

## S 2020

Tax Relief Act of 2005

**Congress:** 109 (2005–2007, Ended)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Nov 16, 2005

**Current Status:** Passed Senate with an amendment by Yea-Nay Vote. 64 - 33. Record Vote Number: 347.

**Latest Action:** Passed Senate with an amendment by Yea-Nay Vote. 64 - 33. Record Vote Number: 347. (Nov 18, 2005)

**Official Text:** <https://www.congress.gov/bill/109th-congress/senate-bill/2020>

### Sponsor

**Name:** Sen. Grassley, Chuck [R-IA]

**Party:** Republican • **State:** IA • **Chamber:** Senate

### Cosponsors

*No cosponsors are listed for this bill.*

### Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Reported Original Measure	Nov 16, 2005

### Subjects & Policy Tags

**Policy Area:**

Taxation

### Related Bills

Bill	Relationship	Last Action
109 HR 4297	Related bill	<b>May 17, 2006:</b> Became Public Law No: 109-222.
109 HR 4440	Related bill	<b>Dec 22, 2005:</b> Became Public Law No: 109-135.
109 HR 4388	Related bill	<b>Dec 13, 2005:</b> Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 327.
109 HR 4323	Related bill	<b>Nov 15, 2005:</b> Referred to the House Committee on Ways and Means.
109 HR 4155	Related bill	<b>Oct 27, 2005:</b> Referred to the House Committee on Ways and Means.

**Tax Relief Act of 2005 - Title I: Tax Benefits for Areas Affected by Hurricanes Katrina, Rita, and Wilma - Subtitle A: Gulf Opportunity Zone Benefits** - (Sec. 101) Amends the Internal Revenue Code to add as Subchapter Z (Hurricane Relief Benefits) provisions to designate a Gulf Opportunity or GO Zone, a Rita GO Zone, and a Wilma GO Zone to provide tax benefits for areas affected by Hurricanes Katrina, Rita, and Wilma, respectively.

Allows a bonus depreciation allowance of 50 percent of the cost of qualified GO Zone property acquired after August 27, 2005, and on or before December 31, 2007 (December 31, 2008, for nonresidential real property and residential rental property) for trade or business purposes. Exempts such bonus depreciation from the alternative minimum tax.

Increases to \$200,000 the expensing allowance for GO Zone property and expands the phaseout threshold for such allowance.

Authorizes the states of Alabama, Louisiana, or Mississippi to issue GO Zone bonds until January 1, 2011, for investment in the GO Zone. Limits the aggregate face amount of such bonds to \$2,500 multiplied by populations in the GO Zone as determined by census figures released prior to August 28, 2005. Exempts interest on such bonds from the alternative minimum tax.

Permits an additional advance refunding of existing bond obligations issued by the states of Alabama, Louisiana, or Mississippi prior to January 1, 2007.

Allows the states of Alabama, Louisiana, or Mississippi to allocate housing credit amounts between 2006 and 2009 equal to three times the normal allocation for populations in each state's GO Zone. Designates the GO Zone as a difficult development area for purposes of allowing an increased low-income housing tax credit.

Allows operators of qualified residential rental projects to rely on income representations of tenants displaced by Hurricane Katrina.

Allows an increase in the allocation of the new markets tax credit for qualified community development entities that engage in recovery and redevelopment projects in the GO Zone.

Increases from two to five years the carryback period for net operating losses incurred in the GO Zone due to: (1) casualty losses; (2) employment-related losses and moving expenses of displaced workers; and (3) repair expenses incurred after August 27, 2005, and before January 1, 2008, for GO Zone property damaged by Hurricane Katrina.

Sets forth a special rule for the carryback of public utility casualty losses in the GO Zone.

Allows timber producers owning not more than 500 acres of timber in the GO, Rita GO, and Wilma GO Zones: (1) an increased expensing allowance for qualified timber property; and (2) a five-year carryback for certain timber net operating losses.

Allows an election to expense 50 percent of GO Zone demolition and cleanup expenses incurred between August 28, 2005, and December 31, 2007.

Extends through 2007 the expensing allowance for environmental remediation costs in the GO Zone.

(Sec. 102) Doubles the Hope Scholarship and the Lifetime Learning tax credits for students in the GO Zone.

(Sec. 103) Amends the Katrina Emergency Tax Relief Act of 2005 to extend through 2010 special rules for mortgage revenue bonds issued in a Katrina disaster area.

(Sec. 104) Excludes from the gross income of employees affected by Hurricane Katrina \$600 for any month of employer-provided housing during the taxable year. Allows employers in a Hurricane Katrina disaster area a tax credit for 30 percent of the tax exclusion allowed employees for employer-provided housing.

**Subtitle B: Tax Benefits Related to Hurricanes Rita and Wilma** - (Sec. 111) Sets forth special rules for the issuance of mortgage revenue bonds in the GO Zone, the Rita GO Zone, and the Wilma GO Zone. Increases the limit on home improvement loans financed by mortgage revenue bonds in such zones from \$15,000 to \$150,000.

Allows taxpayers residing in Hurricane Katrina, Rita, or Wilma disaster areas to use tax-exempt retirement plan funds to compensate for economic losses sustained due to such hurricanes and to repay withdrawn amounts within three years without penalty. Allows the averaging of hurricane-related retirement distributions in income over a three-year period for income tax purposes. Allows the recontribution of retirement plan distributions for home purchases or construction that were not used due to Hurricanes Katrina, Wilma, or Rita. Increases the amount of loans from retirement plans available to residents of the hurricane disaster areas.

Allows certain employers in the GO Zone, the Rita GO Zone, and the Wilma GO Zone a business tax credit for 40% of the wages paid to employees working in such zones on August 28, 2005.

Suspends: (1) limitations on the tax deduction for charitable contributions made by individuals and corporations between August 28 and December 31, 2005, for relief efforts related to Hurricanes Katrina, Rita, and Wilma; and (2) limitations on personal casualty losses incurred in Hurricane Katrina, Rita, or Wilma disaster areas.

Repeals title I (Special Rules for Use of Retirement Funds for Relief Relating to Hurricane Katrina), the employee retention credit for employers affected by Hurricane Katrina, and the temporary suspension of limitations on charitable contributions and personal casualty losses enacted by the Katrina Emergency Tax Relief Act of 2005.

**Title II: Extension Of Expiring Provisions - Subtitle A: Multi-Year Extensions** - (Sec. 201) Extends: (1) the increased expensing allowance (currently, \$100,000) for depreciable business assets until 2010; (2) the tax credit for retirement savings contributions (saver's credit) through 2009; (3) the tax deduction for higher education expenses through 2009; and (4) the new markets tax credit through 2008. Requires the Secretary of the Treasury to issue regulations under the new markets tax credit which ensure that non-metropolitan counties receive a proportional allocation of qualified equity investments.

**Subtitle B: One-Year Extensions** - Extends for one additional year: (1) the election to deduct state and local general sales taxes in lieu of state and local income taxes; (2) the increased individual exemption from the alternative minimum tax; (3) the allowance of nonrefundable personal tax credits against the alternative minimum tax; (4) the tax credit for increasing research activities; (5) the work opportunity tax credit; (6) the authority to issue qualified zone academy bonds; (7) the tax deduction for charitable contributions of computer technology and equipment by corporations for educational purposes; (8) the tax deduction for certain expenses of elementary and secondary school teachers; (9) the expensing allowance for environmental remediation expenditures (includes petroleum products as a hazardous substance for purposes of such allowance); (10) certain tax incentives for investment in the District of Columbia; (11) the Indian employment tax credit and accelerated depreciation allowances for business property on Indian Reservations; and (12) accelerated depreciation allowances for qualified leasehold and restaurant improvements.

(Sec. 214) Modifies the tax credit for increasing research expenditures to: (1) increase the rates of the alternative incremental tax credit for such expenditures; (2) permit a taxpayer election for an alternative simplified tax credit for research expenditures; and (3) allow a tax credit for research consortia expenses.

(Sec. 215) Modifies the work opportunity and welfare-to-work tax credits to: (1) consolidate such credits into one tax credit; (2) allow ex-felons to qualify for the consolidated credit without regard to family income; (3) increase the maximum age for eligibility of food stamp recipients under the credit from 25 to 40; (4) increase the maximum eligibility age for designated community residents to 40; and (5) increase the credit amount for the employment of certain long-term family assistance recipients.

(Sec. 216) Sets forth special rules for qualified zone academy bonds relating to amortization, expenditure requirements, arbitrage, and reporting.

(Sec. 224) Eliminates the 75% phase-out of the tax credit for qualified electric vehicles placed in service after December 31, 2005.

**Subtitle C: Application of EGTRRA Sunset** - Applies to this title the general termination date (i.e., December 31, 2010) of the Economic Growth and Tax Relief Reconciliation Act of 2001.

**Title III: Provisions Relating To Charitable Donations - Subtitle A: Charitable Giving Incentives** - (Sec. 301) Allows taxpayers who do not itemize tax deductions a limited tax deduction for charitable cash contributions made after December 31, 2005, and before January 1, 2008. Allows a deduction to the extent that the taxpayer's charitable contributions exceed \$210 (\$420 in the case of a joint return).

(Sec. 302) Excludes from gross income certain distributions from individual retirement accounts made for charitable purposes.

(Sec. 303) Modifies the tax deduction for charitable contributions of food inventory to allow taxpayers other than C corporations to make contributions and to require only contributions of "apparently wholesome food," as defined by the Bill Emerson Good Samaritan Food Donation Act.

(Sec. 304) Sets forth a rule for the reduction of shareholder basis in S corporation stock resulting from charitable contributions made by such corporations.

(Sec. 305) Sets forth a special rule for the tax deduction for charitable contributions of book inventory by corporations to schools and libraries.

(Sec. 306) Sets forth a rule limiting the taxation of unrelated business income received by a subsidiary of a tax-exempt organization.

(Sec. 307) Allows an increased tax deduction (50% of taxpayer contribution base) for qualified conservation contributions (real property donated to a charitable organization exclusively for conservation purposes). Increases such tax deduction to 100% for contributions by certain farmers or ranchers. Allows a 15-year carryforward of unused tax deduction amounts.

(Sec. 308) Allows taxpayers who create literary, musical, artistic, or scholarly compositions or similar property (or the copyright thereon) a fair market value tax deduction for contributions of such works if they are properly appraised and are donated no sooner than 18 months after their creation.

(Sec. 309) Allows an exclusion from the gross income of charitable volunteers for reimbursements of automobile expenses incurred by such volunteers for the benefit of a charitable organization. Terminates such exclusion after 2007.

(Sec. 310) Increases the tax deduction allowed corporations (10 to 15% of corporation's contribution base) for charitable contributions to the mathematics and science partnership programs established under the Elementary and Secondary Education Act of 1965.

**Subtitle B: Reforming Charitable Organizations - Part I: General Reforms** - (Sec. 311) Imposes a penalty on certain tax-exempt organizations for participation in prohibited tax shelter transactions. Requires such organizations to make certain disclosures to the Internal Revenue Service (IRS) concerning such transactions.

(Sec. 312) Imposes an excise tax on certain tax-exempt organizations which acquire a direct or indirect interest in any life insurance, annuity, or endowment contract for 100% of the acquisition costs of such interest. Allows an exemption from such tax for individuals with insurable interests, named beneficiaries, and trust beneficiaries. Requires such organizations to file informational returns with the IRS relating to the acquisition of such interests.

(Sec. 313) Increases penalties on charitable organizations, including private foundations, for: (1) self-dealing and excess benefit transactions; (2) failure to distribute income; (3) excess business holdings; (4) investments which jeopardize charitable purpose; and (5) taxable expenditures (e.g., political activities).

(Sec. 314) Modifies requirements for the tax deduction for charitable contributions of easements on buildings in registered historic districts to require such easements to preserve the entire exterior of the building and to prohibit any change that is inconsistent with the historical character of such exterior. Imposes additional reporting, appraisal, and filing fee requirements.

(Sec. 315) Sets forth substantiation requirements for tax deductions of charitable contributions of taxidermy property (a mounted work of art which contains any part of a dead animal).

(Sec. 316) Sets forth rules for the recapture of tax benefits for charitable contributions of tax-exempt use property which is not used for charitable purposes. Imposes a \$10,000 penalty for the fraudulent identification of tax-exempt use property.

(Sec. 317) Sets forth rules for the valuation of clothing and household items for purposes of the charitable tax deduction allowed for such items.

(Sec. 318) Modifies recordkeeping requirements for certain charitable contributions to require canceled checks for such contributions or confirmation letters from donee organizations.

(Sec. 319) Requires a tax-exempt organization which receives a donation of a fractional interest in an item of tangible property to take actual possession of such item for the portion of a year corresponding to the organization's percentage interest in the item.

(Sec. 320) Revises penalties for substantial and gross overstatements of valuations of charitable deduction property. Imposes a penalty for intentional misstatements of appraisal values. Sets forth definitions relating to appraisers and appraisals.

(Sec. 321) Establishes standards and requirements for tax-exempt credit counseling organizations.

(Sec. 322) Revises the definitions of private foundation gross investment income and capital gain net income for purposes of the excise tax on such income.

(Sec. 323) Defines "convention or association of churches" to include individuals (with or without voting rights) as well as churches.

(Sec. 324) Imposes certain reporting requirements on exempt organizations not currently required to file informational returns (e.g., organizations with gross receipts of less than \$25,000).

(Sec. 325) Authorizes the Secretary of the Treasury to notify state officials of adverse actions taken by the IRS against certain charitable organizations.

**Part II: Improved Accountability of Donor Advised Funds -** (Sec. 331) Imposes excise taxes and other penalties on sponsoring organizations of donor advised funds for failure to make required distributions. Defines "sponsoring organization" as a charitable organization which maintains one or more donor advised funds. Defines a "donor advised fund" as a separately identified fund which is owned and controlled by a sponsoring organization and which permits a donor to have advisory privileges with respect to the distribution or investment of fund assets.

(Sec. 332) Applies private foundation prohibited transaction rules to supporting organizations.

(Sec. 333) Sets forth rules for the tax deduction for charitable contributions to donor advised funds by individuals and estates and for gifts to donor advised funds.

(Sec. 334) Requires a supporting organization to report for its taxable year: (1) its total number of donor advised funds; (2) the aggregate value of assets held in such funds; and (3) the aggregate contributions to, and grants made from, such funds.

**Part III: Improved Accountability of Supporting Organizations -** (Sec. 341) Sets forth certain requirements for private foundation supporting organizations.

(Sec. 342) Imposes an excise tax on supporting organizations that fail to distribute a certain percentage of their income.

(Sec. 343) Imposes penalties on supporting organizations for excess benefit transactions.

(Sec. 344) Applies private foundation excess business holdings restrictions to supporting organizations. Allows the Secretary of the Treasury to exempt a supporting organization from such restrictions if its business holdings are consistent with its exempt purpose.

(Sec. 345) Revises the tax treatment of distributions and taxable expenditures by nonoperating private foundations to supporting organizations.

(Sec. 346) Sets forth reporting requirements for supporting organizations.

**Title IV: Miscellaneous Provisions -** (Sec. 401) Revises provisions relating to New York Liberty Zone tax incentives.

(Sec. 402) Modifies S corporation rules relating to passive investment income to: (1) increase from 25% to 60% the limit on S corporation passive investment income; (2) exempt gains from the sale or exchange of securities from the definition of passive investment income; and (3) repeal the automatic termination of S corporation status for S corporations which hold certain levels of passive investment income for three consecutive years.

(Sec. 403) Accelerates from September 30, 2009, to December 31, 2006, the effective date for increased issuance authority for certain qualified small issue bonds.

(Sec. 404) Treats premiums for mortgage insurance purchased in 2007 as tax deductible residential mortgage interest. Phases out the allowable amount of such tax deduction for adjusted gross incomes over \$100,000.

(Sec. 405) Expresses the sense of the Senate on the use of no-bid contracting by the Federal Emergency Management Agency (FEMA).

(Sec. 406) Prohibits the Secretary of the Treasury from entering into any qualified tax collection contract after April 1, 2006, until the Secretary implements a disability preference program that awards at least 10% of contract dollars to certain employers of severely disabled veterans and social security disability recipients.

(Sec. 407) Expresses the sense of Congress that the United States should not be a signatory to any agreement or protocol with respect to the Doha Development Agenda (Doha Round) of the World Trade Organization negotiations, or to any other bilateral or multilateral trade negotiations, that: (1) adopts any proposal to lessen the effectiveness of domestic and international disciplines on unfair trade or safeguard provisions; and (2) would lessen the ability of the United States to enforce its trade laws.

(Sec. 408) Extends until August 31, 2009, special arbitrage rules enacted by the Deficit Reduction Act of 1984 governing certain securities or obligations held in a fund subject to state law restrictions continuously in effect since October 9, 1969.

(Sec. 409) Directs the Secretary of the Treasury to modify regulations governing the treatment of certain stock options under nonqualified deferred compensation rules.

(Sec. 410) Expresses the sense of the Senate that revenues generated by this Act that exceed the amounts specified in reconciliation instructions should be dedicated to the low-income home energy assistance program.

**Title V: Revenue Offset Provisions - Subtitle A: Provisions Designed To Curtail Tax Shelters** - (Sec. 501) Revises the liability standard applicable to tax return preparers who understate taxpayer liability. Increases the penalties applicable to such tax return preparers for understatements and for willful or reckless conduct.

(Sec. 502) Modifies effective dates for certain penalty provisions applicable to listed and reportable tax shelter transactions enacted by the American Jobs Creation Act of 2004.

(Sec. 503) Increases the penalty for frivolous tax submissions and expands such penalty to include submissions for collection due process, installment agreements, offers-in-compromise, and taxpayer assistance orders.

(Sec. 504) Increases the penalties for: (1) promoting abusive tax shelters; and (2) aiding and abetting the understatement of tax liability. Denies a tax deduction for such penalties.

**Subtitle B: Economic Substance Doctrine** - (Sec. 511) Sets forth definitions and rules for the application of the economic substance doctrine for evaluating transactions structured to avoid or evade taxes.

(Sec. 512) Imposes a penalty for understatements of tax resulting from transactions lacking economic substance equal to 40 percent of the amount of such understatement. Lowers the penalty to 20 percent for underpayments from transactions which were adequately disclosed on a tax return.

(Sec. 513) Denies a tax deduction for interest paid on tax deficiency assessments resulting from noneconomic substance transactions.

**Subtitle C: Improvements in Efficiency and Safeguards in Internal Revenue Service Collection** - (Sec.521) Waives set-up fees for taxpayer installment agreements which provide for automated withdrawals.

(Sec. 522) Adds as grounds for terminating a taxpayer installment agreement: (1) failure to make a federal tax deposit on time; and (2) failure to file a timely tax return.

(Sec. 523) Revises rules for submission of offers-in-compromise to require a downpayment of 20 percent of the amount of such offer.

**Subtitle D: Penalties and Fines** - (Sec. 531) Increases penalties for: (1) underpayment or overpayment of tax due to fraud; (2) attempts to evade or defeat tax; (3) willful failure to file tax returns, supply information, or pay tax; and (4) fraud and false statements. Imposes new penalties for aggravated failure to file tax returns (i.e., failure to file such a return for three or more consecutive taxable years).

(Sec. 532) Doubles penalties and interest for underpayments of tax related to concealment of taxable income in offshore accounts. Authorizes the Secretary of the Treasury to waive such increased penalties if the Secretary determines that the taxpayer's use of offshore accounts is incidental to a transaction and such use is conducted in the ordinary course of the taxpayer's trade or business.

(Sec. 533) Revises tax rules denying a tax deduction for fines and penalties paid to a governmental entity for the violation of any law to provide that no deduction shall be allowed for any fine or penalty paid (whether by suit, agreement, or otherwise) to, or at the direction of, a government or nongovernmental regulatory entity for a violation of law or for the investigation or inquiry by such government or entity into the potential violation of any law.

Allows exceptions to the general rule of nondeductibility for: (1) certain restitution payments or payments required to come into compliance with law; (2) court-ordered payments not involving a government or nongovernmental regulatory agency; and (3) amounts paid or incurred as taxes due.

Requires governmental agencies involved in a settlement with a taxpayer to report to the taxpayer and the Secretary of the Treasury information about such settlement, including the amount of the settlement, the amount paid as restitution or remediation of property, and the amount paid to come into compliance with law.

(Sec. 534) Disallows any tax deduction for punitive damages paid or incurred as a result of a judgment or in settlement of a claim. Requires the inclusion in gross income of any punitive damages paid by an insurer on behalf of a taxpayer.

(Sec. 535) Increases the penalties for bad checks tendered in payment of taxes.

**Subtitle E: Provisions To Discourage Expatriation** - (Sec. 541) Modifies rules enacted by the American Jobs Creation Act of 2004 for the tax treatment of expatriated entities and foreign corporation acquiring such entities through inversion transactions (corporate stock transactions structured to avoid or evade U.S. taxation).

(Sec. 542) Sets forth tax rules for U.S. citizens and permanent resident aliens (expatriates) who terminate their citizenship or residency to avoid U.S. taxation. Subjects such expatriates to a tax on the net unrealized gain of property sold or transferred based upon the fair market value of such property as of the day before expatriation. Exempts from such tax the first \$600,000 (\$1.2 million for joint returns) of the value of such property. Provides for an inflation



adjustment of such exemption amount.

Permits expatriates to elect to continue being taxed as U.S. citizens. Allows a deferral of any tax owed resulting from such election, but requires the posting of adequate security for payment of any deferred tax. Sets forth rules for determining expatriation dates.

Sets forth rules for the treatment of retirement plans, interests in trusts, gifts, and inheritances of expatriates.

Amends the Immigration and Nationality Act to deny expatriates who fail to comply with tax obligations reentry into the United States (currently, reentry is denied to expatriates who terminate citizenship to avoid U.S. taxation).

**Subtitle F: Miscellaneous Provisions** - (Sec. 551) Sets forth a special rule for the valuation of contingent payment convertible debt instruments.

(Sec. 552) Authorizes the Secretary of the Treasury to prescribe regulations disallowing or allocating the foreign tax credit in abuse situations involving the inappropriate separation of foreign taxes from the related income.

(Sec. 553) Eliminates certain exceptions to prohibitions against leasing transactions with governmental entities (i.e., SILOs [sale in/lease out]) enacted by the American Jobs Creation Act of 2004.

(Sec. 554) Extends restrictions on earnings-stripping to C corporations which are partners in a partnership.

(Sec. 555) Limits the business tax deduction for certain entertainment expenses to the amount treated as compensation paid by an employer and wages earned by an employee.

(Sec. 556) Increases from 14 to 18 the age at which a minor child's unearned income is included in parents' gross income.

(Sec. 557) Revises requirements for the tax-exemption of interest from pooled financing bonds.

(Sec. 558) Repeals the exemption from tax reporting requirements for tax-exempt interest.

(Sec. 559) Modifies the tax credit for producing fuel from a nonconventional source to: (1) use the prior year fuel price for purposes of calculating the phaseout of such credit; (2) repeal the phaseout limitation for coke and coke gas; and (3) eliminate the inflation adjustment for the credit amount in 2005, 2006, and 2007 for all fuels, except for coke and coke gas.

(Sec. 560) Modifies estimated tax payment requirements for taxpayers with adjusted gross incomes over \$150,000.

(Sec. 561) Requires certain large integrated oil companies (i.e., companies with gross receipts over \$1 billion and average daily crude oil production of at least 500,000 barrels) to revalue their LIFO (last-in, first-out) inventories according to a specified formula.

(Sec. 562) Denies certain large integrated oil companies preferential tax treatment (i.e., two-year amortization) of geological and geophysical expenditures for U.S. oil exploration and development.

(Sec. 563) Sets forth a special rule for valuation of employee personal use of noncommercial aircraft.

(Sec. 564) Expands the definition of "regulated investment company" for purposes of restrictions imposed upon foreign investors investing in U.S. real property interests to include certain U.S. real property holding corporations.

(Sec. 565) Expands the definition of "qualified investment entity" for purposes of restrictions imposed upon foreign investors investing in U.S. real property interests.

(Sec. 566) Sets forth a special rule to prevent foreign investors from avoiding the payment of tax on the sale of U.S. real property interests through wash sale transactions (i.e., structured sale and repurchase transactions occurring within a 60-day period).

(Sec. 567) Revises rules for the taxation of distributions of corporate stock and securities in tax-free reorganizations to treat all members of the distributing corporation's separate affiliated group as one corporation in evaluating active business requirements. Denies tax-free treatment for distributions by a disqualified investment corporation (i.e., a corporation having investment assets of 75% or more of its total assets).

(Sec. 568) Allows five-year amortization of expenses for creating or acquiring musical compositions or related copyrights.

(Sec. 569) Allows a tax credit for investment in rural renaissance bonds used to finance certain projects for rural economic and infrastructure development, including projects for water or waste treatment, affordable housing, distance learning or telemedicine, and expansion of broadband technology.

(Sec. 570) Revises rules for the tax treatment of below-market interest rate loans to certain continuing care facilities.

(Sec. 571) Denies a foreign tax credit to certain integrated oil companies (i.e., companies with gross receipts of over \$1 billion and an average daily production of crude oil of at least 500,000 barrels) designated as dual capacity taxpayers for amounts paid to a foreign country which does not have a generally applicable income tax and from which such oil companies receive an economic benefit.

(Sec. 572) Allows certain employees of the intelligence community to exclude from their gross income the gain from the sale of their principal residences without regard to otherwise applicable five-year residential use and holding requirements.

(Sec. 573) Prohibits the Secretary of the Treasury from entering into any qualified tax collection contracts after April 1, 2006, until the Secretary implements a disability preference program that awards not less than 10% of contract dollars to certain employers of severely disabled veterans and social security disability recipients.

**Title VI: Compliance With Congressional Budget Act** - (Sec. 601) Terminates after FY2010 the provisions of, and amendments made by, title I, title II, subtitle A of title III, and title IV of this Act.

## **Actions Timeline**

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- **Nov 18, 2005:** Passed/agreed to in Senate: Passed Senate with an amendment by Yea-Nay Vote. 64 - 33. Record Vote Number: 347.
- **Nov 18, 2005:** Passed Senate with an amendment by Yea-Nay Vote. 64 - 33. Record Vote Number: 347.
- **Nov 17, 2005:** Considered by Senate. (consideration: CR S13072-13145)
- **Nov 16, 2005:** Introduced in Senate
- **Nov 16, 2005:** Committee on Finance. Original measure reported to Senate by Senator Grassley. Without written report.
- **Nov 16, 2005:** Committee on Finance. Original measure reported to Senate by Senator Grassley. Without written report.
- **Nov 16, 2005:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 288.
- **Nov 16, 2005:** Measure laid before Senate by unanimous consent. (consideration: CR S12923-12924, S12925-12940)
- **Nov 15, 2005:** Committee on Finance ordered to be reported an original measure.