

HR 1

An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

Congress: 115 (2017–2019, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Nov 2, 2017

Current Status: Became Public Law No: 115-97.

Latest Action: Became Public Law No: 115-97. (Dec 22, 2017)

Law: 115-97 (Enacted Dec 22, 2017)

Official Text: <https://www.congress.gov/bill/115th-congress/house-bill/1>

Sponsor

Name: Rep. Brady, Kevin [R-TX-8]

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

Cosponsors (24 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Bishop, Mike [R-MI-8]	R · MI		Nov 2, 2017
Rep. Black, Diane [R-TN-6]	R · TN		Nov 2, 2017
Rep. Buchanan, Vern [R-FL-16]	R · FL		Nov 2, 2017
Rep. Curbelo, Carlos [R-FL-26]	R · FL		Nov 2, 2017
Rep. Holding, George [R-NC-2]	R · NC		Nov 2, 2017
Rep. Jenkins, Lynn [R-KS-2]	R · KS		Nov 2, 2017
Rep. Johnson, Sam [R-TX-3]	R · TX		Nov 2, 2017
Rep. Kelly, Mike [R-PA-3]	R · PA		Nov 2, 2017
Rep. Marchant, Kenny [R-TX-24]	R · TX		Nov 2, 2017
Rep. Meehan, Patrick [R-PA-7]	R · PA		Nov 2, 2017
Rep. Noem, Kristi L. [R-SD-At Large]	R · SD		Nov 2, 2017
Rep. Nunes, Devin [R-CA-22]	R · CA		Nov 2, 2017
Rep. Paulsen, Erik [R-MN-3]	R · MN		Nov 2, 2017
Rep. Reed, Tom [R-NY-23]	R · NY		Nov 2, 2017
Rep. Reichert, David G. [R-WA-8]	R · WA		Nov 2, 2017
Rep. Renacci, James B. [R-OH-16]	R · OH		Nov 2, 2017
Rep. Rice, Tom [R-SC-7]	R · SC		Nov 2, 2017
Rep. Roskam, Peter J. [R-IL-6]	R · IL		Nov 2, 2017
Rep. Ryan, Paul D. [R-WI-1]	R · WI		Nov 2, 2017
Rep. Schweikert, David [R-AZ-6]	R · AZ		Nov 2, 2017
Rep. Smith, Adrian [R-NE-3]	R · NE		Nov 2, 2017
Rep. Smith, Jason [R-MO-8]	R · MO		Nov 2, 2017
Rep. Tiberi, Patrick J. [R-OH-12]	R · OH		Nov 2, 2017
Rep. Walorski, Jackie [R-IN-2]	R · IN		Nov 2, 2017

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Reported By	Nov 14, 2017

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
115 HR 1551	Related bill	Oct 11, 2018: Became Public Law No: 115-264.
115 S 293	Related bill	Oct 3, 2018: Committee on Small Business and Entrepreneurship. Hearings held. Hearings printed: S.Hrg. 115-574.
115 HR 5903	Related bill	May 22, 2018: Referred to the House Committee on Ways and Means.
115 HR 5422	Related bill	Mar 29, 2018: Referred to the House Committee on Ways and Means.
115 S 2291	Related bill	Jan 10, 2018: Read twice and referred to the Committee on Finance.
115 S 2281	Related bill	Jan 4, 2018: Read twice and referred to the Committee on Finance.
115 HRES 668	Procedurally related	Dec 20, 2017: Motion to reconsider laid on the table Agreed to without objection.
115 HRES 667	Related bill	Dec 19, 2017: Motion to reconsider laid on the table Agreed to without objection.
115 S 2222	Related bill	Dec 12, 2017: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S7976)
115 S 2170	Related bill	Nov 29, 2017: Read twice and referred to the Committee on Finance.
115 S 1	Related bill	Nov 28, 2017: Placed on Senate Legislative Calendar under General Orders. Calendar No. 269.
115 HRES 619	Procedurally related	Nov 15, 2017: Motion to reconsider laid on the table Agreed to without objection.
115 HR 4319	Related bill	Nov 13, 2017: Referred to the Subcommittee on Highways and Transit.
115 HR 4233	Related bill	Nov 2, 2017: Referred to the House Committee on Ways and Means.
115 HR 3483	Related bill	Jul 27, 2017: Referred to the House Committee on Ways and Means.
115 HR 3084	Related bill	Jun 27, 2017: Referred to the House Committee on Ways and Means.
115 S 1444	Related bill	Jun 27, 2017: Read twice and referred to the Committee on Finance.
115 HR 3035	Related bill	Jun 23, 2017: Referred to the House Committee on Ways and Means.
115 HR 3037	Related bill	Jun 23, 2017: Referred to the House Committee on Ways and Means.
115 HR 2030	Related bill	Apr 6, 2017: Referred to the House Committee on Ways and Means.
115 HR 1962	Related bill	Apr 5, 2017: Referred to the House Committee on Ways and Means.
115 S 852	Related bill	Apr 5, 2017: Read twice and referred to the Committee on Finance.
115 HR 1897	Related bill	Apr 4, 2017: Referred to the House Committee on Ways and Means.

Bill	Relationship	Last Action
115 HR 1659	Related bill	Mar 21, 2017: Referred to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, 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.
115 S 666	Related bill	Mar 15, 2017: Read twice and referred to the Committee on Finance.
115 S 405	Related bill	Feb 16, 2017: Read twice and referred to the Committee on Finance.
115 HR 1090	Related bill	Feb 15, 2017: Referred to the House Committee on Ways and Means.
115 HR 1012	Related bill	Feb 13, 2017: Referred to the House Committee on Ways and Means.
115 HR 828	Related bill	Feb 2, 2017: Referred to the House Committee on Ways and Means.
115 S 264	Related bill	Feb 1, 2017: Read twice and referred to the Committee on Finance.

(This measure has not been amended since the House agreed to the Senate amendment without amendment on December 20, 2017. The summary of that version is repeated here.)

This bill amends the Internal Revenue Code (IRC) to reduce tax rates and modify policies, credits, and deductions for individuals and businesses. It also establishes an oil and gas leasing program for the Coastal Plain of the Arctic National Wildlife Refuge (ANWR) in Alaska.

(Unless otherwise specified, provisions referred to in this summary as temporary or as a suspension of an existing provision apply for taxable years beginning after December 31, 2017, and before January 1, 2026.)

TITLE I

Subtitle A-- Individual Tax Reform

Part I--Tax Rate Reform

(Sec. 11001) This section temporarily replaces the existing tax brackets (10%, 15%, 25%, 28%, 33%, 35%, and 39.6%) with new brackets (10%, 12%, 22%, 24%, 32%, 35%, 37%) and specifies the income levels that apply for each bracket.

The bill also: (1) modifies the taxation of the unearned income of children, and (2) requires the Department of the Treasury to promulgate due diligence requirements for paid preparers in determining eligibility for a taxpayer to file as a head of household.

(Sec. 11002) This section requires the chained Consumer Price Index to be used to index the brackets for inflation.

Part II--Deduction For Qualified Business Income Of Pass-Thru Entities

(Sec. 11011) This section temporarily allows an individual taxpayer to deduct 20% of qualified business income (i.e., business income of an individual from a partnership, S corporation, or sole proprietorship which is currently taxed using individual income tax rates), including aggregate qualified Real Estate Investment Trust (REIT) dividends, qualified cooperative dividends, and qualified publicly traded partnership income.

The bill specifies formulas for determining the taxpayer's deduction for qualified business income and for determining the deduction for certain agricultural or horticultural cooperatives.

The deduction applies to taxable income, is not used to calculate adjusted gross income (AGI), and is available to taxpayers who do not itemize deductions. Trusts and estates are eligible for the deduction.

The bill phases in a limitation for the deduction when wages exceed \$157,500 (\$315,000 in the case of a joint return). The bill also phases in a disallowance of the deduction when taxable income with respect to specified service trades or businesses exceeds the limits. The limits are fully phased in when taxable income exceeds the threshold amounts by \$50,000 (\$100,000 for joint returns).

A "specified service trade or business" is any trade or business involving the performance of services in the fields of health, law, consulting, athletics, financial services, brokerage services, or any trade or business where the principal asset of such trade or business is the reputation or skill of one or more of its employees or owners, or which involves the performance of services that consist of investing and investment management trading, or dealing in securities,

partnership interests, or commodities. The term excludes engineering and architecture services.

(Sec. 11012) This section temporarily prohibits taxpayers other than corporations from claiming excess business losses.

An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer (determined without regard to the limitation of the provision), over the sum of aggregate gross income or gain of the taxpayer plus \$250,000 (200% of the amount in the case of a joint return). The threshold amount is indexed for inflation after 2018.

In the case of a partnership or S corporation, the provision applies at the partner or shareholder level. Each partner's distributive share and each S corporation shareholder's pro rata share of items of income, gain, deduction, or loss of the partnership or S corporation are taken into account in applying the limitation under the provision for the taxable year of the partner or S corporation shareholder.

Losses prohibited under this section are carried forward and treated as part of the taxpayer's net operating loss carryforward in subsequent taxable years.

Part III--Tax Benefits For Families And Individuals

(Sec. 11021) This section temporarily increases the standard deduction to \$24,000 for married individuals filing a joint return, to \$18,000 for head-of-household filers, and to \$12,000 for all other taxpayers. The amount of the standard deduction is indexed for inflation after 2018 using the chained CPI.

(Under current law, the standard deduction for 2017 is \$6,350 for single individuals and married individuals filing separate returns, \$9,350 for heads of households, and \$12,700 for married individuals filing a joint return and surviving spouses.)

(Sec. 11022) This section modifies the child tax credit to temporarily: (1) increase the credit to \$2,000 (\$1,000 under current law) per qualifying child under the age of 17, and (2) allow a \$500 nonrefundable credit for each dependent of the taxpayer who is not a qualifying child under age 17.

The credit is phased out at AGI levels of \$400,000 for married taxpayers filing joint returns and \$200,000 for individuals.

The refundable portion of the credit is limited to \$1,400 per qualifying child. In order to receive the credit, a taxpayer must include a Social Security number for each qualifying child for whom the credit is claimed on the tax return. The requirement does not apply to a non-child dependent for whom the \$500 non-refundable credit is claimed.

(Sec. 11023) This section modifies the deduction for charitable contributions to temporarily increase from 50% to 60% the income-based percentage limitation for contributions of cash to public charities.

(Sec. 11024) This section temporarily increases contribution limitations for ABLE accounts with respect to contributions made by the designated beneficiary of the account. (Tax-favored ABLE [Achieving a Better Life Experience] accounts are designed to enable individuals with disabilities to save for and pay for disability-related expenses.)

After the limit is reached, the designated beneficiary may contribute an additional amount up to the lesser of: (1) the federal poverty line for a one-person household, or (2) the individual's compensation for the taxable year.

The bill also allows the designated beneficiary of an ABLE account to claim the saver's credit for contributions made to his or her account.

(Sec. 11025) This section allows funds from qualified tuition programs (known as 529 plans) to be rolled over to an ABLE account without penalty if the ABLE account is owned by the designated beneficiary of the 529 account or a member of the designated beneficiary's family.

(Sec. 11026) This section temporarily allows certain members of the Armed Forces in the Sinai Peninsula of Egypt to receive combat zone tax benefits for performing services that qualify for special pay for duty subject to hostile fire or imminent danger.

(Sec. 11027) For 2017 and 2018, this section reduces from 10% to 7.5% the AGI threshold that must be exceeded before a taxpayer is allowed to claim an itemized deduction for medical expenses.

(Sec. 11028) This section provides tax incentives for areas in which a major disaster was declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act during calendar year 2016.

For individuals residing in the 2016 disaster areas, the bill allows: (1) exceptions to the 10% penalty for up to \$100,000 in early withdrawals from retirement plans, and (2) personal casualty losses exceeding \$500 per casualty to be deducted without regard to whether aggregate net losses exceed 10% of a taxpayer's AGI.

Part IV--Education

(Sec. 11031) This section temporarily modifies the exclusion of student loan discharges from gross income to exclude from gross income certain discharges on account of the death or total and permanent disability of the student.

(Sec. 11032) This section allows funds from 529 accounts to be used for expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school.

Part V--Deductions And Exclusions

(Sec. 11041) This section: (1) suspends the deduction for personal exemptions, (2) modifies the wage withholding rules, (3) and modifies the requirements that determine who is required to file a tax return.

(Sec. 11042) This section temporarily limits individual deductions for certain state and local taxes to \$10,000 per year (\$5,000 for a married taxpayer filing a separate return). The limit does not apply to taxes paid or accrued in carrying on a trade or business or for expenses for the production of income.

(Sec. 11043) This section modifies the deduction for home mortgage interest to: (1) limit the deduction to mortgages for a principal residence, (2) temporarily limit the deduction for debt incurred on or before December 15, 2017, to mortgages of up to \$750,000 (currently \$1 million), and (3) suspend the deduction for interest paid on home equity loans.

For taxable years beginning after 2025, the deduction applies to mortgages of up to \$1 million regardless of when the indebtedness was incurred.

(Sec. 11044) This section temporarily modifies the deduction for personal casualty and theft losses. A taxpayer may only claim the deduction for a personal casualty loss if the loss is attributable to a federally declared disaster. The bill includes an exception for certain personal casualty losses that do not exceed personal casualty gains.

(Sec. 11045) This section suspends all miscellaneous itemized deductions that are subject to the 2% floor under present law.

(Sec. 11046) This section suspends the overall limitation on itemized deductions, which currently applies when AGI exceeds a specified amount.

(Sec. 11047) This section suspends the exclusion for qualified bicycle commuting reimbursements.

(Sec. 11048) This section suspends the exclusion for qualified moving expense reimbursements, with an exception for members of the Armed Forces on active duty who move pursuant to a military order and incident to a permanent change of station.

(Sec. 11049) This section suspends the deduction for moving expenses.

(Sec. 11050) This section temporarily modifies a provision that limits the deduction for wagering losses to the extent of the gains from such transactions. The bill specifies that "losses from wagering transactions" include otherwise deductible expenses incurred in carrying out a wagering transaction (e.g., expenses for traveling to or from a casino).

(Sec. 11051) This section repeals the deduction for alimony or separate maintenance payments from the payor spouse and the corresponding inclusion of the payments in the gross income of the recipient spouse.

Part VI--Increase In Estate And Gift Tax Exemption

(Sec. 11061) This section doubles the estate and gift tax exemption amount for decedents dying or gifts made after December 31, 2017, and before January 1, 2026, by increasing the basic exclusion amount from \$5 million to \$10 million. (Under current law, the amount is indexed for inflation occurring after 2011.)

Part VII--Extension Of Time Limit For Contesting IRS Levy

(Sec. 11071) This section extends from nine months to two years the time limit for contesting an Internal Revenue Service (IRS) levy, including the time periods for: (1) returning the monetary proceeds from the sale of property that has been wrongfully levied upon, and (2) bringing a civil action for a wrongful levy.

Part VIII--Individual Mandate

(Sec. 11081) This section repeals the penalty for individuals who fail to maintain minimum essential health coverage as required by the Patient Protection and Affordable Care Act (commonly referred to as the individual mandate).

Subtitle B--Alternative Minimum Tax

(Sec. 12001) This section repeals the corporate alternative minimum tax (AMT).

(Sec. 12002) This section modifies the AMT credit for corporations to: (1) allow the AMT credit to offset regular tax liability for any taxable year, and (2) make the credit refundable for any taxable year beginning after 2017 and before 2022 in an amount equal to 50% (100% beginning in 2021) of the excess of the minimum tax credit for the taxable year over the amount of the credit allowable for the year against regular tax liability.

(Under current law a corporation subject to the AMT in any year is allowed an AMT credit in any subsequent taxable year to the extent that the taxpayer's regular tax liability exceeds its tentative minimum tax in the subsequent year.)

(Sec. 12003) This section temporarily increases both the exemption amount and the exemption amount phaseout thresholds for the individual AMT. The exemption amount is increased to \$109,400 for married taxpayers filing a joint

return (half this amount for married taxpayers filing a separate return), and \$70,300 for all other taxpayers (other than estates and trusts). The phaseout thresholds are increased to \$1 million for married taxpayers filing a joint return, and \$500,000 for all other taxpayers (other than estates and trusts). The amounts are indexed for inflation after 2018.

Subtitle C--Business-related Provisions

Part I--Corporate Provisions

(Sec. 13001) This section reduces the corporate tax rate from a maximum of 35% under the existing graduated rate structure to a flat 21% rate for tax years beginning after 2017. The bill specifies requirements for taxpayers subject to the normalization method of accounting.

(Sec. 13002) With respect to the deduction for corporations that receive dividends from other taxable corporations, the bill reduces the 70% dividends received deduction to 50% and the 80% dividends received deduction to 65% to account for the lower corporate tax rate.

Part II--Small Business Reforms

(Sec. 13101) This section expands the expensing of certain depreciable business assets that is currently permitted under section 179 of the IRC.

The bill modifies section 179 to:

- increase the maximum amount a taxpayer may expense per year to \$1 million (currently \$500,000);
- increase the phaseout threshold for the cost of section 179 property placed in service during the year to \$2.5 million (currently \$2 million);
- index the amounts above and the existing \$25,000 limit for sport utility vehicles for inflation;
- revise the definition of qualified real property eligible for section 179 expensing to include any qualified improvement property and certain improvements to nonresidential real property placed in service after the date such property was first placed in service (roofs; heating, ventilation, and air-conditioning property; fire protection and alarm systems; and security systems); and
- expand the definition of section 179 property to include certain depreciable tangible personal property used predominantly to furnish lodging or in connection with furnishing lodging.

(Sec. 13102) This section modifies the accounting rules for small businesses to:

- expand the group of taxpayers who qualify for the cash accounting method by increasing the limit for the gross receipts test from \$5 million to \$25 million (adjusted for inflation after 2018),
- allow any farming C corporation (or farming partnership with a C corporation partner) that meets the gross receipts test to use the cash method of accounting,
- exempt taxpayers that meet the gross receipts test from certain requirements to account for inventories,
- expand the exceptions for small businesses from the uniform capitalization rules to include any producer or reseller that meets the gross receipts test, and
- expand the exception for small construction contracts from the requirement to use the percentage-of-completion method.

Part III--Cost Recovery And Accounting Methods

Subpart A--Cost Recovery

(Sec. 13201) This section temporarily allows increased expensing of the costs of certain business property.

The bill allows 100% expensing for: (1) certain business property acquired and placed in service after September 27, 2017, and before January 1, 2023 (January 1, 2024 for longer production period property and certain aircraft); and (2) specified plants that bear fruits or nuts and are planted or grafted after September 27, 2017, and before January 1, 2023.

The 100% allowance is phased down by 20% per year calendar year for property placed in service, and specified plants planted or grafted, in taxable years beginning after 2022 (after 2023 for longer production period property and certain aircraft).

The bill also:

- expands the definition of "qualified property" eligible for expensing to include certain film, television, and live theatrical productions;
- removes the requirement that the original use of qualified property must commence with the taxpayer, subject to certain acquisition requirements and anti-abuse rules; and
- excludes from the definition of "qualified property" the property of certain businesses that are not subject to the limitation on interest expenses.

(Sec. 13202) This section increases the depreciation limits that apply to luxury automobiles. It also removes computer or peripheral equipment from the definition of listed property that is subject to additional restrictions and substantiation requirements regarding the expense and business usage of the property.

(Sec. 13203) This section modifies the depreciation rules for certain farm property to: (1) shorten the recovery period from seven to five years for any machinery or equipment (other than any grain bin, cotton ginning asset, fence, or other land improvement) used in a farming business, the original use of which commences with the taxpayer and is placed in service after December 31, 2017; and (2) repeal the requirement to use the 150% declining balance method for property used in a farming business.

(Sec. 13204) This section modifies the applicable recovery periods for depreciating certain real property.

The bill eliminates the separate definitions of qualified leasehold improvement, qualified restaurant, and qualified retail improvement property and applies the straight line method to qualified improvement property. It also modifies the alternative depreciation system (ADS) recovery period for such property.

(Under current law, "qualified improvement property" is any improvement to an interior portion of a building which is nonresidential real property if such improvement is placed in service after the date such building was first placed in service. It does not include any improvement for which the expenditure is attributable to: the enlargement of the building, any elevator or escalator, or the internal structural framework of the building.)

A real property trade or business electing out of the limitation on the deduction for interest must use the ADS to depreciate nonresidential real property, residential rental property, and qualified improvement property.

(Sec. 13205) This section requires a farming business electing out of the limitation on the deduction for interest to use the ADS to depreciate any property with a recovery period of 10 years or more.

(Sec. 13206) This section adjusts the amortization rules and schedules for certain research and experimentation expenditures.

(Sec. 13207) This section allows expensing of certain costs of replanting lost or damaged citrus plants lost by reason of casualty.

Subpart B--Accounting Methods

(Sec. 13221) This section revises the rules associated with the timing of the recognition of income.

Part IV--Business-Related Exclusions And Deductions

(Sec. 13301) This section limits the deduction for business interest to the sum of: (1) business interest income for the year, (2) 30% of the adjusted taxable income of the taxpayer for the taxable year, and (3) the floor plan financing interest of the taxpayer for the taxable year.

The amount of any business interest not allowed as a deduction for any year may be carried forward indefinitely, with the exception of partnerships which are subject to additional carryforward rules specified in the bill.

"Business interest income" is the amount of interest includable in the gross income of the taxpayer for the taxable year which is properly allocable to a trade or business. It does not include investment income.

"Floor plan financing interest" is interest paid on debt used to finance the acquisition of motor vehicles held for sale or lease and secured by the inventory so acquired.

The bill includes exceptions for:

- small businesses that meet the gross receipts test,
- the trade or business of performing services as an employee,
- any electing farming business,
- any electing real property trade or business, and
- certain regulated public utilities.

(Sec. 13302) This section modifies the net operating loss deduction to: (1) limit the deduction to 80% of taxable income with an exception for property and casualty insurance companies, (2) repeal the two-year and other specified carryback provisions, (3) allow an indefinite carryforward of net operating losses, and (4) allow a two-year carryback for certain losses incurred in the trade or business of farming.

(Sec. 13303) This section modifies the rule providing for the nonrecognition of gain in the case of like-kind exchanges to limit the application of the rule to real property that is not held primarily for sale.

(Sec. 13304) This section modifies the tax treatment of certain expenses for entertainment and fringe benefits.

The bill denies deductions for amounts paid or incurred for:

- an activity generally considered to be entertainment, amusement or recreation;
- membership dues for any club organized for business, pleasure, recreation, or other social purposes;
- a facility or portion thereof used in connection with any of the above items;
- providing any qualified transportation fringe to employees of the taxpayer; or

providing transportation for commuting between the employee's residence and place of employment, except as necessary for ensuring the safety of the employee.

Under current law, taxpayers may deduct 50% of the food and beverage expenses associated with operating their trade or business, subject to certain exceptions. The bill temporarily expands the 50% limitation to include expenses of an employer associated with providing food and beverages through an eating facility that meets the requirements for a de minimis fringe.

(Sec. 13305) This section repeals the deduction for income attributable to domestic production activities.

(Sec. 13306) This section prohibits deductions for trade or business expenses for any amount paid or incurred (whether by suit, agreement, or otherwise) to, or at the direction of, a government or governmental entity in relation to the violation of any law or the investigation or inquiry by such government or entity into the potential violation of any law.

The bill includes exceptions for amounts constituting restitution or paid to come into compliance with law, amounts paid or incurred as a result of certain court orders, and taxes due.

The bill also establishes reporting requirements for government entities with respect to certain fines, penalties, and other amounts.

(Sec. 13307) This section prohibits a tax deduction for trade or business expenses paid or incurred for: (1) any settlement or payment related to sexual harassment or sexual abuse if such settlement or payment is subject to a nondisclosure agreement, or (2) attorney's fees related to such a settlement or payment.

(Sec. 13308) This section eliminates the deduction for lobbying expenditures to influence the legislation of any local council or similar governing body, including an Indian tribal government.

(Sec. 13309) This section requires a three-year holding period (one year under current law) for certain net long-term capital gains with respect to partnership interests held in connection with the performance of investment services. If the holder of an applicable partnership interest is allocated gain from the sale of property held for less than three years, that gain is treated as short-term capital gain and is taxed as ordinary income.

(Sec. 13310) This section prohibits cash, gift cards, and other non-tangible personal property from being considered tax deductible employee achievement awards.

(Under current law, tangible personal property may be considered a deductible employee achievement award if other specified requirements are met.)

The bill specifies that "tangible personal property" does not include: (1) cash, cash equivalents, gift cards, gift coupons, or gift certificates (other than arrangements conferring only the right to select and receive tangible personal property from a limited array of such items pre-selected or pre-approved by the employer); or (2) vacations, meals, lodging, tickets to theater or sporting events, stocks, bonds, other securities, and other similar items.

(Sec. 13311) This section eliminates the deduction for living expenses incurred by Members of Congress. (Under current law, the deduction is limited to \$3,000 per year.)

(Sec. 13312) This section modifies the exclusion from gross income for contributions to the capital of a corporation to specify that a contribution to capital does not include a contribution: (1) in aid of construction or any other contribution as

a customer or potential customer, or (2) by any governmental entity or civic group (other than a contribution made by a shareholder as such).

The bill includes an exception for certain contributions made by a governmental entity pursuant to a master development plan.

(Sec. 13313) This section repeals a provision that permits the tax-free rollover of certain gains from the sale of publicly traded securities into common stock or a partnership interest in a specialized small business investment company.

(Sec. 13314) This section excludes certain patents, inventions, models, designs, secret formulas, or processes created by the taxpayer from the definition of a "capital asset."

Part V--Business Credits

(Sec. 13401) This section modifies the tax credit for clinical testing expenses incurred in testing certain drugs for rare diseases or conditions (commonly referred to as orphan drugs) to reduce the credit rate to 25% (currently 50%) of qualified clinical testing expenses.

(Sec. 13402) This section modifies the tax credit for rehabilitation expenditures to repeal the 10% credit for rehabilitated buildings other than a certified historic structure.

The bill retains and modifies the 20% credit for rehabilitation expenditures for certified historic structures. For the five-year period beginning in the year in which a qualified rehabilitated building is placed in service, the credit is equal to the ratable share for each year, which is 20% of the qualified rehabilitation expenditures with respect to the building, as allocated ratably to each year during the period.

(Sec. 13403) This section allows employers to claim a general business credit equal to 12.5% of wages paid to employees during any period in which such employees are on family and medical leave if the rate of payment under the program is 50% of the wages normally paid to an employee.

The credit is increased by 0.25% (but not above 25%) for each percentage point by which the rate of payment exceeds 50%. The maximum amount of family and medical leave that may be taken into account with respect to any employee for any taxable year is 12 weeks.

(Sec. 13404) This section repeals the authority to issue tax-credit bonds and direct-pay bonds.

Part VI--Provisions Related To Specific Entities And Industries

Subpart A--Partnership Provisions

(Sec. 13501) This section sets forth requirements for the tax treatment of gains or losses of foreign persons from the sale or exchange of interests in partnerships engaged in trade or business within the United States.

Under the bill, gain or loss from the sale or exchange of a partnership interest is effectively connected with a U.S. trade or business to the extent that the transferor would have had effectively connected gain or loss had the partnership sold all of its assets at fair market value as of the date of the sale or exchange.

A partner's distributive share of gain or loss on the deemed sale must be determined in the same manner as the partner's distributive share of the non-separately stated taxable income or loss of the partnership.

The bill also sets forth withholding requirements with respect to amounts realized from the sale or exchange of a partnership interest.

(Sec. 13502) This section modifies the definition of "substantial built-in loss" with respect to the transfer of an interest in partnership. The bill specifies that "a substantial built-in loss" also exists if the transferee partner would be allocated a loss of more than \$250,000 if the partnership assets were sold for cash equal to their fair market value immediately after such transfer.

(Sec. 13503) This section modifies the basis limitation on a partner's distributive share of a partnership loss to require a partner's distributive share of partnership charitable contribution and taxes paid or accrued to foreign countries and U.S. possessions to be taken into account in determining the limitation.

(Sec. 13504) This section repeals the rule that provides for a technical termination of partnerships if, within any 12-month period, there is a sale or exchange of 50% or more of the total interest in partnership capital and profits.

Subpart B--Insurance Reforms

(Sec. 13511) This section repeals the operations loss deduction for life insurance companies and allows the net operating loss deduction under section 172 of the IRC.

(Sec. 13512) This section repeals the small life insurance company deduction.

(Sec. 13513) This section revises the tax treatment of income or loss resulting from a change in the method of computing life insurance company reserves. The bill eliminates the 10-year period for taking into account the changes and requires the changes to be taken into account as adjustments attributable to a change in the method of accounting.

(Sec. 13514) This section repeals the special rule for distributions to shareholders of a stock life insurance company from a pre-1984 policyholders surplus account, which provides that amounts in the account are not taxed unless the amounts are treated as distributed to shareholders or subtracted from the account. The bill requires a life insurance company with such an account to pay taxes on the balance of the account ratably over the first eight taxable years beginning after December 31, 2017.

(Sec. 13515) This section modifies the proration rules for property and casualty insurance companies to replace the 15% reduction with a reduction equal to 5.25% divided by the highest corporate tax rate in effect. (Under the top corporate rate of 21% that takes effect in 2018, the proration percentage is 25%.)

(Under the proration rules, in calculating the deductible amount of its reserve for losses incurred, a property or casualty insurance company must reduce the amount of the losses incurred by a specified percentage of: (1) the insurer's tax-exempt interest, (2) the deductible portion of dividends received, and (3) the increase for the taxable year in the cash value of life insurance, endowment, or annuity contracts the company owns.)

(Sec. 13516) This section repeals the special estimated tax payment rules for insurance companies.

(Sec. 13517) This section modifies the rules for computing life insurance tax reserves that are used in determining the taxable income of a life insurance company.

(Sec. 13518) This section modifies the life insurance company proration rule for reducing dividends received deductions and reserve deductions with respect to untaxed income. For purposes of the life insurance proration rule, the company's

share is 70% and the policyholder's share is 30%.

(Sec. 13519) This section modifies the requirements for the capitalization of policy acquisition expenses of insurance companies to extend the amortization period from 120 months to 180 months.

Under current law, policy acquisition expenses are determined as that portion of the insurance company's general deductions for the taxable year that does not exceed a specified percentage of the net premiums for the year on each of three categories of insurance contracts.

The bill increases these percentages from 1.75% to 2.09% for annuity contracts, from 2.05% to 2.45% for group life insurance contracts, and from 7.7% to 9.2% for all other specified insurance contracts.

(Sec. 13520) This section establishes reporting requirements for acquisitions of life insurance contracts in a reportable policy sale. It also imposes reporting requirements on the payor in the case of the payment of reportable death benefits.

A "reportable policy sale" is the acquisition of an interest in a life insurance contract, directly or indirectly, if the acquirer has no substantial family, business, or financial relationship with the insured apart from the acquirer's interest in such life insurance contract.

(Sec. 13521) This section sets forth requirements for the determining the basis of a life insurance or annuity contract. The bill specifies that no basis adjustment shall be made for mortality, expense, or other reasonable charges incurred under an annuity or life insurance contract.

(Sec. 13522) This section exempts the transfer of a life insurance contract, or any interest therein, in a reportable policy sale from the transfer for valuable consideration rule.

(Under current law, the transfer for valuable consideration rule provides that, if a life insurance contract or an interest in a contract is transferred for a valuable consideration, the tax exclusion for amounts received under a life insurance contract due to the death of the insured is limited to the sum of the actual value of the consideration and the premiums and other amounts subsequently paid by the transferee.)

(Sec. 13523) This section modifies the reserve discounting rules applicable to property and casualty insurance companies to: (1) modify the interest rate used to discount unpaid losses, (2) modify the computational rules for loss payment pattern, and (3) repeal the election to use a taxpayer's historical loss payment pattern.

Subpart C--Banks and Financial Instruments

(Sec. 13531) This section limits the deduction for Federal Deposit Insurance Corporation premiums for certain financial institutions with consolidated assets that exceed \$10 billion.

(Sec. 13532) This section repeals the exclusion from gross income for interest on a bond issued to advance refund another bond.

Subpart D--S Corporations

(Sec. 13541) This section allows a nonresident alien individual to be a qualifying beneficiary of an electing small business trust (ESBT), which is a type of trust that is permitted to hold shares in an S corporation.

(Sec. 13542) This section specifies that the charitable contribution deduction of an ESBT is determined by the rules

applicable to individuals rather than the rules applicable to trusts, except that the deductions for costs which are paid or incurred in connection with the administration of the trust and which would not have been incurred if the property were not held in such trust shall be treated as allowable in arriving at adjusted gross income.

(Sec. 13543) This section modifies the tax treatment of S corporation conversions to C corporations.

Part VII--Employment

Subpart A--Compensation

(Sec. 13601) This section modifies a provision that limits the deduction for compensation of covered employees of a publicly held corporation to salaries of no more than \$1 million per year. The bill: (1) repeals the performance-based compensation and commission exceptions, (2) modifies the definition of "covered employee," and (3) expands the definition of "publicly held corporation."

The bill includes an exception for compensation that is provided pursuant to a written binding contract which was in effect on November 2, 2017, and which was not modified in any material respect on or after such date.

(Sec. 13602) This section imposes an excise tax on excess tax-exempt organization executive compensation. The tax is equal to the product of the corporate tax rate (21% under this bill) and the sum of: (1) any remuneration (other than an excess parachute payment) in excess of \$1 million paid to a covered employee by an applicable tax-exempt organization for a taxable year, and (2) any excess parachute payment (separation pay), as specified in the bill.

(Sec. 13603) This section allows qualified employees to elect to defer, for income tax purposes, income attributable to certain stock transferred to the employee by an employer.

Employees are excluded if they: (1) are a 1% owner, the chief executive officer, or the chief financial officer of the corporation or have been at any time during the 10 preceding calendar years; (2) are a family member of the specified individuals; or (3) is one of the four highest compensated officers of the corporation or has been during any of the 10 preceding taxable years.

(Sec. 13604) This section increases from 15% to 20% the excise tax imposed on the value of stock compensation held by insiders of an expatriated corporation.

Subpart B--Retirement Plans

(Sec. 13611) This section repeals the rule that allows Individual Retirement Arrangement (IRA) contributions to one type of IRA (traditional or Roth) to be recharacterized as a contribution to the other type of IRA.

(Sec. 13612) This section increases the limit on accruals that is required for length of service award plans (LOSAPs) for bona fide volunteers to be exempt from treatment as a deferred compensation plan.

(Under current law, plans paying solely length of service awards to bona fide volunteers or their beneficiaries on the account of firefighting and prevention services, emergency medical services, and ambulance services performed by the volunteers are not treated as deferred compensation plans if they meet certain requirements. One of the requirements is a limit on the aggregate amount of length of service awards that may accrue with respect to any year of service for any bona fide volunteer.)

The bill modifies the limit on accruals to: (1) increase the limit from \$3,000 to \$6,000; and (2) provide for a cost-of-living

adjustment to the limit after 2017.

In the case of LOSAPs that are defined benefit plans, the limit applies to the actuarial present value of the aggregate amount of length of service awards accruing with respect to any year of service. Actuarial present value is to be calculated using reasonable actuarial assumptions and methods, assuming payment will be made under the most valuable form of payment under the plan with payment commencing at the later of the earliest age at which unreduced benefits are payable under the plan or the participant's age at the time of the calculation.

(Sec. 13613) This section extends the period during which a qualified plan loan offset amount may be contributed to an eligible retirement plan as a rollover contribution. A "qualified plan loan offset amount" is a plan loan offset amount that is treated as distributed from a qualified retirement plan, a section 403(b) plan or a governmental section 457(b) plan solely by reason of the termination of the plan or the failure to meet the repayment terms of the loan because of the severance from employment of the participant.

Part VIII--Exempt Organizations

(Sec. 13701) This section imposes a 1.4% excise tax on the net investment income of certain private colleges and universities.

(Sec. 13702) This section requires tax-exempt organizations with more than one unrelated trade or business to calculate unrelated business taxable income separately with respect to each trade or business and without regard to a specified deduction that applies for certain unrelated business taxable income.

(Sec. 13703) This section includes in unrelated business taxable income of a tax-exempt organization any expenses paid or incurred by the organization for certain fringe benefits for which a deduction is not allowed under section 274 of the IRC, including qualified transportation fringe benefits, a parking facility used in connection with qualified parking, or any on-premises athletic facility.

(Sec. 13704) This section modifies the deduction for charitable contributions to prohibit a charitable deduction for college athletic event seating rights.

(Sec. 13705) This section modifies the deduction for charitable contributions to repeal the exception to substantiation requirements for certain contributions reported by the donee organization.

Part IX--Other Provisions

Subpart A--Craft Beverage Modernization and Tax Reform

(Sec. 13801) This section excludes the aging periods for beer, wine, and distilled spirits from the production period for purposes of the uniform interest capitalization rules, which allows the producers to deduct interest expenses attributable to a shorter production period. This section does not apply to interest costs paid or accrued after December 31, 2019.

(Sec. 13802) This section lowers the excise tax rate on beer to \$16 per barrel on the first six million barrels brewed by the brewer or imported by the importer.

For barrels of beer that have been brewed or produced outside of the United States and imported into the United States, the reduced tax rate may be assigned by the brewer to the importer, subject to specified requirements.

(Sec. 13803) This section allows the transfer of beer between bonded facilities without payment of tax if specified

requirements are met.

(Sec. 13804) This section modifies the credit against the excise tax on wine for small domestic for 2018 and 2019 to:

- make the credit available to all wine producers and importers by removing the 250,000 wine gallon domestic production limitation;
- establish credit rates of: (1) \$1.00 per wine gallon for the first 30,000 wine gallons of wine, plus; (2) 90 cents per wine gallon on the next 100,000 wine gallons of wine, plus; (3) 53.5 cents per wine gallon on the next 620,000 wine gallons of wine;
- establish adjusted credit rates for hard cider; and
- make sparkling wine producers and importers eligible for the credit.

The bill also allows importers of wine produced outside of the United States to assign the credit to the foreign producer, subject to specified requirements.

(Sec. 13805) The section modifies the alcohol-by-volume levels of the first two tiers of the excise tax on wine, by changing 14% to 16%. Under the provision, a wine producer or importer may produce or import still wine that has an alcohol-by-volume level of up to 16% and remain subject to the lowest rate of \$1.07 per wine gallon.

(Sec. 13806) This section specifies definitions for "mead" and "low alcohol by volume wine" that are eligible to be taxed at the lowest applicable rate for still wine.

(Sec. 13807) This section reduces the excise tax rate for certain distilled spirits in 2018 and 2019 to: \$2.70 per proof gallon on the first 100,000 proof gallons, \$13.34 for all proof gallons in excess of that amount but below 22,130,000 proof gallons, and \$13.50 for amounts thereafter.

Members of the same controlled group may not receive the lower rate on more than 100,000 proof gallons of distilled spirits. Importers of distilled spirits are eligible for the lower rates.

(Sec. 13808) This section allows distillers to transfer spirits in approved containers other than bulk containers in bond without payment of tax. This provision applies to distilled spirits transferred in bond after December 31, 2017, and before January 1, 2020.

Subpart B--Miscellaneous Provisions

(Sec. 13821) This section modifies the tax treatment of Alaska Native Settlement Trusts, to: (1) allow an Alaska Native Corporation to assign certain payments referenced in the Alaska Native Claims Settlement Act to a trust without including the payments in the gross income of the corporation, (2) allow the corporation to elect annually to deduct contributions made to a trust, (3) allow a trust to elect to defer the recognition of gains related to contributions of property other than cash until the sale or exchange of the property, and (4) establish information reporting requirements for deductible contributions to a trust.

(Sec. 13822) This section exempts certain payments related to the management of private aircraft from the excise taxes imposed on taxable transportation by air.

(Sec. 13823) This section authorizes the designation of opportunity zones in low-income communities and provides various tax incentives for investments in the zones. Taxpayers may temporarily defer the recognition of capital gains that are invested in opportunity zones. Investments in opportunity zones or opportunity funds that are held for at least five

years are eligible for capital gains tax reductions or exemptions, depending on how long the investment is held.

Subtitle D--International Tax Provisions

Under current law, the earnings of foreign subsidiaries of U.S. multinational corporations are not taxed until the income is repatriated (paid as dividends) into the United States. The corporations are allowed a tax credit against U.S. taxes for taxes paid to foreign jurisdictions. This subtitle establishes a territorial system in which foreign source income is not subject to regular U.S. taxes.

Part I--Outbound Transactions

Subpart A--Establishment of Participation Exemption System for Taxation of Foreign Income

(Sec. 14101) This section establishes a participation exemption system for foreign income. Under the system, the bill allows a 100% deduction for the foreign-source portion of dividends received from specified 10% owned foreign corporations by domestic corporations that are U.S. shareholders of those foreign corporations.

A "specified 10% owned foreign corporation" is any foreign corporation with respect to which any domestic corporation is a U.S. shareholder. It does not include a passive foreign investment company that is not a controlled foreign corporation (CFC).

No foreign tax credit or deduction is allowed for any taxes paid or accrued with respect to any dividend for which a deduction is allowed under this section.

The bill establishes a one-year holding period requirement for dividends of a domestic corporation to be eligible for a participation dividends received deduction.

(Sec. 14102) This section sets forth requirements for the tax treatment of sales or transfers involving specified 10% owned foreign corporations, including (1) sales by U.S. persons of stock, (2) required reductions in the basis of certain foreign stock, and (3) sales by a CFC of a lower-tier CFC, (4) foreign branch losses transferred to specified 10% owned foreign corporations, and (5) the repeal of the active trade or business exception.

(Sec. 14103) This section specifies rules for the tax treatment of deferred foreign income upon transition to the participation exemption system of taxation.

For the last taxable year of a deferred foreign income corporation which begins before January 1, 2018, U.S. shareholders of deferred foreign income corporations must include as subpart F income a pro rata share of the accumulated post-1986 deferred foreign income of the corporation.

The bill allows a deduction for a portion of the pro rata share of foreign earnings. The bill also disallows a corresponding portion of the credit for foreign taxes.

The total amount of deductions permitted is the amount necessary to result in tax rates of 15.5% for accumulated post-1986 foreign earnings held in the form of cash or cash equivalents and 8% rate for all other earnings.

The tax may be paid in installments over eight years.

The bill specifies rules for applying this provision to S corporations and real estate investment trusts.

Subpart B--Rules Related to Passive and Mobile Income

Chapter 1--Taxation Of Foreign-Derived Intangible Income And Global Intangible Low-Taxed Income

(Sec. 14201) This section requires a U.S. shareholder of any CFC for any taxable year to include in gross income the shareholder's global intangible low-taxed income for the year. The bill specifies a formula and requirements for calculating global intangible low-taxed income.

(Sec. 14202) This section allows deductions for domestic corporations for specified portions of the corporation's foreign-derived intangible income and global intangible low-taxed income, using specified formulas and definitions included in the bill.

Chapter 2--Other Modifications Of Subpart F Provisions

(Sec. 14211) This section repeals provisions that treat foreign base company oil related income as category of subpart F income.

(Sec. 14212) This section repeals the requirement for a U.S. shareholder in a CFC that invested previously excluded subpart F income in foreign base company shipping operations to include in income a pro rata share of the previously excluded subpart F income when the CFC decreases the investments

(Sec. 14213) This section modifies the stock attribution rules for determining status as a CFC. Certain stock of a foreign corporation owned by a foreign person must be attributed to a related U.S. person for purposes of determining whether the related U.S. person is a U.S. shareholder of the foreign corporation.

(Sec. 14214) This section expands the definition of U.S. shareholder under subpart F to include any U.S. person who owns 10% or more of the total value of shares of all classes of stock of a foreign corporation.

(Sec. 14215) This section eliminates the requirement for a corporation to be controlled for an uninterrupted period of 30 days before subpart F inclusions apply.

Chapter 3--Prevention Of Base Erosion

(Sec. 14221) This section modifies terms and valuation methods that apply to transfers of intangible property. The bill modifies the definition of "intangible property" to include: (1) any goodwill, going concern value, or workforce in place (including its composition and terms and conditions [contractual or otherwise] of its employment); or (2) any other item the value or potential value of which is not attributable to tangible property or the services of any individual.

The bill removes a requirement that the item have substantial value independent of the services of an individual to be considered intangible property.

The bill specifies authorities and requirements for Treasury to specify the method to be used to determine the valuation of transfers of intangible property.

(Sec. 14222) This section denies a deduction for any disqualified related party amount paid or accrued pursuant to a hybrid transaction or by, or to, a hybrid entity.

A "disqualified related party amount" is any interest or royalty paid or accrued to a related party to the extent that: (1) the amount is not included in the income of such related party under the tax law of the country of which such related party is

a resident for tax purposes or is subject to tax, or (2) the related party is allowed a deduction with respect to such amount under the tax law of such country. The term does include any payment to the extent such payment is included in the gross income of a U.S. shareholder under this bill.

A "hybrid transaction" is any transaction, series of transactions, agreement, or instrument one or more payments with respect to which are treated as interest or royalties under this bill and which are not so treated for purposes the tax law of the foreign country of which the recipient of such payment is resident for tax purposes or is subject to tax.

A "hybrid entity" is any entity which is either: (1) treated as fiscally transparent under this bill but not for the purposes of the tax law of the foreign country of which the entity is a resident for tax purposes or is subject to tax, or (2) treated as fiscally transparent for purposes of such tax law but not so treated for purposes of this bill

(Sec. 14223) Shareholders who receive dividends from a foreign corporation that first becomes a surrogate corporation after enactment of this bill are ineligible for the reduced rates for qualified dividends.

Subpart C--Modifications Related to Foreign Tax Credit System

(Sec. 14301) This section repeals the deemed-paid credit with respect to dividends received by a domestic corporation that owns 10% or more of the voting stock of a foreign corporation. The bill allows a deemed-paid credit with respect to any income inclusion under subpart F. The credit is limited to the amount of foreign income taxes properly attributable to the subpart F inclusion.

(Sec. 14302) This section requires foreign branch income to be allocated to a specific foreign tax credit basket. Foreign branch income is the business profits of a U.S. person which are attributable to one or more qualified business units in one or more foreign countries.

(Sec. 14303) This section requires gains, profits, and income from the sale or exchange of inventory property produced partly in, and partly outside, the United States to be allocated and apportioned between sources within and without the United States solely on the basis of the production activities with respect to the property.

(Sec. 14304) This section allows an election to increase the percentage (but not greater than 100%) of domestic taxable income offset by any pre-2018 unused overall domestic loss and recharacterized as foreign source.

A "Pre-2018 unused overall domestic loss" is any overall domestic loss which: (1) arises in a qualified taxable year beginning before January 1, 2018, and (2) has not been used under the general rule for the recharacterization of overall domestic loss.

Part II--Inbound Transactions

(Sec. 14401) This section imposes on each applicable taxpayer for any taxable year a tax equal to the base erosion minimum tax amount for the taxable year and specifies a formula for calculating the tax.

An "applicable taxpayer" is a taxpayer who: (1) is a corporation other than a regulated investment company, a real estate investment trust, or an S corporation; (2) has average annual gross receipts of at least \$500 million for the three-year period ending with the preceding year; and (3) has a base erosion percentage, as determined using a specified formula, of at least 3% (2% for certain banks and securities dealers).

Part III--Other Provisions

(Sec. 14501) This section modifies the exception from the passive foreign investment company rules for insurance businesses. The bill replaces the test based on whether a corporation is predominantly engaged in an insurance business with a test based on the corporation's insurance liabilities.

(Sec. 14502) This section specifies that all allocations and apportionments of interest expense must be determined using the adjusted bases of assets rather than on the basis of the fair market value of the assets or gross income.

TITLE II

(Sec. 20001) The Department of the Interior must establish and administer a competitive oil and gas program for the leasing, development, production, and transportation of oil and gas in and from the Coastal Plain of the Arctic National Wildlife Refuge (ANWR) in Alaska.

The bill specifies that the provision in the Alaska National Interest Lands Conservation Act that prohibits the production of oil and gas from ANWR does not apply to the Coastal Plain.

Interior must conduct at least two lease sales within 10 years. Each lease sale must contain: (1) at least 400,000 acres, and (2) areas that have the highest potential for the discovery of hydrocarbons.

Interior must also: (1) issue any necessary rights-of-way or easements across the Coastal Plain for the exploration, development, production, or transportation associated with the oil and gas program; and (2) authorize up to 2,000 surface acres of federal land on the Coastal Plain to be covered by production and support facilities during the term of the leases under the oil and gas program.

(Sec. 20002) This section amends the Gulf of Mexico Energy Security Act of 2006 to temporarily increase the annual limitation on offshore revenue sharing for the states of Alabama, Louisiana, Mississippi, and Texas from \$500 million annually for FY2020 and FY2021, to \$650 million annually for those two years.

(Sec. 20003) The Department of Energy (DOE) must: (1) draw down and sell seven million barrels of crude oil from the Strategic Petroleum Reserve during FY2026-FY2027, (2) deposit the amounts received from the sale in the Treasury, and (3) stop the drawdown or sale of crude oil after \$600 million has been deposited in the Treasury.

DOE may not drawdown or sell oil under this section in quantity that would limit the authority to direct a drawdown and sale of petroleum products to address a domestic or international energy supply shortage.

Actions Timeline

- **Dec 22, 2017:** Signed by President.
- **Dec 22, 2017:** Became Public Law No: 115-97.
- **Dec 21, 2017:** Presented to President.
- **Dec 20, 2017:** Motion to waive all applicable budget resolutions with respect to the conference report to accompany H.R. 1 rejected in Senate by Yea-Nay Vote. 51 - 48. Record Vote Number: 322. (12/19/17 CR S8101)
- **Dec 20, 2017:** Points of order were sustained against the applicable provisions within the conference report, and the language was stricken.
- **Dec 20, 2017:** Senate defeated conference report pursuant to the points of order raised under the Budget Act.
- **Dec 20, 2017:** Senate receded from its amendment and concurred with an amendment (SA 1863) by Yea-Nay Vote. 51 - 48. Record Vote Number: 323.
- **Dec 20, 2017:** Message on Senate action sent to the House.
- **Dec 20, 2017:** Rules Committee Resolution H. Res. 668 Reported to House. Rule provides for consideration of Senate Amendment to H.R. 1. Previous question shall be considered as ordered without intervening motions.
- **Dec 20, 2017:** Rule H. Res. 668 passed House.
- **Dec 20, 2017:** Pursuant to the provisions of H.Res. 668, Mr. Brady (TX) brought up H.R. 1 and offered a motion. (consideration: CR H10261-10312)
- **Dec 20, 2017:** Mr. Brady (TX) moved that the House agree to the Senate amendment.
- **Dec 20, 2017:** DEBATE - Pursuant to the provisions of H.Res. 668, the House proceeded with 20 minutes of debate on the motion to concur in the Senate amendment to H.R. 1.
- **Dec 20, 2017:** The previous question was ordered pursuant to the rule.
- **Dec 20, 2017:** Resolving differences -- House actions: On motion that the House agree to the Senate amendment Agreed to by the Yeas and Nays: 224 - 201 (Roll no. 699). (text: CR H10261-10308)
- **Dec 20, 2017:** On motion that the House agree to the Senate amendment Agreed to by the Yeas and Nays: 224 - 201 (Roll no. 699). (text: CR H10261-10308)
- **Dec 20, 2017:** Motion to reconsider laid on the table Agreed to without objection.
- **Dec 19, 2017:** Mr. Brady (TX) brought up conference report H. Rept. 115-466 for consideration under the provisions of H. Res. 667. (consideration: CR H10201-10215)
- **Dec 19, 2017:** DEBATE - Pursuant to the provisions of H. Res. 667, the House proceeded with 1 hour of general debate on the conference report to accompany H.R. 1.
- **Dec 19, 2017:** The previous question was ordered pursuant to the rule.
- **Dec 19, 2017:** Mr. Neal moved to recommit with instructions to the conference committee. The instructions contained in the motion seek to instruct the managers on the part of the House to disagree in section 11042 and part VIII of subtitle A of title I of the conference report.
- **Dec 19, 2017:** The previous question on the motion to recommit with instructions to conference committee was ordered without objection.
- **Dec 19, 2017:** On motion to recommit with instructions to conference committee Failed by the Yeas and Nays: 191 - 236 (Roll no. 691).
- **Dec 19, 2017:** Conference report agreed to in House: On agreeing to the conference report Agreed to by the Yeas and Nays: 227 - 203 (Roll no. 692).
- **Dec 19, 2017:** On agreeing to the conference report Agreed to by the Yeas and Nays: 227 - 203 (Roll no. 692).
- **Dec 19, 2017:** Motions to reconsider laid on the table Agreed to without objection.
- **Dec 19, 2017:** Conference papers: message on House action held at the desk in Senate.
- **Dec 19, 2017:** Motion to proceed to consideration of the conference report agreed to in Senate by Yea-Nay Vote. 51 - 48. Record Vote Number: 321. (CR S8088)
- **Dec 19, 2017:** Conference report considered in Senate. (consideration: CR S8088-8142)
- **Dec 19, 2017:** Points of order against the conference report to accompany H.R.1 raised in Senate.
- **Dec 18, 2017:** Conference papers: Senate report and manager's statement held at the desk in Senate.
- **Dec 15, 2017:** Conference report filed: Conference report H. Rept. 115-466 filed. (text of conference report: CR H9943-10142)
- **Dec 15, 2017:** Conference report H. Rept. 115-466 filed. (text of conference report: CR H9943-10142)
- **Dec 13, 2017:** Conference committee actions: Conference held.

- **Dec 13, 2017:** Conference held.
- **Dec 11, 2017:** Message on Senate action sent to the House.
- **Dec 7, 2017:** Senate appointed conferees. Hatch; Enzi; Murkowski; Cornyn; Thune; Portman; Scott; Toomey; Wyden; Sanders; Murray; Cantwell; Stabenow; Menendez; Carper.
- **Dec 6, 2017:** Measure laid before Senate by unanimous consent. (consideration: CR S7859-7883)
- **Dec 6, 2017:** Motion to insist on Senate amendment to House bill, agree to request for conference, and authorize the Presiding Officer to appoint conferees made in Senate.
- **Dec 6, 2017:** Motion to insist on Senate amendment to House bill, agree to request for conference, and authorize the Presiding Officer to appoint conferees agreed to in Senate by Yea-Nay Vote. 51 - 47. Record Vote Number: 306.
- **Dec 6, 2017:** Senate insists on its amendment, agrees to request for conference, and authorizes the Presiding Officer to appoint conferees.
- **Dec 6, 2017:** Motion by Senator King to instruct Senate conferees made in Senate.
- **Dec 6, 2017:** Motion by Senator King to instruct Senate conferees (Federal budget deficit) rejected in Senate by Yea-Nay Vote. 48 - 50. Record Vote Number: 307.
- **Dec 6, 2017:** Motion by Senator Stabenow to instruct Senate conferees made in Senate.
- **Dec 6, 2017:** Motion by Senator Stabenow to instruct Senate conferees (corporate tax rate) rejected in Senate by Yea-Nay Vote. 44 - 54. Record Vote Number: 308.
- **Dec 6, 2017:** Motion by Senator Rubio to instruct Senate conferees made in Senate.
- **Dec 6, 2017:** Motion by Senator Booker to instruct Senate conferees made in Senate.
- **Dec 6, 2017:** Motion by Senator Rubio to instruct Senate conferees (child tax credit) agreed to in Senate by Voice Vote.
- **Dec 6, 2017:** Motion by Senator Booker to instruct Senate conferees (health insurance) rejected in Senate by Yea-Nay Vote. 47 - 51. Record Vote Number: 309.
- **Dec 5, 2017:** Message on House action received in Senate and at desk: House requests a conference.
- **Dec 5, 2017:** APPOINTMENT OF CONFeree - Pursuant to clause 11 of rule I, the Chair announced the removal of the gentleman from Oregon, Mr. Walden, as a conferee on H.R. 1 and appointed the gentleman from Michigan, Mr. Upton, to fill the vacancy.
- **Dec 4, 2017:** Message on Senate action sent to the House.
- **Dec 4, 2017:** Mr. Brady (TX) moved that the House disagree to the Senate amendment, and request a conference. (consideration: CR H9601-9613)
- **Dec 4, 2017:** DEBATE - The House proceeded with one hour of debate on the motion to disagree to the Senate amendment and request a conference.
- **Dec 4, 2017:** On motion that the House disagree to the Senate amendment, and request a conference Agreed to by the Yeas and Nays: 222 - 192 (Roll no. 653).
- **Dec 4, 2017:** Mr. Neal moved that the House instruct conferees. (consideration: CR H9603; text: CR H9603)
- **Dec 4, 2017:** DEBATE - The House proceeded with one hour of debate on the Neal motion to instruct conferees. The instructions contained in the motion seek to require the managers on the part of the House to disagree with section 11081 of the Senate amendment and recede from section 1303 of the House bill.
- **Dec 4, 2017:** The previous question was ordered without objection.
- **Dec 4, 2017:** On motion that the House instruct conferees Failed by the Yeas and Nays: 186 - 233 (Roll no. 654).
- **Dec 4, 2017:** Motion to reconsider laid on the table Agreed to without objection.
- **Dec 4, 2017:** 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: Brady (TX), Nunes, Roskam, Black, Noem, Neal, Levin, and Doggett.
- **Dec 4, 2017:** The Speaker appointed conferees - from the Committee on Energy and Commerce for consideration of sec. 20003 of the Senate amendment, and modifications committed to conference: Upton, Shimkus, and Castor of Florida.
- **Dec 4, 2017:** The Speaker appointed conferees - from the Committee on Natural Resources for consideration of secs. 20001 and 20002 of the Senate amendment, and modifications committed to conference: Bishop (UT), Young (AK), and Grijalva.
- **Dec 2, 2017:** Motion by Senator Manchin to commit to Senate Committee on Finance with instructions rejected in Senate by Yea-Nay Vote. 38 - 61. Record Vote Number: 300.
- **Dec 2, 2017:** Passed/agreed to in Senate: Passed Senate with an amendment by Yea-Nay Vote. 51 - 49. Record Vote Number: 303.

Dec 2, 2017: Passed Senate with an amendment by Yea-Nay Vote. 51 - 49. Record Vote Number: 303.

- Dec 1, 2017: Considered by Senate. (consideration: CR S7653-7712)
- Dec 1, 2017: Motion by Senator Nelson to commit to Senate Committee on Finance with instructions rejected in Senate by Yea-Nay Vote. 48 - 52. Record Vote Number: 290.
- Dec 1, 2017: Motion by Senator Baldwin to commit to Senate Committee on Finance with instructions rejected in Senate by Yea-Nay Vote. 48 - 52. Record Vote Number: 291.
- Dec 1, 2017: Motion by Senator Cardin to commit to Senate Committee on Finance with instructions rejected in Senate by Yea-Nay Vote. 43 - 57. Record Vote Number: 292.
- Dec 1, 2017: Motion by Senator Menendez to commit to Senate Committee on Finance with instructions rejected in Senate by Yea-Nay Vote. 48 - 52. Record Vote Number: 297.
- Nov 30, 2017: Considered by Senate. (consideration: CR S7507-7557)
- Nov 30, 2017: Motion by Senator Brown to commit to Senate Committee on Finance with instructions rejected in Senate by Yea-Nay Vote. 48 - 52. Record Vote Number: 286.
- Nov 30, 2017: Motion by Senator Casey to commit to Senate Committee on Finance with instructions rejected in Senate by Yea-Nay Vote. 48 - 51. Record Vote Number: 287.
- Nov 30, 2017: Motion by Senator King to commit to Senate Committee on Finance with instructions rejected in Senate by Yea-Nay Vote. 48 - 52. Record Vote Number: 288.
- Nov 30, 2017: Motion by Senator Stabenow to commit to Senate Committee on Finance with instructions rejected in Senate by Yea-Nay Vote. 45 - 55. Record Vote Number: 289.
- Nov 30, 2017: Motion by Senator Baldwin to commit to Senate Committee on Finance with instructions made in Senate.
- Nov 30, 2017: Motion by Senator Nelson to commit to Senate Committee on Finance with instructions made in Senate.
- Nov 29, 2017: Motion to proceed to consideration of measure agreed to in Senate by Yea-Nay Vote. 52 - 48. Record Vote Number: 284. (consideration: CR S7393-7402, S7499-7504)
- Nov 29, 2017: Measure laid before Senate by motion.
- Nov 29, 2017: Motion by Senator Wyden to commit to Senate Committee on Finance with instructions rejected in Senate by Yea-Nay Vote. 48 - 51. Record Vote Number: 285.
- Nov 28, 2017: Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 266.
- Nov 27, 2017: Received in the Senate. Read the first time. Placed on Senate Legislative Calendar under Read the First Time.
- Nov 16, 2017: Pursuant to clause 1(c) of rule 19, the House continued with further consideration on H.R. 1. (consideration: CR H9381-9414)
- Nov 16, 2017: POSTPONED PROCEEDINGS - The Chair announced that pursuant to clause 1(c) of rule 19, further consideration of H.R. 1 is postponed.
- Nov 16, 2017: Pursuant to clause 1(c) of rule 19, the House continued with further consideration on H.R. 1.
- Nov 16, 2017: DEBATE - The House resumed with debate on H.R. 1.
- Nov 16, 2017: The previous question was ordered pursuant to the rule.
- Nov 16, 2017: Passed/agreed to in House: On passage Passed by the Yeas and Nays: 227 - 205 (Roll no. 637).
- Nov 16, 2017: On passage Passed by the Yeas and Nays: 227 - 205 (Roll no. 637).
- Nov 16, 2017: The title of the measure was amended pursuant to H. Res. 619.
- Nov 16, 2017: Motion to reconsider laid on the table Agreed to without objection.
- Nov 15, 2017: Rules Committee Resolution H. Res. 619 Reported to House. Rule provides for consideration of H.R. 1 with 4 hours 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. The rule also provides that on any legislative day during the period from November 17, 2017, through November 27, 2017: the Journal of the proceedings of the previous day shall be considered as approved.
- Nov 15, 2017: Rule H. Res. 619 passed House.
- Nov 15, 2017: Considered under the provisions of rule H. Res. 619. (consideration: CR H9269-9281, H9302-9361; text of amendment in the nature of a substitute: CR H9302-9345)
- Nov 15, 2017: Rule provides for consideration of H.R. 1 with 4 hours 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. The rule also provides that on any legislative day during the period from November 17, 2017, through November 27, 2017--the Journal of the proceedings of the previous day shall be considered as approved.

Nov 15, 2017: DEBATE - The House proceeded with four hours of debate on H.R. 1.

- **Nov 15, 2017: POSTPONED PROCEEDINGS** - The Chair announced that pursuant to clause 1(c) of rule 19, further consideration of H.R. 1 is postponed.
- **Nov 13, 2017:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 115-409.
- **Nov 13, 2017:** Placed on the Union Calendar, Calendar No. 302.
- **Nov 7, 2017:** Committee Consideration and Mark-up Session Held.
- **Nov 6, 2017:** Committee Consideration and Mark-up Session Held.
- **Nov 2, 2017:** Introduced in House
- **Nov 2, 2017:** Referred to the House Committee on Ways and Means.