

**MOTION TO RECOMMIT WITH INSTRUCTIONS
OFFERED BY MR. MCNERNEY OF CALIFORNIA**

Mr. McNerney of California moves to recommit the bill H.R. 4 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Add at the end of the bill the following new sections:

1 **SEC. 5. NONREFUNDABLE PERSONAL CREDIT FOR TAX-**
2 **PAYERS SUBJECT TO A TAX INCREASE**
3 **UNDER THE SMALL BUSINESS PAPERWORK**
4 **MANDATE ELIMINATION ACT OF 2011.**

5 (a) IN GENERAL.—Subpart A of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 is amended by inserting after section 25D the fol-
8 lowing new section:

9 **“SEC. 25E. CREDIT FOR TAXPAYERS SUBJECT TO A TAX IN-**
10 **CREASE UNDER THE SMALL BUSINESS PA-**
11 **PERWORK MANDATE ELIMINATION ACT OF**
12 **2011.**

13 “(a) IN GENERAL.—In the case of an individual,
14 there shall be allowed as a credit against the tax imposed

1 by this chapter for the taxable year an amount equal to
2 the excess (if any) of—

3 “(1) the regular tax liability of the taxpayer for
4 the taxable year, over

5 “(2) the regular tax liability of the taxpayer for
6 the taxable year, determined by applying section
7 36B(f)(2) (as in effect on the day before the date of
8 the enactment of this section) in lieu of section
9 36B(f)(2) (as in effect on the day after the date of
10 the enactment of this section).

11 “(b) CARRYFORWARD OF UNUSED CREDIT.—

12 “(1) RULE FOR YEARS IN WHICH ALL PER-
13 SONAL CREDITS ALLOWED AGAINST REGULAR AND
14 ALTERNATIVE MINIMUM TAX.—In the case of a tax-
15 able year to which section 26(a)(2) applies, if the
16 credit allowable under subsection (a) exceeds the
17 limitation imposed by section 26(a)(2) for such tax-
18 able year reduced by the sum of the credits allowable
19 under this subpart (other than this section), such
20 excess shall be carried to the succeeding taxable year
21 and added to the credit allowable under subsection
22 (a) for such succeeding taxable year.

23 “(2) RULE FOR OTHER YEARS.—In the case of
24 a taxable year to which section 26(a)(2) does not
25 apply, if the credit allowable under subsection (a)

1 exceeds the limitation imposed by section 26(a)(1)
2 for such taxable year reduced by the sum of the
3 credits allowable under this subpart (other than this
4 section), such excess shall be carried to the suc-
5 ceeding taxable year and added to the credit allow-
6 able under subsection (a) for such succeeding tax-
7 able year.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 24(b)(3)(B) of such Code is amend-
10 ed by inserting “25E,” after “25D,”.

11 (2) Section 25(e)(1)(C) of such Code is amend-
12 ed by inserting “25E,” after “25D,” both places it
13 appears.

14 (3) Section 25A(i)(5)(B) of such Code is
15 amended by inserting “25E,” after “25D,”.

16 (4) Section 25B(g)(2) of such Code is amended
17 by inserting “25E,” after “25D,”.

18 (5) Sections 25D(c)(1)(B) and 25D(c)(2)(A) of
19 such Code are both amended by inserting “and sec-
20 tion 25E” after “this section”.

21 (6) Section 26(a)(1) of such Code is amended
22 by inserting “25E,” after “25D,”.

23 (7) Section 30(c)(2)(B)(ii) of such Code is
24 amended by inserting “25E,” after “25D,”.

1 (8) Section 30B(g)(2)(B)(ii) of such Code is
2 amended by inserting “25E,” after “25D,”.

3 (9) Section 30D(c)(2)(B)(ii) of such Code is
4 amended by striking “sections 23 and 25D” and in-
5 serting “sections 23, 25D, and 25E”.

6 (10) Section 1400C(d) of such Code is amended
7 by inserting “25E,” after “25D,” both places it ap-
8 pears.

9 (c) CLERICAL AMENDMENT.—The table of sections
10 for subpart A of part IV of subchapter A of chapter 1
11 of such Code is amended by inserting after the item relat-
12 ing to section 25D the following new item:

“Sec. 25E. Credit for taxpayers subject to a tax increase under the Small Busi-
ness Paperwork Mandate Elimination Act of 2011.”.

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2013.

16 **SEC. 6. INCOME ATTRIBUTABLE TO DOMESTIC PRODUC-**
17 **TION ACTIVITIES.**

18 (a) IN GENERAL.—Subparagraph (B) of section
19 199(c)(4) of the Internal Revenue Code of 1986 is amend-
20 ed by striking “and” at the end of clause (ii), by striking
21 the period at the end of clause (iii) and inserting “, and”,
22 and by inserting after clause (iii) the following new clause:

23 “(iv) in the case of a major integrated
24 oil company (as defined in section

1 167(h)(5)), the production, refining, proc-
2 essing, transportation, or distribution of
3 oil, gas, or any primary product thereof.”.

4 (b) **EFFECTIVE DATE.**—The amendment made by
5 subsection (a) shall apply to taxable years beginning after
6 December 31, 2014.

7 **SEC. 7. MAJOR INTEGRATED OIL COMPANIES INELIGIBLE**
8 **FOR LAST-IN, FIRST-OUT METHOD OF INVEN-**
9 **TORY.**

10 (a) **IN GENERAL.**—Section 471 of the Internal Rev-
11 enue Code of 1986 is amended by redesignating subsection
12 (c) as subsection (d) and by inserting after subsection (b)
13 the following new subsection:

14 “(c) **MAJOR INTEGRATED OIL COMPANIES INELI-**
15 **GIBLE FOR LAST-IN, FIRST-OUT METHOD.**—In the case
16 of a major integrated oil company (as defined in section
17 167(h)(5)(B))—

18 “(1) the last-in, first-out method of determining
19 inventories shall in no event be treated as clearly re-
20 flecting income, and

21 “(2) sections 472 and 473 shall not apply.”.

22 (b) **EFFECTIVE DATE.**—

23 (1) **IN GENERAL.**—The amendments made by
24 this section shall apply to taxable years beginning
25 after December 31, 2014.

1 (2) CHANGE IN METHOD OF ACCOUNTING.—In
2 the case of any taxpayer required by the amend-
3 ments made by this section to change its method of
4 accounting for its first taxable year beginning after
5 December 31, 2014—

6 (A) such change shall be treated as initi-
7 ated by the taxpayer,

8 (B) such change shall be treated as made
9 with the consent of the Secretary of the Treas-
10 ury, and

11 (C) if the net amount of the adjustments
12 required to be taken into account by the tax-
13 payer under section 481 of the Internal Rev-
14 enue Code of 1986 is positive, such amount
15 shall be taken into account over a period of 8
16 years beginning with such first taxable year.

