

## HR 4520

American Jobs Creation Act of 2004

**Congress:** 108 (2003–2005, Ended)

**Chamber:** House

**Policy Area:** Taxation

**Introduced:** Jun 4, 2004

**Current Status:** Became Public Law No: 108-357.

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**Law:** 108-357 (Enacted Oct 22, 2004)

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**Party:** Republican • **State:** CA • **Chamber:** House

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Rep. Culberson, John Abney [R-TX-7]	R · TX		Jun 16, 2004
Rep. Granger, Kay [R-TX-12]	R · TX		Jun 16, 2004

Committee Activity

Committee	Chamber	Activity	Date
Agriculture Committee	House	Discharged From	Jun 17, 2004
Ways and Means Committee	House	Reported By	Jun 17, 2004

Subjects & Policy Tags

No subjects or policy tags are listed for this bill.

Related Bills

Bill	Relationship	Last Action
108 HR 5395	Related bill	Nov 19, 2004: Referred to the House Committee on Ways and Means.
108 S 3019	Related bill	Nov 19, 2004: Read twice and referred to the Committee on Finance.
108 HRES 830	Procedurally related	Oct 7, 2004: Motion to reconsider laid on the table Agreed to without objection.
108 S 1637	Related document	Jul 15, 2004: See also H.R. 4520.
108 HRES 681	Procedurally related	Jun 17, 2004: Motion to reconsider laid on the table Agreed to without objection.
108 HR 2896	Related bill	Nov 21, 2003: Placed on the Union Calendar, Calendar No. 226.

**(This measure has not been amended since the Conference Report was filed in the House on October 7, 2004. The summary of that version is repeated here.)**

**American Jobs Creation Act of 2004 - Title I: Provisions Relating to Repeal of Exclusion for Extraterritorial Income -** (Sec. 101) Amends the Internal Revenue Code to repeal the tax exclusion for extraterritorial income. Provides transitional relief for taxpayers subject to the repeal by allowing a tax exclusion for extraterritorial income of 80 percent in 2005 and 60 percent in 2006.

Permits foreign corporations to revoke elections to be treated as U.S. corporations for purposes of the extraterritorial income tax exclusion without recognition of gain or loss. Authorizes the Secretary of the Treasury to prescribe regulations to prevent abuse resulting from revoked elections.

Exempts from the repeal transactions in the ordinary course of a trade or business pursuant to certain binding contracts (including purchase, renewal, or replacement options) in effect on September 17, 2003, and thereafter.

(Sec. 102) Allows a tax deduction of nine percent of the lesser of a taxpayer's qualified production activities income or taxable income for the taxable year, beginning in 2010. Phases in the deduction at the rate of three percent in 2005 and 2006 and six percent for 2007, 2008, and 2009. Limits the amount of the deduction to 50 percent of W-2 wages (reportable gross employee wages) paid in a taxable year.

Defines "qualified production activities income" as the excess (if any) of domestic production gross receipts over the sum of the cost of goods sold allocable to such receipts, other deductions, expenses, or losses directly allocable to such receipts, and a ratable portion of other deductions, expenses, and losses that are not directly allocable to such receipts or another class of income. Includes within the definition of domestic production gross receipts qualifying production property (i.e., tangible personal property, any computer software, and certain sound recordings), any qualified film produced by the taxpayer, electricity, natural gas, or potable water produced by the taxpayer in the United States, construction performed in the United States, or engineering or architectural services for projects in the United States, but excludes the sale of certain food and beverages sold at retail and the transmission or distribution of electricity, natural gas, or potable water.

Sets forth special rules and definitions for qualified production activities income of passthrough entities and agricultural and horticultural cooperatives.

Allows the tax deduction for qualified production activities income for purposes of computing alternative minimum taxable income

Permits the revocation of a prior election to treat the cutting of timber as a sale or exchange.

**Title II: Business Tax Incentives - Subtitle A: Small Business Expensing -** (Sec. 201) Extends for two additional years (until 2008): (1) the increased expensing (full deduction of expenses in the taxable year in which the expenses are incurred) of small business assets (up to \$100,000); (2) the increase (to \$400,000) in the cost limitation for small business assets eligible for expensing; (3) the inflation adjustments for the increased expensing amount and the cost limitation amount; and (4) the eligibility period for the expensing of certain computer software.

**Subtitle B: Depreciation -** (Sec. 211) Allows a 15-year recovery period for the depreciation of certain leasehold

improvements and restaurant property placed in service before January 1, 2006.

**Subtitle C: Community Revitalization** - (Sec. 221) Directs the Secretary of the Treasury to prescribe regulations designating certain targeted populations as low-income communities for purposes of the new markets tax credit. Treats a population census tract with a population of less than 2,000 as a low-income community if such tract is within an empowerment zone and is contiguous to one or more low-income communities.

(Sec. 222) Authorizes the Secretary of Housing and Urban Development to expand an area designated as a renewal community, for purposes of the tax incentives available to such communities, using specified criteria, including increased poverty rates based on 2000 census data.

(Sec. 223) Modifies the low-income test (85 percent, rather than 80 percent, of statewide median family income) for families in high migration (out-migration of at least ten percent of the population) rural counties, for purposes of the new markets tax credit.

**Subtitle D: S Corporation Reform and Simplification** - (Sec. 231) Allows a taxpayer election to treat members of a family as one shareholder for purposes of determining the number of shareholders in an S corporation.

(Sec. 232) Increases the allowable number of S corporation shareholders from 75 to 100.

(Sec. 233) Allows an individual retirement account (IRA), including a Roth IRA, to be a shareholder of a bank that is an S corporation. Exempts, under certain circumstances, the sale of bank stock held by an IRA from rules against prohibited retirement plan transactions.

(Sec. 234) Permits a disregard of unexercised powers of appointment for determining potential current beneficiaries of an electing small business trust (ESBT). Extends from 60 days to one year the period during which an ESBT can dispose of S corporation stock after an ineligible shareholder becomes a potential current beneficiary.

(Sec. 235) Allows a carryover of disallowed losses on S corporation stock resulting from transfers of such stock to a spouse incident to divorce.

(Sec. 236) Allows beneficiaries of a qualified subchapter S trust to deduct certain losses under the at-risk and passive loss rules when such trust sells S corporation stock.

(Sec. 237) Excludes certain interest and dividend income on assets held by a bank S corporation from passive investment income for purposes of applying the excess net passive income rules.

(Sec. 238) Allows the waiver of inadvertent invalid qualified subchapter S subsidiary elections and terminations made after December 31, 2004.

(Sec. 239) Expands the authority of the Secretary of the Treasury to require informational returns for qualified subchapter S subsidiaries.

(Sec. 240) Permits an employee stock ownership plan (ESOP) maintained by an S corporation to make distributions for repayments of loans used to purchase employer securities without incurring tax penalties. Makes this change effective for distributions made after December 31, 1997.

**Subtitle E: Other Business Incentives** - (Sec. 241) Phases out between 2005 and 2007 and repeals, effective January 1, 2007, the 4.3-cents-per-gallon General Fund excise tax on diesel fuel used in trains and fuels used in barges operating

on the designated inland waterways system.

(Sec. 242) Allows the inclusion of participations and residuals in the adjusted basis of property for the taxable year in which such property is placed in service, for purposes of computing the allowable depreciation deduction for such property under the forecast method of depreciation. Requires such participations and residuals to relate to income estimated to be earned in connection with the property before the close of the tenth taxable year after the property is placed in service. Defines "participations and residuals" as costs the amount of which by contract varies with the amount of income earned in connection with such property.

(Sec. 243) Revises or repeals certain real estate investment trust (REIT) provisions relating to: (1) straight debt securities; (2) the limited rental exception; (3) the customary services exception; and (4) the treatment of certain hedging instruments. Increases from 90 to 95 the percentage of gross income test used to impose an additional tax for failure to meet certain REIT requirements.

(Sec. 244) Allows an election until 2009 to expense qualified film or television production costs up to \$15 million (\$20 million for costs incurred in certain low-income or distressed areas).

(Sec. 245) Allows a tax credit after 2004 and before 2008 for 50 percent of expenditures for railroad track maintenance. Limits the amount of such credit to the product of \$3,500 and the number of miles of railroad track owned or leased by a taxpayer.

(Sec. 246) Suspends from July 1, 2005, until June 30, 2008, the occupational tax on distilled spirits, wine, and beer.

(Sec. 247) Excludes from treatment as acquisition indebtedness, for purposes of determining unrelated business taxable income, certain indebtedness incurred by a small business investment company licensed under the Small Business Investment Act of 1958.

(Sec. 248) Allows certain corporations engaged in international shipping activities to elect an alternative system of corporate income taxation based upon the net tonnage of the corporation's vessels.

**Subtitle F: Stock Options and Employee Stock Purchase Plan Stock Options** - (Sec. 251) Excludes from social security, unemployment, and railroad retirement taxes wages earned from the transfer of stock pursuant to the exercise of an incentive stock option or under an employee stock purchase plan or from any disposition of such stock. Eliminates withholding of tax requirements for certain dispositions of stock options.

### **Title III: Tax Relief for Agriculture and Small Manufacturers - Subtitle A: Volumetric Ethanol Excise Tax Credit -**

(Sec. 301) Eliminates reduced rates of excise tax for gasoline and certain alcohol-blended fuels. Allows a refundable credit against the gasoline excise tax for the sum of the alcohol fuel mixture credit and the biodiesel mixture credit. Defines "alcohol" to include methanol and ethanol, but not alcohol produced from petroleum, natural gas or coal (including peat), or alcohol with a proof of less than 190. Terminates the credit for the alcohol fuel mixture credit after 2010 and the biodiesel mixture credit after 2006.

Requires the Secretary of the Treasury to make refunds to taxpayers whose alcohol fuel mixture credit exceeds their gasoline excise tax liability within 45 days or pay interest on refund amounts. Allows electronic filing for certain refund claims.

Provides for the direct payment of excise tax receipts to the Highway Trust Fund (current law requires the retention of certain amounts of excise tax in the General Fund of the Treasury).

Requires the registration of taxpayers producing or importing biodiesel or alcohol.

Extends through 2010 the tax credit for alcohol used as fuel.

(Sec. 302) Allows a business tax credit for biodiesel used as fuel in the trade or business of a taxpayer. Terminates such credit after 2006.

(Sec. 303) Directs the Secretary to require any individual claiming benefits under the tax credits for alcohol and biodiesel used as fuel to file informational returns.

**Subtitle B: Agricultural Incentives** - (Sec. 311) Modifies involuntary conversion tax rules to extend from two to four years the replacement period for livestock sold due to drought, flood, or other weather-related conditions. Allows the Secretary to extend the replacement period on a regional basis if weather-related conditions continue for more than three years.

(Sec. 312) Provides that dividends on the capital stock or other proprietary capital interests of certain tax-exempt cooperatives shall not reduce the net earnings of such cooperatives.

(Sec. 313) Allows the apportionment of the small ethanol producer tax credit among patrons of a tax-exempt cooperative.

(Sec. 314) Revises rules for the computation of the regular tax liability of farmers and fishermen to exclude income averaging in computing alternative minimum tax liability.

(Sec. 315) Qualifies the outright sale of timber by landowners for capital gains treatment.

(Sec. 316) Revises the rule for marketing activities by tax-exempt farmer cooperatives to provide that the marketing of products of cooperative members and other producers shall include the feeding of such products to cattle, hogs, fish, chickens, or other animals and the sale of the resulting animal or animal products.

(Sec. 317) Permits farmers' cooperative organizations to seek declaratory judgments with respect to their initial or continuing qualification as tax-exempt organizations.

(Sec. 318) Allows rural letter carriers a miscellaneous tax deduction (subject to the two percent threshold) for their actual employment-related expenses in excess of their employer's reimbursement.

(Sec. 319) Excludes income received by a mutual or cooperative rural electric company from any open access transaction, any nuclear decommissioning transaction, or any asset exchange or conversion transaction, for purposes of determining whether such cooperative meets the income test for tax-exempt status (i.e., 85 percent of income collected from members of cooperatives for sole purpose of meeting losses and expenses of providing services to members). Includes in the income of such cooperatives income from load loss transactions for purposes of meeting the income test for tax-exempt status. Terminates these provisions for taxable years beginning after December 31, 2006.

(Sec. 320) Excludes from gross income and social security taxes payments under the National Health Service Corps loan repayment program and certain State repayment programs.

(Sec. 321) Modifies safe harbor rules relating to timber real estate investment trusts to provide that the sale of a real estate asset shall not be deemed a prohibited transaction if specified requirements are met.

(Sec. 322) Allows for the expensing of certain reforestation expenditures up to \$10,000 and the amortization of

expenditures over \$10,000. Repeals the investment tax credit for reforestation.

**Subtitle C: Incentives for Small Manufacturers** - (Sec. 331) Modifies the 90 percent of gross income test for income of a regulated investment company (RIC) to include distributions or other income derived from an interest in a publicly traded partnership.

(Sec. 332) Increases the draw weight for a taxable bow from ten to 30 pounds or more for purposes of the 11 percent excise tax on bows and arrows. Reduces to 11 percent the excise tax on archery equipment, including quivers or broadheads. Imposes an excise tax of 12 percent on arrows.

(Sec. 333) Reduces the excise tax on fishing tackle boxes from ten to three percent.

(Sec. 334) Repeals the excise tax on sonar devices suitable for finding fish.

(Sec. 335) Allows whaling captains recognized by the Alaska Eskimo Whaling Commission to claim a charitable income tax deduction up to \$10,000 for certain expenses incurred in support of Native Alaskan subsistence whaling. Directs the Secretary to issue guidance for the substantiation of this tax deduction.

(Sec. 336) Qualifies certain noncommercial aircraft for the 50 percent bonus depreciation allowance.

(Sec. 337) Sets forth a special placed-in-service rule for certain bonus depreciation property.

(Sec. 338) Allows small business refiners: (1) a current year tax deduction for up to 75 percent of the capital costs incurred in complying with Environmental Protection Agency sulfur regulations; and (2) a business tax credit (five cents per gallon) for the production of low sulfur diesel fuel.

(Sec. 340) Allows an additional \$10 million in capital expenditures under the qualified small-issue bond program for bonds issued after September 30, 2009.

(Sec. 341) Allows a business tax credit for producing oil and gas from marginal wells.

**Title IV: Tax Reform and Simplification for United States Businesses** - (Sec. 401) Permits, in general, a worldwide affiliated group to elect to have the taxable income of each domestic corporation in such group determined by allocating and apportioning the interest expense of each member as if all members of such group were a single corporation. Provides that if a group makes this election, the taxable income of the domestic members of the worldwide affiliated group from sources outside the United States will be determined by allocating and apportioning the interest expenses of domestic members to foreign source income in accordance with a specified formula. Provides that non-interest expenses which are not directly allocable or apportioned to any specific income-producing activity shall be allocated and apportioned as if all members of the affiliated group were a single corporation.

(Sec. 402) Treats as income from sources without the United States, in the case of any taxpayer who sustains an overall domestic loss for any taxable year beginning after December 31, 2006, that portion of the taxpayer's taxable income from sources within the United States for each succeeding taxable year which is equal to the lesser of: (1) the amount of such loss (to the extent not used in prior taxable years); or (2) 50 percent of the taxpayer's taxable income from sources within the United States for such succeeding taxable year.

(Sec. 403) Revises rules for the tax treatment of dividends paid by a section 902 corporation (a foreign corporation in which the taxpayer owns at least ten percent of the stock by vote and which is not a controlled foreign corporation).



- (Sec. 404) Reduces the limitation on the foreign tax credit to two basic categories: (1) passive category income; and (2) general category income.
- (Sec. 405) Modifies attribution rules for stock ownership through partnerships to provide that stock owned, directly or indirectly, by or for a partnership shall be considered as being owned proportionately by its partners, for purposes of determining deemed-paid foreign tax credits of domestic corporations that own ten percent or more of the voting stock of a foreign corporation.
- (Sec. 406) Specifies that certain deemed payments relating to the transfer of intangibles shall be treated as royalties for purposes of applying the separate limitation categories of the foreign tax credit.
- (Sec. 407) Adds certain exceptions from the definition of U.S. property relating to securities acquired and held by a controlled foreign corporation and certain bonds, for determining current income inclusion by a U.S. ten percent shareholder with respect to an investment in U.S. property by a controlled foreign corporation.
- (Sec. 408) Permits taxpayers required to translate foreign income tax payments at the average exchange rate to elect to translate such taxes into U.S. dollar amounts using the exchange rates as of the time such taxes are paid, provided the foreign income taxes are denominated in a currency other than the taxpayer's functional currency. Denies such election to regulated investment companies that account for income on an accrual basis.
- (Sec. 409) Exempts from withholding of tax requirements certain dividends paid by a foreign corporation.
- (Sec. 410) Excludes from U.S. source income certain interest paid by a foreign partnership that is predominantly engaged in the active conduct of a trade of business outside the United States.
- (Sec. 411) Allows a tax exemption for certain interest-related dividends of regulated investment companies (RICs) that are paid after 2005 and before 2008.
- (Sec. 412) Treats the sale by a controlled foreign corporation of a partnership interest (in which the corporation has a 25 percent ownership interest) as a sale of the proportionate share of partnership assets attributable to such interest for purposes of determining subpart F foreign personal holding company income.
- (Sec. 413) Repeals rules relating to foreign personal holding companies and foreign investment companies. Excludes foreign corporations from the application of the personal holding company rules. Includes as subpart F foreign personal holding company income personal services company income that is subject to the present law foreign personal holding company rules.
- (Sec. 414) Modifies the definition of subpart F (Controlled Foreign Corporations) foreign personal holding company income with respect to gains or losses from a commodities hedging transaction.
- (Sec. 415) Repeals subpart F rules relating to foreign base company shipping income. Establishes a safe harbor rule for the exclusion of rents derived from leasing an aircraft or vessel from foreign personal holding income (i.e., active leasing expenses must comprise at least ten percent of the profit on the lease).
- (Sec. 416) Modifies certain exceptions from subpart F foreign personal holding company income and foreign base company services income for income derived in the active conduct of a bank, financing, or similar business.
- (Sec. 417) Extends the excess foreign tax credit carry forward period to ten years and limits the carry back period to one

year.

(Sec. 418) Removes from treatment as effectively connected income for a foreign investor a capital gain distribution from a real estate investment trust (REIT), if: (1) the distribution is received with respect to a class of stock that is regularly traded on an established securities market located in the United States; and (2) the foreign investor does not own more than five percent of the class of stock at any time during the taxable year within which the distribution is received.

(Sec. 419) Excludes from gross income winnings paid to a nonresident alien resulting from a legal wager initiated outside the United States in a pari-mutuel pool on a live horse or dog race in the United States.

(Sec. 420) Lowers the withholding income tax rate on U.S. source dividends paid to a corporation created or organized in Puerto Rico from 30 percent to ten percent as long as Puerto Rico does not increase its ten percent tax rate.

(Sec. 421) Repeals the 90 percent limitation on the utilization of the alternative minimum tax foreign tax credit.

(Sec. 422) Allows certain U.S. corporations to deduct up to 85 percent of cash dividends received during a specified period from a controlled foreign corporation. Sets forth limitations on such deduction, including a dollar limit of the greater of \$500 million or a specified amount of earnings permanently reinvested outside the United States. Requires dividends received to be reinvested in the United States pursuant to an approved domestic reinvestment plan.

(Sec. 423) Provides that final Treasury regulations relating to income derived by certain foreign corporations from the international operation of ships or aircraft shall apply to taxable years of a foreign corporation beginning after September 24, 2004.

(Sec. 424) Directs the Secretary of the Treasury to study and report to Congress by June 30, 2005, on the effectiveness of earnings stripping rules.

**Title V: Deduction of State and Local General Sales Taxes** - (Sec. 501) Allows taxpayers to elect to deduct State and local sales taxes in lieu of State and local income taxes for taxable years beginning in 2004 and 2005. Permits taxpayers to elect to base their sales tax deduction on their own sales tax receipts or upon sales tax tables published by the Internal Revenue Service (IRS).

**Title VI: Fair and Equitable Tobacco Reform - Fair and Equitable Tobacco Reform Act of 2004 - Subtitle A: Termination of Federal Tobacco Quota and Price Support Programs** - (Sec. 611) Amends and repeals specified agricultural Acts to eliminate tobacco quota and price support programs, including no net cost provisions.

(Sec. 612) Amends the Agricultural Act of 1949 to eliminate tobacco from the definition of "basic agricultural commodity."

(Sec. 614) Provides for the continuation of liability for 2004 and earlier tobacco crop years.

**Subtitle B: Transitional Payments to Tobacco Quota Holders and Producers of Tobacco** - (Sec. 622) Authorizes the Secretary of Agriculture to make transitional FY 2005 through 2014 payments to: (1) eligible tobacco quota holders at \$7 per pound; and (2) eligible quota tobacco producers at \$3 per pound. (Provides a right of survivorship for such payments upon a quota holder's or producer's death.)

(Sec. 624) Provides for county committee resolution of eligibility and payment disputes.

(Sec. 625) Imposes a quarterly assessment on each tobacco product manufacturer and tobacco product importer that sells tobacco products in domestic U.S. commerce. Sets forth assessment provisions. Terminates assessment authority

on September 30, 2014.

(Sec. 626) Establishes in the Commodity Credit Corporation a revolving Tobacco Trust Fund to carry out this title. Caps total Fund expenditures.

**Subtitle C: Implementation and Transition** - (Sec. 641) Sets forth tobacco stocks and no net cost provisions.

(Sec. 643) Applies the provisions of this title to the 2005 and subsequent tobacco crops.

**Title VII: Miscellaneous Provisions** - (Sec. 701) Authorizes the issuance of tax-exempt facility bonds for certain green building and sustainable design projects (projects) designated by the Secretary of the Treasury. Limits the amount of bonds that may be issued to \$2 billion. Requires designated projects to: (1) register at least 75 percent of the square footage of the structures included in a project for certification by the U.S. Green Building Council's Leadership in Energy and Environmental Design; (2) include a brownfield site; (3) identify other State or local financial contributions that will be provided to support a project; (4) include at least one million square feet of building or 20 acres of land; and (5) provide at least 1,500 full time jobs (150 in rural States) when completed and at least 1,000 full time jobs (100 in rural States) during construction. Prohibits more than one project in a single State and requires at least one project in an empowerment zone and one project in a rural State. Terminates the authority for issuing bonds after FY 2009.

(Sec. 702) Excludes from the unrelated business taxable income of certain tax-exempt organizations gain or loss on the sale or exchange of certain brownfield sites acquired, remediated, and sold by such organizations. Terminates this exclusion after 2009.

(Sec. 703) Allows a tax deduction from gross income (whether or not the taxpayer itemizes deductions) for attorney fees and court costs paid in connection with a claim of unlawful discrimination under specified Federal, State or local statutes.

(Sec. 704) Allows a seven-year recovery period for the depreciation of any motorsports entertainment complex placed in service before January 1, 2008. Defines "motorsports entertainment complex" as a racing track facility which is permanently situated on land and which hosts one or more automobile racing events open to the general public in a specified 36-month period.

(Sec. 705) Suspends for the taxable years of a stock life insurance company beginning in 2005 and 2006 the application of rules imposing income tax on distributions to shareholders from the policyholders' surplus account of a life insurance company.

(Sec. 706) Allows a seven-year recovery period for the depreciation of any Alaska natural gas pipeline that has a capacity of more than 500 billion British thermal units of natural gas per day and that is placed in service after December 31, 2013.

(Sec. 707) Allows a tax credit for enhanced oil recovery for expenses to construct a natural gas treatment plant located in U.S. territory (lying north of 64 degrees north latitude) that prepares Alaska natural gas for transportation through a pipeline with a capacity of at least \$2 trillion British thermal units of natural gas on a daily basis and that produces carbon dioxide which is injected into hydrocarbon-bearing geological formations.

(Sec. 708) Allows shipbuilders holding a contract to build a ship or submarine for the Federal Government to use a certain method of accounting authorized by the Revenue Act of 1987 to report taxable income.

(Sec. 709) Amends the Employee Retirement Income Security Act of 1974 (ERISA) to permit employers with current retiree health liabilities of at least five percent of gross receipts to make certain cost reductions in retiree health coverage.

(Sec. 710) Modifies the tax credit for electricity produced from certain renewable resources to include the following resources as eligible for the credit until January 1, 2006: (1) open-loop biomass; (2) geothermal energy; (3) solar energy; (4) small irrigation power; and (5) municipal solid waste.

(Sec. 711) Provides for the refundability of the tax credits for alcohol fuels and for the production of electricity.

(Sec. 712) Amends title XIX (Medicaid) of the Social Security Act to include as an optional Medicaid benefit primary and secondary medical strategies, treatment, and services for individuals with sickle cell disease.

Includes as Federal reimbursement to States 50 percent of costs for services to identify and educate eligible Medicaid recipients who have sickle cell disease or who are carriers of the sickle cell gene, and for education regarding the risks of stroke and other medical complications.

Directs the Administrator of the Health Resources and Services Administration to: (1) conduct a demonstration program by making grants to up to 40 federally-qualified and nonprofit health care providers for the development and establishment of systemic mechanisms to improve the prevention and treatment of sickle cell disease; and (2) contract with an entity to serve as the National Coordinating Center for the demonstration program. Sets forth requirements for awarding grants to establish the demonstration program. Authorizes appropriations for FY 2005 through 2009.

(Sec. 713) Amends the Harmonized Tariff Schedule of the United States to: (1) suspend duties on ceiling fans through December 31, 2006; (2) extend duty free entry of nuclear steam generators through December 31, 2008; and (3) and suspend duties on nuclear reactor vessel heads and pressurizers through December 31, 2008.

**Title VIII: Revenue Provisions - Subtitle A: Provisions to Reduce Tax Avoidance Through Individual and Corporation Expatriation** - (Sec. 801) Sets forth rules for the tax treatment of expatriated entities and foreign corporations acquiring such entities through inversion transactions (corporate stock transactions structured to avoid or evade U.S. taxation).

Defines "expatriated entity" as a domestic corporation which is acquired in an inversion transaction by a surrogate foreign corporation after March 4, 2003, and after such acquisition, the shareholders or owners of which own at least 60 percent of the stock or value of the foreign corporation, where the expanded affiliated group that includes the domestic corporation does not have substantial business activities in the foreign jurisdiction under whose laws it was created compared to the total business activities of its affiliated group. Sets forth a similar definition for domestic partnerships.

Provides that the taxable income of an expatriated entity shall not be less than its inversion gain for any taxable year. Defines "inversion gain" as income or gain resulting from a transfer of stock or other property by an expatriated entity to a foreign corporation. Denies certain tax credits and loss deductions to expatriated entities.

Treats a foreign corporation engaged in an inversion transaction as a domestic corporation for U.S. tax purposes, if at least 80 percent of the stock of such foreign corporation was purchased in the inversion transaction.

Direct the Secretary of the Treasury to issue regulations to define foreign surrogate corporations and to prevent tax avoidance through individual and corporate expatriation.

(Sec. 802) Imposes an excise tax on certain holders of stock options and other stock-based compensation (i.e., disqualified individuals) equal to 15 percent (20 percent after 2008) of the value of such compensation held, directly or indirectly, by or for the benefit of the holders of such stock or their family members at any time during the 12-month period beginning on the date which is six months before an corporate inversion transaction.

(Sec. 803) Modifies the authority of the Secretary of the Treasury to allocate tax incidents between the parties to a reinsurance agreement involving tax avoidance or evasion.

(Sec. 804) Revises tax rules on the expatriation of individuals. Provides that expatriated individuals shall be subject to an alternative tax for a ten-year period following expatriation unless such individuals show: (1) an average annual net income not exceeding \$124,000; (2) a net worth of less than \$2 million; and (3) compliance with applicable tax requirements for the five preceding taxable years. Exempts taxpayers with dual citizenship in the United States and another country with no substantial contact with the United States from the net income and net worth requirements. Sets forth rules for determining when a U.S. citizen or resident becomes expatriated.

Requires an expatriated individual to file an annual informational return, disclosing such individual's country of residence, the number of days such individual was present in the United States, and information on such individual's income, assets, and liabilities. Imposes a \$10,000 penalty for failure to provide required information, but allows a waiver of such penalty if failure to comply is due to reasonable cause and not to willful neglect.

(Sec. 805) Imposes certain reporting requirements on an acquiring corporation in a taxable acquisition of another corporation. Imposes a penalty for failure to report required information.

(Sec. 806) Requires the Secretary to conduct studies and report to Congress on: (1) the effectiveness of current transfer pricing rules and compliance efforts in ensuring that cross-border transfers and other related-party transactions cannot be used improperly to shift income out of the United States; (2) any inappropriate reductions in U.S. withholding tax, as a result of U.S. income tax treaties, that provide opportunities for shifting income outside the United States; and (3) the effectiveness of the provisions of this title on corporate expatriation.

**Subtitle B: Provisions Relating to Tax Shelters - Part I: Taxpayer-Related Provisions** - (Sec. 811) Imposes new penalties for failing to report tax shelter transactions that have a potential for tax avoidance or evasion (reportable transaction) and transactions specifically identified as tax avoidance transactions (listed transactions). Authorizes the Commissioner of Internal Revenue to rescind all or a portion of such penalties, but requires the Commissioner to enter on record a statement of the the facts and circumstances relating to the violations, the reasons for the rescission, and the amount of the penalty rescinded. Requires taxpayers subject to certain Securities and Exchange Commission reporting requirements to report tax shelter penalties. Requires the Commissioner to report to the House Ways and Means Committee and the Senate Finance Committee a summary of the total number and aggregate amount of tax shelter penalties imposed and a description of penalties rescinded.

(Sec. 812) Imposes a 20 percent penalty for understatements of tax resulting from tax shelter activities reported by the taxpayer and increases such penalty to 30 percent for undisclosed tax shelter transactions. Allows a waiver of the 20 percent penalty if the taxpayer shows reasonable cause for the understatement of tax and has acted in good faith.

(Sec. 813) Expands the denial of privilege for communications between a tax practitioner and a corporate client pertaining to tax shelter activity to include any individual engaged in tax shelter activity.

(Sec. 814) Extends the statute of limitations for assessing underpayments of tax resulting from undisclosed tax shelter transactions to one year after required disclosures are made.

(Sec. 815) Requires material advisors of reportable tax shelter transactions to file informational returns identifying and describing such transactions and the potential tax benefit expected to result from such transactions. Defines "material advisor" as any person who provides any material aid, assistance, or advice with respect to organizing, managing,

promoting, selling, implementing, insuring, or carrying out any reportable tax shelter transaction, and who directly or indirectly derives certain levels of compensation for such advice or assistance. Requires material advisors to maintain lists identifying tax shelter clients.

(Sec. 816) Revises provisions for registration of tax shelters to impose a penalty on material advisors for failure to file required informational returns or for filing false or incomplete information.

(Sec. 817) Imposes a daily penalty of \$10,000 on material advisors who fail to disclose lists of tax shelter clients. Allows a waiver of such penalty for reasonable cause.

(Sec. 818) Imposes an additional penalty on promoters of abusive tax shelters of 50 percent of the gross income derived from such tax shelter activity.

(Sec. 819) Modifies the definition of substantial understatement of tax for corporations, other than an S corporation or a personal holding company, to mean the lesser of ten percent of the tax required to be shown (or, if greater, \$10,000) or \$10 million.

(Sec. 820) Expands the authority of the Secretary of the Treasury to seek an injunction against participants in abusive tax shelter activities.

(Sec. 821) Increases the penalty for failure to report interests in foreign financial accounts. Allows a waiver of the penalty if the failure to report was due to reasonable cause and the amount of the transaction was properly reported.

(Sec. 822) Authorizes the Secretary to: (1) censure and fine an incompetent or disreputable tax advisor who practices before the Department of the Treasury; and (2) impose standards applicable to the rendering of written advice for tax transactions having a potential for tax avoidance or evasion.

**Part II: Other Provisions** - (Sec. 831) Permits the application of stripped preferred stock rules and stripped bond rules in the case of an account or entity substantially all of the assets of which consist of bonds, preferred stock, or a combination thereof.

(Sec. 832) Expands the disallowance of the foreign tax credit to deny a credit for certain foreign withholding tax relating to an item of income or gain from property unless such property is held by the taxpayer for a specified period.

(Sec. 833) Revises rules relating to contributions of property with built-in losses to a partnership to limit recognition of losses to the contributing partner.

(Sec. 834) Prohibits an allocation of any decrease in the adjusted basis of partnership property to stock in a corporation that is a partner in a partnership.

(Sec. 835) Repeals part V (Financial Asset Securitization Investment Trusts - FASITS) of subchapter M (Regulated Investment Companies and Real Estate Investment Trusts).

(Sec. 836) Limits the basis of certain corporate property acquired by the issuance of stock or as paid-in surplus and for which there is the importation of net-built-in loss to the property's fair market value immediately after the transfer of such property.

(Sec. 837) Revises the definition of "banking business" for purposes of the exemption of investment of earnings in U.S. property.

(Sec. 838) Denies a tax deduction for interest paid on an underpayment of tax resulting from an unreported tax shelter transaction.

(Sec. 839) Applies estimated tax requirements to deemed asset sales between certain U.S. corporations and consolidated groups.

(Sec. 840) Denies a tax exclusion of the gain from the sale or exchange of a principal residence acquired in a like-kind exchange if no gain was recognized during the five-year period beginning with the date of acquisition.

(Sec. 841) Allows a tax deduction for a debt instrument having original issue discount which is held by a controlled foreign corporation or passive foreign investment company only to the extent such original issue discount is includible in the gross income of the U.S. owners of the foreign corporation or investment company.

(Sec. 842) Permits taxpayers to make a cash deposit to suspend the running of interest on potential underpayments of tax.

(Sec. 843) Authorizes the IRS to enter into partial payment installment agreements with taxpayers (current law requires agreements to provide for the entire liability). Requires a review of such agreements at least every two years.

(Sec. 844) Authorizes the Secretary to issue consolidated return regulations that treat corporations filing consolidated returns differently than corporations filing separate returns.

(Sec. 845) Expands the disallowance of tax deductions for interest paid on disqualified debt instruments of corporations to provide that if such instruments are payable in equity held by the issuer (or any related party) in any other person (other than a related party), the basis of such equity shall be increased by the amount disallowed as a deduction.

**Part III: Leasing** - (Sec. 847) Modifies the depreciation recovery period for qualified technological equipment and computer software leased to a tax-exempt organization.

(Sec. 848) Disallows losses from the leasing of property to tax-exempt organizations, including Indian tribal governments (tax-exempt use losses). Allows a carryover of a disallowed loss to the next taxable year.

Allows tax-exempt use losses with respect to property: (1) that is not financed with tax-exempt bonds or Federal funds; (2) in which the lessor makes an equity investment of at least 20 percent of the lessor's adjusted basis; (3) in which the lessee does not bear more than a minimal risk of loss; and (4) that grants the lessee a fair market purchase option (applicable only to property with a seven-year class life).

(Sec. 849) Applies the amendments made by this part to leases entered into after March 12, 2004. Exempts from such amendments qualified transportation property. Defines "qualified transportation property" as domestic property subject to a lease for which a formal application: (1) was submitted for approval to the Federal Transit Administration after June 30, 2003, and before March 13, 2004; (2) is approved by the Federal Transit Administration before January 1, 2006, and (3) includes a description of such property and the value of such property.

**Subtitle C: Reduction of Fuel Tax Evasion** - (Sec. 851) Exempts mobile machinery from the excise tax on heavy trucks sold at retail, the use tax on highway vehicles, and the tax on tires. Establishes a design-based test and a use-based test (less than 7,500 miles use on public highways per year) to determine whether certain equipment qualifies as mobile machinery for purposes of the tax exemption. Allows refunds for taxes paid on mobile machinery on an annual basis only.

(Sec. 852) Defines "off-highway vehicles" for excise tax purposes.

(Sec. 853) Revises rules for the taxation of aviation-grade kerosene to impose a tax on such fuel upon its removal from a refinery or terminal or its entry into the United States (current law imposes the tax upon the sale of aviation fuel).

(Sec. 854) Changes the dyeing process for the diesel fuel and kerosene tax exemption from manual to mechanical injection. Requires the Secretary to issue regulations on mechanical dye injection systems, including rules for making such systems tamper-resistant. Imposes a penalty for: (1) tampering with a mechanical dye injection system (the greater of \$25,000 or \$10 for each gallon of fuel involved); and (2) failure by an operator of a mechanical dye injection system to maintain security standards (\$1,000 for each failure and \$1,000 for each day such operator fails to correct a violation).

(Sec. 855) Denies an administrative appeal for taxpayers who have two prior violations for selling dyed fuel for a taxable use.

(Sec. 856) Imposes a penalty for the sale, for a taxable use, of dyed fuel that has been altered.

(Sec. 857) Revises excise tax exemptions and refund procedures for intercity buses using dyed fuel.

(Sec. 858) Authorizes IRS agents to inspect any books, records, and shipping papers pertaining to taxable fuels at locations where such fuels are produced or stored. Imposes a penalty for refusing IRS agents entry for inspection.

(Sec. 860) Extends the bulk transfer exemption from taxable fuels to registered pipeline or vessel operators. Directs the Secretary of the Treasury to periodically publish a current list of persons who are registered.

(Sec. 861) Requires every operator of a vessel who is required to register for the bulk transfer exemption to display proof of registration through a prescribed electronic identification device on each vessel used to transport any taxable fuel. Imposes a \$500 penalty on an operator for each failure to display proof of registration, with increased penalties for multiple violations. Allows penalties to be waived upon a showing that failure to register was due to reasonable cause.

(Sec. 862) Requires registration of operators of terminals or refineries within a foreign trade zone or within a customs bonded storage facility.

(Sec. 863) Increases to \$10,000 certain civil and criminal penalties for failure to register or for falsely representing registration status with respect to a taxable fuel (i.e., gasoline, diesel fuel, and kerosene). Imposes additional penalties for failure to register and to report required information with respect to the excise tax on special fuels, petroleum products, and aviation fuels.

(Sec. 864) Requires taxpayers with 25 or more reportable transactions in a month relating to gasoline excise taxes to file reports in an electronic format.

(Sec. 865) Provides that a registered ultimate vendor of taxable fuels on which excise tax has been paid shall be treated as the ultimate vendor for purposes of claiming credits and refunds of tax.

(Sec. 866) Exempts the delivering person from liability for fuel excise tax in two-party exchanges. Defines "two-party exchanges" for purposes of such exemption.

(Sec. 867) Allows for the proration of the use tax on heavy vehicles (weighing more than 55,000 pounds) that are sold before the end of the taxable period. Repeals provisions allowing installment payments of such use tax. Requires a taxpayer with 25 or more heavy vehicles to file tax returns electronically. Repeals the reduced tax rate for Canadian and



Mexican heavy vehicles.

(Sec. 868) Dedicates penalties added or increased by this Act to the Highway Trust Fund.

(Sec. 869) Revises the excise tax on tires to impose a 9.45 cents (4.725 cents in the case of a biasply tire or super single tire) for each ten pounds of tire load capacity in excess of 3,500 pounds. Exempts from such tax tires sold for the exclusive use of the Department of Defense or Coast Guard.

(Sec. 870) Treats transmix and diesel fuel blend stocks as diesel fuel for excise tax purposes.

(Sec. 871) Directs the Secretary to report to the House Committee on Ways and Means and the Senate Committee on Finance not later than January 31, 2005, on compliance with the excise tax on special fuels and petroleum products. Requires the report to identify taxable fuel blendstocks and include a discussion of waste products added to taxable fuels and erroneous claims of fuel tax exemption.

**Subtitle D: Other Revenue Provisions** - (Sec. 881) Authorizes the Secretary of the Treasury to: (1) enter into qualified tax collection contracts with private collection agencies to locate and contact taxpayers owing Federal taxes, to request full payment of taxes owed by such taxpayers, and to obtain financial information from such taxpayers; and (2) retain and use up to 25 percent of any amounts collected to pay for collection services and IRS collection enforcement activities.

Exempts the United States from liability for any act or omission of any person performing services under a qualified tax collection contract. Applies the Fair Debt Collection Practices Act to such qualified tax collection contracts, with specified exceptions. Permits a civil action against a collection agency performing services under a qualified tax collection contract, but not against the United States, for unauthorized collection actions.

Subjects any collection agency performing services under a qualified tax collection contract to orders of the National Taxpayer Advocate. Disqualifies collection agencies which are guilty of misconduct from receiving a qualified tax collection contract.

Requires the Secretary to report biennially (beginning in 2005) to the House Ways and Means Committee and the Senate Finance Committee on qualified tax collection contracts.

(Sec. 882) Applies tax rules for the charitable contribution of ordinary income and capital gain property to patents and similar intellectual property. Allows donors of patents and similar intellectual property an additional tax deduction for a percentage of income received by the donees of such property, with specified limitations. Revises rules for reporting donee income and authorizes the Secretary to prescribe regulations to prevent abuse of the tax deduction of patents or similar intellectual property.

(Sec. 883) Revises reporting requirements for noncash charitable contributions in excess of \$500. Requires a qualified appraisal for noncash charitable contributions in excess of \$5,000. Requires charitable organizations receiving contributions of used motor vehicles, boats, and airplanes valued at more than \$500 to provide donors with a contemporaneous acknowledgment of a donation that includes the name and taxpayer identification number of the donor and the vehicle identification number. Limits the amount of any charitable deduction of a used motor vehicle, boat, or airplane to the gross proceeds which the charitable organization receives from the sale of such vehicle. Imposes a penalty upon charitable organizations that provide donors with false or fraudulent acknowledgments.

(Sec. 885) Sets forth rules for determining the includibility in gross income of deferred compensation under nonqualified deferred compensation plans based on whether such compensation is subject to a substantial risk of forfeiture and was

previously included in gross income. Allows distributions from nonqualified deferred compensation plans for certain reasons, including separation from service, death, change in control of a corporation, occurrence of an unforeseeable emergency, or disability of a plan participant. Directs the Secretary to prescribe regulations and issue guidance for compliance with nonqualified deferred compensation plan requirements.

(Sec. 886) Permits (current law prohibits) the amortization of intangibles by sport franchises.

(Sec. 887) Increases from 15 to 100 percent the allowable amount of the continuing levy on payments to Federal vendors for unpaid taxes.

(Sec. 888) Modifies straddle rules to: (1) permit taxpayers to identify offsetting positions of a straddle; (2) revise the tax treatment of certain physically settled positions of a straddle; and (3) repeal the stock and qualified covered call exceptions from the straddle rules.

(Sec. 889) Includes any vaccine against hepatitis A and any trivalent vaccine against influenza under the 75 cents-per-dose manufacturer's excise tax.

(Sec. 891) Extends the authority for certain IRS user fees until September 30, 2014.

(Sec. 892) Amends the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) to extend the passenger and conveyance processing fees and the merchandise processing fees through September 30, 2014.

Expresses the sense of Congress that certain custom fees have been reasonably related to the costs of providing customs services.

Directs the Secretary to: (1) charge fees in FY 2006 and succeeding fiscal years in amounts that are reasonably related to the costs of providing customs services in connection with the activity or item for which the fee is charged; and (2) study all fees collected by the Department of Homeland Security and report to Congress by September 30, 2005, on what fees should be eliminated, what the rate of fees retained should be, and on other appropriate recommendations.

(Sec. 893) Treats as a dividend any distribution of earnings by a U.S. holding company to a foreign corporation of earnings in a complete liquidation, if the U.S. holding company was in existence for less than five years.

(Sec. 894) Includes certain economic equivalents of foreign source income as income effectively connected with a U.S. trade or business.

(Sec. 895) Requires the recapture of overall foreign losses upon the sale of controlled foreign corporation stock, with exceptions for certain corporate reorganizations and liquidations.

(Sec. 896) Revises the tax rules for recognition of income from cancellation of indebtedness to provide that partnerships that transfer a capital or profits interest in the partnership to a creditor in satisfaction of partnership recourse or nonrecourse indebtedness must recognize cancellation of indebtedness income in the amount that would be recognized if the debt were satisfied with money equal to the fair market value of the partnership interest. Includes a discharge of indebtedness in the distributive shares of taxpayers who were partners in a partnership immediately before the discharge.

(Sec. 897) Denies installment sales treatment for all debt instruments that are readily tradable.

(Sec. 898) Limits the amount of assets that a corporation can distribute to its creditors without recognition of gain to the amount of the basis of the assets contributed to a controlled corporation in a divisive reorganization.

- (Sec. 899) Modifies the definition of nonqualified preferred stock to add a provision stating that stock shall not be treated as participating in corporate growth to any significant extent unless there is a real and meaningful likelihood of the shareholder actually participating in the earnings and growth of the corporation.
- (Sec. 900) Modifies the definition of a brother-sister controlled group of corporations for certain tax purposes.
- (Sec. 901) Allows a 15-year recovery period for the depreciation of initial clearing and grading land improvements for gas utility property and a 20-year period for any electric utility transmission and distribution plant.
- (Sec. 902) Revises rules for the deductibility of startup expenditures to allow a tax deduction for up to \$5,000 of the startup expenditures for an active trade or business and for the organizational expenditures of a corporation or partnership in the year such businesses begin. Provides for the amortization over a 180-month period of expenditures exceeding the \$5,000 limit.
- (Sec. 903) Makes permanent provisions suspending interest and penalties on unpaid tax where the Secretary fails to send a notice of taxpayer liability within 18 months of a timely-filed tax return. Renders the suspension inapplicable to gross misstatements of tax liability and to certain listed and reportable tax shelter transactions.
- (Sec. 904) Requires a withholding of tax rate of 35 percent for supplemental wage payments exceeding \$1 million made after 2004.
- (Sec. 905) Provides for capital gains tax treatment of stock acquired by the exercise of stock options made to comply with Federal conflict of interest requirements.
- (Sec. 906) Sets forth basis rules applicable to nonresident aliens for purposes of determining the tax treatment of contributions and earnings for tax-exempt pension or retirement plans.
- (Sec. 907) Allows a tax deduction for the entertainment expenses of certain directors, officers, or owners of companies to the extent that compensation for such expenses is includible in the gross income of such individuals.
- (Sec. 908) Defines "bona fide resident" for purposes of determining income tax liability of residents of U.S. possessions to mean a person who: (1) is present for at least 183 days in Guam, American Samoa, the Northern Mariana Islands, Puerto Rico, or the Virgin Islands; and (2) does not have a tax home outside such U.S. possession and does not have a closer connection with the United States or a foreign country. Requires taxpayers to file a notice with the Secretary in the first year in which residence in a U.S. possession is claimed. Imposes a \$1,000 penalty for failure to file a notice and increases from \$100 to \$1,000 the penalty for failure to file required information relating to the coordination of U.S. and U.S. possessions income tax.
- (Sec. 909) Sets forth a special rule for the recognition of gain from the sale of a qualifying electric transmission transaction. Allows a taxpayer election to recognize gain from such sale ratably over an eight-year period if gain from the sale is reinvested in certain exempt utility property. Defines "qualifying electric transmission transaction" as the sale or other disposition before January 1, 2007, to an independent transmission company of: (1) property used in the trade or business of providing electric transmission services, or (2) any stock or partnership interest in such a trade or business.
- (Sec. 910) Limits the cost basis of sport utility vehicles that may be taken into account for depreciation purposes to \$25,000. Defines "sport utility vehicle" to mean any 4-wheeled vehicle which is primarily designed to carry passengers, is not subject to the limitation on depreciation for luxury automobiles, and is rated at not more than 14,000 pounds gross vehicle weight, but excludes certain large vehicles, including vehicles designed to have a seating capacity of more than

nine persons behind the driver's seat and a cargo area of at least six feet in interior length.

## Actions Timeline

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- **Oct 22, 2004:** Signed by President.
- **Oct 22, 2004:** Signed by President.
- **Oct 22, 2004:** Became Public Law No: 108-357.
- **Oct 22, 2004:** Became Public Law No: 108-357.
- **Oct 21, 2004:** Presented to President.
- **Oct 21, 2004:** Presented to President.
- **Oct 12, 2004:** Message on Senate action sent to the House.
- **Oct 11, 2004:** Conference report considered in Senate. (consideration: CR S11191-11222)
- **Oct 11, 2004:** Conference report agreed to in Senate: Senate agreed to conference report by Yea-Nay Vote. 69 - 17. Record Vote Number: 211.
- **Oct 11, 2004:** Senate agreed to conference report by Yea-Nay Vote. 69 - 17. Record Vote Number: 211.
- **Oct 10, 2004:** Conference report considered in Senate. (consideration: CR S11019-11068)
- **Oct 10, 2004:** Cloture invoked in Senate by Yea-Nay Vote. 66 - 14. Record Vote Number: 210. (consideration: CR S11038; text: S11038)
- **Oct 9, 2004:** Conference report considered in Senate. (consideration: CR S10928-10945)
- **Oct 8, 2004:** Cloture motion on the conference report to accompany H.R. 4520 presented in Senate. (consideration: CR S10764)
- **Oct 8, 2004:** Conference report considered in Senate. (consideration: CR S10764)
- **Oct 7, 2004:** Conference committee actions: Conferees agreed to file conference report.
- **Oct 7, 2004:** Conferees agreed to file conference report.
- **Oct 7, 2004:** Conference report filed: Conference report H. Rept. 108-755 filed.(text of conference report: CR H8411-8640)
- **Oct 7, 2004:** Conference report H. Rept. 108-755 filed. (text of conference report: CR H8411-8640)
- **Oct 7, 2004:** Rules Committee Resolution H. Res. 830 Reported to House. Rule provides for consideration of the conference report to H.R. 4520. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.
- **Oct 7, 2004:** Rule H. Res. 830 passed House.
- **Oct 7, 2004:** Mr. Thomas brought up conference report H. Rept. 108-755 for consideration under the provisions of H. Res. 830. (consideration: CR H8711-8726)
- **Oct 7, 2004:** DEBATE - The House proceeded with one hour of debate on the conference report to accompany H.R. 4520.
- **Oct 7, 2004:** The previous question was ordered without objection. (consideration: CR H8725)
- **Oct 7, 2004:** Conference report agreed to in House: On agreeing to the conference report Agreed to by the Yeas and Nays: 280 - 141 (Roll no. 509).
- **Oct 7, 2004:** Motions to reconsider laid on the table Agreed to without objection.
- **Oct 7, 2004:** On agreeing to the conference report Agreed to by the Yeas and Nays: 280 - 141 (Roll no. 509).
- **Oct 7, 2004:** Conference papers: Senate report and manager's statement and message on House action held at the desk in Senate.
- **Oct 6, 2004:** Conference committee actions: Conference held.
- **Oct 6, 2004:** Conference held.
- **Oct 5, 2004:** Conference committee actions: Conference held.
- **Oct 5, 2004:** Conference held.
- **Oct 4, 2004:** Conference committee actions: Conference held.
- **Oct 4, 2004:** Conference held.
- **Sep 29, 2004:** Mr. Thomas moved that the House disagree to the Senate amendment, and agree to a conference. (consideration: CR H7749-7757, H7776)
- **Sep 29, 2004:** On motion that the House disagree to the Senate amendment, and agree to a conference Agreed to by voice vote. (consideration: CR H7776)
- **Sep 29, 2004:** Mr. Neal (MA) moved that the House instruct conferees. (text: CR H7749)
- **Sep 29, 2004:** DEBATE - The House proceeded with one hour of debate on the motion to instruct conferees on H.R. 4520. The instructions contained in the motion seek to require the managers on the part of the House to include in the

conference report an effective rate reduction for income from production activities in the United States; to the maximum extent possible within the scope of conference, to not include any increase in tax benefits for the overseas operations of multinationals; to develop a conference report that will not increase the federal deficit in either the short or long term; as soon as practicable after the adoption of this motion, to meet in open session with the Senate conferees, and file a conference report consistent with the preceding provisions of this instruction at a time permitting passage before the adjournment before the election.

- **Sep 29, 2004:** The previous question was ordered without objection.
- **Sep 29, 2004:** POSTPONED ROLL CALL VOTE - The Chair put the question on adoption of the Neal motion to instruct conferees and by voice vote, announced that the noes had prevailed. Mr. Levin demanded the yeas and nays and the Chair postponed further proceedings on the question of adoption of the motion until a time later in the legislative day.
- **Sep 29, 2004:** On motion that the House instruct conferees Failed by recorded vote: 205 - 215 (Roll no. 476).
- **Sep 29, 2004:** Motion to reconsider laid on the table Agreed to without objection.
- **Sep 29, 2004:** The Speaker appointed conferees - from the Committee on Ways and Means for consideration of the House bill and the Senate amendment, and modifications committed to conference: Thomas, Crane, McCrery, Rangel, and Levin.
- **Sep 29, 2004:** The Speaker appointed conferees - from the Committee on Agriculture for consideration of Title VII of the House bill, and subtitle B of Title XI of the Senate amendment, and modifications committed to conference: Goodlatte, Boehner, and Stenholm.
- **Sep 29, 2004:** The Speaker appointed conferees - from the Committee on Education and the Workforce for consideration of secs. 489, 490, 616, 701, and 719 of the Senate amendment, and modifications committed to conference: Boehner, Johnson, Sam, and Miller, George.
- **Sep 29, 2004:** The Speaker appointed conferees - from the Committee on Energy and Commerce for consideration of sec. 662 and subtitle A of Title XI of the Senate amendment, and modifications committed to conference: Barton (TX), Burr, and Waxman.
- **Sep 29, 2004:** The Speaker appointed a conferee for consideration of the House bill and Senate amendment, and modifications committed to conference: DeLay.
- **Sep 29, 2004:** The Speaker appointed conferees - from the Committee on the Judiciary for consideration of secs. 422, 442, 1111, 1151, and 1161 of the Senate amendment, and modifications committed to conference: Sensenbrenner, Smith (TX), and Conyers.
- **Sep 29, 2004:** Conference committee actions: Conference held.
- **Sep 29, 2004:** Conference held.
- **Jul 19, 2004:** Message on Senate action sent to the House.
- **Jul 15, 2004:** Motion to proceed to consideration of measure agreed to in Senate. (consideration: CR S8150)
- **Jul 15, 2004:** Measure laid before Senate by motion. (consideration: CR S8150-8178, S8217-8218)
- **Jul 15, 2004:** Passed/agreed to in Senate: Passed Senate with an amendment by Voice Vote.(text: CR 7/16/2004 S8281-8399)
- **Jul 15, 2004:** Passed Senate with an amendment by Voice Vote. (text: CR 7/16/2004 S8281-8399)
- **Jul 15, 2004:** Senate insisted on its amendment, requested a conference.
- **Jul 15, 2004:** See also S. 1637, as passed.
- **Jul 15, 2004:** Senate appointed conferee(s) Grassley; Hatch; Nickles; Lott; Snowe; Kyl; Thomas; Santorum; Smith; Bunning; McConnell; Gregg; Baucus; Rockefeller; Daschle; Breaux; Conrad; Graham FL; Jeffords; Bingaman; Lincoln; Kennedy; Harkin.
- **Jun 21, 2004:** Read twice. Placed on Senate Legislative Calendar under General Orders. Calendar No. 591.
- **Jun 18, 2004:** Received in the Senate.
- **Jun 17, 2004:** Rules Committee Resolution H. Res. 681 Reported to House. Rule provides for consideration of H.R. 4520 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Bill is closed to amendments.
- **Jun 17, 2004:** Rule H. Res. 681 passed House.
- **Jun 17, 2004:** Considered under the provisions of rule H. Res. 681. (consideration: CR H4305-4388, CR 6/18/2004 H4393-4433; text of measure as reported in House: CR H4306-4347)
- **Jun 17, 2004:** Rule provides for consideration of H.R. 4520 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Bill is closed to amendments.
- **Jun 17, 2004:** DEBATE - The House proceeded with one hour of debate on H.R. 4520.

- Jun 17, 2004:** The previous question was ordered pursuant to the rule.
- **Jun 17, 2004:** Mr. Rangel moved to recommit with instructions to Ways and Means. (consideration: CR 6/18/2004 H4408-4433)
  - **Jun 17, 2004:** DEBATE - The House proceeded with 10 minutes of debate on the Rangel motion to recommit with instructions. The instructions contained in the motion seek to replace titles I-VI and to retain title VII of the existing bill.
  - **Jun 17, 2004:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR 6/18/2004 H4432)
  - **Jun 17, 2004:** On motion to recommit with instructions Failed by the Yeas and Nays: 193 - 235 (Roll no. 258). (text: CR 6/18/2004 H4408-4431)
  - **Jun 17, 2004:** Passed/agreed to in House: On passage Passed by recorded vote: 251 - 178 (Roll no. 259).
  - **Jun 17, 2004:** On passage Passed by recorded vote: 251 - 178 (Roll no. 259).
  - **Jun 17, 2004:** Motion to reconsider laid on the table Agreed to without objection.
  - **Jun 16, 2004:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 108-548, Part I.
  - **Jun 16, 2004:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 108-548, Part I.
  - **Jun 16, 2004:** House Committee on Agriculture Granted an extension for further consideration ending not later than June 16, 2004.
  - **Jun 16, 2004:** Committee on Agriculture discharged.
  - **Jun 16, 2004:** Committee on Agriculture discharged.
  - **Jun 16, 2004:** Placed on the Union Calendar, Calendar No. 317.
  - **Jun 14, 2004:** Committee Consideration and Mark-up Session Held.
  - **Jun 14, 2004:** Ordered to be Reported (Amended) by the Yeas and Nays: 27 - 9.
  - **Jun 4, 2004:** Introduced in House
  - **Jun 4, 2004:** Introduced in House
  - **Jun 4, 2004:** Referred to the Committee on Ways and Means, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
  - **Jun 4, 2004:** Referred to the Committee on Ways and Means, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
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