

**AMENDMENT TO H.R. 2217, AS REPORTED
OFFERED BY MR. VAN HOLLEN OF MARYLAND
AND MS. KAPTUR OF OHIO**

At the end of the bill (before the short title), insert the following:

1 **TITLE VI—BUDGET PROCESS AMENDMENTS**

2 **REPEAL THE 2013 AND 2014 SEQUESTERS**

3 **SEC. 601. (a) CALCULATION OF TOTAL DEFICIT RE-**
4 **DUCTION AND ALLOCATION TO FUNCTIONS.—(1) Section**
5 **251A(3) of the Balanced Budget and Emergency Deficit**
6 **Control Act of 1985 (2 U.S.C. 901a) is amended by strik-**
7 **ing “2013” and inserting “2015”.**

8 (2) Paragraph (4) of such section is amended by
9 striking “2014” and inserting “2015”.

10 (3) Paragraphs (5) and (6) of such section are
11 amended by striking “2013” and inserting “2015”.

12 (b) **DEFENSE AND NONDEFENSE FUNCTION REDUC-**
13 **TIONS.—Paragraphs (5) and (6) of section 251A of the**
14 **Balanced Budget and Emergency Deficit Control Act of**
15 **1985 are amended by striking “2013” and inserting**
16 **“2015” each place it appears.**

1 (c) IMPLEMENTING DISCRETIONARY REDUCTIONS.—
2 Section 251A(7)(B) of such Act is amended by striking
3 “2014” and inserting “2015” each place it appears.

4 (d) RESTORATION OF SEQUESTERED FUNDS.—Not-
5 withstanding the Presidential sequestration order for fis-
6 cal year 2013 issued under section 251A of the Balanced
7 Budget and Emergency Deficit Act of 1985, on and after
8 the date of the enactment of this Act, the budgetary re-
9 sources sequestered under such order shall be available for
10 obligation for the same purpose, in the same amount as
11 otherwise would have been available for the period begin-
12 ning on the date of enactment of this Act and before Octo-
13 ber 1, 2013, and in the same manner as if such order
14 had not been issued.

15 (e) CONFORMING CHANGE.—Upon the date of enact-
16 ment of this Act, the report entitled “OMB Sequestration
17 Preview Report to the President and Congress for Fiscal
18 Year 2014 and OMB Report to the Congress on the Joint
19 Committee Reductions for Fiscal Year 2014”, issued on
20 April 10, 2013, and corrected on May 20, 2013, shall have
21 no force or effect.

22 REDUCTION OF DEFENSE DISCRETIONARY LIMITS

23 SEC. 602. The discretionary limits set forth in section
24 251(c) of the Balanced Budget and Emergency Deficit
25 Control Act of 1985 for the security category for fiscal
26 years 2017 through 2021 are replaced with the following

1 limits: for fiscal year 2017, \$586,000,000,000; for fiscal
2 year 2018, \$595,000,000,000; for fiscal year 2019,
3 \$604,000,000,000; for fiscal year 2020,
4 \$614,000,000,000; and for fiscal year 2021,
5 \$624,000,000,000.

6 PROTECTING VETERANS PROGRAMS FROM SEQUESTER

7 SEC. 603. Section 256(e)(2)(E) of the Balanced
8 Budget and Emergency Deficit Control Act of 1985 is re-
9 pealed.

10 TITLE VII—AGRICULTURAL SAVINGS

11 ONE-YEAR EXTENSION OF AGRICULTURAL COMMODITY
12 PROGRAMS, EXCEPT DIRECT PAYMENT PROGRAMS

13 SEC. 701. (a) EXTENSION.—Except as provided in
14 subsection (b) and notwithstanding any other provision of
15 law, the authorities provided by each provision of title I
16 of the Food, Conservation, and Energy Act of 2008 (Pub-
17 lic Law 110–246; 122 Stat. 1651) and each amendment
18 made by that title (and for mandatory programs at such
19 funding levels), as in effect on September 30, 2013, shall
20 continue, and the Secretary of Agriculture shall carry out
21 the authorities, until September 30, 2014.

22 (b) TERMINATION OF DIRECT PAYMENT PRO-
23 GRAMS.—

24 (1) COVERED COMMODITIES.—The extension
25 provided by subsection (a) shall not apply with re-
26 spect to the direct payment program under section

1 1103 of the Food, Conservation, and Energy Act of
2 2008 (7 U.S.C. 8713).

3 (2) PEANUTS.—The extension provided by sub-
4 section (a) shall not apply with respect to the direct
5 payment program under section 1303 of the Food,
6 Conservation, and Energy Act of 2008 (7 U.S.C.
7 7953).

8 (c) EFFECTIVE DATE.—This section shall take effect
9 on the earlier of—

10 (1) the date of the enactment of this Act; and

11 (2) September 30, 2013.

12 TITLE VIII—OIL AND GAS SUBSIDIES

13 PROHIBITION ON USING LAST-IN, FIRST-OUT ACCOUNTING

14 FOR MAJOR INTEGRATED OIL COMPANIES

15 SEC. 801. (a) IN GENERAL.—Section 472 of the In-
16 ternal Revenue Code of 1986 is amended by adding at the
17 end the following new subsection:

18 “(h) MAJOR INTEGRATED OIL COMPANIES.—Not-
19 withstanding any other provision of this section, a major
20 integrated oil company (as defined in section
21 167(h)(5)(B)) may not use the method provided in sub-
22 section (b) in inventorying of any goods.”.

23 (b) EFFECTIVE DATE AND SPECIAL RULE.—

1 (1) IN GENERAL.—The amendment made by
2 subsection (a) shall apply to taxable years beginning
3 after the date of the enactment of this Act.

4 (2) CHANGE IN METHOD OF ACCOUNTING.—In
5 the case of any taxpayer required by the amendment
6 made by this section to change its method of ac-
7 counting for its first taxable year beginning after the
8 date of the enactment of this Act—

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

11 (B) such change shall be treated as made
12 with the consent of the Secretary of the Treas-
13 ury, and

14 (C) the net amount of the adjustments re-
15 quired to be taken into account by the taxpayer
16 under section 481 of the Internal Revenue Code
17 of 1986 shall be taken into account ratably over
18 a period (not greater than 8 taxable years) be-
19 ginning with such first taxable year.

20 DEDUCTION FOR INCOME ATTRIBUTABLE TO DOMESTIC
21 PRODUCTION ACTIVITIES NOT ALLOWED WITH RE-
22 SPECT TO OIL AND GAS ACTIVITIES OF MAJOR INTE-
23 GRATED OIL COMPANIES

24 SEC. 802. (a) IN GENERAL.—Subparagraph (A) of
25 section 199(d)(9) of the Internal Revenue Code of 1986
26 is amended by inserting “(9 percent in the case of any

1 major integrated oil company (as defined in section
2 167(h)(5)(B)))” after “3 percent”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall apply to taxable years beginning after
5 the date of the enactment of this Act.

6 LIMITATION ON DEDUCTION FOR INTANGIBLE DRILLING
7 AND DEVELOPMENT COSTS OF MAJOR INTEGRATED
8 OIL COMPANIES

9 SEC. 803. (a) IN GENERAL.—Section 263(e) of the
10 Internal Revenue Code of 1986 is amended by adding at
11 the end the following new sentence: “This subsection shall
12 not apply to amounts paid or incurred by a taxpayer in
13 any taxable year in which such taxpayer is a major inte-
14 grated oil company (as defined in section 167(h)(5)(B)).”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to amounts paid or incurred in tax-
17 able years beginning after the date of the enactment of
18 this Act.

19 TITLE IX—THE BUFFETT RULE

20 FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS

21 SEC. 901. (a) IN GENERAL.—Subchapter A of chap-
22 ter 1 of the Internal Revenue Code of 1986 is amended
23 by adding at the end the following new part:

1 **“PART VII—FAIR SHARE TAX ON HIGH-INCOME**
2 **TAXPAYERS**

3 **“SEC. 59B. FAIR SHARE TAX.**

4 “(a) GENERAL RULE.—

5 “(1) PHASE-IN OF TAX.—In the case of any
6 high-income taxpayer, there is hereby imposed for a
7 taxable year (in addition to any other tax imposed
8 by this subtitle) a tax equal to the product of—

9 “(A) the amount determined under para-
10 graph (2), and

11 “(B) a fraction (not to exceed 1)—

12 “(i) the numerator of which is the ex-
13 cess of—

14 “(I) the taxpayer’s adjusted
15 gross income, over

16 “(II) the dollar amount in effect
17 under subsection (c)(1), and

18 “(ii) the denominator of which is the
19 dollar amount in effect under subsection
20 (c)(1).

21 “(2) AMOUNT OF TAX.—The amount of tax de-
22 termined under this paragraph is an amount equal
23 to the excess (if any) of—

24 “(A) the tentative fair share tax for the
25 taxable year, over

26 “(B) the excess of—

1 “(i) the sum of—

2 “(I) the regular tax liability (as
3 defined in section 26(b)) for the tax-
4 able year,

5 “(II) the tax imposed by section
6 55 for the taxable year, plus

7 “(III) the payroll tax for the tax-
8 able year, over

9 “(ii) the credits allowable under part
10 IV of subchapter A (other than sections
11 27(a), 31, and 34).

12 “(b) TENTATIVE FAIR SHARE TAX.—For purposes
13 of this section—

14 “(1) IN GENERAL.—The tentative fair share tax
15 for the taxable year is 30 percent of the excess of—

16 “(A) the adjusted gross income of the tax-
17 payer, over

18 “(B) the modified charitable contribution
19 deduction for the taxable year.

20 “(2) MODIFIED CHARITABLE CONTRIBUTION
21 DEDUCTION.—For purposes of paragraph (1)—

22 “(A) IN GENERAL.—The modified chari-
23 table contribution deduction for any taxable
24 year is an amount equal to the amount which
25 bears the same ratio to the deduction allowable

1 under section 170 (section 642(c) in the case of
2 a trust or estate) for such taxable year as—

3 “(i) the amount of itemized deduc-
4 tions allowable under the regular tax (as
5 defined in section 55) for such taxable
6 year, determined after the application of
7 section 68, bears to

8 “(ii) such amount, determined before
9 the application of section 68.

10 “(B) TAXPAYER MUST ITEMIZE.—In the
11 case of any individual who does not elect to
12 itemize deductions for the taxable year, the
13 modified charitable contribution deduction shall
14 be zero.

15 “(c) HIGH-INCOME TAXPAYER.—For purposes of this
16 section—

17 “(1) IN GENERAL.—The term ‘high-income tax-
18 payer’ means, with respect to any taxable year, any
19 taxpayer (other than a corporation) with an adjusted
20 gross income for such taxable year in excess of
21 \$1,000,000 (50 percent of such amount in the case
22 of a married individual who files a separate return).

23 “(2) INFLATION ADJUSTMENT.—

24 “(A) IN GENERAL.—In the case of a tax-
25 able year beginning after 2014, the \$1,000,000

1 amount under paragraph (1) shall be increased
2 by an amount equal to—

3 “(i) such dollar amount, multiplied by

4 “(ii) the cost-of-living adjustment de-
5 termined under section 1(f)(3) for the cal-
6 endar year in which the taxable year be-
7 gins, determined by substituting ‘calendar
8 year 2013’ for ‘calendar year 1992’ in sub-
9 paragraph (B) thereof.

10 “(B) ROUNDING.—If any amount as ad-
11 justed under subparagraph (A) is not a multiple
12 of \$10,000, such amount shall be rounded to
13 the next lowest multiple of \$10,000.

14 “(d) PAYROLL TAX.—For purposes of this section,
15 the payroll tax for any taxable year is an amount equal
16 to the excess of—

17 “(1) the taxes imposed on the taxpayer under
18 sections 1401, 1411, 3101, 3201, and 3211(a) (to
19 the extent such taxes are attributable to the rate of
20 tax in effect under section 3101) with respect to
21 such taxable year or wages or compensation received
22 during the taxable year, over

23 “(2) the deduction allowable under section
24 164(f) for such taxable year.

1 “(e) SPECIAL RULE FOR ESTATES AND TRUSTS.—
2 For purposes of this section, in the case of an estate or
3 trust, adjusted gross income shall be computed in the
4 manner described in section 67(e).

5 “(f) NOT TREATED AS TAX IMPOSED BY THIS CHAP-
6 TER FOR CERTAIN PURPOSES.—The tax imposed under
7 this section shall not be treated as tax imposed by this
8 chapter for purposes of determining the amount of any
9 credit under this chapter (other than the credit allowed
10 under section 27(a)) or for purposes of section 55.”.

11 (b) CONFORMING AMENDMENT.—Section 26(b)(2) of
12 such Code is amended by redesignating subparagraphs (C)
13 through (X) as subparagraphs (D) through (Y), respec-
14 tively, and by inserting after subparagraph (B) the fol-
15 lowing new subparagraph:

16 “(C) section 59B (relating to fair share
17 tax),”.

18 (c) CLERICAL AMENDMENT.—The table of parts for
19 subchapter A of chapter 1 of such Code is amended by
20 adding at the end the following new item:

“Part VII—Fair Share Tax on High-Income Taxpayers”.

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

1 TITLE X—SENSE OF THE HOUSE

2 SENSE OF THE HOUSE ON THE NEED FOR A FAIR, BAL-
3 ANCED AND BIPARTISAN APPROACH TO LONG-TERM
4 DEFICIT REDUCTION

5 SEC. 1001. (a) The House finds that—

6 (1) every bipartisan commission has rec-
7 ommended – and the majority of Americans agree –
8 that we should take a balanced, bipartisan approach
9 to reducing the deficit that addresses both revenue
10 and spending; and

11 (2) sequestration is a meat-ax approach to def-
12 icit reduction that imposes deep and mindless cuts,
13 regardless of their impact on vital services and in-
14 vestments.

15 (b) It is the sense of the House that the Congress
16 should replace the entire 10-year sequester established by
17 the Budget Control Act of 2011 with a balanced approach
18 that would increase revenues without increasing the tax
19 burden on middle-income Americans, and decrease long-
20 term spending while maintaining the Medicare guarantee,
21 protecting Social Security and a strong social safety net,
22 and making strategic investments in education, science,
23 research, and critical infrastructure necessary to compete
24 in the global economy.

