

AMENDMENT NO. _____ Calendar No. _____

Purpose: To provide a perfecting amendment.

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

H. R. 5140

To provide economic stimulus through recovery rebates to individuals, incentives for business investment, and an increase in conforming and FHA loan limits.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by _____

Viz:

1 Strike all after the first word and insert the following:

2 **1. SHORT TITLE; TABLE OF CONTENTS.**

3 (a) **SHORT TITLE.**—This Act may be cited as the
4 “Economic Stimulus Act of 2008”.

5 (b) **TABLE OF CONTENTS.**—The table of contents of
6 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—TAX RELIEF

Subtitle A—Rebates for Individuals

Sec. 101. Economic recovery stimulus credit and rebate.

Subtitle B—Incentives for Businesses

2

- Sec. 111. Temporary bonus depreciation allowance for certain property.
- Sec. 112. Increased expensing for small businesses for 2008.
- Sec. 113. Carryback of certain net operating losses allowed for 5 years; temporary suspension of 90 percent AMT limit.

Subtitle C—Extensions of Energy Provisions

- Sec. 121. Extension of credit for energy efficient appliances.
- Sec. 122. Extension of credit for nonbusiness energy property.
- Sec. 123. Suspension of taxable income limit with respect to marginal wells.
- Sec. 124. Extension of credit for residential energy efficient property.
- Sec. 125. Extension of renewable electricity and refined coal production credit.
- Sec. 126. Extension of new energy efficient home credit.
- Sec. 127. Extension of energy credit.
- Sec. 128. Extension and modification of credit for clean renewable energy bonds.
- Sec. 129. Extension of energy efficient commercial buildings deduction.
- Sec. 130. Special rules for refund of the coal excise tax to certain coal producers and exporters.

Subtitle D—Provisions Relating to Housing Bonds

- Sec. 131. Modifications on use of qualified mortgage bonds; temporary increased volume cap for certain housing bonds.

TITLE II—HOUSING GSE AND FHA LOAN LIMITS

- Sec. 201. Temporary conforming loan limit increase for Fannie Mae and Freddie Mac.
- Sec. 202. Temporary loan limit increase for FHA.

TITLE III—TEMPORARY EXTENDED UNEMPLOYMENT
COMPENSATION

- Sec. 301. Federal-State agreements.
- Sec. 302. Temporary extended unemployment compensation account.
- Sec. 303. Payments to States having agreements for the payment of temporary extended unemployment compensation.
- Sec. 304. Financing provisions.
- Sec. 305. Fraud and overpayments.
- Sec. 306. Definitions.
- Sec. 307. Applicability.

TITLE IV—LOW-INCOME HOME ENERGY ASSISTANCE

- Sec. 401. Low-income home energy assistance program.

TITLE V—EMERGENCY DESIGNATION OF APPROPRIATED
AMOUNTS

- Sec. 501. Emergency designation.

1 **TITLE I—TAX RELIEF**
2 **Subtitle A—Rebates for Individuals**

3 **SEC. 101. ECONOMIC RECOVERY STIMULUS CREDIT AND**
4 **REBATE.**

5 (a) IN GENERAL.—Section 6428 of the Internal Rev-
6 enue Code of 1986 is amended to read as follows:

7 **“SEC. 6428. ECONOMIC STIMULUS CREDIT FOR 2008.**

8 “(a) IN GENERAL.—In the case of an eligible indi-
9 vidual who is a taxpayer who meets the requirements of
10 subsection (b), there shall be allowed as a credit against
11 the tax imposed by subtitle A for the first taxable year
12 beginning in 2008 an amount equal to the sum of—

13 “(1) \$500 (\$1,000 in the case of a joint re-
14 turn), plus

15 “(2) the product of \$300 multiplied by the
16 number of qualifying children (within the meaning of
17 section 24(c)) of the taxpayer.

18 “(b) REQUIREMENTS.—An eligible individual meets
19 the requirements of this subsection if the taxpayer—

20 “(1) has qualifying income of at least \$3,000,
21 or

22 “(2) has—

23 “(A) net income tax liability which is
24 greater than zero, and

1 “(B) gross income which is greater than
2 the sum of the basic standard deduction plus
3 the exemption amount (twice the exemption
4 amount in the case of a joint return).

5 “(c) TREATMENT OF CREDIT.—The credit allowed by
6 subsection (a) shall be treated as allowed by subpart C
7 of part IV of subchapter A of chapter 1.

8 “(d) LIMITATION BASED ON ADJUSTED GROSS IN-
9 COME.—The amount of the credit allowed by subsection
10 (a) (determined without regard to this subsection and sub-
11 section (f)) shall be reduced (but not below zero) by 5 per-
12 cent of so much of the taxpayer’s adjusted gross income
13 as exceeds \$150,000 (\$300,000 in the case of a joint re-
14 turn).

15 “(e) DEFINITIONS.—For purposes of this section—

16 “(1) QUALIFYING INCOME.—For purposes of
17 paragraph (1), the term ‘qualifying income’ means—

18 “(A) earned income,

19 “(B) social security benefits (within the
20 meaning of section 86(d)), and

21 “(C) any compensation or pension received
22 under chapter 11 or chapter 15 of title 38,
23 United States Code.

24 “(2) NET INCOME TAX LIABILITY.—The term
25 ‘net income tax liability’ means the excess of—

1 “(A) the sum of the taxpayer’s regular tax
2 liability (within the meaning of section 26(b))
3 and the tax imposed by section 55 for the tax-
4 able year, over

5 “(B) the credits allowed by part IV (other
6 than section 24 and subpart C thereof) of sub-
7 chapter A of chapter 1.

8 “(3) ELIGIBLE INDIVIDUAL.—The term ‘eligible
9 individual’ means any individual other than—

10 “(A) any nonresident alien individual,

11 “(B) any individual with respect to whom
12 a deduction under section 151 is allowable to
13 another taxpayer for a taxable year beginning
14 in the calendar year in which the individual’s
15 taxable year begins,

16 “(C) an estate or trust, and

17 “(D) any individual who is a Senator or
18 Representative in, or Delegate or Resident
19 Commissioner to, Congress.

20 “(4) EARNED INCOME.—The term ‘earned in-
21 come’ has the meaning set forth in section 32(c)(2),
22 except that—

23 “(A) subclause (II) of subparagraph
24 (B)(vi) thereof shall be applied by substituting
25 ‘January 1, 2009’ for ‘January 1, 2008’, and

1 “(B) such term shall not include net earn-
2 ings from self-employment which are not taken
3 into account in computing taxable income.

4 “(5) BASIC STANDARD DEDUCTION; EXEMPTION
5 AMOUNT.—The terms ‘basic standard deduction’ and
6 ‘exemption amount’ shall have the same respective
7 meanings as when used in section 6012(a).

8 “(f) COORDINATION WITH ADVANCE REFUNDS OF
9 CREDIT.—

10 “(1) IN GENERAL.—The amount of credit
11 which would (but for this paragraph) be allowable
12 under this section shall be reduced (but not below
13 zero) by the aggregate refunds and credits made or
14 allowed to the taxpayer under subsection (g). Any
15 failure to so reduce the credit shall be treated as
16 arising out of a mathematical or clerical error and
17 assessed according to section 6213(b)(1).

18 “(2) JOINT RETURNS.—In the case of a refund
19 or credit made or allowed under subsection (g) with
20 respect to a joint return, half of such refund or cred-
21 it shall be treated as having been made or allowed
22 to each individual filing such return.

23 “(g) ADVANCE REFUNDS AND CREDITS.—

24 “(1) IN GENERAL.—Each individual who was
25 an eligible individual who was a taxpayer who met

1 the requirements of subsection (b) for such individ-
2 ual's first taxable year beginning in 2007 shall be
3 treated as having made a payment against the tax
4 imposed by chapter 1 for such first taxable year in
5 an amount equal to the advance refund amount for
6 such taxable year.

7 “(2) ADVANCE REFUND AMOUNT.—For pur-
8 poses of paragraph (1), the advance refund amount
9 is the amount that would have been allowed as a
10 credit under this section for such first taxable year
11 if this section (other than subsection (f) and this
12 subsection) had applied to such taxable year.

13 “(3) TIMING OF PAYMENTS.—The Secretary
14 shall, subject to the provisions of this title, refund
15 or credit any overpayment attributable to this sec-
16 tion as rapidly as possible. No refund or credit shall
17 be made or allowed under this subsection after De-
18 cember 31, 2008.

19 “(4) NO INTEREST.—No interest shall be al-
20 lowed on any overpayment attributable to this sec-
21 tion.

22 “(h) IDENTIFICATION NUMBER REQUIREMENT.—

23 “(1) IN GENERAL.—No credit shall be allowed
24 under subsection (a) to an eligible individual who

1 does not include on the return of tax for the taxable
2 year—

3 “(A) such individual’s valid identification
4 number,

5 “(B) in the case of a joint return, the valid
6 identification number of such individual’s
7 spouse, and

8 “(C) in the case of any qualifying child
9 taken into account under subsection (a)(2), the
10 valid identification number of such qualifying
11 child.

12 “(2) VALID IDENTIFICATION NUMBER.—For
13 purposes of paragraph (1), the term ‘valid identifica-
14 tion number’ means a social security number issued
15 to an individual by the Social Security Administra-
16 tion. Such term shall not include a TIN issued by
17 the Internal Revenue Service.

18 “(i) REFUNDS DISREGARDED IN THE ADMINISTRA-
19 TION OF FEDERAL PROGRAMS AND FEDERALLY AS-
20 SISTED PROGRAMS.—Any payment considered to have
21 been made to any individual by reason of this section shall
22 not be taken into account as income and shall not be taken
23 into account as resources for the month of the receipt and
24 the following 2 months, for purposes of determining the
25 eligibility of such individual or any other individual for

1 benefits or assistance, or the amount or extent of benefits
2 or assistance, under any Federal program or under any
3 State or local program financed in whole or in part with
4 Federal funds.”.

5 (b) TREATMENT OF POSSESSIONS.—

6 (1) MIRROR CODE POSSESSION.—The Secretary
7 of the Treasury shall make a payment to each pos-
8 session of the United States with a mirror code tax
9 system in an amount equal to the loss to that pos-
10 session by reason of the amendments made by this
11 section. Such amount shall be determined by the
12 Secretary of the Treasury based on information pro-
13 vided by the government of the respective possession.

14 (2) OTHER POSSESSIONS.—The Secretary of
15 the Treasury shall make a payment to each posses-
16 sion of the United States which does not have a mir-
17 ror code tax system in an amount estimated by the
18 Secretary of the Treasury as being equal to the ag-
19 gregate benefits that would have been provided to
20 residents of such possession by reason of the amend-
21 ments made by this section if a mirror code tax sys-
22 tem had been in effect in such possession. The pre-
23 ceding sentence shall not apply with respect to any
24 possession of the United States unless such posses-
25 sion has a plan, which has been approved by the

1 Secretary of the Treasury, under which such posses-
2 sion will promptly distribute such payment to the
3 residents of such possession.

4 (3) DEFINITIONS AND SPECIAL RULES.—

5 (A) POSSESSION OF THE UNITED
6 STATES.—For purposes of this subsection, the
7 term “possession of the United States” includes
8 the Commonwealth of Puerto Rico and the
9 Commonwealth of the Northern Mariana Is-
10 lands.

11 (B) MIRROR CODE TAX SYSTEM.—For pur-
12 poses of this subsection, the term “mirror code
13 tax system” means, with respect to any posses-
14 sion of the United States, the income tax sys-
15 tem of such possession if the income tax liabil-
16 ity of the residents of such possession under
17 such system is determined by reference to the
18 income tax laws of the United States as if such
19 possession were the United States.

20 (C) TREATMENT OF PAYMENTS.—For pur-
21 poses of section 1324(b)(2) of title 31, United
22 States Code, the payments under this sub-
23 section shall be treated in the same manner as
24 a refund due from the credit allowed under sec-

1 tion 6428 of the Internal Revenue Code of 1986
2 (as added by this section).

3 (c) ADMINISTRATIVE AMENDMENTS.—

4 (1) DEFINITION OF DEFICIENCY.—Section
5 6211(d)(4)(A) of the Internal Revenue Code of 1986
6 is amended by striking “and 53(e)” and inserting
7 “53(e), and 6428”.

8 (2) MATHEMATICAL OR CLERICAL ERROR AU-
9 THORITY.—Section 6213(g)(2)(L) of such Code is
10 amended by striking “or 32” and inserting “32, or
11 6428”.

12 (d) APPROPRIATIONS TO CARRY OUT RECOVERY RE-
13 BATES.—

14 (1) IN GENERAL.—Immediately upon the enact-
15 ment of this Act, the following sums are appro-
16 priated, out of any money in the Treasury not other-
17 wise appropriated, for the fiscal year ending Sep-
18 tember 30, 2008:

19 (A) For an additional amount for “Depart-
20 ment of the Treasury—Financial Management
21 Service—Salaries and Expenses”, \$64,175,000,
22 to remain available until September 30, 2009.

23 (B) For an additional amount for “Depart-
24 ment of the Treasury—Internal Revenue Serv-

1 ice—Taxpayer Services”, \$50,720,000, to re-
2 main available until September 30, 2009.

3 (C) For an additional amount for “Depart-
4 ment of the Treasury—Internal Revenue Serv-
5 ice—Operations Support”, \$151,415,000, to re-
6 main available until September 30, 2009.

7 (2) REPORTS.—No later than 15 days after en-
8 actment of this Act, the Secretary of the Treasury
9 shall submit a plan to the Committees on Appropria-
10 tions of the House of Representatives and the Sen-
11 ate detailing the expected use of the funds provided
12 by this subsection. Beginning 90 days after enact-
13 ment of this Act, the Secretary of the Treasury shall
14 submit a quarterly report to the Committees on Ap-
15 propriations of the House of Representatives and the
16 Senate detailing the actual expenditure of funds pro-
17 vided by this subsection and the expected expendi-
18 ture of such funds in the subsequent quarter.

19 (e) CONFORMING AMENDMENTS.—

20 (1) Paragraph (2) of section 1324(b) of title
21 31, United States Code, is amended by inserting “or
22 6428” after “section 35”.

23 (2) Paragraph (1) of section 1(i) of the Internal
24 Revenue Code of 1986 is amended by striking sub-
25 paragraph (D).

1 (3) The item relating to section 6428 in the
2 table of sections for subchapter B of chapter 65 of
3 such Code is amended to read as follows:

“Sec. 6428. Economic stimulus credit for 2008.”.

4 **Subtitle B—Incentives for**
5 **Businesses**

6 **SEC. 111. TEMPORARY BONUS DEPRECIATION ALLOWANCE**
7 **FOR CERTAIN PROPERTY.**

8 (a) IN GENERAL.—Subsection (k) of section 168 of
9 the Internal Revenue Code of 1986 is amended to read
10 as follows:

11 “(k) SPECIAL ALLOWANCE FOR CERTAIN PROP-
12 PERTY.—

13 “(1) ADDITIONAL ALLOWANCE.—

14 “(A) IN GENERAL.—In the case of any
15 qualified property placed in service by an eligi-
16 ble taxpayer—

17 “(i) the depreciation deduction pro-
18 vided by section 167(a) for each applicable
19 taxable year shall include an allowance
20 equal to 25 percent of the adjusted basis
21 of the qualified property, and

22 “(ii) the adjusted basis of the quali-
23 fied property shall be reduced by the
24 amount of such deduction before com-
25 puting the amount otherwise allowable as a

1 depreciation deduction under this chapter
2 for such taxable year and any subsequent
3 taxable year.

4 “(B) ELIGIBLE TAXPAYER.—

5 “(i) IN GENERAL.—At such time and
6 in such manner as the Secretary shall pre-
7 scribe, each taxpayer may elect to be an el-
8 igible taxpayer with respect to 1 (and only
9 1) of the following:

10 “(I) This subsection.

11 “(II) The application of section
12 56(d)(1)(A)(ii)(I) and section
13 172(b)(1)(H)(ii) in connection with
14 net operating losses relating to tax-
15 able years beginning or ending during
16 2006, 2007, and 2008.

17 “(III) Section 179(b)(7).

18 “(ii) ELIGIBLE TAXPAYER.—For pur-
19 poses of each of the provisions described in
20 clause (i), a taxpayer shall only be treated
21 as an eligible taxpayer with respect to the
22 provision with respect to which the tax-
23 payer made the election under clause (i).

24 “(iii) ELECTION IRREVOCABLE.—An
25 election under clause (i) may not be re-

1 voked except with the consent of the Sec-
2 retary.

3 “(C) APPLICABLE TAXABLE YEAR.—For
4 purposes of subparagraph (A), the term ‘appli-
5 cable taxable year’ means, with respect to any
6 qualified property—

7 “(i) the first taxable year in which
8 such property is placed in service, and

9 “(ii) the next succeeding taxable year.

10 “(2) QUALIFIED PROPERTY.—For purposes of
11 this subsection—

12 “(A) IN GENERAL.—The term ‘qualified
13 property’ means property—

14 “(i)(I) to which this section applies
15 which has a recovery period of 20 years or
16 less,

17 “(II) which is computer software (as
18 defined in section 167(f)(1)(B)) for which
19 a deduction is allowable under section
20 167(a) without regard to this subsection,

21 “(III) which is water utility property,
22 or

23 “(IV) which is qualified leasehold im-
24 provement property,

1 “(ii) the original use of which com-
2 mences with the taxpayer on or after the
3 starting date,

4 “(iii) which is—

5 “(I) acquired by the taxpayer on
6 or after the starting date and before
7 the ending date, but only if no written
8 binding contract for the acquisition
9 was in effect before the starting date,
10 or

11 “(II) acquired by the taxpayer
12 pursuant to a written binding contract
13 which was entered into on or after the
14 starting date and before the ending
15 date, and

16 “(iv) which is placed in service by the
17 taxpayer before the ending date, or, in the
18 case of property described in subparagraph
19 (B) or (C), before the date that is 1 year
20 after the ending date.

21 “(B) CERTAIN PROPERTY HAVING LONGER
22 PRODUCTION PERIODS TREATED AS QUALIFIED
23 PROPERTY.—

1 “(iii) TRANSPORTATION PROPERTY.—

2 For purposes of this subparagraph, the
3 term ‘transportation property’ means tan-
4 gible personal property used in the trade
5 or business of transporting persons or
6 property.

7 “(iv) APPLICATION OF SUBPARA-
8 GRAPH.—This subparagraph shall not
9 apply to any property which is described in
10 subparagraph (C).

11 “(C) CERTAIN AIRCRAFT.—The term
12 ‘qualified property’ includes property—

13 “(i) which meets the requirements of
14 clauses (ii), (iii), and (iv) of subparagraph
15 (A),

16 “(ii) which is an aircraft which is not
17 a transportation property (as defined in
18 subparagraph (B)(iii)) other than for agri-
19 cultural or firefighting purposes,

20 “(iii) which is purchased and on which
21 such purchaser, at the time of the contract
22 for purchase, has made a nonrefundable
23 deposit of the lesser of—

24 “(I) 10 percent of the cost, or

25 “(II) \$100,000, and

1 “(iv) which has—

2 “(I) an estimated production pe-
3 riod exceeding 4 months, and

4 “(II) a cost exceeding \$200,000.

5 “(3) EXCEPTIONS.—

6 “(A) ALTERNATIVE DEPRECIATION PROP-
7 ERTY.—This subsection shall not apply to any
8 property to which the alternative depreciation
9 system under subsection (g) applies, deter-
10 mined—

11 “(i) without regard to paragraph (7)
12 of subsection (g) (relating to election to
13 have system apply), and

14 “(ii) after application of section
15 280F(b) (relating to listed property with
16 limited business use).

17 “(B) ELECTION OUT.—If a taxpayer
18 makes an election under this subparagraph with
19 respect to any class of property for any taxable
20 year, this subsection shall not apply to all prop-
21 erty in such class placed in service during such
22 taxable year.

23 “(4) SPECIAL RULES.—

24 “(A) SELF-CONSTRUCTED PROPERTY.—In
25 the case of a taxpayer manufacturing, con-

1 structing, or producing property for the tax-
2 payer’s own use, the requirements of paragraph
3 (2)(A)(iii) shall be treated as met if the tax-
4 payer begins manufacturing, constructing, or
5 producing the property on or after the starting
6 date and before the ending date.

7 “(B) SALE-LEASEBACKS.—For purposes of
8 subparagraph (C) and paragraph (2)(A)(ii), if
9 property is—

10 “(i) originally placed in service on or
11 after the starting date by a person, and

12 “(ii) sold and leased back by such per-
13 son within 3 months after the date such
14 property was originally placed in service,
15 such property shall be treated as originally
16 placed in service not earlier than the date on
17 which such property is used under the leaseback
18 referred to in clause (ii).

19 “(C) SYNDICATION.—For purposes of
20 paragraph (2)(A)(ii), if—

21 “(i) property is originally placed in
22 service on or after the starting date by the
23 lessor of such property,

24 “(ii) such property is sold by such les-
25 sor or any subsequent purchaser within 3

1 months after the date such property was
2 originally placed in service (or, in the case
3 of multiple units of property subject to the
4 same lease, within 3 months after the date
5 the final unit is placed in service, so long
6 as the period between the time the first
7 unit is placed in service and the time the
8 last unit is placed in service does not ex-
9 ceed 12 months), and

10 “(iii) the user of such property after
11 the last sale during such 3-month period
12 remains the same as when such property
13 was originally placed in service,

14 such property shall be treated as originally
15 placed in service not earlier than the date of
16 such last sale.

17 “(D) LIMITATIONS RELATED TO USERS
18 AND RELATED PARTIES.—This subsection shall
19 not apply to any property if—

20 “(i) the user of such property (as of
21 the date on which such property is origi-
22 nally placed in service) or a person which
23 is related (within the meaning of section
24 267(b) or 707(b)) to such user or to the
25 taxpayer had a written binding contract in

1 effect for the acquisition of such property
2 at any time before the starting date, or

3 “(ii) in the case of property manufac-
4 tured, constructed, or produced for such
5 user’s or person’s own use, the manufac-
6 ture, construction, or production of such
7 property began at any time before the
8 starting date.

9 “(5) COORDINATION WITH SECTION 280F.—For
10 purposes of section 280F—

11 “(A) AUTOMOBILES.—In the case of a pas-
12 senger automobile (as defined in section
13 280F(d)(5)) which is qualified property, the
14 Secretary shall increase the limitations under
15 clauses (i) and (ii) of section 280F(a)(1)(A) by
16 \$3,825.

17 “(B) LISTED PROPERTY.—The deduction
18 allowable under paragraph (1) shall be taken
19 into account in computing any recapture
20 amount under section 280F(b)(2).

21 “(6) DEDUCTION ALLOWED IN COMPUTING
22 MINIMUM TAX.—For purposes of determining alter-
23 native minimum taxable income under section 55,
24 the deduction under subsection (a) for qualified

1 property shall be determined under this section with-
2 out regard to any adjustment under section 56.

3 “(7) QUALIFIED LEASEHOLD IMPROVEMENT
4 PROPERTY.—For purposes of this subsection—

5 “(A) IN GENERAL.—The term ‘qualified
6 leasehold improvement property’ means any im-
7 provement to an interior portion of a building
8 which is nonresidential real property if—

9 “(i) such improvement is made under
10 or pursuant to a lease (as defined in sub-
11 section (h)(7))—

12 “(I) by the lessee (or any subles-
13 see) of such portion, or

14 “(II) by the lessor of such por-
15 tion,

16 “(ii) such portion is to be occupied ex-
17 clusively by the lessee (or any sublessee) of
18 such portion, and

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

22 “(B) CERTAIN IMPROVEMENTS NOT IN-
23 CLUDED.—Such term shall not include any im-
24 provement for which the expenditure is attrib-
25 utable to—

- 1 “(i) the enlargement of the building,
2 “(ii) any elevator or escalator,
3 “(iii) any structural component bene-
4 fitting a common area, and
5 “(iv) the internal structural frame-
6 work of the building.

7 “(C) DEFINITIONS AND SPECIAL RULES.—
8 For purposes of this paragraph—

9 “(i) COMMITMENT TO LEASE TREAT-
10 ED AS LEASE.—A commitment to enter
11 into a lease shall be treated as a lease, and
12 the parties to such commitment shall be
13 treated as lessor and lessee, respectively.

14 “(ii) RELATED PERSONS.—A lease be-
15 tween related persons shall not be consid-
16 ered a lease. For purposes of the preceding
17 sentence, the term ‘related persons’
18 means—

19 “(I) members of an affiliated
20 group (as defined in section 1504),
21 and

22 “(II) persons having a relation-
23 ship described in subsection (b) of
24 section 267; except that, for purposes
25 of this clause, the phrase ‘80 percent

1 or more’ shall be substituted for the
2 phrase ‘more than 50 percent’ each
3 place it appears in such subsection.

4 “(8) OTHER DEFINITIONS.—For purposes of
5 this subsection—

6 “(A) STARTING DATE.—The term ‘starting
7 date’ means January 30, 2008.

8 “(B) ENDING DATE.—The term ‘ending
9 date’ means December 31, 2008.”.

10 (b) COORDINATION WITH OTHER BONUS DEPRECIATION
11 PROVISIONS.—

12 (1) CELLULOSIC BIOMASS ETHANOL PLANT
13 PROPERTY.—Paragraph (4) of section 168(l) of the
14 Internal Revenue Code of 1986 is amended by redesignating
15 subparagraphs (A), (B), and (C) as sub-
16 subparagraphs (B), (C), and (D) and inserting before
17 subparagraph (B) (as so redesignated) the following
18 new subparagraph:

19 “(A) BONUS DEPRECIATION PROPERTY
20 UNDER SUBSECTION (k).—Such term shall not
21 include any property to which section 168(k)
22 applies.”.

23 (2) SPECIFIED GULF OPPORTUNITY ZONE EX-
24 TENSION PROPERTY.—Subparagraph (B) of section

1 1400N(d)(6) of such Code is amended by adding at
2 the end the following new flush sentence:

3 “Such term shall not include any property to
4 which section 168(k) applies.”.

5 (e) CONFORMING AMENDMENTS.—

6 (1) Section 168(e)(6) of the Internal Revenue
7 Code of 1986 is amended by striking “section
8 168(k)(3)” and inserting “section 168(k)(7)”.

9 (2) Section 168(l) of such Code is amended—

10 (A) in paragraph (4)(B), as redesignated
11 by subsection (b)(1), by striking
12 “168(k)(2)(D)(i)” and inserting
13 “169(k)(3)(A)”.

14 (B) by striking paragraph (5) and insert-
15 ing the following:

16 “(5) SPECIAL RULES.—For purposes of this
17 subsection, rules similar to the rules of paragraph
18 (4) of section 168(k) shall apply, except that in ap-
19 plying such paragraph—

20 “(A) the starting date shall be one day
21 after the date of the enactment of this sub-
22 section,

23 “(B) the ending date shall be January 1,
24 2013, and

1 “(C) ‘qualified cellulosic biomass ethanol
2 plant property’ shall be substituted for ‘quali-
3 fied property’ in clause (iv) thereof.”, and

4 (C) in paragraph (6), by striking
5 “168(k)(2)(G)” and inserting “168(k)(6)”.

6 (3) Section 1400L(b)(2) of such Code is
7 amended—

8 (A) in subparagraph (C)(ii), by striking
9 “168(k)(2)(D)(i)” and inserting
10 “168(k)(3)(A)”,

11 (B) in subparagraph (C)(iv), by striking
12 “168(k)(2)(D)(iii)” and inserting
13 “168(k)(3)(B)”, and

14 (C) in subparagraph (E), by striking
15 “168(k)(2)(G)” and inserting “168(k)(6)”.

16 (4) Section 1400L(c) of such Code is amend-
17 ed—

18 (A) in paragraph (2), by striking
19 “168(k)(3)” and inserting “168(k)(7)”, and

20 (B) in paragraph (5), by striking
21 “168(k)(2)(D)(iii)” and inserting
22 “168(k)(3)(B)”.

23 (5) Section 1400N(d) of such Code is amend-
24 ed—

1 (A) in paragraph (2)(B)(i), by striking
2 “168(k)(2)(D)(i)” and inserting
3 “168(k)(3)(A)”,

4 (B) by striking paragraph (3) and insert-
5 ing the following:

6 “(5) SPECIAL RULES.—For purposes of this
7 subsection, rules similar to the rules of paragraph
8 (4) of section 168(k) shall apply, except that in ap-
9 plying such paragraph—

10 “(A) the starting date shall be August 28,
11 2005,

12 “(B) the ending date shall be January 1,
13 2008, and

14 “(C) ‘qualified Gulf Opportunity Zone
15 property’ shall be substituted for ‘qualified
16 property’ in clause (iv) thereof.”, and

17 (C) in paragraph (4), by striking
18 “168(k)(2)(G)” and inserting “168(k)(6)”.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to property placed in service after
21 January 29, 2007, in taxable years ending after such date.

22 **SEC. 112. INCREASED EXPENSING FOR SMALL BUSINESSES**
23 **FOR 2008.**

24 (a) IN GENERAL.—Subsection (b) of section 179 of
25 the Internal Revenue Code of 1986 (relating to limita-

1 shall be applied by substituting ‘5’ for ‘2’
2 and subparagraph (F) shall not apply.

3 “(ii) TAXABLE YEARS BEGINNING OR
4 ENDING DURING 2006, 2007, AND 2008.—In
5 the case of a net operating loss with re-
6 spect to any eligible taxpayer (within the
7 meaning of section 168(k)(1)(B)) for any
8 taxable year beginning or ending during
9 2006, 2007, or 2008—

10 “(I) subparagraph (A)(i) shall be
11 applied by substituting ‘5’ for ‘2’,

12 “(II) subparagraph (E)(ii) shall
13 be applied by substituting ‘4’ for ‘2’,
14 and

15 “(III) subparagraph (F) shall not
16 apply.”.

17 (b) TEMPORARY SUSPENSION OF 90 PERCENT LIMIT
18 ON CERTAIN NOL CARRYBACKS AND CARRYOVERS.—

19 (1) IN GENERAL.—Section 56(d) of the of the
20 Internal Revenue Code of 1986 is amended by add-
21 ing at the end the following new paragraph:

22 “(3) ADDITIONAL ADJUSTMENTS.—For pur-
23 poses of paragraph (1)(A), in the case of an eligible
24 taxpayer (within the meaning of section
25 168(k)(1)(B)), the amount described in clause (I) of

1 paragraph (1)(A)(ii) shall be increased by the
2 amount of the net operating loss deduction allowable
3 for the taxable year under section 172 attributable
4 to the sum of—

5 “(A) carrybacks of net operating losses
6 from taxable years beginning or ending during
7 2006, 2007, and 2008, and

8 “(B) carryovers of net operating losses to
9 taxable years beginning or ending during 2006,
10 2007, or 2008.”.

11 (2) CONFORMING AMENDMENT.—Subclause (I)
12 of section 56(d)(1)(A)(i) of such Code is amended by
13 inserting “amount of such” before “deduction de-
14 scribed in clause (ii)(I)”.

15 (c) ANTI-ABUSE RULES.—The Secretary of Treasury
16 or the Secretary’s designee shall prescribe such rules as
17 are necessary to prevent the abuse of the purposes of the
18 amendments made by this section, including anti-stuffing
19 rules, anti-churning rules (including rules relating to sale-
20 leasebacks), and rules similar to the rules under section
21 1091 of the Internal Revenue Code of 1986 relating to
22 losses from wash sales.

23 (d) EFFECTIVE DATES.—

24 (1) SUBSECTION (a).—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), the amendments made by
3 subsection (a) shall apply to net operating
4 losses arising in taxable years beginning or end-
5 ing in 2006, 2007, or 2008.

6 (B) ELECTION.—In the case of an eligible
7 taxpayer (within the meaning of section
8 168(k)(1)(B) of the Internal Revenue Code of
9 1986) with a net operating loss for a taxable
10 year beginning or ending during 2006 or
11 2007—

12 (i) any election made under section
13 172(b)(3) of the Internal Revenue Code of
14 1986 may (notwithstanding such section)
15 be revoked before November 1, 2008, and

16 (ii) any election made under section
17 172(j) of such Code shall (notwithstanding
18 such section) be treated as timely made if
19 made before November 1, 2008.

20 (2) SUBSECTION (b).—The amendments made
21 by subsection (b) shall apply to taxable years ending
22 after December 31, 1995.

1 **Subtitle C—Extensions of Energy**
2 **Provisions**

3 **SEC. 121. EXTENSION OF CREDIT FOR ENERGY EFFICIENT**
4 **APPLIANCES.**

5 (a) IN GENERAL.—Subsection (b) of section 45M of
6 the Internal Revenue Code of 1986 (relating to applicable
7 amount) is amended by striking “calendar year 2006 or
8 2007” each place it appears in paragraphs (1)(A)(i),
9 (1)(B)(i), (1)(C)(ii)(I), and (1)(C)(iii)(I), and inserting
10 “calendar year 2006, 2007, 2008, or 2009”.

11 (b) RESTART OF CREDIT LIMITATION.—Paragraph
12 (1) of section 45M(e) of the Internal Revenue Code of
13 1986 (relating to aggregate credit amount allowed) is
14 amended by inserting “beginning after December 31,
15 2007” after “for all prior taxable years”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to appliances produced after De-
18 cember 31, 2007.

19 **SEC. 122. EXTENSION OF CREDIT FOR NONBUSINESS EN-**
20 **ERGY PROPERTY.**

21 (a) IN GENERAL.—Section 25C(g) of the Internal
22 Revenue Code of 1986 (relating to termination) is amend-
23 ed by striking “December 31, 2007” and inserting “De-
24 cember 31, 2009”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to property placed in service after
3 December 31, 2007.

4 **SEC. 123. SUSPENSION OF TAXABLE INCOME LIMIT WITH**
5 **RESPECT TO MARGINAL WELLS.**

6 (a) IN GENERAL.—Subparagraph (H) of section
7 613A(c)(6) of the Internal Revenue Code of 1986 (relating
8 to temporary suspension of taxable income limit with re-
9 spect to marginal production) is amended by striking
10 “January 1, 2008” and inserting “January 1, 2010”.

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

14 **SEC. 124. EXTENSION OF CREDIT FOR RESIDENTIAL EN-**
15 **ERGY EFFICIENT PROPERTY.**

16 Subsection (g) of section 25D of the Internal Rev-
17 enue Code of 1986 (relating to termination) is amended
18 by striking “December 31, 2008” and inserting “Decem-
19 ber 31, 2009”.

20 **SEC. 125. EXTENSION OF RENEWABLE ELECTRICITY AND**
21 **REFINED COAL PRODUCTION CREDIT.**

22 Section 45(d) of the Internal Revenue Code of 1986
23 (relating to qualified facilities) is amended by striking
24 “January 1, 2009” each place it appears in paragraphs

1 (1), (2), (3), (4), (5), (6), (7), (8), and (9) and inserting
2 “January 1, 2010”.

3 **SEC. 126. EXTENSION OF NEW ENERGY EFFICIENT HOME**
4 **CREDIT.**

5 Subsection (g) of section 45L of the Internal Revenue
6 Code of 1986 (relating to termination) is amended by
7 striking “December 31, 2008” and inserting “December
8 31, 2009”.

9 **SEC. 127. EXTENSION OF ENERGY CREDIT.**

10 (a) **SOLAR ENERGY PROPERTY.**—Paragraphs
11 (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) of the Internal
12 Revenue Code of 1986 (relating to energy credit) are each
13 amended by striking “January 1, 2009” and inserting
14 “January 1, 2010”.

15 (b) **FUEL CELL PROPERTY.**—Subparagraph (E) of
16 section 48(c)(1) of the Internal Revenue Code of 1986 (re-
17 lating to qualified fuel cell property) is amended by strik-
18 ing “December 31, 2008” and inserting “December 31,
19 2009”.

20 (c) **MICROTURBINE PROPERTY.**—Subparagraph (E)
21 of section 48(c)(2) of the Internal Revenue Code of 1986
22 (relating to qualified microturbine property) is amended
23 by striking “December 31, 2008” and inserting “Decem-
24 ber 31, 2009”.

1 **SEC. 128. EXTENSION AND MODIFICATION OF CREDIT FOR**
2 **CLEAN RENEWABLE ENERGY BONDS.**

3 (a) **EXTENSION.**—Section 54(m) of the Internal Rev-
4 enue Code of 1986 (relating to termination) is amended
5 by striking “December 31, 2008” and inserting “Decem-
6 ber 31, 2009”.

7 (b) **INCREASE IN NATIONAL LIMITATION.**—Section
8 54(f) of the Internal Revenue Code of 1986 (relating to
9 limitation on amount of bonds designated) is amended—

10 (1) by striking “\$1,200,000,000” in paragraph
11 (1) and inserting “\$1,600,000,000”, and

12 (2) by striking “\$750,000,000” in paragraph
13 (2) and inserting “\$1,000,000,000”.

14 (c) **MODIFICATION OF RATABLE PRINCIPAL AMORTI-**
15 **ZATION REQUIREMENT.**—

16 (1) **IN GENERAL.**—Paragraph (5) of section
17 54(l) is amended to read as follows:

18 “(5) **RATABLE PRINCIPAL AMORTIZATION RE-**
19 **QUIRED.**—A bond shall not be treated as a clean re-
20 newable energy bond unless it is part of an issue
21 which provides for an equal amount of principal to
22 be paid by the qualified issuer during each 12-month
23 period that the issue is outstanding (other than the
24 first 12-month period).”.

1 (2) TECHNICAL AMENDMENT.—The third sen-
2 tence of section 54(e)(2) is amended by striking
3 “subsection (l)(6)” and inserting “subsection (l)(5)”.

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

7 **SEC. 129. EXTENSION OF ENERGY EFFICIENT COMMERCIAL**
8 **BUILDINGS DEDUCTION.**

9 Section 179D(h) of the Internal Revenue Code of
10 1986 (relating to termination) is amended by striking
11 “December 31, 2008” and inserting “December 31,
12 2009”.

13 **SEC. 130. SPECIAL RULES FOR REFUND OF THE COAL EX-**
14 **CISE TAX TO CERTAIN COAL PRODUCERS**
15 **AND EXPORTERS.**

16 (a) REFUND.—

17 (1) COAL PRODUCERS.—

18 (A) IN GENERAL.—Notwithstanding sub-
19 sections (a)(1) and (c) of section 6416 and sec-
20 tion 6511 of the Internal Revenue Code of
21 1986, if—

22 (i) a coal producer establishes that
23 such coal producer, or a party related to
24 such coal producer, exported coal produced
25 by such coal producer to a foreign country

1 or shipped coal produced by such coal pro-
2 ducer to a possession of the United States,
3 or caused such coal to be exported or
4 shipped, the export or shipment of which
5 was other than through an exporter who
6 meets the requirements of paragraph (2),

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

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

16 then the Secretary shall pay to such coal pro-
17 ducer an amount equal to the tax paid under
18 section 4121 of such Code on such coal ex-
19 ported or shipped by the coal producer or a
20 party related to such coal producer, or caused
21 by the coal producer or a party related to such
22 coal producer to be exported or shipped.

23 (B) SPECIAL RULES FOR CERTAIN TAX-
24 PAYERS.—For purposes of this section—

1 (i) IN GENERAL.—If a coal producer
2 or a party related to a coal producer has
3 received a judgment described in clause
4 (iii) and has provided evidence as provided
5 under clause (iv), such coal producer shall
6 be deemed to have established the export
7 of coal to a foreign country or shipment of
8 coal to a possession of the United States
9 under subparagraph (A)(i).

10 (ii) AMOUNT OF PAYMENT.—If a tax-
11 payer described in clause (i) is entitled to
12 a payment under subparagraph (A), the
13 amount of such payment shall be reduced
14 by any amount paid pursuant to the judg-
15 ment described in clause (iii).

16 (iii) JUDGMENT DESCRIBED.—A judg-
17 ment is described in this subparagraph if
18 such judgment—

19 (I) is made by a court of com-
20 petent jurisdiction within the United
21 States,

22 (II) relates to the constitu-
23 tionality of any tax paid on exported
24 coal under section 4121 of the Inter-
25 nal Revenue Code of 1986, and

1 (III) is in favor of the coal pro-
2 ducer or the party related to the coal
3 producer.

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

9 (A) an exporter establishes that such ex-
10 porter exported coal to a foreign country or
11 shipped coal to a possession of the United
12 States, or caused such coal to be so exported or
13 shipped,

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

17 (C) such exporter files a claim for refund
18 with the Secretary not later than the close of
19 the 30-day period beginning on the date of the
20 enactment of this Act,

21 then the Secretary shall pay to such exporter an
22 amount equal to \$0.825 per ton of such coal ex-
23 ported by the exporter or caused to be exported or
24 shipped, or caused to be exported or shipped, by the
25 exporter.

1 (b) LIMITATIONS.—Subsection (a) shall not apply
2 with respect to exported coal if a settlement with the Fed-
3 eral Government has been made with and accepted by, the
4 coal producer, a party related to such coal producer, or
5 the exporter, of such coal, as of the date that the claim
6 is filed under this section with respect to such exported
7 coal. For purposes of this subsection, the term “settlement
8 with the Federal Government” shall not include any settle-
9 ment or stipulation entered into as of the date of the en-
10 actment of this Act, the terms of which contemplate a
11 judgment concerning which any party has reserved the
12 right to file an appeal, or has filed an appeal.

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

17 (d) DEFINITIONS.—For purposes of this section—

18 (1) COAL PRODUCER.—The term “coal pro-
19 ducer” means the person in whom is vested owner-
20 ship of the coal immediately after the coal is severed
21 from the ground, without regard to the existence of
22 any contractual arrangement for the sale or other
23 disposition of the coal or the payment of any royal-
24 ties between the producer and third parties. The
25 term includes any person who extracts coal from

1 coal waste refuse piles or from the silt waste product
2 which results from the wet washing (or similar proc-
3 essing) of coal.

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

10 (A) is indicated in the shipper’s export
11 declaration or other documentation as the ex-
12 porter of record, or

13 (B) actually exported such coal to a for-
14 eign country or shipped such coal to a posses-
15 sion of the United States, or caused such coal
16 to be so exported or shipped.

17 (3) RELATED PARTY.—The term “a party re-
18 lated to such coal producer” means a person who—

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

22 (B) is related (within the meaning of sec-
23 tion 144(a)(3) of such Code) to such coal pro-
24 ducer, or

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

5 (4) SECRETARY.—The term “Secretary” means
6 the Secretary of Treasury or the Secretary’s des-
7 ignee.

8 (e) TIMING OF REFUND.—With respect to any claim
9 for refund filed pursuant to this section, the Secretary
10 shall determine whether the requirements of this section
11 are met not later than 180 days after such claim is filed.
12 If the Secretary determines that the requirements of this
13 section are met, the claim for refund shall be paid not
14 later than 180 days after the Secretary makes such deter-
15 mination.

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

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

23 (1) in the case of a payment to a coal producer,
24 the amount of tax paid under section 4121 of the
25 Internal Revenue Code of 1986 with respect to such

1 coal by such coal producer or a party related to such
2 coal producer, and

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

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

11 (i) STANDING NOT CONFERRED.—

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

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

1 **Subtitle D—Provisions Relating to**
2 **Housing Bonds**

3 **SEC. 131. MODIFICATIONS ON USE OF QUALIFIED MORT-**
4 **GAGE BONDS; TEMPORARY INCREASED VOL-**
5 **UME CAP FOR CERTAIN HOUSING BONDS.**

6 (a) USE OF QUALIFIED MORTGAGE BONDS PRO-
7 CEEDS FOR SUBPRIME REFINANCING LOANS.—Section
8 143(k) of the Internal Revenue Code of 1986 (relating to
9 other definitions and special rules) is amended by adding
10 at the end the following new paragraph:

11 “(12) SPECIAL RULES FOR SUBPRIME
12 REFINANCINGS.—

13 “(A) IN GENERAL.—Notwithstanding the
14 requirements of subsection (i)(1), the proceeds
15 of a qualified mortgage issue may be used to re-
16 finance a mortgage on a residence which was
17 originally financed by the mortgagor through a
18 qualified subprime loan.

19 “(B) SPECIAL RULES.—In applying this
20 paragraph to any case in which the proceeds of
21 a qualified mortgage issue are used for any refi-
22 nancing described in subparagraph (A)—

23 “(i) subsection (a)(2)(D)(i) shall be
24 applied by substituting ‘12-month period’

1 for '42-month period' each place it ap-
2 pears,

3 “(ii) subsection (d) (relating to 3-year
4 requirement) shall not apply, and

5 “(iii) subsection (e) (relating to pur-
6 chase price requirement) shall be applied
7 by using the market value of the residence
8 at the time of refinancing in lieu of the ac-
9 quisition cost.

10 “(C) QUALIFIED SUBPRIME LOAN.—The
11 term ‘qualified subprime loan’ means an adjust-
12 able rate single-family residential mortgage loan
13 originated after December 31, 2001, and before
14 January 1, 2008, that the bond issuer deter-
15 mines would be reasonably likely to cause finan-
16 cial hardship to the borrower if not refinanced.

17 “(D) TERMINATION.—This paragraph
18 shall not apply to any bonds issued after De-
19 cember 31, 2010.”.

20 (b) INCREASED VOLUME CAP FOR CERTAIN
21 BONDS.—

22 (1) IN GENERAL.—Subsection (d) of section
23 146 of the Internal Revenue Code of 1986 is amend-
24 ed by adding at the end the following new para-
25 graph:

1 “(II) a qualified mortgage issue
2 (determined by substituting ‘12-month
3 period’ for ‘42-month period’ each
4 place it appears in section
5 143(a)(2)(D)(i)).”.

6 (2) CARRYFORWARD OF UNUSED LIMITA-
7 TIONS.—Subsection (f) of section 146 of such Code
8 is amended by adding at the end the following new
9 paragraph:

10 “(6) SPECIAL RULES FOR INCREASED VOLUME
11 CAP UNDER SUBSECTION (d)(5).—

12 “(A) IN GENERAL.—No amount which is
13 attributable to the increase under subsection
14 (d)(5) may be used—

15 “(i) for a carryforward purpose other
16 than a qualified purpose (as defined in
17 subsection (d)(5)), and

18 “(ii) to issue any bond after calendar
19 year 2010.

20 “(B) ORDERING RULES.—For purposes of
21 subparagraph (A), any carryforward of an
22 issuing authority’s volume cap for calendar year
23 2008 shall be treated as attributable to such in-
24 crease to the extent of such increase.”.

25 (c) ALTERNATIVE MINIMUM TAX.—

1 (1) IN GENERAL.—Clause (ii) of section
2 57(a)(5)(C) of the Internal Revenue Code of 1986 is
3 amended by striking “shall not include” and all that
4 follows and inserting “shall not include—

5 “(I) any qualified 501(c)(3) bond
6 (as defined in section 145), or

7 “(II) any qualified mortgage
8 bond (as defined in section 143(a)) or
9 qualified veterans’ mortgage bond (as
10 defined in section 143(b)) issued after
11 the date of the enactment of this sub-
12 clause and before January 1, 2011.”.

13 (2) CONFORMING AMENDMENT.—The heading
14 for section 57(a)(5)(C)(ii) is amended by striking
15 “QUALIFIED 501(c)(3) BONDS” and inserting “CER-
16 TAIN BONDS”.

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

1 **TITLE II—HOUSING GSE AND**
2 **FHA LOAN LIMITS**

3 **SEC. 201. TEMPORARY CONFORMING LOAN LIMIT IN-**
4 **CREASE FOR FANNIE MAE AND FREDDIE**
5 **MAC.**

6 (a) INCREASE OF HIGH COST AREAS LIMITS FOR
7 HOUSING GSEs.—For mortgages originated during the
8 period beginning on July 1, 2007, and ending at the end
9 of December 31, 2008:

10 (1) FANNIE MAE.—With respect to the Federal
11 National Mortgage Association, notwithstanding sec-
12 tion 302(b)(2) of the Federal National Mortgage As-
13 sociation Charter Act (12 U.S.C. 1717(b)(2)), the
14 limitation on the maximum original principal obliga-
15 tion of a mortgage that may be purchased by the
16 Association shall be the higher of—

17 (A) the limitation for 2008 determined
18 under such section 302(b)(2) for a residence of
19 the applicable size; or

20 (B) 125 percent of the area median price
21 for a residence of the applicable size, but in no
22 case to exceed 175 percent of the limitation for
23 2008 determined under such section 302(b)(2)
24 for a residence of the applicable size.

1 (2) FREDDIE MAC.—With respect to the Fed-
2 eral Home Loan Mortgage Corporation, notwith-
3 standing section 305(a)(2) of the Federal Home
4 Loan Mortgage Corporation Act (12 U.S.C.
5 1454(a)(2)), the limitation on the maximum original
6 principal obligation of a mortgage that may be pur-
7 chased by the Corporation shall be the higher of—

8 (A) the limitation determined for 2008
9 under such section 305(a)(2) for a residence of
10 the applicable size; or

11 (B) 125 percent of the area median price
12 for a residence of the applicable size, but in no
13 case to exceed 175 percent of the limitation de-
14 termined for 2008 under such section 305(a)(2)
15 for a residence of the applicable size.

16 (b) DETERMINATION OF LIMITS.—The areas and
17 area median prices used for purposes of the determina-
18 tions under subsection (a) shall be the areas and area me-
19 dian prices used by the Secretary of Housing and Urban
20 Development in determining the applicable limits under
21 section 202 of this title.

22 (c) RULE OF CONSTRUCTION.—A mortgage origi-
23 nated during the period referred to in subsection (a) that
24 is eligible for purchase by the Federal National Mortgage
25 Association or the Federal Home Loan Mortgage Corpora-

1 tion pursuant to this section shall be eligible for such pur-
2 chase for the duration of the term of the mortgage, not-
3 withstanding that such purchase occurs after the expira-
4 tion of such period.

5 (d) EFFECT ON HOUSING GOALS.—Notwithstanding
6 any other provision of law, mortgages purchased in ac-
7 cordance with the increased maximum original principal
8 obligation limitations determined pursuant to this section
9 shall not be considered in determining performance with
10 respect to any of the housing goals established under sec-
11 tion 1332, 1333, or 1334 of the Housing and Community
12 Development Act of 1992 (12 U.S.C. 4562–4), and shall
13 not be considered in determining compliance with such
14 goals pursuant to section 1336 of such Act (12 U.S.C.
15 4566) and regulations, orders, or guidelines issued there-
16 under.

17 (e) SENSE OF CONGRESS.—It is the sense of the Con-
18 gress that the securitization of mortgages by the Federal
19 National Mortgage Association and the Federal Home
20 Loan Mortgage Corporation plays an important role in
21 providing liquidity to the United States housing markets.
22 Therefore, the Congress encourages the Federal National
23 Mortgage Association and the Federal Home Loan Mort-
24 gage Corporation to securitize mortgages acquired under
25 the increased conforming loan limits established in this

1 section, to the extent that such securitizations can be ef-
2 fected in a timely and efficient manner that does not im-
3 pose additional costs for mortgages originated, purchased,
4 or securitized under the existing limits or interfere with
5 the goal of adding liquidity to the market.

6 **SEC. 202. TEMPORARY LOAN LIMIT INCREASE FOR FHA.**

7 (a) INCREASE OF HIGH-COST AREA LIMIT.—For
8 mortgages for which the mortgagee has issued credit ap-
9 proval for the borrower on or before December 31, 2008,
10 subparagraph (A) of section 203(b)(2) of the National
11 Housing Act (12 U.S.C. 1709(b)(2)(A)) shall be consid-
12 ered (except for purposes of section 255(g) of such Act
13 (12 U.S.C. 1715z–20(g))) to require that a mortgage shall
14 involve a principal obligation in an amount that does not
15 exceed the lesser of—

16 (1) in the case of a 1-family residence, 125 per-
17 cent of the median 1-family house price in the area,
18 as determined by the Secretary; and in the case of
19 a 2-, 3-, or 4-family residence, the percentage of
20 such median price that bears the same ratio to such
21 median price as the dollar amount limitation deter-
22 mined for 2008 under section 305(a)(2) of the Fed-
23 eral Home Loan Mortgage Corporation Act (12
24 U.S.C. 1454(a)(2)) for a 2-, 3-, or 4-family resi-
25 dence, respectively, bears to the dollar amount limi-

1 tation determined for 2008 under such section for a
2 1-family residence; or

3 (2) 175 percent of the dollar amount limitation
4 determined for 2008 under such section 305(a)(2)
5 for a residence of the applicable size (without regard
6 to any authority to increase such limitation with re-
7 spect to properties located in Alaska, Guam, Hawaii,
8 or the Virgin Islands);

9 except that the dollar amount limitation in effect under
10 this subsection for any size residence for any area shall
11 not be less than the greater of (A) the dollar amount limi-
12 tation in effect under such section 203(b)(2) for the area
13 on October 21, 1998; or (B) 65 percent of the dollar
14 amount limitation determined for 2008 under such section
15 305(a)(2) for a residence of the applicable size. Any ref-
16 erence in this subsection to dollar amount limitations in
17 effect under section 305 (a)(2) of the Federal Home Loan
18 Mortgage Corporation Act means such limitations as in
19 effect without regard to any increase in such limitation
20 pursuant to section 201 of this title.

21 (b) DISCRETIONARY AUTHORITY.—If the Secretary
22 of Housing and Urban Development determines that mar-
23 ket conditions warrant such an increase, the Secretary
24 may, for the period that begins upon the date of the enact-
25 ment of this Act and ends at the end of the date specified

1 in subsection (a), increase the maximum dollar amount
2 limitation determined pursuant to subsection (a) with re-
3 spect to any particular size or sizes of residences, or with
4 respect to residences located in any particular area or
5 areas, to an amount that does not exceed the maximum
6 dollar amount then otherwise in effect pursuant to sub-
7 section (a) for such size residence, or for such area (if
8 applicable), by not more than \$100,000.

9 (c) PUBLICATION OF AREA MEDIAN PRICES AND
10 LOAN LIMITS.—The Secretary of Housing and Urban De-
11 velopment shall publish the median house prices and mort-
12 gage principal obligation limits, as revised pursuant to this
13 section, for all areas as soon as practicable, but in no case
14 more than 30 days after the date of the enactment of this
15 Act. With respect to existing areas for which the Secretary
16 has not established area median prices before such date
17 of enactment, the Secretary may rely on existing commer-
18 cial data in determining area median prices and calcu-
19 lating such revised principal obligation limits.

20 **TITLE III—TEMPORARY EX-**
21 **TENDED UNEMPLOYMENT**
22 **COMPENSATION**

23 **SEC. 301. FEDERAL-STATE AGREEMENTS.**

24 (a) IN GENERAL.—Any State which desires to do so
25 may enter into and participate in an agreement under this

1 title with the Secretary of Labor (in this title referred to
2 as the “Secretary”). Any State which is a party to an
3 agreement under this title may, upon providing 30 days
4 written notice to the Secretary, terminate such agreement.

5 (b) PROVISIONS OF AGREEMENT.—Any agreement
6 under subsection (a) shall provide that the State agency
7 of the State will make payments of temporary extended
8 unemployment compensation to individuals who—

9 (1) have exhausted all rights to regular com-
10 pensation under the State law or under Federal law
11 with respect to a benefit year (excluding any benefit
12 year that ended before February 1, 2007);

13 (2) have no rights to regular compensation or
14 extended compensation with respect to a week under
15 such law or any other State unemployment com-
16 pensation law or to compensation under any other
17 Federal law; and

18 (3) are not receiving compensation with respect
19 to such week under the unemployment compensation
20 law of Canada.

21 (c) EXHAUSTION OF BENEFITS.—For purposes of
22 subsection (b)(1), an individual shall be deemed to have
23 exhausted such individual’s rights to regular compensation
24 under a State law when—

1 (1) no payments of regular compensation can
2 be made under such law because such individual has
3 received all regular compensation available to such
4 individual based on employment or wages during
5 such individual's base period; or

6 (2) such individual's rights to such compensa-
7 tion have been terminated by reason of the expira-
8 tion of the benefit year with respect to which such
9 rights existed.

10 (d) WEEKLY BENEFIT AMOUNT, ETC.—For purposes
11 of any agreement under this title—

12 (1) the amount of temporary extended unem-
13 ployment compensation which shall be payable to
14 any individual for any week of total unemployment
15 shall be equal to the amount of the regular com-
16 pensation (including dependents' allowances) payable
17 to such individual during such individual's benefit
18 year under the State law for a week of total unem-
19 ployment;

20 (2) the terms and conditions of the State law
21 which apply to claims for regular compensation and
22 to the payment thereof shall apply to claims for tem-
23 porary extended unemployment compensation and
24 the payment thereof, except—

1 (A) that an individual shall not be eligible
2 for temporary extended unemployment com-
3 pensation under this title unless, in the base pe-
4 riod with respect to which the individual ex-
5 hausted all rights to regular compensation
6 under the State law, the individual had 20
7 weeks of full-time insured employment or the
8 equivalent in insured wages, as determined
9 under the provisions of the State law imple-
10 menting section 202(a)(5) of the Federal-State
11 Extended Unemployment Compensation Act of
12 1970 (26 U.S.C. 3304 note); and

13 (B) where otherwise inconsistent with the
14 provisions of this title or with the regulations or
15 operating instructions of the Secretary promul-
16 gated to carry out this title; and

17 (3) the maximum amount of temporary ex-
18 tended unemployment compensation payable to any
19 individual for whom a temporary extended unem-
20 ployment compensation account is established under
21 section 302 shall not exceed the amount established
22 in such account for such individual.

23 (e) ELECTION BY STATES.—Notwithstanding any
24 other provision of Federal law (and if State law permits),
25 the Governor of a State that is in an extended benefit pe-

1 riod may provide for the payment of temporary extended
2 unemployment compensation in lieu of extended com-
3 pensation to individuals who otherwise meet the require-
4 ments of this section. Such an election shall not require
5 a State to trigger off an extended benefit period.

6 **SEC. 302. TEMPORARY EXTENDED UNEMPLOYMENT COM-**
7 **PENSATION ACCOUNT.**

8 (a) IN GENERAL.—Any agreement under this title
9 shall provide that the State will establish, for each eligible
10 individual who files an application for temporary extended
11 unemployment compensation, a temporary extended un-
12 employment compensation account with respect to such in-
13 dividual's benefit year.

14 (b) AMOUNT IN ACCOUNT.—

15 (1) IN GENERAL.—The amount established in
16 an account under subsection (a) shall be equal to the
17 lesser of—

18 (A) 50 percent of the total amount of reg-
19 ular compensation (including dependents' allow-
20 ances) payable to the individual during the indi-
21 vidual's benefit year under such law; or

22 (B) 13 times the individual's average week-
23 ly benefit amount for the benefit year.

24 (2) WEEKLY BENEFIT AMOUNT.—For purposes
25 of this subsection, an individual's weekly benefit

1 amount for any week is the amount of regular com-
2 pensation (including dependents' allowances) under
3 the State law payable to such individual for such
4 week for total unemployment.

5 (c) SPECIAL RULE.—

6 (1) IN GENERAL.—Notwithstanding any other
7 provision of this section, if, at the time that the indi-
8 vidual's account is exhausted, such individual's State
9 is in an extended benefit period (as determined
10 under paragraph (2)), then, such account shall be
11 augmented by an amount equal to the amount origi-
12 nally established in such account (as determined
13 under subsection (b)(1)).

14 (2) EXTENDED BENEFIT PERIOD.—For pur-
15 poses of paragraph (1), a State shall be considered
16 to be in an extended benefit period if, at the time
17 of exhaustion (as described in paragraph (1))—

18 (A) such a period is then in effect for such
19 State under the Federal-State Extended Unem-
20 ployment Compensation Act of 1970;

21 (B) such a period would then be in effect
22 for such State under such Act if section 203(d)
23 of such Act were applied as if it had been
24 amended by striking “5” each place it appears
25 and inserting “4”; or

1 (C) such a period would then be in effect
2 for such State under such Act if—

3 (i) section 203(f) of such Act was ap-
4 plied to such State (regardless of whether
5 the State by law had provided for such ap-
6 plication); and

7 (ii) such section 203(f) did not include
8 the requirement under paragraph
9 (1)(A)(ii).

10 **SEC. 303. PAYMENTS TO STATES HAVING AGREEMENTS FOR**
11 **THE PAYMENT OF TEMPORARY EXTENDED**
12 **UNEMPLOYMENT COMPENSATION.**

13 (a) GENERAL RULE.—There shall be paid to each
14 State which has entered into an agreement under this title
15 an amount equal to 100 percent of the temporary extended
16 unemployment compensation paid to individuals by the
17 State pursuant to such agreement.

18 (b) TREATMENT OF REIMBURSABLE COMPENSA-
19 TION.—No payment shall be made to any State under this
20 section in respect of any compensation to the extent the
21 State is entitled to reimbursement in respect of such com-
22 pensation under the provisions of any Federal law other
23 than this title or chapter 85 of title 5, United States Code.
24 A State shall not be entitled to any reimbursement under
25 such chapter 85 in respect of any compensation to the ex-

1 tent the State is entitled to reimbursement under this title
2 in respect of such compensation.

3 (c) DETERMINATION OF AMOUNT.—Sums payable to
4 any State by reason of such State having an agreement
5 under this title shall be payable, either in advance or by
6 way of reimbursement (as may be determined by the Sec-
7 retary), in such amounts as the Secretary estimates the
8 State will be entitled to receive under this title for each
9 calendar month, reduced or increased, as the case may be,
10 by any amount by which the Secretary finds that the Sec-
11 retary's estimates for any prior calendar month were
12 greater or less than the amounts which should have been
13 paid to the State. Such estimates may be made on the
14 basis of such statistical, sampling, or other method as may
15 be agreed upon by the Secretary and the State agency of
16 the State involved.

17 **SEC. 304. FINANCING PROVISIONS.**

18 (a) IN GENERAL.—Funds in the extended unemploy-
19 ment compensation account (as established by section
20 905(a) of the Social Security Act (42 U.S.C. 1105(a)))
21 of the Unemployment Trust Fund (as established by sec-
22 tion 904(a) of such Act (42 U.S.C. 1104(a))) shall be used
23 for the making of payments to States having agreements
24 entered into under this title.

1 (b) CERTIFICATION.—The Secretary shall from time
2 to time certify to the Secretary of the Treasury for pay-
3 ment to each State the sums payable to such State under
4 this title. The Secretary of the Treasury, prior to audit
5 or settlement by the Government Accountability Office,
6 shall make payments to the State in accordance with such
7 certification, by transfers from the extended unemploy-
8 ment compensation account (as so established) to the ac-
9 count of such State in the Unemployment Trust Fund (as
10 so established).

11 (c) ASSISTANCE TO STATES.—There are appro-
12 priated out of the employment security administration ac-
13 count (as established by section 901(a) of the Social Secu-
14 rity Act (42 U.S.C. 1101(a))) of the Unemployment Trust
15 Fund, without fiscal year limitation, such funds as may
16 be necessary for purposes of assisting States (as provided
17 in title III of the Social Security Act (42 U.S.C. 501 et
18 seq.)) in meeting the costs of administration of agree-
19 ments under this title.

20 (d) APPROPRIATIONS FOR CERTAIN PAYMENTS.—
21 There are appropriated from the general fund of the
22 Treasury, without fiscal year limitation, to the extended
23 unemployment compensation account (as so established)
24 of the Unemployment Trust Fund (as so established) such

1 sums as the Secretary estimates to be necessary to make
2 the payments under this section in respect of—

3 (1) compensation payable under chapter 85 of
4 title 5, United States Code; and

5 (2) compensation payable on the basis of serv-
6 ices to which section 3309(a)(1) of the Internal Rev-
7 enue Code of 1986 applies.

8 Amounts appropriated pursuant to the preceding sentence
9 shall not be required to be repaid.

10 **SEC. 305. FRAUD AND OVERPAYMENTS.**

11 (a) IN GENERAL.—If an individual knowingly has
12 made, or caused to be made by another, a false statement
13 or representation of a material fact, or knowingly has
14 failed, or caused another to fail, to disclose a material fact,
15 and as a result of such false statement or representation
16 or of such nondisclosure such individual has received an
17 amount of temporary extended unemployment compensa-
18 tion under this title to which the individual was not enti-
19 tled, such individual—

20 (1) shall be ineligible for further temporary ex-
21 tended unemployment compensation under this title
22 in accordance with the provisions of the applicable
23 State unemployment compensation law relating to
24 fraud in connection with a claim for unemployment
25 compensation; and

1 (2) shall be subject to prosecution under section
2 1001 of title 18, United States Code.

3 (b) REPAYMENT.—In the case of individuals who
4 have received amounts of temporary extended unemploy-
5 ment compensation under this title to which they were not
6 entitled, the State shall require such individuals to repay
7 the amounts of such temporary extended unemployment
8 compensation to the State agency, except that the State
9 agency may waive such repayment if it determines that—

10 (1) the payment of such temporary extended
11 unemployment compensation was without fault on
12 the part of any such individual; and

13 (2) such repayment would be contrary to equity
14 and good conscience.

15 (c) RECOVERY BY STATE AGENCY.—

16 (1) IN GENERAL.—The State agency may re-
17 cover the amount to be repaid, or any part thereof,
18 by deductions from any temporary extended unem-
19 ployment compensation payable to such individual
20 under this title or from any unemployment com-
21 pensation payable to such individual under any State
22 or Federal unemployment compensation law admin-
23 istered by the State agency or under any other State
24 or Federal law administered by the State agency
25 which provides for the payment of any assistance or

1 allowance with respect to any week of unemploy-
2 ment, during the 3-year period after the date such
3 individuals received the payment of the temporary
4 extended unemployment compensation to which they
5 were not entitled, except that no single deduction
6 may exceed 50 percent of the weekly benefit amount
7 from which such deduction is made.

8 (2) OPPORTUNITY FOR HEARING.—No repay-
9 ment shall be required, and no deduction shall be
10 made, until a determination has been made, notice
11 thereof and an opportunity for a fair hearing has
12 been given to the individual, and the determination
13 has become final.

14 (d) REVIEW.—Any determination by a State agency
15 under this section shall be subject to review in the same
16 manner and to the same extent as determinations under
17 the State unemployment compensation law, and only in
18 that manner and to that extent.

19 **SEC. 306. DEFINITIONS.**

20 In this title, the terms “compensation”, “regular
21 compensation”, “extended compensation”, “benefit year”,
22 “base period”, “State”, “State agency”, “State law”, and
23 “week” have the respective meanings given such terms
24 under section 205 of the Federal-State Extended Unem-

1 ployment Compensation Act of 1970 (26 U.S.C. 3304
2 note).

3 **SEC. 307. APPLICABILITY.**

4 (a) IN GENERAL.—Except as provided in subsection
5 (b), an agreement entered into under this title shall apply
6 to weeks of unemployment—

7 (1) beginning after the date on which such
8 agreement is entered into; and

9 (2) ending on or before December 31, 2008.

10 (b) TRANSITION FOR AMOUNT REMAINING IN AC-
11 COUNT.—

12 (1) IN GENERAL.—Subject to paragraphs (2)
13 and (3), in the case of an individual who has
14 amounts remaining in an account established under
15 section 302 as of December 31, 2008, temporary ex-
16 tended unemployment compensation shall continue
17 to be payable to such individual from such amounts
18 for any week beginning after such date for which the
19 individual meets the eligibility requirements of this
20 title.

21 (2) NO AUGMENTATION AFTER DECEMBER 31,
22 2008.—If the account of an individual is exhausted
23 after December 31, 2008, then section 302(c) shall
24 not apply and such account shall not be augmented
25 under such section, regardless of whether such indi-

1 vidual's State is in an extended benefit period (as
2 determined under paragraph (2) of such section).

3 (3) LIMITATION.—No compensation shall be
4 payable by reason of paragraph (1) for any week be-
5 ginning after March 31, 2009.

6 **TITLE IV—LOW-INCOME HOME**
7 **ENERGY ASSISTANCE**

8 **SEC. 401. LOW-INCOME HOME ENERGY ASSISTANCE PRO-**
9 **GRAM.**

10 (a) IN GENERAL.—In addition to amounts otherwise
11 made available for fiscal year 2008, there are appro-
12 priated, out of any money in the Treasury not otherwise
13 appropriated—

14 (1) \$500,000,000 for fiscal year 2008, for mak-
15 ing payments under subsections (a) through (d) of
16 section 2604 of the Low-Income Home Energy As-
17 sistance Act of 1981 (42 U.S.C. 8623); and

18 (2) \$500,000,000 for fiscal year 2008, for mak-
19 ing allotments under section 2604(a) of the Low-In-
20 come Home Energy Assistance Act of 1981 (42
21 U.S.C. 8623(a)) that are made in such a manner as
22 to ensure that each State's allotment percentage is
23 the percentage the State would receive of funds al-
24 lotted under such section 2604(a) if the total
25 amount appropriated for fiscal year 2008 and avail-

1 able to carry out such section 2604(a) had been less
2 than \$1,975,000,000.

3 (b) **RELEASE OF FUNDS.**—Funds appropriated under
4 subsection (a)(2), and funds appropriated (but not obli-
5 gated) prior to the date of enactment of this Act for mak-
6 ing payments under section 2604(e) of such Act (42
7 U.S.C. 8623(e)), shall be released to States not later than
8 30 days after the date of enactment of this Act.

9 **TITLE V—EMERGENCY**
10 **DESIGNATION**

11 **SEC. 501. EMERGENCY DESIGNATION.**

12 For purposes of Senate enforcement, all provisions of
13 this Act are designated as emergency requirements and
14 necessary to meet emergency needs pursuant to section
15 204 of S. Con. Res. 21 (110th Congress), the concurrent
16 resolution on the budget for fiscal year 2008.