by the Secretary.

“(I) The term ‘non-Medicaid taxable unit’ means a unit that is being taxed within a health care related tax that is not applicable to the program under this title. Such term includes a unit that is used as the basis for—

“(i) payment by non-Medicaid payers (such as non-Medicaid bed days);

“(ii) non-Medicaid revenue;

“(iii) costs that are not associated with the program under this title (such as non-Medicaid charges, non-Medicaid claims, or non-Medicaid expenditures); and

“(iv) other units not associated with the program under this title, as determined by the Secretary.

“(J) The term ‘tax rate group’ means a group of entities contained within a permissible class of a health care related tax that are taxed at the same rate.”.

(b) NON-APPLICATION TO TERRITORIES.—The amendments made by this section shall only apply with respect to a State that is 1 of the 50 States or the District of Columbia.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect upon the date of enactment of this Act, subject to any applicable transition period determined appropriate by the Secretary of Health and Human Services, not to exceed 3 fiscal years.

SEC. 71118. REQUIRING BUDGET NEUTRALITY FOR MEDICAID DEMONSTRATION PROJECTS UNDER SECTION 1115.

(a) IN GENERAL.—Section 1115 of the Social Security Act (42 U.S.C. 1315) is amended by adding at the end the following new subsection:

“(g) REQUIREMENT OF BUDGET NEUTRALITY FOR MEDICAID DEMONSTRATION PROJECTS.—

“(1) IN GENERAL.—Beginning January 1 2027, the Secretary may not approve an application for (or renewal or amendment of) an experimental, pilot, or demonstration project undertaken under subsection (a) to promote the objectives of title XIX in a State (in this subsection referred to as a ‘Medicaid demonstration project’) unless the Chief Actuary for the Centers for Medicare & Medicaid Services certifies that such project, or, in the case of a renewal, the duration of the preceding waiver, is not expected to result in an increase in the amount of Federal expenditures compared to the amount that such expenditures would otherwise be in the absence of such project. For purposes of this subsection, expenditures for the coverage of populations and services that the State could have otherwise provided through its Medicaid State plan or other authority under title XIX, including expenditures that could be made under such authority but for the provision of such services at a different site of service than authorized under such State plan or other authority, shall be considered expenditures in the absence of such a project.

“(2) TREATMENT OF SAVINGS.—In the event that expenditures with respect to a State under a Medicaid demonstration project are, during an approval period for such project, less than the amount of such expenditures that would have otherwise been made in the absence of such project, the Secretary shall specify the methodology to be used with respect to the subsequent approval period for such project for purposes of taking the difference between such expenditures into account.”.

(b) IMPLEMENTATION FUNDING.—For the purposes of carrying out the provisions of, and the amendments made by, this section, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services, \$5,000,000 for each of fiscal years 2026 and 2027, to remain available until expended.

Subchapter D—Increasing Personal Accountability

SEC. 71119. REQUIREMENT FOR STATES TO ESTABLISH MEDICAID COMMUNITY ENGAGEMENT REQUIREMENTS FOR CERTAIN INDIVIDUALS.

(a) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a), as amended by sections 71103 and 71104, is further amended by adding at the end the following new subsection:

“(xx) COMMUNITY ENGAGEMENT REQUIREMENT FOR APPLICABLE INDIVIDUALS.—

“(1) IN GENERAL.—Except as provided in paragraph (11), beginning not later than the first day of the first quarter that begins after December 31, 2026, or, at the option of the State under a waiver or demonstration project under section 1115 or the State plan, such earlier date as the State may specify, subject to the succeeding provisions of this subsection,

a State shall provide, as a condition of eligibility for medical assistance for an applicable individual, that such individual is required to demonstrate community engagement under paragraph (2)—

“(A) in the case of an applicable individual who has filed an application for medical assistance under a State plan (or a waiver of such plan) under this title, for 1 or more but not more than 3 (as specified by the State) consecutive months immediately preceding the month during which such individual applies for such medical assistance; and

“(B) in the case of an applicable individual enrolled and receiving medical assistance under a State plan (or under a waiver of such plan) under this title, for 1 or more (as specified by the State) months, whether or not consecutive—

“(i) during the period between such individual’s most recent determination (or redetermination, as applicable) of eligibility and such individual’s next regularly scheduled redetermination of eligibility (as verified by the State as part of such regularly scheduled redetermination of eligibility); or

“(ii) in the case of a State that has elected under paragraph (4) to conduct more frequent verifications of compliance with the requirement to demonstrate community engagement, during the period between the most recent and next such verification with respect to such individual.

“(2) COMMUNITY ENGAGEMENT COMPLIANCE DESCRIBED.—Subject to paragraph (3), an applicable individual demonstrates community engagement under this paragraph for a month if such individual meets 1 or more of the following conditions with respect to such month, as determined in accordance with criteria established by the Secretary through regulation:

“(A) The individual works not less than 80 hours.

“(B) The individual completes not less than 80 hours of community service.

“(C) The individual participates in a work program for not less than 80 hours.

“(D) The individual is enrolled in an educational program at least half-time.

“(E) The individual engages in any combination of the activities described in subparagraphs (A) through (D), for a total of not less than 80 hours.

“(F) The individual has a monthly income that is not less than the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act of 1938, multiplied by 80 hours.

“(G) The individual had an average monthly income over the preceding 6 months that is not less than the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act of 1938 multiplied by 80 hours, and is a seasonal worker, as described in section 45R(d)(5)(B) of the Internal Revenue Code of 1986 .

“(3) EXCEPTIONS.—

“(A) MANDATORY EXCEPTION FOR CERTAIN INDIVIDUALS.—The State shall deem an applicable individual to

have demonstrated community engagement under paragraph (2) for a month, and may elect to not require an individual to verify information resulting in such deeming, if—

“(i) for part or all of such month, the individual—

“(I) was a specified excluded individual (as defined in paragraph (9)(A)(ii)); or

“(II) was—

“(aa) under the age of 19;

“(bb) entitled to, or enrolled for, benefits under part A of title XVIII, or enrolled for benefits under part B of title XVIII; or

“(cc) described in any of subclauses (I) through (VII) of subsection (a)(10)(A)(i); or

“(ii) at any point during the 3-month period ending on the first day of such month, the individual was an inmate of a public institution.

“(B) OPTIONAL EXCEPTION FOR SHORT-TERM HARDSHIP EVENTS.—

“(i) IN GENERAL.—The State plan (or waiver of such plan) may provide, in the case of an applicable individual who experiences a short-term hardship event during a month, that the State shall, under procedures established by the State (in accordance with standards specified by the Secretary), in the case of a short-term hardship event described in clause (ii)(II) and, upon the request of such individual, a short-term hardship event described in subclause (I) or (III) of clause (ii), deem such individual to have demonstrated community engagement under paragraph (2) for such month.

“(ii) SHORT-TERM HARDSHIP EVENT DEFINED.—For purposes of this subparagraph, an applicable individual experiences a short-term hardship event during a month if, for part or all of such month—

“(I) such individual receives inpatient hospital services, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric hospital services, or such other services of similar acuity (including outpatient care relating to other services specified in this subclause) as the Secretary determines appropriate;

“(II) such individual resides in a county (or equivalent unit of local government)—

“(aa) in which there exists an emergency or disaster declared by the President pursuant to the National Emergencies Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act; or

“(bb) that, subject to a request from the State to the Secretary, made in such form, at such time, and containing such information as the Secretary may require, has an unemployment rate that is at or above the lesser of—

“(AA) 8 percent; or

“(BB) 1.5 times the national unemployment rate; or

“(III) such individual or their dependent must travel outside of their community for an extended period of time to receive medical services necessary to treat a serious or complex medical condition (as described in paragraph (9)(A)(ii)(V)(ee)) that are not available within their community of residence.

“(4) OPTION TO CONDUCT MORE FREQUENT COMPLIANCE VERIFICATIONS.—With respect to an applicable individual enrolled and receiving medical assistance under a State plan (or a waiver of such plan) under this title, the State shall verify (in accordance with procedures specified by the Secretary) that each such individual has met the requirement to demonstrate community engagement under paragraph (1) during each such individual’s regularly scheduled redetermination of eligibility, except that a State may provide for such verifications more frequently.

“(5) EX PARTE VERIFICATIONS.—For purposes of verifying that an applicable individual has met the requirement to demonstrate community engagement under paragraph (1), or determining such individual to be deemed to have demonstrated community engagement under paragraph (3), or that an individual is a specified excluded individual under paragraph (9)(A)(ii), the State shall, in accordance with standards established by the Secretary, establish processes and use reliable information available to the State (such as payroll data or payments or encounter data under this title for individuals and data on payments to such individuals for the provision of services covered under this title) without requiring, where possible, the applicable individual to submit additional information.

“(6) PROCEDURE IN THE CASE OF NONCOMPLIANCE.—

“(A) IN GENERAL.—If a State is unable to verify that an applicable individual has met the requirement to demonstrate community engagement under paragraph (1) (including, if applicable, by verifying that such individual was deemed to have demonstrated community engagement under paragraph (3)) the State shall (in accordance with standards specified by the Secretary)—

“(i) provide such individual with the notice of non-compliance described in subparagraph (B);

“(ii)(I) provide such individual with a period of 30 calendar days, beginning on the date on which such notice of noncompliance is received by the individual, to—

“(aa) make a satisfactory showing to the State of compliance with such requirement (including, if applicable, by showing that such individual was or should be deemed to have demonstrated community engagement under paragraph (3)); or

“(bb) make a satisfactory showing to the State that such requirement does not apply to such individual on the basis that such individual does not meet the definition of applicable individual under paragraph (9)(A); and

“(II) if such individual is enrolled under the State plan (or a waiver of such plan) under this title, continue to provide such individual with medical assistance during such 30-calendar-day period; and

“(iii) if no such satisfactory showing is made and the individual is not a specified excluded individual described in paragraph (9)(A)(ii), deny such individual’s application for medical assistance under the State plan (or waiver of such plan) or, as applicable, disenroll such individual from the plan (or waiver of such plan) not later than the end of the month following the month in which such 30-calendar-day period ends, provided that—

“(I) the State first determines whether, with respect to the individual, there is any other basis for eligibility for medical assistance under the State plan (or waiver of such plan) or for another insurance affordability program; and

“(II) the individual is provided written notice and granted an opportunity for a fair hearing in accordance with subsection (a)(3).

“(B) NOTICE.—The notice of noncompliance provided to an applicable individual under subparagraph (A)(i) shall include information (in accordance with standards specified by the Secretary) on—

“(i) how such individual may make a satisfactory showing of compliance with such requirement (as described in subparagraph (A)(ii)) or make a satisfactory showing that such requirement does not apply to such individual on the basis that such individual does not meet the definition of applicable individual under paragraph (9)(A); and

“(ii) how such individual may reapply for medical assistance under the State plan (or a waiver of such plan) under this title in the case that such individuals’ application is denied or, as applicable, in the case that such individual is disenrolled from the plan (or waiver).

“(7) TREATMENT OF NONCOMPLIANT INDIVIDUALS IN RELATION TO CERTAIN OTHER PROVISIONS.—

“(A) CERTAIN FMAP INCREASES.—A State shall not be treated as not providing medical assistance to all individuals described in section 1902(a)(10)(A)(i)(VIII), or as not expending amounts for all such individuals under the State plan (or waiver of such plan), solely because such an individual is determined ineligible for medical assistance under the State plan (or waiver) on the basis of a failure to meet the requirement to demonstrate community engagement under paragraph (1).

“(B) OTHER PROVISIONS.—For purposes of section 36B(c)(2)(B) of the Internal Revenue Code of 1986, an individual shall be deemed to be eligible for minimum essential coverage described in section 5000A(f)(1)(A)(ii) of such Code for a month if such individual would have been eligible for medical assistance under a State plan (or a waiver of such plan) under this title but for a failure to meet

the requirement to demonstrate community engagement under paragraph (1).

“(8) OUTREACH.—

“(A) IN GENERAL.—In accordance with standards specified by the Secretary, beginning not later than the date that precedes December 31, 2026 (or, if the State elects under paragraph (1) to specify an earlier date, such earlier date) by the number of months specified by the State under paragraph (1)(A) plus 3 months, and periodically thereafter, the State shall notify applicable individuals enrolled under a State plan (or waiver) under this title of the requirement to demonstrate community engagement under this subsection. Such notice shall include information on—

“(i) how to comply with such requirement, including an explanation of the exceptions to such requirement under paragraph (3) and the definition of the term ‘applicable individual’ under paragraph (9)(A);

“(ii) the consequences of noncompliance with such requirement; and

“(iii) how to report to the State any change in the individual’s status that could result in—

“(I) the applicability of an exception under paragraph (3) (or the end of the applicability of such an exception); or

“(II) the individual qualifying as a specified excluded individual under paragraph (9)(A)(ii).

“(B) FORM OF OUTREACH NOTICE.—A notice required under subparagraph (A) shall be delivered—

“(i) by regular mail (or, if elected by the individual, in an electronic format); and

“(ii) in 1 or more additional forms, which may include telephone, text message, an internet website, other commonly available electronic means, and such other forms as the Secretary determines appropriate.

“(9) DEFINITIONS.—In this subsection:

“(A) APPLICABLE INDIVIDUAL.—

“(i) IN GENERAL.—The term ‘applicable individual’ means an individual (other than a specified excluded individual (as defined in clause (ii)))—

“(I) who is eligible to enroll (or is enrolled) under the State plan under subsection (a)(10)(A)(i)(VIII); or

“(II) who—

“(aa) is otherwise eligible to enroll (or is enrolled) under a waiver of such plan that provides coverage that is equivalent to minimum essential coverage (as described in section 5000A(f)(1)(A) of the Internal Revenue Code of 1986 and as determined in accordance with standards prescribed by the Secretary in regulations); and

“(bb) has attained the age of 19 and is under 65 years of age, is not pregnant, is not entitled to, or enrolled for, benefits under part A of title XVIII, or enrolled for benefits

under part B of title XVIII, and is not otherwise eligible to enroll under such plan.

“(ii) SPECIFIED EXCLUDED INDIVIDUAL.—For purposes of clause (i), the term ‘specified excluded individual’ means an individual, as determined by the State (in accordance with standards specified by the Secretary)—

“(I) who is described in subsection (a)(10)(A)(i)(IX);

“(II) who—

“(aa) is an Indian or an Urban Indian (as such terms are defined in paragraphs (13) and (28) of section 4 of the Indian Health Care Improvement Act);

“(bb) is a California Indian described in section 809(a) of such Act; or

“(cc) has otherwise been determined eligible as an Indian for the Indian Health Service under regulations promulgated by the Secretary;

“(III) who is the parent, guardian, caretaker relative, or family caregiver (as defined in section 2 of the RAISE Family Caregivers Act) of a dependent child 13 years of age and under or a disabled individual;

“(IV) who is a veteran with a disability rated as total under section 1155 of title 38, United States Code;

“(V) who is medically frail or otherwise has special medical needs (as defined by the Secretary), including an individual—

“(aa) who is blind or disabled (as defined in section 1614);

“(bb) with a substance use disorder;

“(cc) with a disabling mental disorder;

“(dd) with a physical, intellectual or developmental disability that significantly impairs their ability to perform 1 or more activities of daily living; or

“(ee) with a serious or complex medical condition;

“(VI) who—

“(aa) is in compliance with any requirements imposed by the State pursuant to section 407; or

“(bb) is a member of a household that receives supplemental nutrition assistance program benefits under the Food and Nutrition Act of 2008 and is not exempt from a work requirement under such Act;

“(VII) who is participating in a drug addiction or alcoholic treatment and rehabilitation program (as defined in section 3(h) of the Food and Nutrition Act of 2008);

“(VIII) who is an inmate of a public institution; or

“(IX) who is pregnant or entitled to postpartum medical assistance under paragraph (5) or (16) of subsection (e).

“(B) EDUCATIONAL PROGRAM.—The term ‘educational program’ includes—

“(i) an institution of higher education (as defined in section 101 of the Higher Education Act of 1965); and

“(ii) a program of career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006).

“(C) STATE.—The term ‘State’ means 1 of the 50 States or the District of Columbia.

“(D) WORK PROGRAM.—The term ‘work program’ has the meaning given such term in section 6(o)(1) of the Food and Nutrition Act of 2008.

“(10) PROHIBITING WAIVER OF COMMUNITY ENGAGEMENT REQUIREMENTS.—Notwithstanding section 1115(a), the provisions of this subsection may not be waived.

“(11) SPECIAL IMPLEMENTATION RULE.—

“(A) IN GENERAL.—Subject to subparagraph (C), the Secretary may exempt a State from compliance with the requirements of this subsection if—

“(i) the State submits to the Secretary a request for such exemption, made in such form and at such time as the Secretary may require, and including the information specified in subparagraph (B); and

“(ii) the Secretary determines that based on such request, the State is demonstrating a good faith effort to comply with the requirements of this subsection.

“(B) GOOD FAITH EFFORT DETERMINATION.—In determining whether a State is demonstrating a good faith effort for purposes of subparagraph (A)(ii), the Secretary shall consider—

“(i) any actions taken by the State toward compliance with the requirements of this subsection;

“(ii) any significant barriers to or challenges in meeting such requirements, including related to funding, design, development, procurement, or installation of necessary systems or resources;

“(iii) the State’s detailed plan and timeline for achieving full compliance with such requirements, including any milestones of such plan (as defined by the Secretary); and

“(iv) any other criteria determined appropriate by the Secretary.

“(C) DURATION OF EXEMPTION.—

“(i) IN GENERAL.—An exemption granted under subparagraph (A) shall expire not later than December 31, 2028, and may not be renewed beyond such date.

“(ii) EARLY TERMINATION.—The Secretary may terminate an exemption granted under subparagraph (A) prior to the expiration date of such exemption if the Secretary determined that the State has—

“(I) failed to comply with the reporting requirements described in subparagraph (D); or

“(II) based on the information provided pursuant to subparagraph (D), failed to make continued good faith efforts toward compliance with the requirements of this subsection.

“(D) REPORTING REQUIREMENTS.—A State granted an exemption under subparagraph (A) shall submit to the Secretary—

“(i) quarterly progress reports on the State’s status in achieving the milestones toward full compliance described in subparagraph (B)(iii); and

“(ii) information on specific risks or newly identified barriers or challenges to full compliance, including the State’s plan to mitigate such risks, barriers, or challenges.”.

(b) CONFORMING AMENDMENT.—Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)(VIII)) is amended by striking “subject to subsection (k)” and inserting “subject to subsections (k) and (xx)”.

(c) PROHIBITING CONFLICTS OF INTEREST.—A State shall not use a Medicaid managed care entity or other specified entity (as such terms are defined in section 1903(m)(9)(D)), or other contractor to determine beneficiary compliance under such section unless the contractor has no direct or indirect financial relationship with any Medicaid managed care entity or other specified entity that is responsible for providing or arranging for coverage of medical assistance for individuals enrolled with the entity pursuant to a contract with such State.

(d) INTERIM FINAL RULEMAKING.—Not later than June 1, 2026, the Secretary of Health and Human Services shall promulgate an interim final rule for purposes of implementing the provisions of, and the amendments made by, this section. Any action taken to implement the provisions of, and the amendments made by, this section shall not be subject to the provisions of section 553 of title 5, United States Code.

(e) DEVELOPMENT OF GOVERNMENT EFFICIENCY GRANTS TO STATES.—

(1) IN GENERAL.—In order for States to establish systems necessary to carry out the provisions of, and amendments made by, this section or other sections of this chapter that pertain to conducting eligibility determinations or redeterminations, the Secretary of Health and Human Services shall—

(A) out of amounts appropriated under paragraph (3)(A), award to each State a grant equal to the amount specified in paragraph (2) for such State; and

(B) out of amounts appropriated under paragraph (3)(B), distribute an equal amount among such States.

(2) AMOUNT SPECIFIED.—For purposes of paragraph (1)(A), the amount specified in this paragraph is an amount that bears the same ratio to the amount appropriated under paragraph (3)(A) as the number of applicable individuals (as defined in section 1902(xx) of the Social Security Act, as added by subsection (a)) residing in such State bears to the total number of such individuals residing in all States, as of March 31, 2025.

(3) FUNDING.—There are appropriated, out of any monies in the Treasury not otherwise appropriated—

(A) \$100,000,000 for fiscal year 2026 for purposes of awarding grants under paragraph (1)(A), to remain available until expended; and

(B) \$100,000,000 for fiscal year 2026 for purposes of award grants under paragraph (1)(B), to remain available until expended.

(4) DEFINITION.—In this subsection, the term “State” means 1 of the 50 States and the District of Columbia.

(f) IMPLEMENTATION FUNDING.—For the purposes of carrying out the provisions of, and the amendments made by, this section, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services, \$200,000,000 for fiscal year 2026, to remain available until expended.

SEC. 71120. MODIFYING COST SHARING REQUIREMENTS FOR CERTAIN EXPANSION INDIVIDUALS UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Section 1916 of the Social Security Act (42 U.S.C. 1396o) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by inserting “(other than, beginning October 1, 2028, specified individuals (as defined in subsection (k)(3)))” after “individuals”; and

(2) by adding at the end the following new subsection: “(k) SPECIAL RULES FOR CERTAIN EXPANSION INDIVIDUALS.—

“(1) PREMIUMS.—Beginning October 1, 2028, the State plan shall provide that in the case of a specified individual (as defined in paragraph (3)) who is eligible under the plan, no enrollment fee, premium, or similar charge will be imposed under the plan.

“(2) REQUIRED IMPOSITION OF COST SHARING.—

“(A) IN GENERAL.—Subject to subparagraph (B) and subsection (j), in the case of a specified individual, the State plan shall, beginning October 1, 2028, provide for the imposition of such deductions, cost sharing, or similar charges determined appropriate by the State (in an amount greater than \$0) with respect to certain care, items, or services furnished to such an individual, as determined by the State.

“(B) LIMITATIONS.—

“(i) EXCLUSION OF CERTAIN SERVICES.—In no case may a deduction, cost sharing, or similar charge be imposed under the State plan with respect to care, items, or services described in any of subparagraphs (B) through (J) of subsection (a)(2), or any primary care services, mental health care services, substance use disorder services, or services provided by a Federally qualified health center (as defined in 1905(l)(2)), certified community behavioral health clinic (as defined in section 1905(jj)(2)), or rural health clinic (as defined in 1905(l)(1)), furnished to a specified individual.

“(ii) ITEM AND SERVICE LIMITATION.—

“(I) IN GENERAL.—Except as provided in subclause (II), in no case may a deduction, cost sharing, or similar charge imposed under the State

plan with respect to care or an item or service furnished to a specified individual exceed \$35.

“(II) SPECIAL RULES FOR PRESCRIPTION DRUGS.—In no case may a deduction, cost sharing, or similar charge imposed under the State plan with respect to a prescription drug furnished to a specified individual exceed the limit that would be applicable under paragraph (2)(A)(i) or (2)(B) of section 1916A(c) with respect to such drug and individual if such drug so furnished were subject to cost sharing under such section.

“(iii) MAXIMUM LIMIT ON COST SHARING.—The total aggregate amount of deductions, cost sharing, or similar charges imposed under the State plan for all individuals in the family may not exceed 5 percent of the family income of the family involved, as applied on a quarterly or monthly basis (as specified by the State).

“(C) CASES OF NONPAYMENT.—Notwithstanding subsection (e), a State may permit a provider participating under the State plan to require, as a condition for the provision of care, items, or services to a specified individual entitled to medical assistance under this title for such care, items, or services, the payment of any deductions, cost sharing, or similar charges authorized to be imposed with respect to such care, items, or services. Nothing in this subparagraph shall be construed as preventing a provider from reducing or waiving the application of such deductions, cost sharing, or similar charges on a case-by-case basis.

“(3) SPECIFIED INDIVIDUAL DEFINED.—For purposes of this subsection, the term ‘specified individual’ means an individual who has a family income (as determined in accordance with section 1902(e)(14)) that exceeds the poverty line (as defined in section 2110(c)(5)) applicable to a family of the size involved and—

“(A) is enrolled under section 1902(a)(10)(A)(i)(VIII);

or

“(B) is described in such subsection and otherwise enrolled under a waiver of the State plan that provides coverage that is equivalent to minimum essential coverage (as described in section 5000A(f)(1)(A) of the Internal Revenue Code of 1986 and determined in accordance with standards prescribed by the Secretary in regulations) to all individuals described in section 1902(a)(10)(A)(i)(VIII).

“(4) STATE DEFINED.—For purposes of this subsection, the term ‘State’ means 1 of the 50 States or the District of Columbia.”.

(b) CONFORMING AMENDMENTS.—

(1) REQUIRED APPLICATION.—Section 1902(a)(14) of the Social Security Act (42 U.S.C. 1396a(a)(14)) is amended by inserting “and provide for imposition of such deductions, cost sharing, or similar charges for care, items, or services furnished to specified individuals (as defined in paragraph (3) of section 1916(k)) in accordance with paragraph (2) of such section” after “section 1916”.

(2) NONAPPLICABILITY OF ALTERNATIVE COST SHARING.—Section 1916A(a)(1) of the Social Security Act (42 U.S.C. 1396o–1(a)(1)) is amended, in the second sentence, by striking “or (j)” and inserting “(j), or (k)”.

(c) IMPLEMENTATION FUNDING.—For the purposes of carrying out the provisions of, and the amendments made by, this section, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services, \$15,000,000 for fiscal year 2026, to remain available until expended.

Subchapter E—Expanding Access to Care

SEC. 71121. MAKING CERTAIN ADJUSTMENTS TO COVERAGE OF HOME OR COMMUNITY-BASED SERVICES UNDER MEDICAID.

(a) EXPANDING HCBS COVERAGE UNDER SECTION 1915(c) WAIVERS.—Section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) is amended—

(1) in paragraph (3), by inserting “paragraph (11) or” before “subsection (h)(2)”; and

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

“(11) EXPANDING COVERAGE FOR HOME OR COMMUNITY-BASED SERVICES.—

“(A) IN GENERAL.—Beginning July 1, 2028, notwithstanding paragraph (1), the Secretary may approve a waiver that is standalone from any other waiver approved under this subsection to include as medical assistance under the State plan of such State payment for part or all of the cost of home or community-based services (other than room and board (as described in paragraph (1))) approved by the Secretary which are provided pursuant to a written plan of care to individuals described in subparagraph (B)(iii). A waiver approved under this paragraph shall be for an initial term of 3 years and, upon the request of the State, shall be extended for additional 5-year periods unless the Secretary determines that for the previous waiver period the requirements specified under this subsection (excluding those excepted under subparagraph (B)) have not been met.

“(B) STATE REQUIREMENTS.—In addition to the requirements specified under this subsection (except for the requirements described in subparagraphs (C) and (D) of paragraph (2) and any other requirement specified under this subsection that the Secretary determines to be inapplicable in the context of a waiver that does not require individuals to have a determination described in paragraph (1)), a State shall meet the following requirements as a condition of waiver approval:

“(i) As of the date that such State requests a waiver under this subsection to provide home or community-based services to individuals described in clause (iii), all other waivers (if any) granted under this subsection to such State meet the requirements of this subsection.

“(ii) The State demonstrates to the Secretary that approval of a waiver under this subsection with respect to individuals described in clause (iii) will not result in a material increase of the average amount of time that individuals with respect to whom a determination described in paragraph (1) has been made will need to wait to receive

home or community-based services under any other waiver granted under this subsection, as determined by the Secretary.

“(iii) The State establishes needs-based criteria, subject to the approval of the Secretary, regarding who will be eligible for home or community-based services under a waiver approved under this paragraph without requiring such individuals to have a determination described in paragraph (1), and specifies the home or community-based services such individuals so eligible will receive.

“(iv) The State establishes needs-based criteria for determining whether an individual described in clause (iii) requires the level of care provided in a hospital, nursing facility, or an intermediate care facility for individuals with developmental disabilities under the State plan or under any waiver of such plan that are more stringent than the needs-based criteria established under clause (iii) for determining eligibility for home or community-based services.

“(v) The State attests that the State’s average per capita expenditure for medical assistance under the State plan (or waiver of such plan) provided with respect to such individuals enrolled in a waiver under this paragraph will not exceed the State’s average per capita expenditure for medical assistance for individuals receiving institutional care under the State plan (or waiver of such plan) for the duration that the waiver under this paragraph is in effect.

“(vi) The State provides to the Secretary data (in such form and manner as the Secretary may specify) regarding the number of individuals described in clause (iii) with respect to a State seeking approval of a waiver under this subsection, to whom the State will make such services available under such waiver.

“(vii) The State agrees to provide to the Secretary, not less frequently than annually, data for purposes of paragraph (2)(E) (in such form and manner as the Secretary may specify) regarding, with respect to each preceding year in which a waiver under this subsection to provide home or community-based services to individuals described in clause (iii) was in effect—

“(I) the cost (as such term is defined by the Secretary) of such services furnished to individuals described in clause (iii), broken down by type of service;

“(II) with respect to each type of home or community-based service provided under the waiver, the length of time that such individuals have received such service;

“(III) a comparison between the data described in subclause (I) and any comparable data available with respect to individuals with respect to whom a determination described in paragraph (1) has been made and with respect to individuals receiving institutional care under this title; and

“(IV) the number of individuals who have received home or community-based services under the waiver during the preceding year.

“(C) LIMITATION ON PAYMENTS.—No payments made to carry out this paragraph shall be used by a State to make payments to a third party on behalf of an individual practitioner for benefits such as health insurance, skills training, and other benefits customary for employees, in the case of a class of practitioners for which the program established under this title is the primary source of revenue.”.

(b) IMPLEMENTATION FUNDING.—

(1) IN GENERAL.—There are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services—

(A) for fiscal year 2026, \$50,000,000 for purposes of carrying out the provisions of, and the amendments made by, this section, to remain available until expended; and

(B) for fiscal year 2027, \$100,000,000 for purposes of making payments to States, subject to paragraph (2), to support State systems to deliver home or community-based services under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) (as amended by this section) or under section 1115 of such Act (42 U.S.C. 1315), to remain available until expended.

(2) PAYMENTS BASED ON STATE HCBS ELIGIBLE POPULATION.—Payments to States from amounts made available by paragraph (1)(B) shall be made, with respect to a State, on the basis of the proportion of the population of the State that is receiving home or community-based services under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) (as amended by this section) or under section 1115 of such Act (42 U.S.C. 1315), as compared to all States.

CHAPTER 2—MEDICARE

Subchapter A—Strengthening Eligibility Requirements

SEC. 71201. LIMITING MEDICARE COVERAGE OF CERTAIN INDIVIDUALS.

Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by adding at the end the following new section:

“SEC. 1899C. LIMITING MEDICARE COVERAGE OF CERTAIN INDIVIDUALS.

“(a) IN GENERAL.—Subject to subsection (b), an individual may be entitled to, or enrolled for, benefits under this title only if the individual is—

“(1) a citizen or national of the United States;

“(2) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act;

“(3) an alien who has been granted the status of Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96–422); or

“(4) an individual who lawfully resides in the United States in accordance with a Compact of Free Association referred to in section 402(b)(2)(G) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

“(b) APPLICATION TO INDIVIDUALS CURRENTLY ENTITLED TO OR ENROLLED FOR BENEFITS.—

“(1) IN GENERAL.—In the case of an individual who is entitled to, or enrolled for, benefits under this title as of the date of the enactment of this section, subsection (a) shall apply beginning on the date that is 18 months after such date of enactment.

“(2) REVIEW BY COMMISSIONER OF SOCIAL SECURITY.—

“(A) IN GENERAL.—Not later than 1 year after the date of the enactment of this section, the Commissioner of Social Security shall complete a review of individuals entitled to, or enrolled for, benefits under this title as of such date of enactment for purposes of identifying individuals not described in any of paragraphs (1) through (4) of subsection (a).

“(B) NOTICE.—The Commissioner of Social Security shall notify each individual identified under the review conducted under subparagraph (A) that such individual’s entitlement to, or enrollment for, benefits under this title will be terminated as of the date that is 18 months after the date of the enactment of this section. Such notification shall be made as soon as practicable after such identification and in a manner designed to ensure such individual’s comprehension of such notification.”.

Subchapter B—Improving Services for Seniors

SEC. 71202. TEMPORARY PAYMENT INCREASE UNDER THE MEDICARE PHYSICIAN FEE SCHEDULE TO ACCOUNT FOR EXCEPTIONAL CIRCUMSTANCES.

(a) IN GENERAL.—Section 1848(t) of the Social Security Act (42 U.S.C. 1395w–4(t)) is amended—

(1) in the subsection heading, by striking “DURING 2021 THROUGH 2024”;

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking “and 2024” and inserting “2024, and 2026”;

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

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

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

“(F) such services furnished on or after January 1, 2026, and before January 1, 2027, by 2.5 percent.”; and

(3) in paragraph (2)(C)—

(A) in the subparagraph heading, by inserting “AND 2026” after “2024”; and

(B) by striking “or 2024” each place it appears and inserting “2024, or 2026”.

(b) CONFORMING AMENDMENT.—Section 1848(c)(2)(B)(iv)(V) of the Social Security Act (42 U.S.C. 1395w–4(c)(2)(B)(iv)(V)) is amended by striking “or 2024” and inserting “2024, or 2026”.

SEC. 71203. EXPANDING AND CLARIFYING THE EXCLUSION FOR ORPHAN DRUGS UNDER THE DRUG PRICE NEGOTIATION PROGRAM.

(a) IN GENERAL.—Section 1192(e) of the Social Security Act (42 U.S.C. 1320f–1(e)) is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking “and (3)” and inserting “through (4)”;

(2) in paragraph (3)(A)—

(A) by striking “only one rare disease or condition” and inserting “one or more rare diseases or conditions”; and

(B) by striking “such disease or condition” and inserting “one or more such rare diseases or conditions (as such term is defined in section 526(a)(2) of the Federal Food, Drug, and Cosmetic Act)”; and

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

“(4) TREATMENT OF FORMER ORPHAN DRUGS.—In the case of a drug or biological product that, as of the date of the approval or licensure of such drug or biological product, is a drug or biological product described in paragraph (3)(A), paragraph (1)(A)(ii) or (1)(B)(ii) (as applicable) shall apply as if the reference to ‘the date of such approval’ or ‘the date of such licensure’, respectively, were instead a reference to ‘the first day after the date of such approval for which such drug is not a drug described in paragraph (3)(A)’ or ‘the first day after the date of such licensure for which such biological product is not a biological product described in paragraph (3)(A)’, respectively.”.

(b) APPLICATION.—The amendments made by subsection (a) shall apply with respect to initial price applicability years (as defined in section 1191(b) of the Social Security Act (42 U.S.C. 1320f(b))) beginning on or after January 1, 2028.

CHAPTER 3—HEALTH TAX

Subchapter A—Improving Eligibility Criteria

SEC. 71301. PERMITTING PREMIUM TAX CREDIT ONLY FOR CERTAIN INDIVIDUALS.

(a) IN GENERAL.—Section 36B(e)(1) is amended by inserting “or, in the case of aliens who are lawfully present, are not eligible aliens” after “individuals who are not lawfully present”.

(b) ELIGIBLE ALIENS.—Section 36B(e)(2) is amended—

(1) by striking “For purposes of this section, an individual” and inserting “For purposes of this section—

“(A) IN GENERAL.—An individual”, and

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

“(B) ELIGIBLE ALIENS.—An individual who is an alien and lawfully present shall be treated as an eligible alien if such individual is, and is reasonably expected to be for the entire period of enrollment for which the credit under this section is being claimed—

“(i) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.),

“(ii) an alien who has been granted the status of Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96–422); or

“(iii) an individual who lawfully resides in the United States in accordance with a Compact of Free Association referred to in section 402(b)(2)(G) of the

Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)(G)).”.

(c) CONFORMING AMENDMENTS.—

(1) VERIFICATION OF INFORMATION.—Section 1411 of the Patient Protection and Affordable Care Act (42 U.S.C. 18081) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking “and section 36B(e) of the Internal Revenue Code of 1986”; and

(ii) in paragraph (2)—

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

(II) in subparagraph (B), by adding “and” at the end; and

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

“(C) in the case such individual is an alien lawfully present in the United States, whether such individual is an eligible alien (within the meaning of section 36B(e)(2) of such Code);”;

(B) in subsection (b)(3), by adding at the end the following new subparagraph:

“(D) IMMIGRATION STATUS.—In the case the individual’s eligibility is based on an attestation of the enrollee’s immigration status, an attestation that such individual is an eligible alien (within the meaning of 36B(e)(2) of the Internal Revenue Code of 1986).”; and

(C) in subsection (c)(2)(B)(ii), by adding at the end the following new subclause:

“(III) In the case of an individual described in clause (i)(I) with respect to whom a premium tax credit under section 36B of the Internal Revenue Code of 1986 is being claimed, the attestation that the individual is an eligible alien (within the meaning of section 36B(e)(2) of such Code).”.

(2) ADVANCE DETERMINATIONS.—Section 1412(d) of the Patient Protection and Affordable Care Act (42 U.S.C. 18082(d)) is amended by inserting before the period at the end the following: “, or credits under section 36B of the Internal Revenue Code of 1986 for aliens who are not eligible aliens (within the meaning of section 36B(e)(2) of such Code)”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to plan years beginning on or after January 1, 2027.

(d) REQUIREMENT TO MAINTAIN MINIMUM ESSENTIAL COVERAGE.—Section 5000A(d)(3) is amended by striking “an alien lawfully present in the United States” and inserting “an eligible alien (within the meaning of section 36B(e)(2))”.

(e) EFFECTIVE DATE.—The amendments made by this section (other than the amendments made by subsection (c)) shall apply to taxable years beginning after December 31, 2026.

SEC. 71302. DISALLOWING PREMIUM TAX CREDIT DURING PERIODS OF MEDICAID INELIGIBILITY DUE TO ALIEN STATUS.

(a) IN GENERAL.—Section 36B(c)(1) is amended by striking subparagraph (B).

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

Subchapter B—Preventing Waste, Fraud, and Abuse

SEC. 71303. REQUIRING VERIFICATION OF ELIGIBILITY FOR PREMIUM TAX CREDIT.

(a) **IN GENERAL.**—Section 36B(c) is amended by adding at the end the following new paragraphs:

“(5) **EXCHANGE ENROLLMENT VERIFICATION REQUIREMENT.**—

“(A) **IN GENERAL.**—The term ‘coverage month’ shall not include, with respect to any individual covered by a qualified health plan enrolled in through an Exchange, any month beginning before the Exchange verifies, using applicable enrollment information that shall be provided or verified by the applicant, such individual’s eligibility—

“(i) to enroll in the plan through the Exchange, and

“(ii) for any advance payment under section 1412 of the Patient Protection and Affordable Care Act of the credit allowed under this section.

“(B) **APPLICABLE ENROLLMENT INFORMATION.**—For purposes of subparagraph (A), applicable enrollment information shall include affirmation of at least the following information (to the extent relevant in determining eligibility described in subparagraph (A)):

“(i) Household income and family size.

“(ii) Whether the individual is an eligible alien.

“(iii) Any health coverage status or eligibility for coverage.

“(iv) Place of residence.

“(v) Such other information as may be determined by the Secretary (in consultation with the Secretary of Health and Human Services) as necessary to the verification prescribed under subparagraph (A).

“(C) **VERIFICATION OF PAST MONTHS.**—In the case of a month that begins before verification prescribed by subparagraph (A), such month shall be treated as a coverage month if the Exchange verifies for such month (using applicable enrollment information that shall be provided or verified by the applicant) such individual’s eligibility to have so enrolled and for any such advance payment.

“(D) **EXCHANGE PARTICIPATION; COORDINATION WITH OTHER PROCEDURES FOR DETERMINING ELIGIBILITY.**—An individual shall not, solely by reason of failing to meet the requirements of this paragraph with respect to a month, be treated for such month as ineligible to enroll in a qualified health plan through an Exchange.

“(E) **WAIVER FOR CERTAIN SPECIAL ENROLLMENT PERIODS.**—The Secretary may waive the application of subparagraph (A) in the case of an individual who enrolls in a qualified health plan through an Exchange for 1 or more months of the taxable year during a special enrollment period provided by the Exchange on the basis of a change in the family size of the individual.

“(F) **INFORMATION AND RELIANCE ON THIRD-PARTY SOURCES.**—An Exchange shall be permitted to use any

data available to the Exchange and any reliable third-party sources in collecting information for verification by the applicant.

“(6) EXCHANGE COMPLIANCE WITH FILING REQUIREMENTS.—

The term ‘coverage month’ shall not include, with respect to any individual covered by a qualified health plan enrolled in through an Exchange, any month for which the Exchange does not meet the requirements of section 155.305(f)(4)(iii) of title 45, Code of Federal Regulations (as published in the Federal Register on June 25, 2025 (90 Fed. Reg. 27074), applied as though it applied to all plan years after 2025), with respect to the individual.”.

(b) PRE-ENROLLMENT VERIFICATION PROCESS REQUIRED.—Section 36B(c)(3)(A) is amended—

(1) by striking “HEALTH PLAN.—The term” and inserting “HEALTH PLAN.— “

“(i) IN GENERAL.—The term”, and

(2) by adding at the end the following new clause:

“(ii) PRE-ENROLLMENT VERIFICATION PROCESS REQUIRED.—Such term shall not include any plan enrolled in through an Exchange, unless such Exchange provides a process for pre-enrollment verification through which any applicant may, beginning not later than August 1, verify with the Exchange the applicant’s household income and eligibility for enrollment in such plan for plan years beginning in the subsequent year.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2027.

SEC. 71304. DISALLOWING PREMIUM TAX CREDIT IN CASE OF CERTAIN COVERAGE ENROLLED IN DURING SPECIAL ENROLLMENT PERIOD.

(a) IN GENERAL.—Section 36B(c)(3)(A), as amended by the preceding provisions of this Act, is amended by adding at the end the following new clause:

“(iii) EXCEPTION IN CASE OF CERTAIN SPECIAL ENROLLMENT PERIODS.—Such term shall not include any plan enrolled in during a special enrollment period provided for by an Exchange—

“(I) on the basis of the relationship of the individual’s expected household income to such a percentage of the poverty line (or such other amount) as is prescribed by the Secretary of Health and Human Services for purposes of such period, and

“(II) not in connection with the occurrence of an event or change in circumstances specified by the Secretary of Health and Human Services for such purposes.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2025.

SEC. 71305. ELIMINATING LIMITATION ON RECAPTURE OF ADVANCE PAYMENT OF PREMIUM TAX CREDIT.

(a) IN GENERAL.—Section 36B(f)(2) is amended by striking subparagraph (B).

(b) CONFORMING AMENDMENTS.—

(1) Section 36B(f)(2) is amended by striking “ADVANCE PAYMENTS.—” and all that follows through “If the advance payments” and inserting the following: “ADVANCE PAYMENTS.—If the advance payments”.

(2) Section 35(g)(12)(B)(ii) is amended by striking “then section 36B(f)(2)(B) shall be applied by substituting the amount determined under clause (i) for the amount determined under section 36B(f)(2)(A)” and inserting “then the amount determined under clause (i) shall be substituted for the amount determined under section 36B(f)(2)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

Subchapter C—Enhancing Choice for Patients

SEC. 71306. PERMANENT EXTENSION OF SAFE HARBOR FOR ABSENCE OF DEDUCTIBLE FOR TELEHEALTH SERVICES.

(a) IN GENERAL.—Subparagraph (E) of section 223(c)(2) is amended to read as follows:

“(E) SAFE HARBOR FOR ABSENCE OF DEDUCTIBLE FOR TELEHEALTH.—A plan shall not fail to be treated as a high deductible health plan by reason of failing to have a deductible for telehealth and other remote care services.”.

(b) CERTAIN COVERAGE DISREGARDED.—Clause (ii) of section 223(c)(1)(B) is amended by striking “(in the case of months or plan years to which paragraph (2)(E) applies)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2024.

SEC. 71307. ALLOWANCE OF BRONZE AND CATASTROPHIC PLANS IN CONNECTION WITH HEALTH SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 223(c)(2) is amended by adding at the end the following new subparagraph:

“(H) BRONZE AND CATASTROPHIC PLANS TREATED AS HIGH DEDUCTIBLE HEALTH PLANS.—The term ‘high deductible health plan’ shall include any plan which is—

“(i) available as individual coverage through an Exchange established under section 1311 or 1321 of the Patient Protection and Affordable Care Act, and

“(ii) described in subsection (d)(1)(A) or (e) of section 1302 of such Act.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to months beginning after December 31, 2025.

SEC. 71308. TREATMENT OF DIRECT PRIMARY CARE SERVICE ARRANGEMENTS.

(a) IN GENERAL.—Section 223(c)(1) is amended by adding at the end the following new subparagraph:

“(E) TREATMENT OF DIRECT PRIMARY CARE SERVICE ARRANGEMENTS.—

“(i) IN GENERAL.—A direct primary care service arrangement shall not be treated as a health plan for purposes of subparagraph (A)(ii).

“(ii) DIRECT PRIMARY CARE SERVICE ARRANGEMENT.—For purposes of this subparagraph—

“(I) IN GENERAL.—The term ‘direct primary care service arrangement’ means, with respect to

any individual, an arrangement under which such individual is provided medical care (as defined in section 213(d)) consisting solely of primary care services provided by primary care practitioners (as defined in section 1833(x)(2)(A) of the Social Security Act, determined without regard to clause (ii) thereof), if the sole compensation for such care is a fixed periodic fee.

“(II) LIMITATION.—With respect to any individual for any month, such term shall not include any arrangement if the aggregate fees for all direct primary care service arrangements (determined without regard to this subclause) with respect to such individual for such month exceed \$150 (twice such dollar amount in the case of an individual with any direct primary care service arrangement (as so determined) that covers more than one individual).

“(iii) CERTAIN SERVICES SPECIFICALLY EXCLUDED FROM TREATMENT AS PRIMARY CARE SERVICES.—For purposes of this subparagraph, the term ‘primary care services’ shall not include—

“(I) procedures that require the use of general anesthesia,

“(II) prescription drugs (other than vaccines), and

“(III) laboratory services not typically administered in an ambulatory primary care setting.

The Secretary, after consultation with the Secretary of Health and Human Services, shall issue regulations or other guidance regarding the application of this clause.”.

(b) DIRECT PRIMARY CARE SERVICE ARRANGEMENT FEES TREATED AS MEDICAL EXPENSES.—Section 223(d)(2)(C) is amended by striking “or” at the end of clause (iii), by striking the period at the end of clause (iv) and inserting “, or”, and by adding at the end the following new clause:

“(v) any direct primary care service arrangement.”.

(c) INFLATION ADJUSTMENT.—Section 223(g)(1) is amended—

(1) by striking “in subsections (b)(2) and (c)(2)(A)” and inserting “in subsections (b)(2), (c)(2)(A), and in the case of taxable years beginning after 2026, (c)(1)(E)(ii)(II)”,

(2) in subparagraph (B), by striking “clause (ii)” in clause (i) and inserting “clauses (ii) and (iii)”, by striking “and” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “, and”, and by inserting after clause (ii) the following new clause:

“(iii) in the case of the dollar amount in subsection

(c)(1)(E)(ii)(II), ‘calendar year 2025’.”, and

(3) by inserting “, (c)(1)(E)(ii)(II),” after “(b)(2)” in the last sentence.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2025.

CHAPTER 4—PROTECTING RURAL HOSPITALS AND PROVIDERS

SEC. 71401. RURAL HEALTH TRANSFORMATION PROGRAM.

(a) IN GENERAL.—Section 2105 of the Social Security Act (42 U.S.C. 1397ee) is amended by adding at the end the following new subsection:

“(h) RURAL HEALTH TRANSFORMATION PROGRAM.—

“(1) APPROPRIATION.—

“(A) IN GENERAL.—There are appropriated, out of any money in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services (in this subsection referred to as the ‘Administrator’), to provide allotments to States for purposes of carrying out the activities described in paragraph (6)—

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

“(ii) \$10,000,000,000 for fiscal year 2027;

“(iii) \$10,000,000,000 for fiscal year 2028;

“(iv) \$10,000,000,000 for fiscal year 2029; and

“(v) \$10,000,000,000 for fiscal year 2030.

“(B) UNEXPENDED OR UNOBLIGATED FUNDS.—

“(i) IN GENERAL.—Any amounts appropriated under subparagraph (A) that are unexpended or unobligated as of October 1, 2032, shall be returned to the Treasury of the United States.

“(ii) REDISTRIBUTION OF UNEXPENDED OR UNOBLIGATED FUNDS.—In carrying out subparagraph (A), the Administrator shall, not later than March 31, 2028, and annually thereafter through March 31, 2032, determine the amount of funds, if any, that are available under such subparagraph for a previous fiscal year, are unexpended or unobligated with respect to such fiscal year, and will not be available to a State in the current fiscal year, pursuant to clause (iii).

“(iii) AVAILABILITY OF FUNDS.—

“(I) IN GENERAL.—Amounts allotted to a State under this subsection for a year shall be available for expenditure by the State through the end of the fiscal year following the fiscal year in which such amounts are allotted.

“(II) AVAILABILITY OF AMOUNTS REDISTRIBUTED.—Amounts redistributed to a State under clause (ii) with respect to a fiscal year shall be available for expenditure by the State through the end of the fiscal year following the fiscal year in which such amounts are redistributed (except in the case of amounts redistributed in fiscal year 2032 which shall only be available for expenditure through September 30, 2032).

“(iv) MISUSE OF FUNDS.—If the Administrator determines that a State is not using amounts allotted or redistributed to the State under this subsection in a manner consistent with the description provided by the State in its application approved under paragraph (2), the Administrator may withhold payments to, or reduce payments to, or recover previous payments from, the State under this subsection as the

Administrator deems appropriate, and any amounts so withheld, or that remain after any such reduction, or so recovered, shall be returned to the Treasury of the United States.

“(2) APPLICATION.—

“(A) IN GENERAL.—To be eligible for an allotment under this subsection, a State shall submit to the Administrator during an application submission period to be specified by the Administrator (but that ends not later than December 31, 2025) an application in such form and manner as the Administrator may specify, that includes—

“(i) a detailed rural health transformation plan—

“(I) to improve access to hospitals, other health care providers, and health care items and services furnished to rural residents of the State;

“(II) to improve health care outcomes of rural residents of the State;

“(III) to prioritize the use of new and emerging technologies that emphasize prevention and chronic disease management;

“(IV) to initiate, foster, and strengthen local and regional strategic partnerships between rural hospitals and other health care providers in order to promote measurable quality improvement, increase financial stability, maximize economies of scale, and share best practices in care delivery;

“(V) to enhance economic opportunity for, and the supply of, health care clinicians through enhanced recruitment and training;

“(VI) to prioritize data and technology driven solutions that help rural hospitals and other rural health care providers furnish high-quality health care services as close to a patient’s home as is possible;

“(VII) that outlines strategies to manage long-term financial solvency and operating models of rural hospitals in the State; and

“(VIII) that identifies specific causes driving the accelerating rate of stand-alone rural hospitals becoming at risk of closure, conversion, or service reduction;

“(ii) a certification that none of the amounts provided under this subsection shall be used by the State for an expenditure that is attributable to an intergovernmental transfer, certified public expenditure, or any other expenditure to finance the non-Federal share of expenditures required under any provision of law, including under the State plan established under this title, the State plan established under title XIX, or under a waiver of such plans; and

“(iii) such other information as the Administrator may require.

“(B) DEADLINE FOR APPROVAL.—Not later than December 31, 2025, the Administrator shall approve or deny all applications submitted for an allotment under this subsection.

“(C) ONE-TIME APPLICATION.—If an application of a State for an allotment under this subsection is approved by the Administrator, the State shall be eligible for an allotment under this subsection for each of fiscal years 2026 through 2030, except as provided in paragraph (1)(B)(iv).

“(D) ELIGIBILITY.—Only the 50 States shall be eligible for an allotment under this subsection and all references in this subsection to a State shall be treated as only referring to the 50 States.

“(3) ALLOTMENTS.—

“(A) IN GENERAL.—For each of fiscal years 2026 through 2030, the Administrator shall determine under subparagraph (B) the amount of the allotment for such fiscal year for each State with an approved application under this subsection.

“(B) AMOUNT DETERMINED.—Subject to subparagraph (C), from the amounts appropriated under paragraph (1)(A) for each of fiscal years 2026 through 2030, the Administrator shall allot—

“(i) 50 percent of the amounts appropriated for each such fiscal year equally among all States with an approved application under this subsection; and

“(ii) 50 percent of the amounts appropriated for each such fiscal year among all such States in an amount to be determined by the Administrator in accordance with subparagraph (C).

“(C) REQUIREMENTS.—In determining the amount to be allotted to a State under clause (ii) of subparagraph (B) for a fiscal year, the Administrator shall—

“(i) ensure that not less than $\frac{1}{4}$ of the States with an approved application under this subsection for a fiscal year are allotted funds from amounts that are to be allotted under clause (ii) of such subparagraph; and

“(ii) consider—

“(I) the percentage of the State population that is located in a rural census tract of a metropolitan statistical area (as determined under the most recent modification of the Goldsmith Modification, originally published in the Federal Register on February 27, 1992 (57 Fed. Reg. 6725));

“(II) the proportion of rural health facilities (as defined in subparagraph (D)) in the State relative to the number of rural health facilities nationwide;

“(III) the situation of hospitals in the State, as described in section 1902(a)(13)(A)(iv); and

“(IV) any other factors that the Administrator determines appropriate.

“(D) RURAL HEALTH FACILITY DEFINED.—For the purposes of subparagraph (C)(ii), the term ‘rural health facility’ means the following:

“(i) A subsection (d) hospital (as defined in paragraph (1)(B) of section 1886(d)) that—

“(I) is located in a rural area (as defined in paragraph (2)(D) of such section);

“(II) is treated as being located in a rural area pursuant to paragraph (8)(E) of such section; or

“(III) is located in a rural census tract of a metropolitan statistical area (as determined under the most recent modification of the Goldsmith Modification, originally published in the Federal Register on February 27, 1992 (57 Fed. Reg. 6725)).

“(ii) A critical access hospital (as defined in section 1861(mm)(1)).

“(iii) A sole community hospital (as defined in section 1886(d)(5)(D)(iii)).

“(iv) A Medicare-dependent, small rural hospital (as defined in section 1886(d)(5)(G)(iv)).

“(v) A low-volume hospital (as defined in section 1886(d)(12)(C)).

“(vi) A rural emergency hospital (as defined in section 1861(kkk)(2)).

“(vii) A rural health clinic (as defined in section 1861(aa)(2)).

“(viii) A Federally qualified health center (as defined in section 1861(aa)(4)).

“(ix) A community mental health center (as defined in section 1861(ff)(3)(B)).

“(x) A health center that is receiving a grant under section 330 of the Public Health Service Act.

“(xi) An opioid treatment program (as defined in section 1861(jjj)(2)) that is located in a rural census tract of a metropolitan statistical area (as determined under the most recent modification of the Goldsmith Modification, originally published in the Federal Register on February 27, 1992 (57 Fed. Reg. 6725)).

“(xii) A certified community behavioral health clinic (as defined in section 1905(jj)(2)) that is located in a rural census tract of a metropolitan statistical area (as determined under the most recent modification of the Goldsmith Modification, originally published in the Federal Register on February 27, 1992 (57 Fed. Reg. 6725)).

“(4) NO MATCHING PAYMENT.—A State approved for an allotment under this subsection for a fiscal year shall not be required to provide any matching funds as a condition for receiving payments from the allotment.

“(5) TERMS AND CONDITIONS.—The Administrator shall specify such terms and conditions for allotments to States provided under this subsection as the Administrator deems appropriate, including the following:

“(A) Each State shall submit to the Administrator (at a time, and in a form and manner, specified by the Administrator)—

“(i) a plan for the State to use its allotment to carry out 3 or more of the activities described in paragraph (6); and

“(ii) annual reports on the use of allotments, including such additional information as the Administrator determines appropriate.

“(B) Not more than 10 percent of the amount allotted to a State for a fiscal year may be used by the State for administrative expenses.

“(6) USE OF FUNDS.—Amounts allotted to a State under this subsection shall be used for 3 or more of the following health-related activities:

“(A) Promoting evidence-based, measurable interventions to improve prevention and chronic disease management.

“(B) Providing payments to health care providers for the provision of health care items or services, as specified by the Administrator.

“(C) Promoting consumer-facing, technology-driven solutions for the prevention and management of chronic diseases.

“(D) Providing training and technical assistance for the development and adoption of technology-enabled solutions that improve care delivery in rural hospitals, including remote monitoring, robotics, artificial intelligence, and other advanced technologies.

“(E) Recruiting and retaining clinical workforce talent to rural areas, with commitments to serve rural communities for a minimum of 5 years.

“(F) Providing technical assistance, software, and hardware for significant information technology advances designed to improve efficiency, enhance cybersecurity capability development, and improve patient health outcomes.

“(G) Assisting rural communities to right size their health care delivery systems by identifying needed preventative, ambulatory, pre-hospital, emergency, acute inpatient care, outpatient care, and post-acute care service lines.

“(H) Supporting access to opioid use disorder treatment services (as defined in section 1861(jjj)(1)), other substance use disorder treatment services, and mental health services.

“(I) Developing projects that support innovative models of care that include value-based care arrangements and alternative payment models, as appropriate.

“(J) Additional uses designed to promote sustainable access to high quality rural health care services, as determined by the Administrator.

“(7) EXEMPTIONS.—Paragraphs (2), (3), (5), (6), (8), (10), (11), and (12) of subsection (c) do not apply to payments under this subsection.

“(8) REVIEW.—There shall be no administrative or judicial review under section 1116 or otherwise of amounts allotted or redistributed to States under this subsection, payments to States withheld or reduced under this subsection, or previous payments recovered from States under this subsection.

“(9) HEALTH CARE PROVIDER DEFINED.—For purposes of this subsection, the term ‘health care provider’ means a provider of services or supplier who is enrolled under this title, title XVIII, or title XIX.”

(b) CONFORMING AMENDMENTS.—Title XXI of the Social Security Act (42 U.S.C. 1397aa) is amended—

(1) in section 2101—

(A) in subsection (a), in the matter preceding paragraph (1), by striking “The purpose” and inserting “Except with respect to the rural health transformation program established in section 2105(h), the purpose”; and

(B) in subsection (b), in the matter preceding paragraph (1), by inserting “subsection (a) or (g) of” before “section 2105”;

(2) in section 2105(c)(1), by striking “and may not include” and inserting “or to carry out the rural health transformation program established in subsection (h) and, except in the case of amounts made available under subsection (h), may not include”; and

(3) in section 2106(a)(1), by inserting “subsection (a) or (g) of” before “section 2105”.

(c) IMPLEMENTATION.—The Administrator of the Centers for Medicare & Medicaid Services shall implement this section, including the amendments made by this section, by program instruction or other forms of program guidance.

(d) IMPLEMENTATION FUNDING.—For the purposes of carrying out the provisions of, and the amendments made by, this section, there are appropriated, out of any monies in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services, \$200,000,000 for fiscal year 2025, to remain available until expended.

Subtitle C—Increase in Debt Limit

SEC. 72001. MODIFICATION OF LIMITATION ON THE PUBLIC DEBT.

The limitation under section 3101(b) of title 31, United States Code, as most recently increased by section 401(b) of Public Law 118–5 (31 U.S.C. 3101 note), is increased by \$5,000,000,000,000.

Subtitle D—Unemployment

SEC. 73001. ENDING UNEMPLOYMENT PAYMENTS TO JOBLESS MILLIONAIRES.

(a) PROHIBITION ON USE OF FEDERAL FUNDS.—

(1) IN GENERAL.—No Federal funds may be used—

(A) to make payments of unemployment compensation benefits under an unemployment compensation program of the United States in a year to an individual whose wages during the individual’s base period are equal to or exceed \$1,000,000; or

(B) for any administrative costs associated with making payments described in subparagraph (A).

(2) COMPLIANCE.—

(A) SELF-CERTIFICATION.—Any application for unemployment compensation under an unemployment compensation program of the United States shall include a form or procedure for an individual applicant to certify that such individual’s wages during the individual’s base period do not equal or exceed \$1,000,000.

(B) VERIFICATION.—Each State agency that is responsible for administering any unemployment compensation program of the United States shall utilize available systems

to verify wage eligibility by assessing claimant income to the degree possible.

(3) RECOVERY OF OVERPAYMENTS.—Each State agency that is responsible for administering any unemployment compensation program of the United States shall require individuals who have received amounts of unemployment compensation under such a program to which they were not entitled to repay such amounts.

(4) EFFECTIVE DATE.—The prohibition under paragraph (1) shall apply to weeks of unemployment beginning on or after the date of the enactment of this Act.

(b) UNEMPLOYMENT COMPENSATION PROGRAM OF THE UNITED STATES DEFINED.—In this section, the term “unemployment compensation program of the United States” means—

(1) unemployment compensation for Federal civilian employees under subchapter I of chapter 85 of title 5, United States Code;

(2) unemployment compensation for ex-servicemembers under subchapter II of chapter 85 of title 5, United States Code;

(3) extended benefits under the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note);

(4) any Federal temporary extension of unemployment compensation;

(5) any Federal program that increases the weekly amount of unemployment compensation payable to individuals; and

(6) any other Federal program providing for the payment of unemployment compensation, as determined by the Secretary of Labor.

TITLE VIII—COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Subtitle A—Exemption of Certain Assets

SEC. 80001. EXEMPTION OF CERTAIN ASSETS.

(a) EXEMPTION OF CERTAIN ASSETS.—Section 480(f)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(f)(2)) is amended—

(1) by striking “net value of the” and inserting the following: “net value of—

“(A) the”;

(2) by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(B) a family farm on which the family resides;

“(C) a small business with not more than 100 full-time or full-time equivalent employees (or any part of such a small business) that is owned and controlled by the family; or

“(D) a commercial fishing business and related expenses, including fishing vessels and permits owned and controlled by the family.”.

(b) EFFECTIVE DATE AND APPLICATION.—The amendments made by subsection (a) shall take effect on July 1, 2026, and shall apply

with respect to award year 2026–2027 and each subsequent award year, as determined under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

Subtitle B—Loan Limits

SEC. 81001. ESTABLISHMENT OF LOAN LIMITS FOR GRADUATE AND PROFESSIONAL STUDENTS AND PARENT BORROWERS; TERMINATION OF GRADUATE AND PROFESSIONAL PLUS LOANS.

Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is amended—

(1) in paragraph (3)—

(A) in the paragraph heading, by inserting “AND FEDERAL DIRECT PLUS LOANS” after “LOANS”;

(B) by striking subparagraph (A) and inserting the following:

“(A) TERMINATION OF AUTHORITY TO MAKE INTEREST SUBSIDIZED LOANS TO GRADUATE AND PROFESSIONAL STUDENTS.—Subject to subparagraph (B), and notwithstanding any provision of this part or part B—

“(i) for any period of instruction beginning on or after July 1, 2012, a graduate or professional student shall not be eligible to receive a Federal Direct Stafford loan under this part; and

“(ii) for any period of instruction beginning on July 1, 2012, and ending on June 30, 2026, the maximum annual amount of Federal Direct Unsubsidized Stafford loans such a student may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the maximum annual amount for such student determined under section 428H, plus an amount equal to the amount of Federal Direct Stafford loans the student would have received in the absence of this subparagraph.”; and

(C) by adding at the end the following:

“(C) TERMINATION OF AUTHORITY TO MAKE FEDERAL DIRECT PLUS LOANS TO GRADUATE AND PROFESSIONAL STUDENTS.—Subject to paragraph (8) and notwithstanding any provision of this part or part B, for any period of instruction beginning on or after July 1, 2026, a graduate or professional student shall not be eligible to receive a Federal Direct PLUS Loan under this part.”; and

(2) by adding at the end the following:

“(4) GRADUATE AND PROFESSIONAL ANNUAL AND AGGREGATE LIMITS FOR FEDERAL DIRECT UNSUBSIDIZED STAFFORD LOANS BEGINNING JULY 1, 2026.—

“(A) ANNUAL LIMITS BEGINNING JULY 1, 2026.—Subject to paragraphs (7)(A) and (8), beginning on July 1, 2026, the maximum annual amount of Federal Direct Unsubsidized Stafford loans—

“(i) a graduate student, who is not a professional student, may borrow in any academic year or its equivalent shall be \$20,500; and

“(ii) a professional student may borrow in any academic year or its equivalent shall be \$50,000.

“(B) AGGREGATE LIMITS.—Subject to paragraphs (6), (7)(A), and (8), beginning on July 1, 2026, the maximum aggregate amount of Federal Direct Unsubsidized Stafford loans, in addition to the amount borrowed for undergraduate education, that—

“(i) a graduate student—

“(I) who is not (and has not been) a professional student, may borrow for programs of study described in subparagraph (C)(i) shall be \$100,000; or

“(II) who is (or has been) a professional student, may borrow for programs of study described in subparagraph (C)(i) shall be an amount equal to—

“(aa) \$200,000; minus

“(bb) the amount such student borrowed for programs of study described in subparagraph (C)(ii); and

“(ii) a professional student—

“(I) who is not (and has not been) a graduate student, may borrow for programs of study described in subparagraph (C)(ii) shall be \$200,000; or

“(II) who is (or has been) a graduate student, may borrow for programs of study described in subparagraph (C)(ii) shall be an amount equal to—

“(aa) \$200,000; minus

“(bb) the amount such student borrowed for programs of study described in subparagraph (C)(i).

“(C) DEFINITIONS.—

“(i) GRADUATE STUDENT.—The term ‘graduate student’ means a student enrolled in a program of study that awards a graduate credential (other than a professional degree) upon completion of the program.

“(ii) PROFESSIONAL STUDENT.—In this paragraph, the term ‘professional student’ means a student enrolled in a program of study that awards a professional degree, as defined under section 668.2 of title 34, Code of Federal Regulations (as in effect on the date of enactment of this paragraph), upon completion of the program.

“(5) PARENT BORROWER ANNUAL AND AGGREGATE LIMITS FOR FEDERAL DIRECT PLUS LOANS BEGINNING JULY 1, 2026.—

“(A) ANNUAL LIMITS.—Subject to paragraph (8) and notwithstanding any provision of this part or part B, beginning on July 1, 2026, for each dependent student, the total maximum annual amount of Federal Direct PLUS loans that may be borrowed on behalf of that dependent student by all parents of that dependent student shall be \$20,000.

“(B) AGGREGATE LIMITS.—Subject to paragraph (8) and notwithstanding any provision of this part or part B, beginning on July 1, 2026, for each dependent student, the total maximum aggregate amount of Federal Direct PLUS loans that may be borrowed on behalf of that dependent student by all parents of that dependent student shall

be \$65,000, without regard to any amounts repaid, forgiven, canceled, or otherwise discharged on any such loan.

“(6) LIFETIME MAXIMUM AGGREGATE AMOUNT FOR ALL STUDENTS.—Subject to paragraph (8) and notwithstanding any provision of this part or part B, beginning on July 1, 2026, the maximum aggregate amount of loans made, insured, or guaranteed under this title that a student may borrow (other than a Federal Direct PLUS loan, or loan under section 428B, made to the student as a parent borrower on behalf of a dependent student) shall be \$257,500, without regard to any amounts repaid, forgiven, canceled, or otherwise discharged on any such loan.

“(7) ADDITIONAL RULES REGARDING ANNUAL LOAN LIMITS.—

“(A) LESS THAN FULL-TIME ENROLLMENT.—Notwithstanding any provision of this part or part B, in any case in which a student is enrolled in a program of study of an institution of higher education on less than a full-time basis during any academic year, the amount of a loan that student may borrow for an academic year or its equivalent shall be reduced in direct proportion to the degree to which that student is not so enrolled on a full-time basis, rounded to the nearest whole percentage point, as provided in a schedule of reductions published by the Secretary computed for purposes of this subparagraph.

“(B) INSTITUTIONALLY DETERMINED LIMITS.—Notwithstanding the annual loan limits established under this section and, for undergraduate students, under this part and part B, beginning on July 1, 2026, an institution of higher education (at the discretion of a financial aid administrator at the institution) may limit the total amount of loans made under this part for a program of study for an academic year that a student may borrow, and that a parent may borrow on behalf of such student, as long as any such limit is applied consistently to all students enrolled in such program of study.

“(8) INTERIM EXCEPTION FOR CERTAIN STUDENTS.—

“(A) APPLICATION OF PRIOR LIMITS.—Paragraphs (3)(C), (4), (5), and (6) shall not apply, and paragraph (3)(A)(ii) shall apply as such paragraph was in effect for periods of instruction ending before June 30, 2026, during the expected time to credential described in subparagraph (B), with respect to an individual who, as of June 30, 2026—

“(i) is enrolled in a program of study at an institution of higher education; and

“(ii) has received a loan (or on whose behalf a loan was made) under this part for such program of study.

“(B) EXPECTED TIME TO CREDENTIAL.—For purposes of this paragraph, the expected time to credential of an individual shall be equal to the lesser of—

“(i) three academic years; or

“(ii) the period determined by calculating the difference between—

“(I) the program length for the program of study in which the individual is enrolled; and

“(II) the period of such program of study that such individual has completed as of the date of the determination under this subparagraph.

“(C) DEFINITION OF PROGRAM LENGTH.—In this paragraph, the term ‘program length’ means the minimum amount of time in weeks, months, or years that is specified in the catalog, marketing materials, or other official publications of an institution of higher education for a full-time student to complete the requirements for a specific program of study.”.

Subtitle C—Loan Repayment

SEC. 82001. LOAN REPAYMENT.

(a) TRANSITION TO INCOME-BASED REPAYMENT PLANS.—

(1) SELECTION.—The Secretary of Education shall take such steps as may be necessary to ensure that before July 1, 2028, each borrower who has one or more loans that are in a repayment status in accordance with, or an administrative forbearance associated with, an income contingent repayment plan authorized under section 455(e) of the Higher Education Act of 1965 (referred to in this subsection as “covered income contingent loans”) selects one of the following income-based repayment plans that is otherwise applicable, and for which that borrower is otherwise eligible, for the repayment of the covered income contingent loans of the borrower:

(A) The Repayment Assistance Plan under section 455(q) of the Higher Education Act of 1965.

(B) The income-based repayment plan under section 493C of the Higher Education Act of 1965.

(C) Any other repayment plan as authorized under section 455(d)(1) of the Higher Education Act of 1965.

(2) COMMENCEMENT OF NEW REPAYMENT PLAN.—Beginning on July 1, 2028, a borrower described in paragraph (1) shall begin repaying the covered income contingent loans of the borrower in accordance with the repayment plan selected under paragraph (1), unless the borrower chooses to begin repaying in accordance with the repayment plan selected under paragraph (1) before such date.

(3) FAILURE TO SELECT.—In the case of a borrower described in paragraph (1) who fails to select a repayment plan in accordance with such paragraph, the Secretary of Education shall—

(A) enroll the covered income contingent loans of such borrower in—

(i) the Repayment Assistance Plan under section 455(q) of the Higher Education Act of 1965 with respect to loans that are eligible for the Repayment Assistance Plan under such subsection; or

(ii) the income-based repayment plan under section 493C of such Act, with respect to loans that are not eligible for the Repayment Assistance Plan; and

(B) require the borrower to begin repaying covered income contingent loans according to the plans under subparagraph (A) on July 1, 2028.

(b) REPAYMENT PLANS.—Section 455(d) of the Higher Education Act of 1965 (20 U.S.C. 1087e(d)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting “before July 1, 2026, who has not received a loan made under this part on or after July 1, 2026,” after “made under this part”;

(B) in subparagraph (D)—

(i) by inserting “before June 30, 2028,” before “an income contingent repayment plan”; and

(ii) by striking “and” after the semicolon;

(C) in subparagraph (E)—

(i) by striking “that enables borrowers who have a partial financial hardship to make a lower monthly payment”;

(ii) by striking “a Federal Direct Consolidation Loan, if the proceeds of such loan were used to discharge the liability on such Federal Direct PLUS Loan or a loan under section 428B made on behalf of a dependent student” and inserting “an excepted Consolidation Loan (as defined in section 493C(a)(2))”; and

(iii) by striking the period at the end and inserting “; and”; and

(D) by adding at the end the following:

“(F) beginning on July 1, 2026, the income-based Repayment Assistance Plan under subsection (q), provided that—

“(i) such Plan shall not be available for the repayment of excepted loans (as defined in paragraph (7)(E)); and

“(ii) the borrower is required to pay each outstanding loan of the borrower made under this part under such Repayment Assistance Plan, except that a borrower of an excepted loan (as defined in paragraph (7)(E)) may repay the excepted loan separately from other loans under this part obtained by the borrower.”;

(2) in paragraph (5), by amending subparagraph (B) to read as follows:

“(B) repay the loan pursuant to an income-based repayment plan under subsection (q) or section 493C, as applicable.”; and

(3) by adding at the end the following:

“(6) TERMINATION AND LIMITATION OF REPAYMENT AUTHORITY.—

“(A) SUNSET OF REPAYMENT PLANS AVAILABLE BEFORE JULY 1, 2026.—Paragraphs (1) through (4) of this subsection shall only apply to loans made under this part before July 1, 2026.

“(B) PROHIBITIONS.—The Secretary may not, for any loan made under this part on or after July 1, 2026—

“(i) authorize a borrower of such a loan to repay such loan pursuant to a repayment plan that is not described in paragraph (7)(A); or

“(ii) carry out or modify a repayment plan that is not described in such paragraph.

“(7) REPAYMENT PLANS FOR LOANS MADE ON OR AFTER JULY 1, 2026.—

“(A) DESIGN AND SELECTION.—Beginning on July 1, 2026, the Secretary shall offer a borrower of a loan made

under this part on or after such date (including such a borrower who also has a loan made under this part before such date) two plans for repayment of the borrower's loans under this part, including principal and interest on such loans. The borrower shall be entitled to accelerate, without penalty, repayment on such loans. The borrower may choose—

“(i) a standard repayment plan—

“(I) with a fixed monthly repayment amount paid over a fixed period of time equal to the applicable period determined under subclause (II); and

“(II) with the applicable period of time for repayment determined based on the total outstanding principal of all loans of the borrower made under this part before, on, or after July 1, 2026, at the time the borrower is entering repayment under such plan, as follows—

“(aa) for a borrower with total outstanding principal of less than \$25,000, a period of 10 years;

“(bb) for a borrower with total outstanding principal of not less than \$25,000 and less than \$50,000, a period of 15 years;

“(cc) for a borrower with total outstanding principal of not less than \$50,000 and less than \$100,000, a period of 20 years; and

“(dd) for a borrower with total outstanding principal of \$100,000 or more, a period of 25 years; or

“(ii) the income-based Repayment Assistance Plan under subsection (q).

“(B) SELECTION BY SECRETARY.—If a borrower of a loan made under this part on or after July 1, 2026, does not select a repayment plan described in subparagraph (A), the Secretary shall provide the borrower with the standard repayment plan described in subparagraph (A)(i).

“(C) SELECTION APPLIES TO ALL OUTSTANDING LOANS.—A borrower is required to pay each outstanding loan of the borrower made under this part under the same selected repayment plan, except that a borrower who selects the Repayment Assistance Plan and also has an excepted loan that is not eligible for repayment under such Repayment Assistance Plan shall repay the excepted loan separately from other loans under this part obtained by the borrower.

“(D) CHANGES OF REPAYMENT PLAN.—A borrower may change the borrower's selection of—

“(i) the standard repayment plan under subparagraph (A)(i), or the Secretary's selection of such plan for the borrower under subparagraph (B), as the case may be, to the Repayment Assistance Plan under subparagraph (A)(ii) at any time; and

“(ii) the Repayment Assistance Plan under subparagraph (A)(ii) to the standard repayment plan under subparagraph (A)(i) at any time.

“(E) REPAYMENT FOR BORROWERS WITH EXCEPTED LOANS MADE ON OR AFTER JULY 1, 2026.—

“(i) STANDARD REPAYMENT PLAN REQUIRED.—Notwithstanding subparagraphs (A) through (D), beginning on July 1, 2026, the Secretary shall require a borrower who has received an excepted loan made on or after such date (including such a borrower who also has an excepted loan made before such date) to repay each excepted loan, including principal and interest on those excepted loans, under the standard repayment plan under subparagraph (A)(i). The borrower shall be entitled to accelerate, without penalty, repayment on such loans.

“(ii) EXCEPTED LOAN DEFINED.—For the purposes of this paragraph, the term ‘excepted loan’ means a loan with an outstanding balance that is—

“(I) a Federal Direct PLUS Loan that is made on behalf of a dependent student; or

“(II) a Federal Direct Consolidation Loan, if the proceeds of such loan were used to discharge the liability on—

“(aa) an excepted PLUS loan, as defined in section 493C(a)(1); or

“(bb) an excepted consolidation loan (as such term is defined in section 493C(a)(2)(A), notwithstanding subparagraph (B) of such section).”.

(c) ELIMINATION OF AUTHORITY TO PROVIDE INCOME CONTINGENT REPAYMENT PLANS.—

(1) REPEAL.—Subsection (e) of section 455 of the Higher Education Act of 1965 (20 U.S.C. 1087e(e)) is repealed.

(2) FURTHER AMENDMENTS TO ELIMINATE INCOME CONTINGENT REPAYMENT.—

(A) Section 428 of the Higher Education Act of 1965 (20 U.S.C. 1078) is amended—

(i) in subsection (b)(1)(D), by striking “be subject to income contingent repayment in accordance with subsection (m)” and inserting “be subject to income-based repayment in accordance with subsection (m)”; and

(ii) in subsection (m)—

(I) in the subsection heading, by striking “INCOME CONTINGENT AND”;

(II) by amending paragraph (1) to read as follows:

“(1) AUTHORITY OF SECRETARY TO REQUIRE.—The Secretary may require borrowers who have defaulted on loans made under this part that are assigned to the Secretary under subsection (c)(8) to repay those loans pursuant to an income-based repayment plan under section 493C.”; and

(III) in the heading of paragraph (2), by striking “INCOME CONTINGENT OR”.

(B) Section 428C of the Higher Education Act of 1965 (20 U.S.C. 1078–3) is amended—

(i) in subsection (a)(3)(B)(i)(V)(aa), by striking “for the purposes of obtaining income contingent repayment or income-based repayment” and inserting “for the purposes of qualifying for an income-based repayment plan under section 455(q) or section 493C, as applicable”;

(ii) in subsection (b)(5), by striking “be repaid either pursuant to income contingent repayment under part D of this title, pursuant to income-based repayment under section 493C, or pursuant to any other repayment provision under this section” and inserting “be repaid pursuant to an income-based repayment plan under section 493C or any other repayment provision under this section”; and

(iii) in subsection (c)—

(I) in paragraph (2)(A), by striking “or by the terms of repayment pursuant to income contingent repayment offered by the Secretary under subsection (b)(5)” and inserting “or by the terms of repayment pursuant to an income-based repayment plan under section 493C”; and

(II) in paragraph (3)(B), by striking “except as required by the terms of repayment pursuant to income contingent repayment offered by the Secretary under subsection (b)(5)” and inserting “except as required by the terms of repayment pursuant to an income-based repayment plan under section 493C”.

(C) Section 485(d)(1) of the Higher Education Act of 1965 (20 U.S.C. 1092(d)(1)) is amended by striking “income-contingent and”.

(D) Section 494(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1098h(a)(2)) is amended—

(i) in the paragraph heading, by striking “INCOME-CONTINGENT AND INCOME-BASED” and inserting “INCOME-BASED”; and

(ii) in subparagraph (A)—

(I) in the matter preceding clause (i), by striking “income-contingent or”; and

(II) in clause (ii)(I), by striking “section 455(e)(8) or the equivalent procedures established under section 493C(c)(2)(B), as applicable” and inserting “section 493C(c)(2)”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on July 1, 2028.

(d) REPAYMENT ASSISTANCE PLAN.—Section 455 of the Higher Education Act of 1965 (20 U.S.C. 1087e) is amended by adding at the end the following new subsection:

“(q) REPAYMENT ASSISTANCE PLAN.—

“(1) IN GENERAL.—Notwithstanding any other provision of this Act, beginning on July 1, 2026, the Secretary shall carry out an income-based repayment plan (to be known as the ‘Repayment Assistance Plan’), that shall have the following terms and conditions:

“(A) The total monthly repayment amount owed by a borrower for all of the loans of the borrower that are repaid pursuant to the Repayment Assistance Plan shall be equal to the applicable monthly payment of a borrower calculated under paragraph (4)(B), except that the borrower may not be precluded from repaying an amount that exceeds such amount for any month.

“(B) The Secretary shall apply the borrower’s applicable monthly payment under this paragraph first toward

interest due on each such loan, next toward any fees due on each loan, and then toward the principal of each loan.

“(C) Any principal due and not paid under subparagraph (B) or paragraph (2)(B) shall be deferred.

“(D) A borrower who is not in a period of deferment or forbearance shall make an applicable monthly payment for each month until the earlier of—

“(i) the date on which the outstanding balance of principal and interest due on all of the loans of the borrower that are repaid pursuant to the Repayment Assistance Plan is \$0; or

“(ii) the date on which the borrower has made 360 qualifying monthly payments.

“(E) The Secretary shall cancel any outstanding balance of principal and interest due on a loan made under this part to a borrower—

“(i) who, for any period of time, participated in the Repayment Assistance Plan under this subsection;

“(ii) whose most recent payment for such loan prior to the loan cancellation under this subparagraph was made under such Repayment Assistance Plan; and

“(iii) who has made 360 qualifying monthly payments on such loan.

“(F) For the purposes of this subsection, the term ‘qualifying monthly payment’ means any of the following:

“(i) An on-time applicable monthly payment under this subsection.

“(ii) An on-time monthly payment under the standard repayment plan under subsection (d)(7)(A)(i) of not less than the monthly payment required under such plan.

“(iii) A monthly payment under any repayment plan (excluding the Repayment Assistance Plan under this subsection) of not less than the monthly payment that would be required under a standard repayment plan under section 455(d)(1)(A) with a repayment period of 10 years.

“(iv) A monthly payment under section 493C of not less than the monthly payment required under such section, including a monthly payment equal to the minimum payment amount permitted under such section.

“(v) A monthly payment made before July 1, 2028, under an income contingent repayment plan carried out under section 455(d)(1)(D) (or under an alternative repayment plan in lieu of repayment under such an income contingent repayment plan, if placed in such an alternative repayment plan by the Secretary) of not less than the monthly payment required under such a plan, including a monthly payment equal to the minimum payment amount permitted under such a plan.

“(vi) A month when the borrower did not make a payment because the borrower was in deferment under subsection (f)(2)(B) or due to an economic hardship described in subsection (f)(2)(D).

“(vii) A month that ended before the date of enactment of this subsection when the borrower did not make a payment because the borrower was in a period of deferment or forbearance described in section 685.209(k)(4)(iv) of title 34, Code of Federal Regulations (as in effect on the date of enactment of this subsection).

“(G) The procedures established by the Secretary under section 493C(c) shall apply for annually determining the borrower’s eligibility for the Repayment Assistance Plan, including verification of a borrower’s annual income and the annual amount due on the total amount of loans eligible to be repaid under this subsection, and such other procedures as are necessary to effectively implement income-based repayment under this subsection. With respect to carrying out section 494(a)(2) for the Repayment Assistance Plan, an individual may elect to opt out of the disclosures required under section 494(a)(2)(A)(ii) in accordance with the procedures established under section 493C(c)(2).

“(2) BALANCE ASSISTANCE FOR DISTRESSED BORROWERS.—

“(A) INTEREST SUBSIDY.—With respect to a borrower of a loan made under this part, for each month for which such a borrower makes an on-time applicable monthly payment required under paragraph (1)(A) and such monthly payment is insufficient to pay the total amount of interest that accrues for the month on all loans of the borrower repaid pursuant to the Repayment Assistance Plan under this subsection, the amount of interest accrued and not paid for the month shall not be charged to the borrower.

“(B) MATCHING PRINCIPAL PAYMENT.—With respect to a borrower of a loan made under this part and not in a period of deferment or forbearance, for each month for which a borrower makes an on-time applicable monthly payment required under paragraph (1)(A) and such monthly payment reduces the total outstanding principal balance of all loans of the borrower repaid pursuant to the Repayment Assistance Plan under this subsection by less than \$50, the Secretary shall reduce such total outstanding principal balance of the borrower by an amount that is equal to—

“(i) the amount that is the lesser of—

“(I) \$50; or

“(II) the total amount paid by the borrower for such month pursuant to paragraph (1)(A); minus

“(ii) the total amount paid by the borrower for such month pursuant to paragraph (1)(A) that is applied to such total outstanding principal balance.

“(3) ADDITIONAL DOCUMENTS.—A borrower who chooses, or is required, to repay a loan under this subsection, and for whom adjusted gross income is unavailable or does not reasonably reflect the borrower’s current income, shall provide to the Secretary other documentation of income satisfactory to the Secretary, which documentation the Secretary may use to determine repayment under this subsection.

“(4) DEFINITIONS.—In this subsection:

“(A) ADJUSTED GROSS INCOME.—The term ‘adjusted gross income’, when used with respect to a borrower, means the adjusted gross income (as such term is defined in section 62 of the Internal Revenue Code of 1986) of the borrower (and the borrower’s spouse, as applicable) for the most recent taxable year, except that, in the case of a married borrower who files a separate Federal income tax return, the term does not include the adjusted gross income of the borrower’s spouse.

“(B) APPLICABLE MONTHLY PAYMENT.—

“(i) IN GENERAL.—Except as provided in clause (ii), (iii), or (vi), the term ‘applicable monthly payment’ means, when used with respect to a borrower, the amount equal to—

“(I) the applicable base payment of the borrower, divided by 12; minus

“(II) \$50 for each dependent of the borrower (which, in the case of a married borrower filing a separate Federal income tax return, shall include only each dependent that the borrower claims on that return).

“(ii) MINIMUM AMOUNT.—In the case of a borrower with an applicable monthly payment amount calculated under clause (i) that is less than \$10, the applicable monthly payment of the borrower shall be \$10.

“(iii) FINAL PAYMENT.—In the case of a borrower whose total outstanding balance of principal and interest on all of the loans of the borrower that are repaid pursuant to the Repayment Assistance Plan is less than the applicable monthly payment calculated pursuant to clause (i) or (ii), as applicable, then the applicable monthly payment of the borrower shall be the total outstanding balance of principal and interest on all such loans.

“(iv) BASE PAYMENT.—The amount of the applicable base payment for a borrower with an adjusted gross income of—

“(I) not more than \$10,000, is \$120;

“(II) more than \$10,000 and not more than \$20,000, is 1 percent of such adjusted gross income;

“(III) more than \$20,000 and not more than \$30,000, is 2 percent of such adjusted gross income;

“(IV) more than \$30,000 and not more than \$40,000, is 3 percent of such adjusted gross income;

“(V) more than \$40,000 and not more than \$50,000, is 4 percent of such adjusted gross income;

“(VI) more than \$50,000 and not more than \$60,000, is 5 percent of such adjusted gross income;

“(VII) more than \$60,000 and not more than \$70,000, is 6 percent of such adjusted gross income;

“(VIII) more than \$70,000 and not more than \$80,000, is 7 percent of such adjusted gross income;

“(IX) more than \$80,000 and not more than \$90,000, is 8 percent of such adjusted gross income;

“(X) more than \$90,000 and not more than \$100,000, is 9 percent of such adjusted gross income; and

“(XI) more than \$100,000, is 10 percent of such adjusted gross income.

“(v) DEPENDENT.—For the purposes of this paragraph, the term ‘dependent’ means an individual who is a dependent under section 152 of the Internal Revenue Code of 1986.

“(vi) SPECIAL RULE.—In the case of a borrower who is required by the Secretary to provide information to the Secretary to determine the applicable monthly payment of the borrower under this subparagraph, and who does not comply with such requirement, the applicable monthly payment of the borrower shall be—

“(I) the sum of the monthly payment amounts the borrower would have paid for each of the borrower’s loans made under this part under a standard repayment plan with a fixed monthly repayment amount, paid over a period of 10 years, based on the outstanding principal due on such loan when such loan entered repayment; and

“(II) determined pursuant to this clause until the date on which the borrower provides such information to the Secretary.”.

(e) FEDERAL CONSOLIDATION LOANS.—Section 455(g) of the Higher Education Act of 1965 (20 U.S.C. 1087e(g)) is amended by adding at the end the following new paragraph:

“(3) CONSOLIDATION LOANS MADE ON OR AFTER JULY 1, 2026.—A Federal Direct Consolidation Loan offered to a borrower under this part on or after July 1, 2026, may only be repaid pursuant to a repayment plan described in clause (i) or (ii) of subsection (d)(7)(A) of this section, as applicable, and the repayment schedule of such a Consolidation Loan shall be determined in accordance with such repayment plan.”.

(f) INCOME-BASED REPAYMENT.—

(1) AMENDMENTS.—

(A) EXCEPTED CONSOLIDATION LOAN DEFINED.—Section 493C(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1098e(a)(2)) is amended to read as follows:

“(2) EXCEPTED CONSOLIDATION LOAN.—

“(A) IN GENERAL.—The term ‘excepted consolidation loan’ means—

“(i) a consolidation loan under section 428C, or a Federal Direct Consolidation Loan, if the proceeds of such loan were used to discharge the liability on an excepted PLUS loan; or

“(ii) a consolidation loan under section 428C, or a Federal Direct Consolidation Loan, if the proceeds of such loan were used to discharge the liability on a consolidation loan under section 428C, or a Federal Direct Consolidation Loan described in clause (i).

“(B) EXCLUSION.—The term ‘excepted consolidation loan’ does not include a Federal Direct Consolidation Loan described in subparagraph (A) that, on any date during the period beginning on the date of enactment of this subparagraph and ending on June 30, 2028, was being repaid—

“(i) pursuant to the Income Contingent Repayment (ICR) plan in accordance with section 685.209(b) of

title 34, Code of Federal Regulations (as in effect on June 30, 2023); or

“(ii) pursuant to another income driven repayment plan.”.

(B) TERMINATION OF PARTIAL FINANCIAL HARDSHIP ELIGIBILITY.—Section 493C(a)(3) of the Higher Education Act of 1965 (20 U.S.C. 1098e(a)(3)) is amended to read as follows:

“(3) APPLICABLE AMOUNT.—The term ‘applicable amount’ means 15 percent of the result obtained by calculating, on at least an annual basis, the amount by which—

“(A) the borrower’s, and the borrower’s spouse’s (if applicable), adjusted gross income; exceeds

“(B) 150 percent of the poverty line applicable to the borrower’s family size as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).”.

(C) TERMS OF INCOME-BASED REPAYMENT.—Section 493C(b) of the Higher Education Act of 1965 (20 U.S.C. 1098e(b)) is amended—

(i) by amending paragraph (1) to read as follows:

“(1) a borrower of any loan made, insured, or guaranteed under part B or D (other than an excepted PLUS loan or excepted consolidation loan), may elect to have the borrower’s aggregate monthly payment for all such loans not exceed the applicable amount divided by 12;”;

(ii) by striking paragraph (6) and inserting the following:

“(6) if the monthly payment amount calculated under this section for all loans made to the borrower under part B or D (other than an excepted PLUS loan or excepted consolidation loan) exceeds the monthly amount calculated under section 428(b)(9)(A)(i) or 455(d)(1)(A), based on a 10-year repayment period, when the borrower first made the election described in this subsection (referred to in this paragraph as the ‘standard monthly repayment amount’), or if the borrower no longer wishes to continue the election under this subsection, then—

“(A) the maximum monthly payment required to be paid for all loans made to the borrower under part B or D (other than an excepted PLUS loan or excepted consolidation loan) shall be the standard monthly repayment amount; and

“(B) the amount of time the borrower is permitted to repay such loans may exceed 10 years;”;

(iii) in paragraph (7)(B)(iv), by inserting “(as such section was in effect on the day before the date of the repeal of section 455(e)” after “section 455(d)(1)(D)”;

and

(iv) in paragraph (8), by inserting “or the Repayment Assistance Program under section 455(q)” after “standard repayment plan”.

(D) ELIGIBILITY DETERMINATIONS.—Section 493C(c) of the Higher Education Act of 1965 (20 U.S.C. 1098e(c)) is amended to read as follows:

“(c) ELIGIBILITY DETERMINATIONS; AUTOMATIC RECERTIFICATION.—

“(1) IN GENERAL.—The Secretary shall establish procedures for annually determining, in accordance with paragraph (2), the borrower’s eligibility for income-based repayment, including the verification of a borrower’s annual income and the annual amount due on the total amount of loans made, insured, or guaranteed under part B or D (other than an excepted PLUS loan or excepted consolidation loan), and such other procedures as are necessary to effectively implement income-based repayment under this section. The Secretary shall consider, but is not limited to, the procedures established in accordance with section 455(e)(1) (as in effect on the day before the date of repeal of subsection (e) of section 455) or in connection with income sensitive repayment schedules under section 428(b)(9)(A)(iii) or 428C(b)(1)(E).

“(2) AUTOMATIC RECERTIFICATION.—

“(A) IN GENERAL.—The Secretary shall establish and implement, with respect to any borrower enrolled in an income-based repayment program under this section or under section 455(q), procedures to—

“(i) use return information disclosed under section 6103(l)(13) of the Internal Revenue Code of 1986, pursuant to approval provided under section 494, to determine the repayment obligation of the borrower without further action by the borrower;

“(ii) allow the borrower (or the spouse of the borrower), at any time, to opt out of disclosure under such section 6103(l)(13) and instead provide such information as the Secretary may require to determine the repayment obligation of the borrower (or withdraw from the repayment plan under this section or under section 455(q), as the case may be); and

“(iii) provide the borrower with an opportunity to update the return information so disclosed before the determination of the repayment obligation of the borrower.

“(B) APPLICABILITY.—Subparagraph (A) shall apply to each borrower of a loan eligible to be repaid under this section or under section 455(q), who, on or after the date on which the Secretary establishes procedures under such subparagraph (A)—

“(i) selects, or is required to repay such loan pursuant to, an income-based repayment plan under this section or under section 455(q); or

“(ii) recertifies income or family size under such plan.”.

(E) SPECIAL TERMS FOR NEW BORROWERS ON AND AFTER JULY 1, 2014.—Section 493C(e) of the Higher Education Act of 1965 (20 U.S.C. 1098e(e)) is amended—

(i) in the subsection heading, by inserting “AND BEFORE JULY 1, 2026” after “AFTER JULY 1, 2014”; and

(ii) by inserting “and before July 1, 2026” after “after July 1, 2014”.

(2) EFFECTIVE DATE AND APPLICATION.—The amendments made by this subsection shall take effect on the date of enactment of this title, and shall apply with respect to any borrower

who is in repayment before, on, or after the date of enactment of this title.

(g) FFEL ADJUSTMENT.—Section 428(b)(9)(A)(v) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(9)(A)(v)) is amended by striking “who has a partial financial hardship”.

SEC. 82002. DEFERMENT; FORBEARANCE.

(a) SUNSET OF ECONOMIC HARDSHIP AND UNEMPLOYMENT DEFERMENTS.—Section 455(f) of the Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is amended—

(1) by striking the subsection heading and inserting the following: “DEFERMENT; FORBEARANCE”;

(2) in paragraph (2)—

(A) in subparagraph (B), by striking “not in” and inserting “subject to paragraph (7), not in”; and

(B) in subparagraph (D), by striking “not in” and inserting “subject to paragraph (7), not in”; and

(3) by adding at the end the following:

“(7) SUNSET OF UNEMPLOYMENT AND ECONOMIC HARDSHIP DEFERMENTS.—A borrower who receives a loan made under this part on or after July 1, 2027, shall not be eligible to defer such loan under subparagraph (B) or (D) of paragraph (2).”.

(b) FORBEARANCE ON LOANS MADE UNDER THIS PART ON OR AFTER JULY 1, 2027.—Section 455(f) of the Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is amended by adding at the end the following:

“(8) FORBEARANCE ON LOANS MADE UNDER THIS PART ON OR AFTER JULY 1, 2027.—A borrower who receives a loan made under this part on or after July 1, 2027, may only be eligible for a forbearance on such loan pursuant to section 428(c)(3)(B) that does not exceed 9 months during any 24-month period.”.

SEC. 82003. LOAN REHABILITATION.

(a) UPDATING LOAN REHABILITATION LIMITS.—

(1) FFEL AND DIRECT LOANS.—Section 428F(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1078–6(a)(5)) is amended by striking “one time” and inserting “two times”.

(2) PERKINS LOANS.—Section 464(h)(1)(D) of the Higher Education Act of 1965 (20 U.S.C. 1087dd(h)(1)(D)) is amended by striking “once” and inserting “twice”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect beginning on July 1, 2027, and shall apply with respect to any loan made, insured, or guaranteed under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(b) MINIMUM MONTHLY PAYMENT AMOUNT.—Section 428F(a)(1)(B) of the Higher Education Act of 1965 (20 U.S.C. 1078–6(a)(1)(B)) is amended by adding at the end the following: “With respect to a borrower who has 1 or more loans made under part D on or after July 1, 2027 that are described in subparagraph (A), the total monthly payment of the borrower for all such loans shall not be less than \$10.”.

SEC. 82004. PUBLIC SERVICE LOAN FORGIVENESS.

Section 455(m)(1)(A) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)(1)(A)) is amended—

(1) in clause (iii), by striking “; or” and inserting a semicolon;

(2) in clause (iv), by striking “; and” and inserting “(as in effect on the day before the date of the repeal of subsection (e) of this section); or”; and

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

“(v) on-time payments under the Repayment Assistance Plan under subsection (q); and”.

SEC. 82005. STUDENT LOAN SERVICING.

Paragraph (1) of section 458(a) of the Higher Education Act of 1965 (20 U.S.C. 1087h(a)(1)) is amended to read as follows:

“(1) **ADDITIONAL MANDATORY FUNDS FOR SERVICING.**—There shall be available to the Secretary (in addition to any other amounts appropriated under any appropriations Act for administrative costs under this part and part B and out of any money in the Treasury not otherwise appropriated) \$1,000,000,000 to be obligated for administrative costs under this part and part B, including the costs of servicing the direct student loan programs under this part, which shall remain available until expended.”.

Subtitle D—Pell Grants

SEC. 83001. ELIGIBILITY.

(a) **FOREIGN INCOME AND FEDERAL PELL GRANT ELIGIBILITY.**—

(1) **ADJUSTED GROSS INCOME DEFINED.**—Section 401(a)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1070a(a)(2)(A)) is amended to read as follows:

“(A) the term ‘adjusted gross income’ means—

“(i) in the case of a dependent student, for the second tax year preceding the academic year—

“(I) the adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the student’s parents; plus

“(II) for Federal Pell Grant determinations made for academic years beginning on or after July 1, 2026, the foreign income (as described in section 480(b)(5)) of the student’s parents; and

“(ii) in the case of an independent student, for the second tax year preceding the academic year—

“(I) the adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the student (and the student’s spouse, if applicable); plus

“(II) for Federal Pell Grant determinations made for academic years beginning on or after July 1, 2026, the foreign income (as described in section 480(b)(5)) of the student (and the student’s spouse, if applicable);”.

(2) **SUNSET.**—Section 401(b)(1)(D) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(1)(D)) is amended—

(A) by striking “A student” and inserting “For each academic year beginning before July 1, 2026, a student”; and

(B) by inserting “, as in effect for such academic year,” after “section 479A(b)(1)(B)(v)”.

(3) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 479A(b)(1)(B) of the Higher Education Act of 1965 (20 U.S.C. 1087tt(b)(1)(B)) is amended—

(i) by striking clause (v); and

(ii) by redesignating clauses (vi) and (vii) as clauses (v) and (vi), respectively.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect on July 1, 2026.

(b) FEDERAL PELL GRANT INELIGIBILITY DUE TO A HIGH STUDENT AID INDEX.—

(1) IN GENERAL.—Section 401(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(1)) is amended by adding at the end the following:

“(F) INELIGIBILITY OF STUDENTS WITH A HIGH STUDENT AID INDEX.—Notwithstanding subparagraphs (A) through (E), a student shall not be eligible for a Federal Pell Grant under this subsection for an academic year in which the student has a student aid index that equals or exceeds twice the amount of the total maximum Federal Pell Grant for such academic year.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on July 1, 2026.

SEC. 83002. WORKFORCE PELL GRANTS.

(a) IN GENERAL.—Section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) is amended by adding at the end the following:

“(k) WORKFORCE PELL GRANT PROGRAM.—

“(1) IN GENERAL.—For the award year beginning on July 1, 2026, and each subsequent award year, the Secretary shall award grants (to be known as ‘Workforce Pell Grants’) to eligible students under paragraph (2) in accordance with this subsection.

“(2) ELIGIBLE STUDENTS.—To be eligible to receive a Workforce Pell Grant under this subsection for any period of enrollment, a student shall meet the eligibility requirements for a Federal Pell Grant under this section, except that the student—

“(A) shall be enrolled, or accepted for enrollment, in an eligible program under section 481(b)(3) (hereinafter referred to as an ‘eligible workforce program’); and

“(B) may not—

“(i) be enrolled, or accepted for enrollment, in a program of study that leads to a graduate credential; or

“(ii) have attained such a credential.

“(3) TERMS AND CONDITIONS OF AWARDS.—The Secretary shall award Workforce Pell Grants under this subsection in the same manner and with the same terms and conditions as the Secretary awards Federal Pell Grants under this section, except that—

“(A) each use of the term ‘eligible program’ (except in subsection (b)(9)(A)) shall be substituted by ‘eligible workforce program under section 481(b)(3)’;

“(B) the provisions of subsection (d)(2) shall not be applicable to eligible workforce programs; and

“(C) a student who is eligible for a grant equal to less than the amount of the minimum Federal Pell Grant because the eligible workforce program in which the student is enrolled or accepted for enrollment is less than an academic year (in hours of instruction or weeks of duration) may still be eligible for a Workforce Pell Grant in an amount that is prorated based on the length of the program.

“(4) PREVENTION OF DOUBLE BENEFITS.—No eligible student described in paragraph (2) may concurrently receive a grant under both this subsection and—

“(A) subsection (b); or

“(B) subsection (c).

“(5) DURATION LIMIT.—Any period of study covered by a Workforce Pell Grant awarded under this subsection shall be included in determining a student’s duration limit under subsection (d)(5).”.

(b) PROGRAM ELIGIBILITY FOR WORKFORCE PELL GRANTS.—Section 481(b) of the Higher Education Act of 1965 (20 U.S.C. 1088(b)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

“(3)(A) A program is an eligible program for purposes of the Workforce Pell Grant program under section 401(k) only if—

“(i) it is a program of at least 150 clock hours of instruction, but less than 600 clock hours of instruction, or an equivalent number of credit hours, offered by an eligible institution during a minimum of 8 weeks, but less than 15 weeks;

“(ii) it is not offered as a correspondence course, as defined in 600.2 of title 34, Code of Federal Regulations (as in effect on July 1, 2021);

“(iii) the Governor of a State, after consultation with the State board, determines that the program—

“(I) provides an education aligned with the requirements of high-skill, high-wage (as identified by the State pursuant to section 122 of the Carl D. Perkins Career and Technical Education Act (20 U.S.C. 2342)), or in-demand industry sectors or occupations;

“(II) meets the hiring requirements of potential employers in the sectors or occupations described in subclause (I);

“(III) either—

“(aa) leads to a recognized postsecondary credential that is stackable and portable across more than one employer; or

“(bb) with respect to students enrolled in the program—

“(AA) prepares such students for employment in an occupation for which there is only one recognized postsecondary credential; and

“(BB) provides such students with such a credential upon completion of such program; and

“(IV) prepares students to pursue 1 or more certificate or degree programs at 1 or more institutions of higher education (which may include the eligible institution providing the program), including by ensuring—

“(aa) that a student, upon completion of the program and enrollment in such a related certificate or degree program, will receive academic credit for the Workforce Pell program that will be accepted toward meeting such certificate or degree program requirements; and

“(bb) the acceptability of such credit toward meeting such certificate or degree program requirements; and

“(iv) after the Governor of such State makes the determination that the program meets the requirements under clause (iii), the Secretary determines that—

“(I) the program has been offered by the eligible institution for not less than 1 year prior to the date on which the Secretary makes a determination under this clause;

“(II) for each award year, the program has a verified completion rate of at least 70 percent, within 150 percent of the normal time for completion;

“(III) for each award year, the program has a verified job placement rate of at least 70 percent, measured 180 days after completion; and

“(IV) for each award year, the total amount of the published tuition and fees of the program for such year is an amount that does not exceed the value-added earnings of students who received Federal financial aid under this title and who completed the program 3 years prior to the award year, as such earnings are determined by calculating the difference between—

“(aa) the median earnings of such students, as adjusted by the State and metropolitan area regional price parities of the Bureau of Economic Analysis based on the location of such program; and

“(bb) 150 percent of the poverty line applicable to a single individual as determined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) for such year.

“(B) In this paragraph:

“(i) The term ‘eligible institution’ means an eligible institution for purposes of section 401.

“(ii) The term ‘Governor’ means the chief executive of a State.

“(iii) The terms ‘in-demand industry sector or occupation’, ‘recognized postsecondary credential’, and ‘State board’ have the meanings given such terms in section 3 of the Workforce Innovation and Opportunity Act.”.

(c) EFFECTIVE DATE; APPLICABILITY.—The amendments made by this section shall take effect on July 1, 2026, and shall apply

with respect to award year 2026–2027 and each succeeding award year.

SEC. 83003. PELL SHORTFALL.

Section 401(b)(7)(A)(iii) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(7)(A)(iii)) is amended by striking “\$2,170,000,000” and inserting “\$12,670,000,000”.

SEC. 83004. FEDERAL PELL GRANT EXCLUSION RELATING TO OTHER GRANT AID.

Section 401(d) of the Higher Education Act of 1965 (20 U.S.C. 1070a(d)) is amended by adding at the end the following:

“(6) EXCLUSION.—Beginning on July 1, 2026, and notwithstanding this subsection or subsection (b), a student shall not be eligible for a Federal Pell Grant under subsection (b) during any period for which the student receives grant aid from non-Federal sources, including States, institutions of higher education, or private sources, in an amount that equals or exceeds the student’s cost of attendance for such period.”.

Subtitle E—Accountability

SEC. 84001. INELIGIBILITY BASED ON LOW EARNING OUTCOMES.

Section 454 of the Higher Education Act of 1965 (20 U.S.C. 1087d) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by striking “and” after the semicolon;

(B) by redesignating paragraph (6) as paragraph (7); and

(C) by inserting after paragraph (5) the following:

“(6) provide assurances that, beginning July 1, 2026, the institution will comply with all requirements of subsection (c); and”;

(2) in subsection (b)(2), by striking “and (6)” and inserting “(6), and (7)”;

(3) by redesignating subsection (c) as subsection (d); and

(4) by inserting after subsection (b) the following:

“(c) INELIGIBILITY FOR CERTAIN PROGRAMS BASED ON LOW EARNING OUTCOMES.—

“(1) IN GENERAL.—Notwithstanding section 481(b), an institution of higher education subject to this subsection shall not use funds under this part for student enrollment in an educational program offered by the institution that is described in paragraph (2).

“(2) LOW-EARNING OUTCOME PROGRAMS DESCRIBED.—An educational program at an institution is described in this paragraph if the program awards an undergraduate degree, graduate or professional degree, or graduate certificate, for which the median earnings (as determined by the Secretary) of the programmatic cohort of students who received funds under this title for enrollment in such program, who completed such program during the academic year that is 4 years before the year of the determination, who are not enrolled in any institution of higher education, and who are working, are, for not less than 2 of the 3 years immediately preceding the date of the determination, less than the median earnings of a

working adult described in paragraph (3) for the corresponding year.

“(3) CALCULATION OF MEDIAN EARNINGS.—

“(A) WORKING ADULT.—For purposes of applying paragraph (2) to an educational program at an institution, a working adult described in this paragraph is a working adult who, for the corresponding year—

“(i) is aged 25 to 34;

“(ii) is not enrolled in an institution of higher education; and

“(iii)(I) in the case of a determination made for an educational program that awards a baccalaureate or lesser degree, has only a high school diploma or its recognized equivalent; or

“(II) in the case of a determination made for a graduate or professional program, has only a baccalaureate degree.

“(B) SOURCE OF DATA.—For purposes of applying paragraph (2) to an educational program at an institution, the median earnings of a working adult, as described in subparagraph (A), shall be based on data from the Bureau of the Census—

“(i) with respect to an educational program that awards a baccalaureate or lesser degree—

“(I) for the State in which the institution is located; or

“(II) if fewer than 50 percent of the students enrolled in the institution reside in the State where the institution is located, for the entire United States; and

“(ii) with respect to an educational program that is a graduate or professional program—

“(I) for the lowest median earnings of—

“(aa) a working adult in the State in which the institution is located;

“(bb) a working adult in the same field of study (as determined by the Secretary, such as by using the 2-digit CIP code) in the State in which the institution is located; and

“(cc) a working adult in the same field of study (as so determined) in the entire United States; or

“(II) if fewer than 50 percent of the students enrolled in the institution reside in the State where the institution is located, for the lower median earnings of—

“(aa) a working adult in the entire United States; or

“(bb) a working adult in the same field of study (as so determined) in the entire United States.

“(4) SMALL PROGRAMMATIC COHORTS.—For any year for which the programmatic cohort described in paragraph (2) for an educational program of an institution is fewer than 30 individuals, the Secretary shall—

“(A) first, aggregate additional years of programmatic data in order to achieve a cohort of at least 30 individuals; and

“(B) second, in cases in which the cohort (including the individuals added under subparagraph (A)) is still fewer than 30 individuals, aggregate additional cohort years of programmatic data for educational programs of equivalent length in order to achieve a cohort of at least 30 individuals.

“(5) APPEALS PROCESS.—An educational program shall not lose eligibility under this subsection unless the institution has had the opportunity to appeal the programmatic median earnings of students working and not enrolled determination under paragraph (2), through a process established by the Secretary. During such appeal, the Secretary may permit the educational program to continue to participate in the program under this part.

“(6) NOTICE TO STUDENTS.—

“(A) IN GENERAL.—If an educational program of an institution of higher education subject to this subsection does not meet the cohort median earning requirements, as described in paragraph (2), for one year during the applicable covered period but has not yet failed to meet such requirements for 2 years during such covered period, the institution shall promptly inform each student enrolled in the educational program of the eligible program’s low cohort median earnings and that the educational program is at risk of losing its eligibility for funds under this part.

“(B) COVERED PERIOD.—In this paragraph, the term ‘covered period’ means the period of the 3 years immediately preceding the date of a determination made under paragraph (2).

“(7) REGAINING PROGRAMMATIC ELIGIBILITY.—The Secretary shall establish a process by which an institution of higher education that has an educational program that has lost eligibility under this subsection may, after a period of not less than 2 years of such program’s ineligibility, apply to regain such eligibility, subject to the requirements established by the Secretary that further the purpose of this subsection.”.

Subtitle F—Regulatory Relief

SEC. 85001. DELAY OF RULE RELATING TO BORROWER DEFENSE TO REPAYMENT.

(a) DELAY.—Beginning on the date of enactment of this section, for loans that first originate before July 1, 2035, the provisions of subpart D of part 685 of title 34, Code of Federal Regulations (relating to borrower defense to repayment), as added or amended by the final regulations published by the Department of Education on November 1, 2022, and titled “Institutional Eligibility Under the Higher Education Act of 1965, as Amended; Student Assistance General Provisions; Federal Perkins Loan Program; Federal Family Education Loan Program; and William D. Ford Federal Direct Loan Program” (87 Fed. Reg. 65904) shall not be in effect.

(b) EFFECT.—Beginning on the date of enactment of this section, with respect to loans that first originate before July 1, 2035, any regulations relating to borrower defense to repayment that took

effect on July 1, 2020, are restored and revived as such regulations were in effect on such date.

SEC. 85002. DELAY OF RULE RELATING TO CLOSED SCHOOL DISCHARGES.

(a) **DELAY.**—Beginning on the date of enactment of this section, for loans that first originate before July 1, 2035, the provisions of sections 674.33(g), 682.402(d), and 685.214 of title 34, Code of Federal Regulations (relating to closed school discharges), as added or amended by the final regulations published by the Department of Education on November 1, 2022, and titled “Institutional Eligibility Under the Higher Education Act of 1965, as Amended; Student Assistance General Provisions; Federal Perkins Loan Program; Federal Family Education Loan Program; and William D. Ford Federal Direct Loan Program” (87 Fed. Reg. 65904), shall not be in effect.

(b) **EFFECT.**—Beginning on the date of enactment of this section, with respect to loans that first originate before July 1, 2035, the portions of the Code of Federal Regulations described in subsection (a) and amended by the final regulations described in subsection (a) shall be in effect as if the amendments made by such final regulations had not been made.

Subtitle G—Garden of Heroes

SEC. 86001. GARDEN OF HEROES.

In addition to amounts otherwise available, there are appropriated to the National Endowment for the Humanities for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available through fiscal year 2028, \$40,000,000 for the procurement of statues as described in Executive Order 13934 (85 Fed. Reg. 41165; relating to building and rebuilding monuments to American heroes), Executive Order 13978 (86 Fed. Reg. 6809; relating to building the National Garden of American Heroes), and Executive Order 14189 (90 Fed. Reg. 8849; relating to celebrating America’s birthday).

Subtitle H—Office of Refugee Resettlement

SEC. 87001. POTENTIAL SPONSOR VETTING FOR UNACCOMPANIED ALIEN CHILDREN APPROPRIATION.

(a) **APPROPRIATION.**—In addition to amounts otherwise available, there is appropriated to the Office of Refugee Resettlement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$300,000,000, to remain available until September 30, 2028, for the purposes described in subsection (b).

(b) **USE OF FUNDS.**—The funds made available under subsection (a) may only be used for the Office of Refugee Resettlement to support costs associated with—

(1) background checks on potential sponsors, which shall include—

(A) the name of the potential sponsor and of all adult residents of the potential sponsor’s household;

(B) the social security number or tax payer identification number of the potential sponsor and of all adult residents of the potential sponsor’s household;

(C) the date of birth of the potential sponsor and of all adult residents of the potential sponsor’s household;

(D) the validated location of the residence at which the unaccompanied alien child will be placed;

(E) an in-person or virtual interview with, and suitability study concerning, the potential sponsor and all adult residents of the potential sponsor’s household;

(F) contact information for the potential sponsor and for all adult residents of the potential sponsor’s household; and

(G) the results of all background and criminal records checks for the potential sponsor and for all adult residents of the potential sponsor’s household, which shall include, at a minimum, an investigation of the public records sex offender registry, a public records background check, and a national criminal history check based on fingerprints;

(2) home studies of potential sponsors of unaccompanied alien children;

(3) determining whether an unaccompanied alien child poses a danger to self or others by conducting an examination of the unaccompanied alien child for gang-related tattoos and other gang-related markings and covering such tattoos or markings while the child is in the care of the Office of Refugee Resettlement;

(4) data systems improvement and sharing that supports the health, safety, and well being of unaccompanied alien children by determining the appropriateness of potential sponsors of unaccompanied alien children and of adults residing in the household of the potential sponsor and by assisting with the identification and investigation of child labor exploitation and child trafficking; and

(5) coordinating and communicating with State child welfare agencies regarding the placement of unaccompanied alien children in such States by the Office of Refugee Resettlement.

(c) DEFINITIONS.—In this section:

(1) POTENTIAL SPONSOR.—The term “potential sponsor” means an individual or entity who applies for the custody of an unaccompanied alien child.

(2) UNACCOMPANIED ALIEN CHILD.—The term “unaccompanied alien child” has the meaning given such term in section 462(g) of the Homeland Security Act of 2002 (6 U.S.C. 279(g)).

TITLE IX—COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Subtitle A—Homeland Security Provisions

SEC. 90001. BORDER INFRASTRUCTURE AND WALL SYSTEM.

In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, \$46,550,000,000 for necessary expenses relating to the following elements of the border infrastructure and wall system:

(1) Construction, installation, or improvement of new or replacement primary, waterborne, and secondary barriers.

(2) Access roads.

(3) Barrier system attributes, including cameras, lights, sensors, and other detection technology.

(4) Any work necessary to prepare the ground at or near the border to allow U.S. Customs and Border Protection to conduct its operations, including the construction and maintenance of the barrier system.

SEC. 90002. U.S. CUSTOMS AND BORDER PROTECTION PERSONNEL, FLEET VEHICLES, AND FACILITIES.

(a) **IN GENERAL.**—In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, the following:

(1) **PERSONNEL.**—\$4,100,000,000, to remain available until September 30, 2029, to hire and train additional Border Patrol agents, Office of Field Operations officers, Air and Marine agents, rehired annuitants, and U.S. Customs and Border Protection field support personnel.

(2) **RETENTION, HIRING, AND PERFORMANCE BONUSES.**—\$2,052,630,000, to remain available until September 30, 2029, to provide recruitment bonuses, performance awards, or annual retention bonuses to eligible Border Patrol agents, Office of Field Operations officers, and Air and Marine agents.

(3) **VEHICLES.**—\$855,000,000, to remain available until September 30, 2029, for the repair of existing patrol units and the lease or acquisition of additional patrol units.

(4) **FACILITIES.**—\$5,000,000,000 for necessary expenses relating to lease, acquisition, construction, design, or improvement of facilities and checkpoints owned, leased, or operated by U.S. Customs and Border Protection.

(b) **RESTRICTION.**—None of the funds made available by subsection (a) may be used to recruit, hire, or train personnel for the duties of processing coordinators after October 31, 2028.

SEC. 90003. DETENTION CAPACITY.

(a) **IN GENERAL.**—In addition to any amounts otherwise appropriated, there is appropriated to U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, \$45,000,000,000, for single adult alien detention capacity and family residential center capacity.

(b) **DURATION AND STANDARDS.**—Aliens may be detained at family residential centers, as described in subsection (a), pending a decision, under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), on whether the aliens are to be removed from the United States and, if such aliens are ordered removed from the United States, until such aliens are removed. The detention standards for the single adult detention capacity described in subsection (a) shall be set in the discretion of the Secretary of Homeland Security, consistent with applicable law.

(c) **DEFINITION OF FAMILY RESIDENTIAL CENTER.**—In this section, the term “family residential center” means a facility used by the Department of Homeland Security to detain family units of aliens (including alien children who are not unaccompanied alien children (as defined in section 462(g) of the Homeland Security

Act of 2002 (6 U.S.C. 279(g))) who are encountered or apprehended by the Department of Homeland Security.

SEC. 90004. BORDER SECURITY, TECHNOLOGY, AND SCREENING.

(a) **IN GENERAL.**—In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, \$6,168,000,000 for the following:

(1) Procurement and integration of new nonintrusive inspection equipment and associated civil works, including artificial intelligence, machine learning, and other innovative technologies, as well as other mission support, to combat the entry or exit of illicit narcotics at ports of entry and along the southwest, northern, and maritime borders.

(2) Air and Marine operations' upgrading and procurement of new platforms for rapid air and marine response capabilities.

(3) Upgrades and procurement of border surveillance technologies along the southwest, northern, and maritime borders.

(4) Necessary expenses, including the deployment of technology, relating to the biometric entry and exit system under section 7208 of the Intelligence Reform and Terrorism Prevention Act of 2004 (8 U.S.C. 1365b).

(5) Screening persons entering or exiting the United States.

(6) Initial screenings of unaccompanied alien children (as defined in section 462(g) of the Homeland Security Act of 2002 (6 U.S.C. 279(g))), consistent with the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008 (Public Law 110–457; 122 Stat. 5044).

(7) Enhancing border security by combating drug trafficking, including fentanyl and its precursor chemicals, at the southwest, northern, and maritime borders.

(8) Commemorating efforts and events related to border security.

(b) **RESTRICTIONS.**—None of the funds made available under subsection (a) may be used for the procurement or deployment of surveillance towers along the southwest border and northern border that have not been tested and accepted by U.S. Customs and Border Protection to deliver autonomous capabilities.

(c) **DEFINITION OF AUTONOMOUS.**—In this section, with respect to capabilities, the term “autonomous” means a system designed to apply artificial intelligence, machine learning, computer vision, or other algorithms to accurately detect, identify, classify, and track items of interest in real time such that the system can make operational adjustments without the active engagement of personnel or continuous human command or control.

SEC. 90005. STATE AND LOCAL ASSISTANCE.

(a) **STATE HOMELAND SECURITY GRANT PROGRAMS.**—

(1) **IN GENERAL.**—In addition to amounts otherwise available, there is appropriated to the Administrator of the Federal Emergency Management Agency for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, to be administered under the State Homeland Security Grant Program authorized under section 2004 of the Homeland Security Act of 2002 (6 U.S.C. 605), to enhance State, local, and Tribal security through grants, contracts, cooperative agreements, and other activities—

(A) \$500,000,000 for State and local capabilities to detect, identify, track, or monitor threats from unmanned aircraft systems (as such term is defined in section 44801 of title 49, United States Code), consistent with titles 18 and 49 of the United States Code;

(B) \$625,000,000 for security and other costs related to the 2026 FIFA World Cup;

(C) \$1,000,000,000 for security, planning, and other costs related to the 2028 Olympics; and

(D) \$450,000,000 for the Operation Stonegarden Grant Program.

(2) TERMS AND CONDITIONS.—None of the funds made available under subparagraph (B) or (C) of paragraph (1) shall be subject to the requirements of section 2004(e)(1) or section 2008(a)(12) of the Homeland Security Act of 2002 (6 U.S.C. 605(e)(1), 609(a)(12)).

(b) STATE BORDER SECURITY REINFORCEMENT FUND.—

(1) ESTABLISHMENT.—There is established, in the Department of Homeland Security, a fund to be known as the “State Border Security Reinforcement Fund.”

(2) PURPOSES.—The Secretary of Homeland Security shall use amounts appropriated or otherwise made available for the Fund for grants to eligible States and units of local government for any of the following purposes:

(A) Construction or installation of a border wall, border fencing or other barrier, or buoys along the southern border of the United States, which may include planning, procurement of materials, and personnel costs related to such construction or installation.

(B) Any work necessary to prepare the ground at or near land borders to allow construction and maintenance of a border wall or other barrier fencing.

(C) Detection and interdiction of illicit substances and aliens who have unlawfully entered the United States and have committed a crime under Federal, State, or local law, and transfer or referral of such aliens to the Department of Homeland Security as provided by law.

(D) Relocation of aliens who are unlawfully present in the United States from small population centers to other domestic locations.

(3) APPROPRIATION.—In addition to amounts otherwise available for the purposes described in paragraph (2), there is appropriated for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to the Department of Homeland Security for the State Border Security Reinforcement Fund established by paragraph (1), \$10,000,000,000, to remain available until September 30, 2034, for qualified expenses for such purposes.

(4) ELIGIBILITY.—The Secretary of Homeland Security may provide grants from the fund established by paragraph (1) to State agencies and units of local governments for expenditures made for completed, ongoing, or new activities, in accordance with law, that occurred on or after January 20, 2021.

(5) APPLICATION.—Each State desiring to apply for a grant under this subsection shall submit an application to the Secretary containing such information in support of the application as the Secretary may require. The Secretary shall require that

each State include in its application the purposes for which the State seeks the funds and a description of how the State plans to allocate the funds. The Secretary shall begin to accept applications not later than 90 days after the date of the enactment of this Act.

(6) **TERMS AND CONDITIONS.**—Nothing in this subsection shall authorize any State or local government to exercise immigration or border security authorities reserved exclusively to the Federal Government under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) or the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.). The Federal Emergency Management Agency may use not more than 1 percent of the funds made available under this subsection for the purpose of administering grants provided for in this section.

SEC. 90006. PRESIDENTIAL RESIDENCE PROTECTION.

(a) **IN GENERAL.**—In addition to amounts otherwise available, there is appropriated to the Administrator of the Federal Emergency Management Agency for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$300,000,000, to remain available until September 30, 2029, for the reimbursement of extraordinary law enforcement personnel costs for protection activities directly and demonstrably associated with any residence of the President designated pursuant to section 3 or 4 of the Presidential Protection Assistance Act of 1976 (Public Law 94–524; 18 U.S.C. 3056 note) to be secured by the United States Secret Service.

(b) **AVAILABILITY.**—Funds appropriated under this section shall be available only for costs that a State or local agency—

(1) incurred or incurs on or after July 1, 2024;

(2) demonstrates to the Administrator of the Federal Emergency Management Agency as being—

(A) in excess of typical law enforcement operation costs;

(B) directly attributable to the provision of protection described in this section; and

(C) associated with a nongovernmental property designated pursuant to section 3 or 4 of the Presidential Protection Assistance Act of 1976 (Public Law 94–524; 18 U.S.C. 3056 note) to be secured by the United States Secret Service; and

(3) certifies to the Administrator as compensating protection activities requested by the United States Secret Service.

(c) **TERMS AND CONDITIONS.**—The Federal Emergency Management Agency may use not more than 3 percent of the funds made available under this section for the purpose of administering grants provided for in this section.

SEC. 90007. DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS FOR BORDER SUPPORT.

In addition to amounts otherwise available, there are appropriated to the Secretary of Homeland Security for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$10,000,000,000, to remain available until September 30, 2029, for reimbursement of costs incurred in undertaking activities in support of the Department of Homeland Security’s mission to safeguard the borders of the United States.

Subtitle B—Governmental Affairs Provisions

SEC. 90101. FEHB IMPROVEMENTS.

(a) **SHORT TITLE.**—This section may be cited as the “FEHB Protection Act of 2025”.

(b) **DEFINITIONS.**—In this section:

(1) **DIRECTOR.**—The term “Director” means the Director of the Office of Personnel Management.

(2) **HEALTH BENEFITS PLAN; MEMBER OF FAMILY.**—The terms “health benefits plan” and “member of family” have the meanings given those terms in section 8901 of title 5, United States Code.

(3) **OPEN SEASON.**—The term “open season” means an open season described in section 890.301(f) of title 5, Code of Federal Regulations, or any successor regulation.

(4) **PROGRAM.**—The term “Program” means the health insurance programs carried out under chapter 89 of title 5, United States Code, including the program carried out under section 8903c of that title.

(5) **QUALIFYING LIFE EVENT.**—The term “qualifying life event” has the meaning given the term in section 892.101 of title 5, Code of Federal Regulations, or any successor regulation.

(c) **VERIFICATION REQUIREMENTS.**—Not later than 1 year after the date of enactment of this Act, the Director shall issue regulations and implement a process to verify—

(1) the veracity of any qualifying life event through which an enrollee in the Program seeks to add a member of family with respect to the enrollee to a health benefits plan under the Program; and

(2) that, when an enrollee in the Program seeks to add a member of family with respect to the enrollee to the health benefits plan of the enrollee under the Program, including during any open season, the individual so added is a qualifying member of family with respect to the enrollee.

(d) **FRAUD RISK ASSESSMENT.**—In any fraud risk assessment conducted with respect to the Program on or after the date of enactment of this Act, the Director shall include an assessment of individuals who are enrolled in, or covered under, a health benefits plan under the Program even though those individuals are not eligible to be so enrolled or covered.

(e) **FAMILY MEMBER ELIGIBILITY VERIFICATION AUDIT.**—

(1) **IN GENERAL.**—During the 3-year period beginning on the date that is 1 year after the date of enactment of this Act, the Director shall carry out a comprehensive audit regarding members of family who are covered under an enrollment in a health benefits plan under the Program.

(2) **CONTENTS.**—With respect to the audit carried out under paragraph (1), the Director shall review marriage certificates, birth certificates, and other appropriate documents that are necessary to determine eligibility to enroll in a health benefits plan under the Program.

(f) **DISENROLLMENT OR REMOVAL.**—Not later than 180 days after the date of enactment of this Act, the Director shall develop a process by which any individual enrolled in, or covered under,

a health benefits plan under the Program who is not eligible to be so enrolled or covered shall be disenrolled or removed from enrollment in, or coverage under, that health benefits plan.

(g) EARNED BENEFITS AND HEALTH CARE ADMINISTRATIVE SERVICES ASSOCIATED OVERSIGHT AND AUDIT FUNDING.—Section 8909 of title 5, United States Code, is amended—

(1) in subsection (a)(2), by inserting before the period at the end the following: “, except that the amounts required to be set aside under subsection (b)(2) shall not be subject to the limitations that may be specified annually by Congress”; and

(2) in subsection (b)—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by inserting after paragraph (1) the following:

“(2) In fiscal year 2026, \$66,000,000, to be derived from all contributions, and to remain available until the end of fiscal year 2035, for the Director of the Office to carry out subsections (c) through (f) of the FEHB Protection Act of 2025.”.

SEC. 90102. PANDEMIC RESPONSE ACCOUNTABILITY COMMITTEE.

(a) PANDEMIC RESPONSE ACCOUNTABILITY COMMITTEE FUNDING AVAILABILITY.—In addition to amounts otherwise available, there is appropriated for fiscal year 2026, out of any money in the Treasury not otherwise appropriated, \$88,000,000, to remain available until expended, for the Pandemic Response Accountability Committee to support oversight of the Coronavirus response and of funds provided in this Act or any other Act pertaining to the Coronavirus pandemic.

(b) CARES ACT.—Section 15010 of the CARES Act (Public Law 116–136; 134 Stat. 533) is amended—

(1) in subsection (a)(6)—

(A) in subparagraph (E), by striking “or” at the end;

(B) in subparagraph (F), by striking “and” at the end and inserting “or”; and

(C) by adding at the end the following:

“(G) the Act titled ‘An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14’; and”; and

(2) in subsection (k), by striking “2025” and inserting “2034”.

SEC. 90103. APPROPRIATION FOR THE OFFICE OF MANAGEMENT AND BUDGET.

In addition to amounts otherwise available, there is appropriated to the Office of Management and Budget for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$100,000,000, to remain available until September 30, 2029, for purposes of finding budget and accounting efficiencies in the executive branch.

TITLE X—COMMITTEE ON THE JUDICIARY

Subtitle A—Immigration and Law Enforcement Matters

PART I—IMMIGRATION FEES

SEC. 100001. APPLICABILITY OF THE IMMIGRATION LAWS.

(a) **APPLICABILITY.**—The fees under this subtitle shall apply to aliens in the circumstances described in this subtitle.

(b) **TERMS.**—The terms used under this subtitle shall have the meanings given such terms in section 101 of the Immigration and Nationality Act (8 U.S.C. 1101).

(c) **REFERENCES TO IMMIGRATION AND NATIONALITY ACT.**—Except as otherwise expressly provided, any reference in this subtitle to a section or other provision shall be considered to be to a section or other provision of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

SEC. 100002. ASYLUM FEE.

(a) **IN GENERAL.**—In addition to any other fee authorized by law, the Secretary of Homeland Security or the Attorney General, as applicable, shall require the payment of a fee, equal to the amount specified in this section, by any alien who files an application for asylum under section 208 (8 U.S.C. 1158) at the time such application is filed.

(b) **INITIAL AMOUNT.**—During fiscal year 2025, the amount specified in this section shall be the greater of—

(1) \$100; or

(2) such amount as the Secretary or the Attorney General, as applicable, may establish, by rule.

(c) **ANNUAL ADJUSTMENTS FOR INFLATION.**—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this section shall be equal to the sum of—

(1) the amount of the fee required under this section for the most recently concluded fiscal year; and

(2) the product resulting from the multiplication of the amount referred to in paragraph (1) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(d) **DISPOSITION OF ASYLUM FEE PROCEEDS.**—During each fiscal year—

(1) 50 percent of the fees received from aliens filing applications with the Attorney General—

(A) shall be credited to the Executive Office for Immigration Review; and

(B) may be retained and expended without further appropriation;

(2) 50 percent of fees received from aliens filing applications with the Secretary of Homeland Security—

(A) shall be credited to U.S. Citizenship and Immigration Services;

(B) shall be deposited into the Immigration Examinations Fee Account established under section 286(m) (8 U.S.C. 1356(m)); and

(C) may be retained and expended without further appropriation; and

(3) any amounts received in fees required under this section that were not credited to the Executive Office for Immigration Review pursuant to paragraph (1) or to U.S. Citizenship and Immigration Services pursuant to paragraph (2) shall be deposited into the general fund of the Treasury.

(e) NO FEE WAIVER.—Fees required to be paid under this section shall not be waived or reduced.

SEC. 100003. EMPLOYMENT AUTHORIZATION DOCUMENT FEES.

(a) ASYLUM APPLICANTS.—

(1) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall require the payment of a fee, equal to the amount specified in this subsection, by any alien who files an initial application for employment authorization under section 208(d)(2) (8 U.S.C. 1158(d)(2)) at the time such initial employment authorization application is filed.

(2) INITIAL AMOUNT.—During fiscal year 2025, the amount specified in this subsection shall be the greater of—

(A) \$550; or

(B) such amount as the Secretary of Homeland Security may establish, by rule.

(3) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this section shall be equal to the sum of—

(A) the amount of the fee required under this section for the most recently concluded fiscal year; and

(B) the product resulting from the multiplication of the amount referred to in subparagraph (A) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(4) DISPOSITION OF EMPLOYMENT AUTHORIZATION DOCUMENT FEES.—During each fiscal year—

(A) 25 percent of the fees collected pursuant to this subsection—

(i) shall be credited to U.S. Citizenship and Immigration Services;

(ii) shall be deposited into the Immigration Examinations Fee Account established under section 286(m) (8 U.S.C. 1356(m)); and

(iii) may be retained and expended by U.S. Citizenship and Immigration Services without further appropriation, provided that not less than 50 percent is used to detect and prevent immigration benefit fraud; and

(B) any amounts collected pursuant to this subsection that are not credited to U.S. Citizenship and Immigration Services pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(5) NO FEE WAIVER.—Fees required to be paid under this subsection shall not be waived or reduced.

(b) PAROLEES.—

(1) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall require the payment of a fee, equal to the amount specified in this subsection, by any alien paroled into the United States for any initial application for employment authorization at the time such initial application is filed. Each initial employment authorization shall be valid for a period of 1 year or for the duration of the alien's parole, whichever is shorter.

(2) INITIAL AMOUNT.—During fiscal year 2025, the amount specified in this subsection shall be the greater of—

(A) \$550; or

(B) such amount as the Secretary of Homeland Security may establish, by rule.

(3) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this subsection shall be equal to the sum of—

(A) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(B) the product resulting from the multiplication of the amount referred to in subparagraph (A) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(4) DISPOSITION OF PAROLEE EMPLOYMENT AUTHORIZATION APPLICATION FEES.—All of the fees collected pursuant to this subsection shall be deposited into the general fund of the Treasury.

(5) NO FEE WAIVER.—Fees required to be paid under this subsection shall not be waived or reduced.

(c) TEMPORARY PROTECTED STATUS.—

(1) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall require the payment of a fee, equal to the amount specified in this subsection, by any alien who files an initial application for employment authorization under section 244(a)(1)(B) (8 U.S.C. 1254a(a)(1)(B)) at the time such initial application is filed. Each initial employment authorization shall be valid for a period of 1 year, or for the duration of the alien's temporary protected status, whichever is shorter.

(2) INITIAL AMOUNT.—During fiscal year 2025, the amount specified in this subsection shall be the greater of—

(A) \$550; or

(B) such amount as the Secretary of Homeland Security may establish, by rule.

(3) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this subsection shall be equal to the sum of—

(A) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(B) the product resulting from the multiplication of the amount referred to in subparagraph (A) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(4) DISPOSITION OF EMPLOYMENT AUTHORIZATION APPLICATION FEES COLLECTED FROM ALIENS GRANTED TEMPORARY PROTECTED STATUS.—All of the fees collected pursuant to this subsection shall be deposited into the general fund of the Treasury.

(5) NO FEE WAIVER.—Fees required to be paid under this subsection shall not be waived or reduced.

SEC. 100004. IMMIGRATION PAROLE FEE.

(a) IN GENERAL.—Except as provided under subsection (b), the Secretary of Homeland Security shall require the payment of a fee, equal to the amount specified in this section and in addition to any other fee authorized by law, by any alien who is paroled into the United States.

(b) EXCEPTIONS.—An alien shall not be subject to the fee otherwise required under subsection (a) if the alien establishes, to the satisfaction of the Secretary of Homeland Security, on an individual, case-by-case basis, that the alien is being paroled because—

(1)(A) the alien has a medical emergency; and

(B)(i) the alien cannot obtain necessary treatment in the foreign state in which the alien is residing; or

(ii) the medical emergency is life-threatening and there is insufficient time for the alien to be admitted to the United States through the normal visa process;

(2)(A) the alien is the parent or legal guardian of an alien described in paragraph (1); and

(B) the alien described in paragraph (1) is a minor;

(3)(A) the alien is needed in the United States to donate an organ or other tissue for transplant; and

(B) there is insufficient time for the alien to be admitted to the United States through the normal visa process;

(4)(A) the alien has a close family member in the United States whose death is imminent; and

(B) the alien could not arrive in the United States in time to see such family member alive if the alien were to be admitted to the United States through the normal visa process;

(5)(A) the alien is seeking to attend the funeral of a close family member; and

(B) the alien could not arrive in the United States in time to attend such funeral if the alien were to be admitted to the United States through the normal visa process;

(6) the alien is an adopted child—

(A) who has an urgent medical condition;

(B) who is in the legal custody of the petitioner for a final adoption-related visa; and

(C) whose medical treatment is required before the expected award of a final adoption-related visa;

(7) the alien—

(A) is a lawful applicant for adjustment of status under section 245 (8 U.S.C. 1255); and

(B) is returning to the United States after temporary travel abroad;

(8) the alien—

(A) has been returned to a contiguous country pursuant to section 235(b)(2)(C) (8 U.S.C. 1225(b)(2)(C)); and

(B) is being paroled into the United States to allow the alien to attend the alien's immigration hearing;

(9) the alien has been granted the status of Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96-422; 8 U.S.C. 1522 note); or

(10) the Secretary of Homeland Security determines that a significant public benefit has resulted or will result from the parole of an alien—

(A) who has assisted or will assist the United States Government in a law enforcement matter;

(B) whose presence is required by the United States Government in furtherance of such law enforcement matter; and

(C)(i) who is inadmissible or does not satisfy the eligibility requirements for admission as a nonimmigrant; or

(ii) for which there is insufficient time for the alien to be admitted to the United States through the normal visa process.

(c) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this section shall be the greater of—

(1) \$1,000; or

(2) such amount as the Secretary of Homeland Security may establish, by rule.

(d) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this section shall be equal to the sum of—

(1) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(2) the product resulting from the multiplication of the amount referred to in paragraph (1) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(e) DISPOSITION OF FEES COLLECTED FROM ALIENS GRANTED PAROLE.—All of the fees collected pursuant to this section shall be deposited into the general fund of the Treasury.

(f) NO FEE WAIVER.—Except as provided in subsection (b), fees required to be paid under this section shall not be waived or reduced.

SEC. 100005. SPECIAL IMMIGRANT JUVENILE FEE.

(a) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall require the payment of a fee, equal to the amount specified in this section, by any alien, parent, or legal guardian of an alien applying for special

immigrant juvenile status under section 101(a)(27)(J) (8 U.S.C. 1101(a)(27)(J)).

(b) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this section shall be the greater of—

(1) \$250; or

(2) such amount as the Secretary of Homeland Security may establish, by rule.

(c) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this section shall be equal to the sum of—

(1) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(2) the product resulting from the multiplication of the amount referred to in paragraph (1) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(d) DISPOSITION OF SPECIAL IMMIGRANT JUVENILE FEES.—All of the fees collected pursuant to this section shall be deposited into the general fund of the Treasury.

SEC. 100006. TEMPORARY PROTECTED STATUS FEE.

Section 244(c)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1254a(c)(1)(B)) is amended—

(1) by striking “The Attorney General” and inserting the following:

“(i) IN GENERAL.—The Attorney General”;

(2) in clause (i), as redesignated, by striking “\$50” and inserting “\$500, subject to the adjustments required under clause (ii)”; and

(3) by adding at the end the following:

“(ii) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the maximum amount of the fee authorized under clause (i) shall be equal to the sum of—

“(I) the maximum amount of the fee authorized under this subparagraph for the most recently concluded fiscal year; and

“(II) the product resulting from the multiplication of the amount referred to in subclause (I) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

“(iii) DISPOSITION OF TEMPORARY PROTECTED STATUS FEES.—All of the fees collected pursuant to this subparagraph shall be deposited into the general fund of the Treasury.

“(iv) NO FEE WAIVER.—Fees required to be paid under this subparagraph shall not be waived or reduced.”.

SEC. 100007. VISA INTEGRITY FEE.

(a) VISA INTEGRITY FEE.—

(1) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall require the payment of a fee, equal to the amount specified in this subsection, by any alien issued a nonimmigrant visa at the time of such issuance.

(2) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this section shall be the greater of—

(A) \$250; or

(B) such amount as the Secretary of Homeland Security may establish, by rule.

(3) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this section shall be equal to the sum of—

(A) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(B) the product resulting from the multiplication of the amount referred to in subparagraph (A) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded down to the nearest dollar.

(4) DISPOSITION OF VISA INTEGRITY FEES.—All of the fees collected pursuant to this section that are not reimbursed pursuant to subsection (b) shall be deposited into the general fund of the Treasury.

(5) NO FEE WAIVER.—Fees required to be paid under this subsection shall not be waived or reduced.

(b) FEE REIMBURSEMENT.—The Secretary of Homeland Security may provide a reimbursement to an alien of the fee required under subsection (a) for the issuance of a nonimmigrant visa after the expiration of such nonimmigrant visa's period of validity if such alien demonstrates that he or she—

(1) after admission to the United States pursuant to such nonimmigrant visa, complied with all conditions of such nonimmigrant visa, including the condition that an alien shall not accept unauthorized employment; and

(2)(A) has not sought to extend his or her period of admission during such period of validity and departed the United States not later than 5 days after the last day of such period; or

(B) during such period of validity, was granted an extension of such nonimmigrant status or an adjustment to the status of a lawful permanent resident.

SEC. 100008. FORM I-94 FEE.

(a) FEE AUTHORIZED.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall require the payment of a fee, equal to the amount specified in subsection (b), by any alien who submits an application for a Form I-94 Arrival/Departure Record.

(b) AMOUNT SPECIFIED.—

(1) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this section shall be the greater of—

(A) \$24; or

(B) such amount as the Secretary of Homeland Security may establish, by rule.

(2) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this section shall be equal to the sum of—

(A) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(B) the product resulting from the multiplication of the amount referred to in subparagraph (A) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded down to the nearest dollar.

(c) DISPOSITION OF FORM I-94 FEES.—During each fiscal year—

(1) 20 percent of the fees collected pursuant to this section—

(A) shall be deposited into the Land Border Inspection Fee Account in accordance with section 286(q)(2) (8 U.S.C. 1356(q)(2)); and

(B) shall be made available to U.S. Customs and Border Protection to retain and spend without further appropriation for the purpose of processing Form I-94; and

(2) any amounts not deposited into the Land Border Inspection Fee Account pursuant to paragraph (1)(A) shall be deposited in the general fund of the Treasury.

(d) NO FEE WAIVER.—Fees required to be paid under this section shall not be waived or reduced.

SEC. 100009. ANNUAL ASYLUM FEE.

(a) FEE AUTHORIZED.—In addition to any other fee authorized by law, for each calendar year that an alien's application for asylum remains pending, the Secretary of Homeland Security or the Attorney General, as applicable, shall require the payment of a fee, equal to the amount specified in subsection (b), by such alien.

(b) AMOUNT SPECIFIED.—

(1) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this section shall be the greater of—

(A) \$100; or

(B) such amount as the Secretary of Homeland Security may establish, by rule.

(2) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this section shall be equal to the sum of—

(A) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(B) the product resulting from the multiplication of the amount referred to in subparagraph (A) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded down to the nearest dollar.

(c) **DISPOSITION OF ANNUAL ASYLUM FEES.**—All of the fees collected pursuant to this section shall be deposited into the general fund of the Treasury.

(d) **NO FEE WAIVER.**—Fees required to be paid under this section shall not be waived or reduced.

SEC. 100010. FEE RELATING TO RENEWAL AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR PAROLEES.

(a) **IN GENERAL.**—In addition to any other fee authorized by law, the Secretary of Homeland Security shall require the payment of a fee, equal to the amount specified in subsection (b), for any parolee who seeks a renewal or extension of employment authorization based on a grant of parole. The employment authorization for each alien paroled into the United States, or any renewal or extension of such parole, shall be valid for a period of 1 year or for the duration of the alien's parole, whichever is shorter.

(b) **AMOUNT SPECIFIED.**—

(1) **INITIAL AMOUNT.**—For fiscal year 2025, the amount specified in this subsection shall be the greater of—

(A) \$275; or

(B) such amount as the Secretary of Homeland Security may establish, by rule.

(2) **ANNUAL ADJUSTMENTS FOR INFLATION.**—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this section shall be equal to the sum of—

(A) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(B) the product resulting from the multiplication of the amount referred to in subparagraph (A) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(c) **DISPOSITION OF FEES RELATING TO RENEWAL AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR PAROLEES.**—During each fiscal year—

(1) 25 percent of the fees collected pursuant to this section—

(A) shall be credited to U.S. Citizenship and Immigration Services;

(B) shall be deposited into the Immigration Examinations Fee Account established under section 286(m) (8 U.S.C. 1356(m)); and

(C) may be retained and expended by U.S. Citizenship and Immigration Services without further appropriation; and

(2) any amounts collected pursuant to this section that are not credited to U.S. Citizenship and Immigration Services pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(d) **NO FEE WAIVER.**—Fees required to be paid under this section shall not be waived or reduced.

SEC. 100011. FEE RELATING TO RENEWAL OR EXTENSION OF EMPLOYMENT AUTHORIZATION FOR ASYLUM APPLICANTS.

(a) **IN GENERAL.**—In addition to any other fee authorized by law, the Secretary of Homeland Security shall require the payment

of a fee of not less than \$275 by any alien who has applied for asylum for each renewal or extension of employment authorization based on such application.

(b) **TERMINATION.**—Each initial employment authorization, or renewal or extension of such authorization, shall terminate—

(1) immediately following the denial of an asylum application by an asylum officer, unless the case is referred to an immigration judge;

(2) on the date that is 30 days after the date on which an immigration judge denies an asylum application, unless the alien makes a timely appeal to the Board of Immigration Appeals; or

(3) immediately following the denial by the Board of Immigration Appeals of an appeal of a denial of an asylum application.

(c) **DISPOSITION OF FEES RELATING TO RENEWAL AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR ASYLUM APPLICANTS.**—During each fiscal year—

(1) 25 percent of the fees collected pursuant to this section—

(A) shall be credited to U.S. Citizenship and Immigration Services;

(B) shall be deposited into the Immigration Examinations Fee Account established under section 286(m) (8 U.S.C. 1356(m)); and

(C) may be retained and expended by U.S. Citizenship and Immigration Services without further appropriation; and

(2) any amounts collected pursuant to this section that are not credited to U.S. Citizenship and Immigration Services pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(d) **NO FEE WAIVER.**—Fees required to be paid under this section shall not be waived or reduced.

SEC. 100012. FEE RELATING TO RENEWAL AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR ALIENS GRANTED TEMPORARY PROTECTED STATUS.

(a) **IN GENERAL.**—In addition to any other fee authorized by law, the Secretary of Homeland Security shall require the payment of a fee, equal to the amount specified in subsection (b), by any alien at the time such alien seeks a renewal or extension of employment authorization based on a grant of temporary protected status. Any employment authorization for an alien granted temporary protected status, or any renewal or extension of such employment authorization, shall be valid for a period of 1 year or for the duration of the designation of temporary protected status, whichever is shorter.

(b) **AMOUNT SPECIFIED.**—

(1) **INITIAL AMOUNT.**—For fiscal year 2025, the amount specified in this subsection shall be the greater of—

(A) \$275; or

(B) such amount as the Secretary of Homeland Security may establish, by rule.

(2) **ANNUAL ADJUSTMENTS FOR INFLATION.**—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this section shall be equal to the sum of—

(A) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(B) the product resulting from the multiplication of the amount referred to in subparagraph (A) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(c) **DISPOSITION OF FEES RELATING TO RENEWAL AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR TEMPORARY PROTECTED STATUS APPLICANTS.**—During each fiscal year—

(1) 25 percent of the fees collected pursuant to this section—

(A) shall be credited to U.S. Citizenship and Immigration Services;

(B) shall be deposited into the Immigration Examinations Fee Account established under section 286(m) (8 U.S.C. 1356(m)); and

(C) may be retained and expended by U.S. Citizenship and Immigration Services without further appropriation; and

(2) any amounts collected pursuant to this section that are not credited to U.S. Citizenship and Immigration Services pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(d) **NO FEE WAIVER.**—Fees required to be paid under this section shall not be waived or reduced.

SEC. 100013. FEES RELATING TO APPLICATIONS FOR ADJUSTMENT OF STATUS.

(a) **FEE FOR FILING AN APPLICATION TO ADJUST STATUS TO THAT OF A LAWFUL PERMANENT RESIDENT.**—

(1) **IN GENERAL.**—In addition to any other fees authorized by law, the Attorney General shall require the payment of a fee, equal to the amount specified in paragraph (2), by any alien who files an application with an immigration court to adjust the alien's status to that of a lawful permanent resident, or whose application to adjust his or her status to that of a lawful permanent resident is adjudicated in immigration court. Such fee shall be paid at the time such application is filed or before such application is adjudicated by the immigration court.

(2) **AMOUNT SPECIFIED.**—

(A) **INITIAL AMOUNT.**—For fiscal year 2025, the amount specified in this paragraph shall be the greater of—

(i) \$1,500; or

(ii) such amount as the Attorney General may establish, by rule.

(B) **ANNUAL ADJUSTMENTS FOR INFLATION.**—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this paragraph shall be equal to the sum of—

(i) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(ii) the product resulting from the multiplication of the amount referred to in clause (i) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(3) DISPOSITION OF ADJUSTMENT OF STATUS APPLICATION FEES.—During each fiscal year—

(A) not more than 25 percent of the fees collected pursuant to this subsection—

(i) shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) (8 U.S.C. 1356(n)); and

(ii) shall be credited to the Executive Office for Immigration Review to retain and spend without further appropriation; and

(B) any amounts not derived by transfer and credited pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(b) FEE FOR FILING APPLICATION FOR WAIVER OF GROUNDS OF INADMISSIBILITY.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall require the payment of a fee, equal to the amount specified in paragraph (2), by any alien at the time such alien files an application with an immigration court for a waiver of a ground of inadmissibility, or before such application is adjudicated by the immigration court.

(2) AMOUNT SPECIFIED.—

(A) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this paragraph shall be the greater of—

(i) \$1,050; or

(ii) such amount as the Attorney General may establish, by rule.

(B) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this paragraph shall be equal to the sum of—

(i) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(ii) the product resulting from the multiplication of the amount referred to in clause (i) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(3) DISPOSITION OF WAIVER OF GROUND OF ADMISSIBILITY APPLICATION FEES.—During each fiscal year—

(A) not more than 25 percent of the fees collected pursuant to this subsection—

(i) shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) (8 U.S.C. 1356(n)); and

(ii) shall be credited to the Executive Office for Immigration Review to retain and spend without further appropriation; and

(B) any amounts not derived by transfer and credited pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(c) FEE FOR FILING AN APPLICATION FOR TEMPORARY PROTECTED STATUS.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall require the payment of a fee, equal to the amount specified in paragraph (2), by any alien at the time such alien files an application with an immigration court for temporary protected status, or before such application is adjudicated by the immigration court.

(2) AMOUNT SPECIFIED.—

(A) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this paragraph shall be the greater of—

(i) \$500; or

(ii) such amount as the Attorney General may establish, by rule.

(B) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this paragraph shall be equal to the sum of—

(i) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(ii) the product resulting from the multiplication of the amount referred to in clause (i) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(3) DISPOSITION OF TEMPORARY PROTECTED STATUS APPLICATION FEES.—During each fiscal year—

(A) not more than 25 percent of the fees collected pursuant to this subsection—

(i) shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) (8 U.S.C. 1356(n)); and

(ii) shall be credited to the Executive Office for Immigration Review to retain and spend without further appropriation; and

(B) any amounts not derived by transfer and credited pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(d) FEE FOR FILING AN APPEAL OF A DECISION OF AN IMMIGRATION JUDGE.—

(1) IN GENERAL.—Except as provided in paragraph (3), the Attorney General shall require, in addition to any other fees authorized by law, the payment of a fee, equal to the amount

specified in paragraph (2), by any alien at the time such alien files an appeal from a decision of an immigration judge.

(2) AMOUNT SPECIFIED.—

(A) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this paragraph shall be the greater of—

(i) \$900; or

(ii) such amount as the Attorney General may establish, by rule.

(B) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this paragraph shall be equal to the sum of—

(i) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(ii) the product resulting from the multiplication of the amount referred to in clause (i) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(3) EXCEPTION.—The fee required under paragraph (1) shall not apply to the appeal of a bond decision.

(4) DISPOSITION OF FEES FOR APPEALING IMMIGRATION JUDGE DECISIONS.—During each fiscal year—

(A) not more than 25 percent of the fees collected pursuant to this subsection—

(i) shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) (8 U.S.C. 1356(n)); and

(ii) shall be credited to the Executive Office for Immigration Review to retain and spend without further appropriation; and

(B) any amounts not derived by transfer and credited pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(e) FEE FOR FILING AN APPEAL FROM A DECISION OF AN OFFICER OF THE DEPARTMENT OF HOMELAND SECURITY.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall require the payment of a fee, equal to the amount specified in paragraph (2), by any alien at the time such alien files an appeal of a decision of an officer of the Department of Homeland Security.

(2) AMOUNT SPECIFIED.—

(A) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this paragraph shall be the greater of—

(i) \$900; or

(ii) such amount as the Attorney General may establish, by rule.

(B) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this paragraph shall be equal to the sum of—

(i) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(ii) the product resulting from the multiplication of the amount referred to in clause (i) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(3) DISPOSITION OF FEES FOR APPEALING DEPARTMENT OF HOMELAND SECURITY OFFICER DECISIONS.—During each fiscal year—

(A) not more than 25 percent of the fees collected pursuant to this subsection—

(i) shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) (8 U.S.C. 1356(n)); and

(ii) shall be credited to the Executive Office for Immigration Review to retain and spend without further appropriation; and

(B) any amounts not derived by transfer and credited pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(f) FEE FOR FILING AN APPEAL FROM A DECISION OF AN ADJUDICATING OFFICIAL IN A PRACTITIONER DISCIPLINARY CASE.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall require the payment of a fee, equal to the amount specified in paragraph (2), by any practitioner at the time such practitioner files an appeal from a decision of an adjudicating official in a practitioner disciplinary case.

(2) AMOUNT SPECIFIED.—

(A) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this paragraph shall be the greater of—

(i) \$1,325; or

(ii) such amount as the Attorney General may establish, by rule.

(B) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this paragraph shall be equal to the sum of—

(i) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(ii) the product resulting from the multiplication of the amount referred to in clause (i) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(3) DISPOSITION OF FEES FOR APPEALING DEPARTMENT OF HOMELAND SECURITY OFFICER DECISIONS.—During each fiscal year—

(A) not more than 25 percent of the fees collected pursuant to this subsection—

(i) shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) (8 U.S.C. 1356(n)); and

(ii) shall be credited to the Executive Office for Immigration Review to retain and spend without further appropriation; and

(B) any amounts not derived by transfer and credited pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(g) FEE FOR FILING A MOTION TO REOPEN OR A MOTION TO RECONSIDER.—

(1) IN GENERAL.—Except as provided in paragraph (3), in addition to any other fees authorized by law, the Attorney General shall require the payment of a fee, equal to the amount specified in paragraph (2), by any alien at the time such alien files a motion to reopen or motion to reconsider a decision of an immigration judge or the Board of Immigration Appeals.

(2) AMOUNT SPECIFIED.—

(A) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this paragraph shall be the greater of—

(i) \$900; or

(ii) such amount as the Attorney General may establish, by rule.

(B) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this paragraph shall be equal to the sum of—

(i) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(ii) the product resulting from the multiplication of the amount referred to in clause (i) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(3) EXCEPTIONS.—The fee required under paragraph (1) shall not apply to—

(A) a motion to reopen a removal order entered in absentia if such motion is filed in accordance with section 240(b)(5)(C)(ii) (8 U.S.C. 1229a(b)(5)(C)(ii)); or

(B) a motion to reopen a deportation order entered in absentia if such motion is filed in accordance with section 242B(c)(3)(B) prior to April 1, 1997.

(4) DISPOSITION OF FEES FOR FILING CERTAIN MOTIONS.—During each fiscal year—

(A) not more than 25 percent of the fees collected pursuant to this subsection—

(i) shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) (8 U.S.C. 1356(n)); and

(ii) shall be credited to the Executive Office for Immigration Review to retain and spend without further appropriation; and

(B) any amounts not derived by transfer and credited pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(h) FEE FOR FILING APPLICATION FOR SUSPENSION OF DEPORTATION.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall require the payment of a fee, equal to the amount specified in paragraph (2), by any alien at the time such alien files an application with an immigration court for suspension of deportation.

(2) AMOUNT SPECIFIED.—

(A) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this paragraph shall be the greater of—

(i) \$600; or

(ii) such amount as the Attorney General may establish, by rule.

(B) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this paragraph shall be equal to the sum of—

(i) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(ii) the product resulting from the multiplication of the amount referred to in clause (i) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(3) DISPOSITION OF FEES FOR FILING APPLICATION FOR SUSPENSION OF DEPORTATION.—During each fiscal year—

(A) not more than 25 percent of the fees collected pursuant to this subsection—

(i) shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) (8 U.S.C. 1356(n)); and

(ii) shall be credited to the Executive Office for Immigration Review to retain and spend without further appropriation; and

(B) any amounts not derived by transfer and credited pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(i) FEE FOR FILING APPLICATION FOR CANCELLATION OF REMOVAL FOR CERTAIN PERMANENT RESIDENTS.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall require the payment of a fee, equal to the amount specified in paragraph (2), by any alien at the time such alien files an application with an immigration court an application for cancellation of removal for an alien who is a lawful permanent resident.

(2) AMOUNT SPECIFIED.—

(A) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this paragraph shall be the greater of—

(i) \$600; or

(ii) such amount as the Attorney General may establish, by rule.

(B) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this paragraph shall be equal to the sum of—

(i) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(ii) the product resulting from the multiplication of the amount referred to in clause (i) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(3) DISPOSITION OF FEES FOR FILING APPLICATION FOR CANCELLATION OF REMOVAL.—During each fiscal year—

(A) not more than 25 percent of the fees collected pursuant to this subsection—

(i) shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) (8 U.S.C. 1356(n)); and

(ii) shall be credited to the Executive Office for Immigration Review to retain and spend without further appropriation; and

(B) any amounts not derived by transfer and credited pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(j) FEE FOR FILING AN APPLICATION FOR CANCELLATION OF REMOVAL AND ADJUSTMENT OF STATUS FOR CERTAIN NONPERMANENT RESIDENTS.—

(1) IN GENERAL.—In addition to any other fees authorized by law, the Attorney General shall require the payment of a fee, equal to the amount specified in paragraph (2), by any alien who is not a lawful permanent resident at the time such alien files an application with an immigration court for cancellation of removal and adjustment of status for any alien.

(2) AMOUNT SPECIFIED.—

(A) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this paragraph shall be the greater of—

(i) \$1,500; or

(ii) such amount as the Attorney General may establish, by rule.

(B) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this paragraph shall be equal to the sum of—

(i) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(ii) the product resulting from the multiplication of the amount referred to in clause (i) by the percentage

(if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(3) DISPOSITION OF FEES FOR FILING APPLICATION FOR CANCELLATION OF REMOVAL.—During each fiscal year—

(A) not more than 25 percent of the fees collected pursuant to this subsection—

(i) shall be derived by transfer from the Immigration Examinations Fee Account under section 286(n) (8 U.S.C. 1356(n)); and

(ii) shall be credited to the Executive Office for Immigration Review to retain and spend without further appropriation; and

(B) any amounts not derived by transfer and credited pursuant to subparagraph (A) shall be deposited into the general fund of the Treasury.

(k) LIMITATION ON USE OF FUNDS.—No fees collected pursuant to this section may be expended by the Executive Office for Immigration Review for the Legal Orientation Program, or for any successor program.

SEC. 100014. ELECTRONIC SYSTEM FOR TRAVEL AUTHORIZATION FEE.

Section 217(h)(3)(B) (8 U.S.C. 1187(h)(3)(B)) is amended—

(1) in clause (i)—

(A) in subclause (I), by striking “and” at the end;

(B) in subclause (II)—

(i) by inserting “of not less than \$10” after “an amount”; and

(ii) by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(III) not less than \$13 per travel authorization.”;

(2) in clause (iii), by striking “October 31, 2028” and inserting “October 31, 2034”; and

(3) by adding at the end the following:

“(iv) SUBSEQUENT ADJUSTMENT.—During fiscal year 2026 and each subsequent fiscal year, the amount specified in clause (i)(II) for a fiscal year shall be equal to the sum of—

“(I) the amount of the fee required under this subparagraph during the most recently concluded fiscal year; and

“(II) the product of the amount referred to in subclause (I) multiplied by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year.”.

SEC. 100015. ELECTRONIC VISA UPDATE SYSTEM FEE.

(a) IN GENERAL.—In addition to any other fee authorized by law, the Secretary of Homeland Security shall require the payment

of a fee, in the amount specified in subsection (b), by any alien subject to the Electronic Visa Update System at the time of such alien's enrollment in such system.

(b) AMOUNT SPECIFIED.—

(1) IN GENERAL.—For fiscal year 2025, the amount specified in this subsection shall be the greater of—

(A) \$30; or

(B) such amount as the Secretary of Homeland Security may establish, by rule.

(2) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026 and each subsequent fiscal year, the amount specified in this subsection shall be equal to the sum of—

(A) the amount of the fee required under this subsection during the most recently concluded fiscal year; and

(B) the product resulting from the multiplication of the amount referred to in subparagraph (A) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$0.25.

(c) DISPOSITION OF ELECTRONIC VISA UPDATE SYSTEM FEES.—

(1) IN GENERAL.—Section 286 (8 U.S.C. 1356) is amended by adding at the end the following:

“(w) CBP ELECTRONIC VISA UPDATE SYSTEM ACCOUNT.—

“(1) ESTABLISHMENT.—There is established in the general fund of the Treasury a separate account, which shall be known as the ‘CBP Electronic Visa Update System Account’ (referred to in this subsection as the ‘Account’).

“(2) DEPOSITS.—There shall be deposited into the Account an amount equal to the difference between—

“(A) all of the fees received pursuant to section 100015 of the Act entitled ‘An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14’ (119th Congress); and

“(B) an amount equal to \$5 multiplied by the number of payments collected pursuant to such section.

“(3) APPROPRIATION.—Amounts deposited in the Account—

“(A) are hereby appropriated to make payments and offset program costs in accordance with section 100015 of the Act entitled ‘An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14’ (119th Congress), without further appropriation; and

“(B) shall remain available until expended for any U.S. Customs and Border Protection costs associated with administering the CBP Electronic Visa Update System.”.

(2) REMAINING FEES.—Of the fees collected pursuant to this section, an amount equal to \$5 multiplied by the number of payments collected pursuant to this section shall be deposited to the general fund of the Treasury.

(d) NO FEE WAIVER.—Fees required to be paid under this section shall not be waived or reduced.

SEC. 100016. FEE FOR ALIENS ORDERED REMOVED IN ABSENTIA.

(a) **IN GENERAL.**—As partial reimbursement for the cost of arresting an alien described in this section, the Secretary of Homeland Security, except as provided in subsection (c), shall require the payment of a fee, equal to the amount specified in subsection (b) on any alien who—

(1) is ordered removed in absentia pursuant to section 240(b)(5) (8 U.S.C. 1229a(b)(5)); and

(2) is subsequently arrested by U.S. Immigration and Customs Enforcement.

(b) **AMOUNT SPECIFIED.**—

(1) **INITIAL AMOUNT.**—For fiscal year 2025, the amount specified in this section shall be the greater of—

(A) \$5,000; or

(B) such amount as the Secretary of Homeland Security may establish, by rule.

(2) **ANNUAL ADJUSTMENTS FOR INFLATION.**—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this section shall be equal to the sum of—

(A) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(B) the product resulting from the multiplication of the amount referred to in subparagraph (A) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(c) **EXCEPTION.**—The fee described in this section shall not apply to any alien who was ordered removed in absentia if such order was rescinded pursuant to section 240(b)(5)(C) (8 U.S.C. 1229a(b)(5)(C)).

(d) **DISPOSITION OF REMOVAL IN ABSENTIA FEES.**—During each fiscal year—

(1) 50 percent of the fees collected pursuant to this section—

(A) shall be credited to U.S. Immigration and Customs Enforcement;

(B) shall be deposited into the Detention and Removal Office Fee Account; and

(C) may be retained and expended by U.S. Immigration and Customs Enforcement without further appropriation; and

(2) any amounts collected pursuant to this section that are not credited to U.S. Immigration and Customs Enforcement pursuant to paragraph (1) shall be deposited into the general fund of the Treasury.

(e) **NO FEE WAIVER.**—Fees required to be paid under this section shall not be waived or reduced.

SEC. 100017. INADMISSIBLE ALIEN APPREHENSION FEE.

(a) **IN GENERAL.**—In addition to any other fee authorized by law, the Secretary of Homeland Security shall require the payment of a fee, equal to the amount specified in subsection (b), by any inadmissible alien at the time such alien is apprehended between ports of entry.

(b) **AMOUNT SPECIFIED.**—

(1) INITIAL AMOUNT.—For fiscal year 2025, the amount specified in this section shall be the greater of—

(A) \$5,000; or

(B) such amount as the Secretary of Homeland Security may establish, by rule.

(2) ANNUAL ADJUSTMENTS FOR INFLATION.—During fiscal year 2026, and during each subsequent fiscal year, the amount specified in this section shall be equal to the sum of—

(A) the amount of the fee required under this subsection for the most recently concluded fiscal year; and

(B) the product resulting from the multiplication of the amount referred to in subparagraph (A) by the percentage (if any) by which the Consumer Price Index for All Urban Consumers for the month of July preceding the date on which such adjustment takes effect exceeds the Consumer Price Index for All Urban Consumers for the same month of the preceding calendar year, rounded to the next lowest multiple of \$10.

(c) DISPOSITION OF INADMISSIBLE ALIEN APPREHENSION FEES.—During each fiscal year—

(1) 50 percent of the fees collected pursuant to this section—

(A) shall be credited to U.S. Immigration and Customs Enforcement;

(B) shall be deposited into the Detention and Removal Office Fee Account; and

(C) may be retained and expended by U.S. Immigration and Customs Enforcement without further appropriation; and

(2) any amounts collected pursuant to this section that are not credited to U.S. Immigration and Customs Enforcement pursuant to paragraph (1) shall be deposited into the general fund of the Treasury.

(d) DISPOSITION OF INADMISSIBLE ALIEN APPREHENSION FEES.—All of the fees collected pursuant to this section shall be deposited into the general fund of the Treasury.

SEC. 100018. AMENDMENT TO AUTHORITY TO APPLY FOR ASYLUM.

Section 208(d)(3) (8 U.S.C. 1158(d)(3)) is amended—

(1) in the first sentence, by striking “may” and inserting “shall”;

(2) by striking “Such fees shall not exceed” and all that follows and inserting the following: “Nothing in this paragraph may be construed to limit the authority of the Attorney General to set additional adjudication and naturalization fees in accordance with section 286(m).”.

**PART II—IMMIGRATION AND LAW
ENFORCEMENT FUNDING**

SEC. 100051. APPROPRIATION FOR THE DEPARTMENT OF HOMELAND SECURITY.

In addition to amounts otherwise available, there is appropriated to the Secretary of Homeland Security for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$2,055,000,000, to remain available through September 30, 2029, for the following purposes:

(1) IMMIGRATION AND ENFORCEMENT ACTIVITIES.—Hiring and training of additional U.S. Customs and Border Protection agents, and the necessary support staff, to carry out immigration enforcement activities.

(2) DEPARTURES AND REMOVALS.—Funding for transportation costs and related costs associated with the departure or removal of aliens.

(3) PERSONNEL ASSIGNMENTS.—Funding for the assignment of Department of Homeland Security employees and State officers to carry out immigration enforcement activities pursuant to sections 103(a) and 287(g) of the Immigration and Nationality Act (8 U.S.C. 1103(a) and 1357(g)).

(4) BACKGROUND CHECKS.—Hiring additional staff and investing the necessary resources to enhance screening and vetting of all aliens seeking entry into United States, consistent with section 212 of such Act (8 U.S.C. 1182), or intending to remain in the United States, consistent with section 237 of such Act (8 U.S.C. 1227).

(5) PROTECTING ALIEN CHILDREN FROM EXPLOITATION.—In instances of aliens and alien children entering the United States without a valid visa, funding is provided for the purposes of—

(A) collecting fingerprints, in accordance with section 262 of the Immigration and Nationality Act (8 U.S.C. 1302) and subsections (a)(3) and (b) of section 235 of such Act (8 U.S.C. 1225); and

(B) collecting DNA, in accordance with sections 235(d) and 287(b) of the Immigration and Nationality Act (8 U.S.C. 1225(d) and 1357(b)).

(6) TRANSPORTING AND RETURN OF ALIENS FROM CONTIGUOUS TERRITORY.—Transporting and facilitating the return, pursuant to section 235(b)(2)(C) of the Immigration and Nationality Act (8 U.S.C. 1225(b)(2)(C)), of aliens arriving from contiguous territory.

(7) STATE AND LOCAL PARTICIPATION.—Funding for State and local participation in homeland security efforts for purposes of—

(A) ending the presence of criminal gangs and criminal organizations throughout the United States;

(B) addressing crime and public safety threats;

(C) combating human smuggling and trafficking networks throughout the United States;

(D) supporting immigration enforcement activities; and

(E) providing reimbursement for State and local participation in such efforts.

(8) REMOVAL OF SPECIFIED UNACCOMPANIED ALIEN CHILDREN.—

(A) IN GENERAL.—Funding removal operations for specified unaccompanied alien children.

(B) USE OF FUNDS.—Amounts made available under this paragraph shall only be used for permitting a specified unaccompanied alien child to withdraw the application for admission of the child pursuant to section 235(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1225(a)(4)).

(C) DEFINITIONS.—In this paragraph:

(i) SPECIFIED UNACCOMPANIED ALIEN CHILD.—The term “specified unaccompanied alien child” means an

unaccompanied alien child (as defined in section 462(g) of the Homeland Security Act of 2002 (6 U.S.C. 279(g))) who the Secretary of Homeland Security determines on a case-by-case basis—

(I) has been found by an immigration officer at a land border or port of entry of the United States and is inadmissible under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.);

(II) has not been a victim of severe forms of trafficking in persons, and there is no credible evidence that such child is at risk of being trafficked upon return of the child to the child's country of nationality or country of last habitual residence; and

(III) does not have a fear of returning to the child's country of nationality or country of last habitual residence owing to a credible fear of persecution.

(ii) SEVERE FORMS OF TRAFFICKING IN PERSONS.—The term “severe forms of trafficking in persons” has the meaning given such term in section 103 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7102).

(9) EXPEDITED REMOVAL OF CRIMINAL ALIENS.—Funding for the expedited removal of criminal aliens, in accordance with the provisions of section 235(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1225(b)(1)).

(10) REMOVAL OF CERTAIN CRIMINAL ALIENS WITHOUT FURTHER HEARINGS.—Funding for the removal of certain criminal aliens without further hearings, in accordance with the provisions of section 235(c) of the Immigration and Nationality Act (8 U.S.C. 1225(c)).

(11) CRIMINAL AND GANG CHECKS FOR UNACCOMPANIED ALIEN CHILDREN.—Funding for criminal and gang checks of unaccompanied alien children (as defined in section 462(g) of the Homeland Security Act of 2002 (6 U.S.C. 279(g))) who are 12 years of age and older, including the examination of such unaccompanied alien children for gang-related tattoos and other gang-related markings.

(12) INFORMATION TECHNOLOGY.—Information technology investments to support immigration purposes, including improvements to fee and revenue collections.

SEC. 100052. APPROPRIATION FOR U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT.

In addition to amounts otherwise available, there is appropriated to the Secretary of Homeland Security for U.S. Immigration and Customs Enforcement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$29,850,000,000, to remain available through September 30, 2029, for the following purposes:

(1) HIRING AND TRAINING.—Hiring and training additional U.S. Immigration and Customs Enforcement personnel, including officers, agents, investigators, and support staff, to carry out immigration enforcement activities and prioritizing and streamlining the hiring of retired U.S. Immigration and Customs Enforcement personnel.

(2) PERFORMANCE, RETENTION, AND SIGNING BONUSES.—

(A) IN GENERAL.—Providing performance, retention, and signing bonuses for qualified U.S. Immigration and Customs Enforcement personnel in accordance with this subsection.

(B) PERFORMANCE BONUSES.—The Director of U.S. Immigration and Customs Enforcement, at the Director's discretion, may provide performance bonuses to any U.S. Immigration and Customs Enforcement agent, officer, or attorney who demonstrates exemplary service.

(C) RETENTION BONUSES.—The Director of U.S. Immigration and Customs Enforcement may provide retention bonuses to any U.S. Immigration and Customs Enforcement agent, officer, or attorney who commits to 2 years of additional service with U.S. Immigration and Customs Enforcement to carry out immigration enforcement activities.

(D) SIGNING BONUSES.—The Director of U.S. Immigration and Customs Enforcement may provide a signing bonus to any U.S. Immigration and Customs Enforcement agent, officer, or attorney who—

(i) is hired on or after the date of the enactment of this Act; and

(ii) who commits to 5 years of service with U.S. Immigration and Customs Enforcement to carry out immigration enforcement activities.

(E) SERVICE AGREEMENT.—In providing a retention or signing bonus under this paragraph, the Director of U.S. Immigration and Customs Enforcement shall provide each qualifying individual with a written service agreement that includes—

(i) the commencement and termination dates of the required service period (or provisions for the determination of such dates);

(ii) the amount of the bonus; and

(iii) any other term or condition under which the bonus is payable, subject to the requirements of this paragraph, including—

(I) the conditions under which the agreement may be terminated before the agreed-upon service period has been completed; and

(II) the effect of a termination described in subclause (I).

(3) RECRUITMENT, HIRING, AND ONBOARDING.—Facilitating the recruitment, hiring, and onboarding of additional U.S. Immigration and Customs Enforcement personnel to carry out immigration enforcement activities, including by—

(A) investing in information technology, recruitment, and marketing; and

(B) hiring staff necessary to carry out information technology, recruitment, and marketing activities.

(4) TRANSPORTATION.—Funding for transportation costs and related costs associated with alien departure or removal operations.

(5) INFORMATION TECHNOLOGY.—Funding for information technology investments to support enforcement and removal operations, including improvements to fee collections.

(6) **FACILITY UPGRADES.**—Funding for facility upgrades to support enforcement and removal operations.

(7) **FLEET MODERNIZATION.**—Funding for fleet modernization to support enforcement and removal operations.

(8) **FAMILY UNITY.**—Promoting family unity by—

(A) maintaining the care and custody, during the period in which a charge described in clause (i) is pending, in accordance with applicable laws, of an alien who—

(i) is charged only with a misdemeanor offense under section 275(a) of the Immigration and Nationality Act (8 U.S.C. 1325(a)); and

(ii) entered the United States with the alien’s child who has not attained 18 years of age; and

(B) detaining such an alien with the alien’s child.

(9) **287(g) AGREEMENTS.**—Expanding, facilitating, and implementing agreements under section 287(g) of the Immigration and Nationality Act (8 U.S.C. 1357(g)).

(10) **VICTIMS OF IMMIGRATION CRIME ENGAGEMENT OFFICE.**—Hiring and training additional staff to carry out the mission of the Victims of Immigration Crime Engagement Office and for providing nonfinancial assistance to the victims of crimes perpetrated by aliens who are present in the United States without authorization.

(11) **OFFICE OF THE PRINCIPAL LEGAL ADVISOR.**—Hiring additional attorneys and the necessary support staff within the Office of the Principal Legal Advisor to represent the Department of Homeland Security in immigration enforcement and removal proceedings.

SEC. 100053. APPROPRIATION FOR FEDERAL LAW ENFORCEMENT TRAINING CENTERS.

(a) **APPROPRIATION.**—In addition to amounts otherwise available, there is appropriated to the Secretary of Homeland Security for the Federal Law Enforcement Training Centers for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$750,000,000, to remain available until September 30, 2029, for the purposes described in subsections (b) and (c).

(b) **TRAINING.**—Not less than \$285,000,000 of the amounts available under subsection (a) shall be for supporting the training of newly hired Federal law enforcement personnel employed by the Department of Homeland Security and State and local law enforcement agencies operating in support of the Department of Homeland Security.

(c) **FACILITIES.**—Not more than \$465,000,000 of the amounts available under subsection (a) shall be for procurement, construction and maintenance of, improvements to, training equipment for, and related expenses, of facilities of the Federal Law Enforcement Training Centers.

SEC. 100054. APPROPRIATION FOR THE DEPARTMENT OF JUSTICE.

In addition to amounts otherwise available, there is appropriated to the Attorney General for the Department of Justice for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$3,330,000,000, to remain available through September 30, 2029, for the following purposes:

(1) **EXECUTIVE OFFICE FOR IMMIGRATION REVIEW.**—

(A) IN GENERAL.—Hiring immigration judges and necessary support staff for the Executive Office for Immigration Review to address the backlog of petitions, cases, and removals.

(B) STAFFING LEVEL.—Effective November 1, 2028, the Executive Office for Immigration Review shall be comprised of not more than 800 immigration judges, along with the necessary support staff.

(2) COMBATING DRUG TRAFFICKING.—Funding efforts to combat drug trafficking (including trafficking of fentanyl and its precursor chemicals) and illegal drug use.

(3) PROSECUTION OF IMMIGRATION MATTERS.—Funding efforts to investigate and prosecute immigration matters, gang-related crimes involving aliens, child trafficking and smuggling involving aliens within the United States, unlawful voting by aliens, violations of the Alien Registration Act, 1940 (54 Stat., chapter 439), and violations of or fraud relating to title IV of the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104–193; 110 Stat. 2277), including hiring additional Department of Justice personnel to investigate and prosecute such matters.

(4) NONPARTY OR OTHER INJUNCTIVE RELIEF.—Hiring additional attorneys and necessary support staff for the purpose of continuing implementation of assignments by the Attorney General pursuant to sections 516, 517, and 518 of title 28, United States Code, to conduct litigation and attend to the interests of the United States in suits pending in a court of the United States or in a court of a State in suits seeking nonparty or other injunctive relief against the Federal Government.

(5) EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM AND OFFICE OF COMMUNITY ORIENTED POLICING.—

(A) IN GENERAL.—Increasing funding for the Edward Byrne Memorial Justice Assistance Grant Program and the Office of Community Oriented Policing for initiatives associated with—

- (i) investigating and prosecuting violent crime;
- (ii) criminal enforcement initiatives; and
- (iii) immigration enforcement and removal efforts.

(B) LIMITATIONS.—No funds made available under this subsection shall be made available to community violence intervention and prevention initiative programs.

(C) ELIGIBILITY.—To be eligible to receive funds made available under this subsection, a State or local government shall be in full compliance, as determined by the Attorney General, with section 642 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1373).

(6) FISCALLY RESPONSIBLE LAWSUIT SETTLEMENTS.—Hiring additional attorneys and necessary support staff for the purpose of maximizing lawsuit settlements that require the payment of fines and penalties to the Treasury of the United States in lieu of providing for the payment to any person or entity other than the United States, other than a payment that provides restitution or otherwise directly remedies actual harm directly and proximately caused by the party making the payment, or constitutes payment for services rendered in connection with the case.

(7) COMPENSATION FOR INCARCERATION OF CRIMINAL ALIENS.—

(A) IN GENERAL.—Providing compensation to a State or political subdivision of a State for the incarceration of criminal aliens.

(B) USE OF FUNDS.—The amounts made available under subparagraph (A) shall only be used to compensate a State or political subdivision of a State, as appropriate, with respect to the incarceration of an alien who—

(i) has been convicted of a felony or 2 or more misdemeanors; and

(ii)(I) entered the United States without inspection or at any time or place other than as designated by the Secretary of Homeland Security;

(II) was the subject of removal proceedings at the time the alien was taken into custody by the State or a political subdivision of the State; or

(III) was admitted as a nonimmigrant and, at the time the alien was taken into custody by the State or a political subdivision of the State, has failed to maintain the nonimmigrant status in which the alien was admitted, or to which it was changed, or to comply with the conditions of any such status.

(C) LIMITATION.—Amounts made available under this subsection shall be distributed to more than 1 State. The amounts made available under subparagraph (A) may not be used to compensate any State or political subdivision of a State if the State or political subdivision of the State prohibits or in any way restricts a Federal, State, or local government entity, official, or other personnel from doing any of the following:

(i) Complying with the immigration laws (as defined in section 101(a)(17) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(17))).

(ii) Assisting or cooperating with Federal law enforcement entities, officials, or other personnel regarding the enforcement of the immigration laws.

(iii) Undertaking any of the following law enforcement activities as such activities relate to information regarding the citizenship or immigration status, lawful or unlawful, the inadmissibility or deportability, and the custody status, of any individual:

(I) Making inquiries to any individual to obtain such information regarding such individual or any other individuals.

(II) Notifying the Federal Government regarding the presence of individuals who are encountered by law enforcement officials or other personnel of a State or political subdivision of a State.

(III) Complying with requests for such information from Federal law enforcement entities, officials, or other personnel.

SEC. 100055. BRIDGING IMMIGRATION-RELATED DEFICITS EXPERIENCED NATIONWIDE REIMBURSEMENT FUND.

(a) **ESTABLISHMENT.**—There is established within the Department of Justice a fund, to be known as the “Bridging Immigration-related Deficits Experienced Nationwide (BIDEN) Reimbursement Fund” (referred to in this section as the “Fund”).

(b) **USE OF FUNDS.**—The Attorney General shall use amounts appropriated or otherwise made available for the Fund for grants to eligible States, State agencies, and units of local government, pursuant to their existing statutory authorities, for any of the following purposes:

(1) Locating and apprehending aliens who have committed a crime under Federal, State, or local law, in addition to being unlawfully present in the United States.

(2) Collection and analysis of law enforcement investigative information within the United States to counter gang or other criminal activity.

(3) Investigating and prosecuting—

(A) crimes committed by aliens within the United States; and

(B) drug and human trafficking crimes committed within the United States.

(4) Court operations related to the prosecution of—

(A) crimes committed by aliens; and

(B) drug and human trafficking crimes.

(5) Temporary criminal detention of aliens.

(6) Transporting aliens described in paragraph (1) within the United States to locations related to the apprehension, detention, and prosecution of such aliens.

(7) Vehicle maintenance, logistics, transportation, and other support provided to law enforcement agencies by a State agency to enhance the ability to locate and apprehend aliens who have committed crimes under Federal, State, or local law, in addition to being unlawfully present in the United States.

(c) **APPROPRIATION.**—In addition to amounts otherwise available for the purposes described in subsection (b), there is appropriated to the Attorney General for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, not to exceed \$3,500,000,000, to remain available until September 30, 2028, for the Fund for qualified and documented expenses that achieve any such purpose.

(d) **GRANT ELIGIBILITY OF COMPLETED, ONGOING, OR NEW ACTIVITIES.**—The Attorney General may provide grants under this section to State agencies and units of local government for expenditures made by State agencies or units of local government for completed, ongoing, or new activities determined to be eligible for such grant funding that occurred on or after January 20, 2021. Amounts made available under this section shall be distributed to more than 1 State.

SEC. 100056. APPROPRIATION FOR THE BUREAU OF PRISONS.

(a) **APPROPRIATION.**—In addition to amounts otherwise available, there is appropriated to the Director of the Bureau of Prisons for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$5,000,000,000, to remain available through September 30, 2029, for the purposes described in subsections (b) and (c).

(b) SALARIES AND BENEFITS.—Not less than \$3,000,000,000 of the amounts made available under subsection (a) shall be for hiring and training of new employees, including correctional officers, medical professionals, and facilities and maintenance employees, the necessary support staff, and for additional funding for salaries and benefits for the current workforce of the Bureau of Prisons.

(c) FACILITIES.—Not more than \$2,000,000,000 of the amounts made available under subsection (a) shall be for addressing maintenance and repairs to facilities maintained or operated by the Bureau of Prisons.

SEC. 100057. APPROPRIATION FOR THE UNITED STATES SECRET SERVICE.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Director of the United States Secret Service (referred to in this section as the “Director”) for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$1,170,000,000, to remain available through September 30, 2029, for the purposes described in subsection (b).

(b) USE OF FUNDS.—Amounts made available under subsection (a) may only be used for—

(1) additional United States Secret Service resources, including personnel, training facilities, programming, and technology; and

(2) performance, retention, and signing bonuses for qualified United States Secret Service personnel in accordance with subsection (c).

(c) PERFORMANCE, RETENTION, AND SIGNING BONUSES.—

(1) PERFORMANCE BONUSES.—The Director, at the Director’s discretion, may provide performance bonuses to any Secret Service agent, officer, or analyst who demonstrates exemplary service.

(2) RETENTION BONUSES.—The Director may provide retention bonuses to any Secret Service agent, officer, or analyst who commits to 2 years of additional service with the Secret Service.

(3) SIGNING BONUSES.—The Director may provide a signing bonus to any Secret Service agent, officer, or analyst who—

(A) is hired on or after the date of the enactment of this Act; and

(B) commits to 5 years of service with the United States Secret Service.

(4) SERVICE AGREEMENT.—In providing a retention or signing bonus under this subsection, the Director shall provide each qualifying individual with a written service agreement that includes—

(A) the commencement and termination dates of the required service period (or provisions for the determination of such dates);

(B) the amount of the bonus; and

(C) any other term or condition under which the bonus is payable, subject to the requirements under this subsection, including—

(i) the conditions under which the agreement may be terminated before the agreed-upon service period has been completed; and

- (ii) the effect of a termination described in clause (i).

Subtitle B—Judiciary Matters

SEC. 100101. APPROPRIATION TO THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS.

In addition to amounts otherwise available, there is appropriated to the Director of the Administrative Office of the United States Courts, out of amounts in the Treasury not otherwise appropriated, \$1,250,000 for each of fiscal years 2025 through 2028, for the purpose of continuing analyses and reporting pursuant to section 604(a)(2) of title 28, United States Code, to examine the state of the dockets of the courts and to prepare and transmit statistical data and reports as to the business of the courts, including an assessment of the number, frequency, and related metrics of judicial orders issuing non-party relief against the Federal Government and their aggregate cost impact on the taxpayers of the United States, as determined by each court when imposing securities for the issuance of preliminary injunctions or temporary restraining orders against the Federal Government pursuant to rule 65(c) of the Federal Rules of Civil Procedure.

SEC. 100102. APPROPRIATION TO THE FEDERAL JUDICIAL CENTER.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Director of the Federal Judicial Center, out of amounts in the Treasury not otherwise appropriated, \$1,000,000 for each of fiscal years 2025 through 2028, for the purpose described in subsection (b).

(b) USE OF FUNDS.—The Federal Judicial Center shall use the amounts appropriated under subsection (a) for the continued implementation of programs pursuant to section 620(b)(3) of title 28, United States Code, to stimulate, create, develop, and conduct programs of continuing education and training for personnel of the judicial branch, including training on the absence of constitutional and statutory authority supporting legal claims that seek non-party relief against the Federal Government, and strategic approaches for mitigating the aggregate cost impact of such legal claims on the taxpayers of the United States.

Subtitle C—Radiation Exposure Compensation Matters

SEC. 100201. EXTENSION OF FUND.

Section 3(d) of the Radiation Exposure Compensation Act (Public Law 101–426; 42 U.S.C. 2210 note) is amended—

(1) by striking the first sentence and inserting “The Fund shall terminate on December 31, 2028.”; and

(2) by striking “the end of that 2-year period” and inserting “such date”.

SEC. 100202. CLAIMS RELATING TO ATMOSPHERIC TESTING.

(a) LEUKEMIA CLAIMS RELATING TO TRINITY TEST IN NEW MEXICO AND TESTS AT THE NEVADA SITE.—Section 4(a)(1)(A) of

the Radiation Exposure Compensation Act (Public Law 101-426; 42 U.S.C. 2210 note) is amended—

(1) in clause (i)—

(A) in subclause (I), by striking “October 31, 1958” and inserting “November 6, 1962”;

(B) in subclause (II)—

(i) by striking “in the affected area” and inserting “in an affected area”; and

(ii) by striking “or” after the semicolon;

(C) by redesignating subclause (III) as subclause (IV); and

(D) by inserting after subclause (II) the following:

“(III) was physically present in an affected area for a period of at least 1 year during the period beginning on September 24, 1944, and ending on November 6, 1962; or”; and

(2) in clause (ii)(I), by striking “physical presence described in subclause (I) or (II) of clause (i) or onsite participation described in clause (i)(III)” and inserting “physical presence described in subclause (I), (II), or (III) of clause (i) or onsite participation described in clause (i)(IV)”.

(b) AMOUNTS FOR CLAIMS RELATED TO LEUKEMIA.—Section 4(a)(1) of the Radiation Exposure Compensation Act (Public Law 101-426; 42 U.S.C. 2210 note) is amended—

(1) in subparagraph (A), by striking “an amount” and inserting “the amount”;

(2) by striking subparagraph (B) and inserting the following:

“(B) AMOUNT.—If the conditions described in subparagraph (C) are met, an individual who is described in subparagraph (A) shall receive \$100,000.”; and

(3) in subparagraph (C), by adding at the end the following:

“(iv) No payment under this paragraph previously has been made to the individual, on behalf of the individual, or to a survivor of the individual.”.

(c) CONDITIONS FOR CLAIMS RELATED TO LEUKEMIA.—Section 4(a)(1)(C) of the Radiation Exposure Compensation Act (Public Law 101-426; 42 U.S.C. 2210 note) is amended—

(1) by striking clause (i); and

(2) by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(d) SPECIFIED DISEASES CLAIMS RELATING TO TRINITY TEST IN NEW MEXICO AND TESTS AT THE NEVADA SITE.—Section 4(a)(2) of the Radiation Exposure Compensation Act (Public Law 101-426; 42 U.S.C. 2210 note) is amended—

(1) in subparagraph (A)—

(A) by striking “in the affected area” and inserting “in an affected area”;

(B) by striking “2 years” and inserting “1 year”; and

(C) by striking “October 31, 1958,” and inserting “November 6, 1962.”;

(2) in subparagraph (B)—

(A) by striking “in the affected area” and inserting “in an affected area”; and

(B) by striking “, or” at the end and inserting a semicolon;

(3) by redesignating subparagraph (C) as subparagraph (D); and

(4) by inserting after subparagraph (B) the following:

“(C) was physically present in an affected area for a period of at least 1 year during the period beginning on September 24, 1944, and ending on November 6, 1962; or”.

(e) AMOUNTS FOR CLAIMS RELATED TO SPECIFIED DISEASES.—Section 4(a)(2) of the Radiation Exposure Compensation Act (Public Law 101-426; 42 U.S.C. 2210 note) is amended in the matter following subparagraph (D) (as redesignated by subsection (d) of this section)—

(1) by striking “\$50,000 (in the case of an individual described in subparagraph (A) or (B)) or \$75,000 (in the case of an individual described in subparagraph (C)),” and inserting “\$100,000”;

(2) in clause (i), by striking “, and” and inserting a semicolon;

(3) in clause (ii), by striking the period at the end and inserting “; and”; and

(4) by adding at the end the following:

“(iii) no payment under this paragraph previously has been made to the individual, on behalf of the individual, or to a survivor of the individual.”.

(f) DOWNWIND STATES.—Section 4(b)(1) of the Radiation Exposure Compensation Act (Public Law 101-426; 42 U.S.C. 2210 note) is amended to read as follows:

“(1) ‘affected area’ means—

“(A) except as provided under subparagraph (B)—

“(i) the States of New Mexico, Utah, and Idaho;

“(ii) in the State of Nevada, the counties of White Pine, Nye, Lander, Lincoln, Eureka, and that portion of Clark County that consists of townships 13 through 16 at ranges 63 through 71; and

“(iii) in the State of Arizona, the counties of Coconino, Yavapai, Navajo, Apache, and Gila, and Mohave; and

“(B) with respect to a claim by an individual under subsection (a)(1)(A)(i)(III) or subsection (a)(2)(C), only New Mexico; and”.

SEC. 100203. CLAIMS RELATING TO URANIUM MINING.

(a) EMPLOYEES OF MINES AND MILLS.—Section 5(a)(1)(A)(i) of the Radiation Exposure Compensation Act (Public Law 101-426; 42 U.S.C. 2210 note) is amended to read as follows:

“(i)(I) was employed in a uranium mine or uranium mill (including any individual who was employed in the transport of uranium ore or vanadium-uranium ore from such mine or mill) located in Colorado, New Mexico, Arizona, Wyoming, South Dakota, Washington, Utah, Idaho, North Dakota, Oregon, or Texas at any time during the period beginning on January 1, 1942, and ending on December 31, 1990; or

“(II) was employed as a core driller in a State referred to in subclause (I) during the period described in such subclause; and”.

(b) MINERS.—Section 5(a)(1)(A)(ii)(I) of the Radiation Exposure Compensation Act (Public Law 101–426; 42 U.S.C. 2210 note) is amended by inserting “or renal cancer or any other chronic renal disease, including nephritis and kidney tubal tissue injury” after “nonmalignant respiratory disease”.

(c) MILLERS, CORE DRILLERS, AND ORE TRANSPORTERS.—Section 5(a)(1)(A)(ii)(II) of the Radiation Exposure Compensation Act (Public Law 101–426; 42 U.S.C. 2210 note) is amended—

- (1) by inserting “, core driller,” after “was a miller”;
- (2) by inserting “, or was involved in remediation efforts at such a uranium mine or uranium mill,” after “ore transporter”;
- (3) by inserting “(I)” after “clause (i)”; and
- (4) by striking “or renal cancers” and all that follows and inserting “or renal cancer or any other chronic renal disease, including nephritis and kidney tubal tissue injury; or”.

(d) COMBINED WORK HISTORIES.—Section 5(a)(1)(A)(ii) of the Radiation Exposure Compensation Act (Public Law 101–426; 42 U.S.C. 2210 note), as amended by subsection (c), is further amended—

- (1) in subclause (I), by striking “or” at the end; and
- (2) by adding at the end the following:
 - “(III)(aa) does not meet the conditions of subclause (I) or (II);
 - “(bb) worked, during the period described in clause (i)(I), in 2 or more of the following positions: miner, miller, core driller, and ore transporter;
 - “(cc) meets the requirements under paragraph (4) or (5); and
 - “(dd) submits written medical documentation that the individual developed lung cancer, a nonmalignant respiratory disease, renal cancer, or any other chronic renal disease, including nephritis and kidney tubal tissue injury after exposure to radiation through work in one or more of the positions referred to in item (bb);”.

(e) SPECIAL RULES RELATING TO COMBINED WORK HISTORIES.—Section 5(a) of the Radiation Exposure Compensation Act (Public Law 101–426; 42 U.S.C. 2210 note) is amended by adding at the end the following:

“(4) SPECIAL RULE RELATING TO COMBINED WORK HISTORIES FOR INDIVIDUALS WITH AT LEAST ONE YEAR OF EXPERIENCE.—An individual meets the requirements under this paragraph if the individual worked in one or more of the positions referred to in paragraph (1)(A)(ii)(III)(bb) for a period of at least one year during the period described in paragraph (1)(A)(i)(I).

“(5) SPECIAL RULE RELATING TO COMBINED WORK HISTORIES FOR MINERS.—An individual meets the requirements of this paragraph if the individual, during the period described in paragraph (1)(A)(i)(I), worked as a miner and was exposed to such number of working level months that the Attorney General determines, when combined with the exposure of such individual to radiation through work as a miller, core driller, or ore transporter during the period described in paragraph (1)(A)(i)(I), results in such individual being exposed to a total level of radiation that is greater or equal to the level of exposure of an individual described in paragraph (4).”.

(f) DEFINITION OF CORE DRILLER.—Section 5(b) of the Radiation Exposure Compensation Act (Public Law 101–426; 42 U.S.C. 2210 note) is amended—

- (1) in paragraph (7), by striking “and” at the end;
- (2) in paragraph (8), by striking the period at the end and inserting “; and”; and
- (3) by adding at the end the following:
“(9) the term ‘core driller’ means any individual employed to engage in the act or process of obtaining cylindrical rock samples of uranium or vanadium by means of a borehole drilling machine for the purpose of mining uranium or vanadium.”.

SEC. 100204. CLAIMS RELATING TO MANHATTAN PROJECT WASTE.

The Radiation Exposure Compensation Act (Public Law 101–426; 42 U.S.C. 2210 note) is amended by inserting after section 5 the following:

“SEC. 5A. CLAIMS RELATING TO MANHATTAN PROJECT WASTE.

“(a) IN GENERAL.—A claimant shall receive compensation for a claim made under this Act, as described in subsection (b) or (c), if—

“(1) a claim for compensation is filed with the Attorney General—

- “(A) by an individual described in paragraph (2); or
- “(B) on behalf of that individual by an authorized agent of that individual, if the individual is deceased or incapacitated, such as—

“(i) an executor of estate of that individual; or

“(ii) a legal guardian or conservator of that individual;

“(2) that individual, or if applicable, an authorized agent of that individual, demonstrates that such individual—

“(A) was physically present in an affected area for a period of at least 2 years after January 1, 1949; and

“(B) contracted a specified disease after such period of physical presence;

“(3) the Attorney General certifies that the identity of that individual, and if applicable, the authorized agent of that individual, is not fraudulent or otherwise misrepresented; and

“(4) the Attorney General determines that the claimant has satisfied the applicable requirements of this Act.

“(b) LOSSES AVAILABLE TO LIVING AFFECTED INDIVIDUALS.—

“(1) IN GENERAL.—In the event of a claim qualifying for compensation under subsection (a) that is submitted to the Attorney General to be eligible for compensation under this section at a time when the individual described in subsection (a)(2) is living, the amount of compensation under this section shall be in an amount that is the greater of \$50,000 or the total amount of compensation for which the individual is eligible under paragraph (2).

“(2) LOSSES DUE TO MEDICAL EXPENSES.—A claimant described in paragraph (1) shall be eligible to receive, upon submission of contemporaneous written medical records, reports, or billing statements created by or at the direction of a licensed medical professional who provided contemporaneous medical care to the claimant, additional compensation in the amount of all documented out-of-pocket medical expenses

incurred as a result of the specified disease suffered by that claimant, such as any medical expenses not covered, paid for, or reimbursed through—

- “(A) any public or private health insurance;
- “(B) any employee health insurance;
- “(C) any workers’ compensation program; or
- “(D) any other public, private, or employee health program or benefit.

“(3) LIMITATION.—No claimant is eligible to receive compensation under this subsection with respect to medical expenses unless the submissions described in paragraph (2) with respect to such expenses are submitted on or before December 31, 2028.

“(c) PAYMENTS TO BENEFICIARIES OF DECEASED INDIVIDUALS.—In the event that an individual described in subsection (a)(2) who qualifies for compensation under subsection (a) is deceased at the time of submission of the claim—

“(1) a surviving spouse may, upon submission of a claim and records sufficient to satisfy the requirements of subsection (a) with respect to the deceased individual, receive compensation in the amount of \$25,000; or

“(2) in the event that there is no surviving spouse, the surviving children, minor or otherwise, of the deceased individual may, upon submission of a claim and records sufficient to satisfy the requirements of subsection (a) with respect to the deceased individual, receive compensation in the total amount of \$25,000, paid in equal shares to each surviving child.

“(d) AFFECTED AREAS.—For purposes of this section, the term ‘affected area’ means—

“(1) in the State of Missouri, the ZIP Codes of 63031, 63033, 63034, 63042, 63045, 63074, 63114, 63135, 63138, 63044, 63121, 63140, 63145, 63147, 63102, 63304, 63134, 63043, 63341, 63368, and 63367;

“(2) in the State of Tennessee, the ZIP Codes of 37716, 37840, 37719, 37748, 37763, 37828, 37769, 37710, 37845, 37887, 37829, 37854, 37830, and 37831;

“(3) in the State of Alaska, the ZIP Codes of 99546 and 99547; and

“(4) in the State of Kentucky, the ZIP Codes of 42001, 42003, and 42086.

“(e) SPECIFIED DISEASE.—For purposes of this section, the term ‘specified disease’ means any of the following:

“(1) Any leukemia, provided that the initial exposure occurred after 20 years of age and the onset of the disease was at least 2 years after first exposure.

“(2) Any of the following diseases, provided that the onset was at least 2 years after the initial exposure:

- “(A) Multiple myeloma.
- “(B) Lymphoma, other than Hodgkin’s disease.
- “(C) Primary cancer of the—
 - “(i) thyroid;
 - “(ii) male or female breast;
 - “(iii) esophagus;
 - “(iv) stomach;
 - “(v) pharynx;
 - “(vi) small intestine;

“(vii) pancreas;
“(viii) bile ducts;
“(ix) gall bladder;
“(x) salivary gland;
“(xi) urinary bladder;
“(xii) brain;
“(xiii) colon;
“(xiv) ovary;
“(xv) bone;
“(xvi) renal;
“(xvii) liver, except if cirrhosis or hepatitis B is indicated; or
“(xviii) lung.

“(f) PHYSICAL PRESENCE.—

“(1) IN GENERAL.—For purposes of this section, the Attorney General may not determine that a claimant has satisfied the requirements under subsection (a) unless demonstrated by submission of—

“(A) contemporaneous written residential documentation or at least 1 additional employer-issued or government-issued document or record that the claimant, for at least 2 years after January 1, 1949, was physically present in an affected area; or

“(B) other documentation determined by the Attorney General to demonstrate that the claimant, for at least 2 years after January 1, 1949, was physically present in an affected area.

“(2) TYPES OF PHYSICAL PRESENCE.—For purposes of determining physical presence under this section, a claimant shall be considered to have been physically present in an affected area if—

“(A) the claimant’s primary residence was in the affected area;

“(B) the claimant’s place of employment was in the affected area; or

“(C) the claimant attended school in the affected area.

“(g) DISEASE CONTRACTION IN AFFECTED AREAS.—For purposes of this section, the Attorney General may not determine that a claimant has satisfied the requirements under subsection (a) unless the claimant submits—

“(1) written medical records or reports created by or at the direction of a licensed medical professional, created contemporaneously with the provision of medical care to the claimant, that the claimant, after a period of physical presence in an affected area, contracted a specified disease; or

“(2) other documentation determined by the Attorney General to demonstrate that the claimant contracted a specified disease after a period of physical presence in an affected area.”.

H. R. 1—330

SEC. 100205. LIMITATIONS ON CLAIMS.

Section 8(a) of the Radiation Exposure Compensation Act (Public Law 101–426; 42 U.S.C. 2210 note) is amended by striking “2 years after the date of enactment of the RECA Extension Act of 2022” and inserting “December 31, 2027”.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*