

**House Office of Legislative Counsel**

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1 Title: To—  
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3

4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled,~~  
6 ~~TITLE I—AGRICULTURE~~

## 7 **TITLE I—COMMITTEE ON AGRICULTURE**

### 8 Subtitle A—General Provisions

#### 9 ~~SECTION SEC. 10001. DEFINITIONS.~~

10 In this title:

11 (1) The term “insular area” has the meaning given such term in section 1404 of the  
12 National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
13 3103).

14 (2) The term “Secretary” means the Secretary of Agriculture.

### 15 Subtitle B—Forestry

#### 16 **SEC. 11001. NATIONAL FOREST SYSTEM RESTORATION** 17 **AND FUELS REDUCTION PROJECTS.**

18 (a) Appropriations.—In addition to amounts otherwise available, there are appropriated to the  
19 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to  
20 remain available until September 30, 2031—

21 (1) \$10,000,000,000 for hazardous fuels reduction projects **on National Forest System**  
22 **land** within the wildland-urban interface;

23 (2) \$4,000,000,000 for, on a determination **made solely** by the Secretary that hazardous  
24 fuels **reduction projects** within the wildland-urban interface ~~have been effectively treated~~  
25 ~~to prevent the spread of wildfire to~~ **described in paragraph (1) have been planned to**  
26 **protect, to the extent practicable,** at-risk communities, hazardous fuels reduction projects  
27 **on National Forest System land** outside the wildland-urban interface that are—

28 (A) **primarily** noncommercial in nature, ~~except on a determination by the Secretary~~  
29 **provided that,** in accordance with the best available science, ~~that~~ the harvest of  
30 merchantable materials **is shall be** ecologically ~~necessary~~ **appropriate** for restoration  
31 and to enhance ecological ~~integrity, subject to the requirement that the~~ **health and**  
32 **function, and any** sale of merchantable materials **under this paragraph** shall be  
33 limited to small diameter trees or biomass that are a byproduct of ~~projects under this~~  
34 ~~paragraph~~ **hazardous fuel reduction projects;**

35 (B) collaboratively developed; and

36 (C) carried out in a manner ~~that that~~—

37 (⊕) enhances the ecological integrity and achieves the restoration of a forest

1 ecosystem;

2 (ii) maximizes the retention of old-growth and large trees, as appropriate for the  
3 forest type; and **prioritizes**~~(iii) focuses on~~ prescribed fire as the primary means to  
4 achieve modified wildland fire behavior, ~~as measured by the projected reduction of~~  
5 ~~uncharacteristically severe wildfire effects for the forest type;~~

6 (3) \$1,000,000,000 for vegetation management projects carried out solely on National  
7 Forest System land that the Secretary shall select following the receipt of proposals  
8 submitted in accordance with subsections (a), (b), and (c) of section 4003 of the Omnibus  
9 Public Land Management Act of 2009 (16 U.S.C. 7303);

10 (4) ~~\$500,000,000~~ **\$400,000,000** for vegetation management projects **on National Forest**  
11 **System land** carried out in accordance ~~with~~ with—

12 ~~(A)~~ a water source management plan ; or

13 ~~(B)~~ a watershed protection and restoration action plan;

14 (5) ~~\$500,000,000~~ **\$400,000,000** for vegetation management projects **on National Forest**  
15 **System land** that—

16 (A) maintain, or contribute toward the restoration of, **reference** old growth  
17 characteristics, including structure, composition, function, and connectivity, ~~according~~  
18 ~~to the reference old growth conditions characteristic of the forest type, taking into~~  
19 ~~account~~—;

20 ~~(i) the contribution of the project to landscape fire adaptation and the ecological~~  
21 ~~integrity of watershed and ecosystem health; and~~

22 ~~(ii) the goal of retaining the large trees contributing to old-growth structure;~~

23 ~~(B) focus primarily on~~ **(B) prioritize** small diameter trees and prescribed fire to  
24 modify fire behavior, ~~as measured by the projected reduction of uncharacteristically~~  
25 ~~severe wildfire effects for the forest type; and~~

26 (C) maximize the retention of large trees, as appropriate for the forest type;

27 (6) \$450,000,000 for the Legacy Roads and Trails program of the Forest Service;

28 (7) \$350,000,000 for National Forest System land management planning and monitoring,  
29 **prioritized on** with a focus on—

30 ~~(A)~~ the assessment of watershed, ecological, and carbon conditions on National Forest  
31 System land ; and

32 ~~(B)~~ the revision and amendment of older land management plans that present  
33 opportunities to protect, maintain, restore, and monitor ecological integrity, ecological  
34 conditions for at-risk species, and carbon storage;

35 (8) \$100,000,000 for maintenance of trails on National Forest System land, with a ~~focus~~  
36 **priority** on trails that provide to underserved communities access to National Forest System  
37 land;

38 (9) \$100,000,000 for capital maintenance and improvements on National Forest System  
39 land, with a ~~focus~~ **priority** on maintenance level 3, 4, and 5 roads and improvements that

1 restore ecological integrity and conditions for at-risk species;

2 (10) \$100,000,000 to provide for more efficient and more effective environmental  
3 reviews by the Chief of the Forest Service in satisfying the obligations of the Chief of the  
4 Forest Service under the National Environmental Policy Act of 1969 (42 U.S.C. 4321  
5 **through 4370m-12**); et seq.) through—

6 ~~(A) the hiring and training of additional personnel;~~

7 ~~(B) the development of programmatic assessments or templates;~~

8 ~~(C) the procurement of technical or scientific services;~~

9 ~~(D) the development of data or technology systems;~~

10 ~~(E) stakeholder and community engagement; and~~

11 ~~(F) the purchase of new equipment;~~

12 (11) \$50,000,000 to develop and carry out activities and tactics for the protection of older  
13 and mature forests on National Forest System land, including completing an inventory of  
14 older and mature forests within the National Forest System;

15 (12) \$50,000,000 to develop and carry out activities and tactics for the maintenance and  
16 restoration of habitat conditions necessary for the protection and recovery of at-risk species  
17 on National Forest System land ~~in implementing Forest Service hazardous fuels reduction~~  
18 ~~and other vegetation management programs and projects based on a science based analysis~~  
19 ~~carried out by the Secretary;~~

20 (13) \$50,000,000 to carry out post-fire recovery plans **on National Forest System land**  
21 **that that**—

22 ~~(A) emphasize the use of locally adapted native plant materials to restore the ecological~~  
23 ~~integrity of disturbed areas ; and~~

24 ~~(B) do not include salvage logging; and~~

25 (14) \$50,000,000 to develop and carry out nonlethal activities and tactics to reduce  
26 human-wildlife conflicts on National Forest System land; ~~and.~~

27 ~~(15) \$2,250,000,000 to be used for staffing, salaries, and other workforce needs to support the~~  
28 ~~development of a Civilian Climate Corps for the purposes of managing National Forest System~~  
29 ~~land, subject to the conditions that—~~

30 ~~(A) the amounts made available under this paragraph shall be in addition to any amounts~~  
31 ~~required for salaries and expenses needed to carry out projects under this subsection; and~~

32 ~~(B) members of the Civilian Climate Corps shall be compensated at not less than 200 percent~~  
33 ~~of the annual Federal poverty line.~~

34 ~~(b) Priority for Funding.—The~~ **(b) Priority for Funding.—For projects described in**  
35 **paragraphs (1) through (5) of subsection (a), the Secretary shall prioritize for implementation**  
36 **under this section projects described in paragraphs (1) through (5) of subsection (a)—**  
37 **projects—**

38 (1) for which an environmental assessment or an environmental impact statement  
39 required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 ~~et seq.~~)



- 1 through 4370m–12) has been completed;
- 2 (2) that are collaboratively developed; or
- 3 (3) that include opportunities to restore sustainable recreation infrastructure or access or  
4 accomplish other recreation outcomes **on National Forest System lands**, if the  
5 opportunities are compatible with the primary restoration purposes of the project.
- 6 (c) Limitations.—None of the funds made available by this section may be used for any  
7 activity—
- 8 (1) conducted in a wilderness area or wilderness study area;
- 9 (2) that includes the construction of a permanent road or permanent trail;
- 10 (3) that includes the construction of a temporary road, except in the case of a temporary  
11 road that is decommissioned by the Secretary not later than 3 years after the earlier of—
- 12 (A) the date on which the temporary road is no longer needed; and
- 13 (B) the date on which the project for which the temporary road was constructed is  
14 completed;
- 15 (4) inconsistent with the applicable land management plan;
- 16 (5) inconsistent with the prohibitions of the rule of the Forest Service entitled “Special  
17 Areas; Roadless Area Conservation” (66 Fed. Reg. 3244 (January 12, 2001)), as modified  
18 by subparts C and D of part 294 of title 36, Code of Federal Regulations; or
- 19 (6) carried out on any land that is not National Forest System land, including other  
20 forested land on Federal, State, Tribal, or private land.
- 21 (d) Definitions.—In this section:
- 22 (1) AT-RISK COMMUNITY.—The term “at-risk community” has the meaning given the  
23 term in section 101 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511).
- 24 (2) COLLABORATIVELY DEVELOPED.—The term “collaboratively developed” means, with  
25 respect to a project located exclusively on National Forest System land, that the project is  
26 developed and implemented through a collaborative process that—
- 27 (A) includes multiple interested persons representing diverse interests, **except such**  
28 **persons shall not be employed by the Federal government or be representatives of**  
29 **foreign entities**; and
- 30 (B)(i) is transparent and nonexclusive; or
- 31 (ii) meets the requirements for a resource advisory committee under subsections (c)  
32 through (f) of section 205 of the Secure Rural Schools and Community  
33 Self-Determination Act of 2000 (16 U.S.C. 7125).
- 34 (3) DECOMMISSION.—The term “decommission” means, with respect to a road—
- 35 (A) reestablishing native vegetation on the road;
- 36 (B) restoring any natural drainage, watershed function, or other ecological processes  
37 that were disrupted or adversely impacted by the road by removing or hydrologically  
38 disconnecting the road prism and reestablishing stable slope contours; and

1 (C) effectively blocking the road to vehicular traffic, where feasible.

2 (4) ECOLOGICAL INTEGRITY.—The term “ecological integrity” has the meaning given the  
3 term in section 219.19 of title 36, Code of Federal Regulations (as in effect on the date of  
4 enactment of this Act).

5 (5) HAZARDOUS FUELS REDUCTION PROJECT.—The term “hazardous fuels reduction  
6 project” means an activity, including the use of prescribed fire, to protect structures and  
7 communities from wildfire that is carried out on National Forest System land.

8 (6) RESTORATION.—The term “restoration” has the meaning given the term in section  
9 219.19 of title 36, Code of Federal Regulations (as in effect on the date of enactment of this  
10 Act).

11 (7) VEGETATION MANAGEMENT PROJECT.—The term “vegetation management project”  
12 means an activity carried out on National Forest System land to enhance the ecological  
13 integrity and achieve the restoration of a forest ecosystem **through** ~~through~~—

14 ~~(A)~~ the removal of vegetation;‡

15 ~~(B)~~ the use of prescribed fire;‡

16 ~~(C)~~ the restoration of aquatic habitat;‡, or

17 ~~(D)~~ the decommissioning of an unauthorized, temporary, or system road.

18 (8) WATER SOURCE MANAGEMENT PLAN.—The term “water source management plan”  
19 means a plan developed under section 303(d)(1) of the Healthy Forests Restoration Act of  
20 2003 (16 U.S.C. 6542(d)(1)).

21 (9) WATERSHED PROTECTION AND RESTORATION ACTION PLAN.—The term “watershed  
22 protection and restoration action plan” means a plan developed under section 304(a)(3) of  
23 the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6543(a)(3)).

24 (10) WILDLAND-URBAN INTERFACE.—The term “wildland-urban **interface**” ~~interface~~—

25 ~~(A) in the case of the lower 48 States, means the areas mapped as the wildland-urban-~~  
26 ~~interface in the document entitled “The Wildland-Urban Interface of the Conterminous-~~  
27 ~~United States”, and published by the Department of Agriculture in 2015; and~~

28 ~~(B) in the case of the States of Alaska and Hawaii, has the meaning given the term in~~  
29 section 101 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511).

30 **(e) Limitations.—Nothing in this section shall be interpreted to authorize funds of the**  
31 **Commodity Credit Corporation for activities under this section if such funds are not**  
32 **expressly authorized or currently expended for such purposes.**

33 **(f) Cost-sharing Requirement.— Any partnership agreements, including cooperative**  
34 **agreements and mutual interest agreements, using funds made available under this section**  
35 **shall be subject to a non-Federal cost-share requirement of not less than 20 percent of the**  
36 **project cost, which may be waived at the discretion of the Secretary.**

37 **SEC. 11002. NON-FEDERAL LAND FOREST**  
38 **RESTORATION AND FUELS REDUCTION PROJECTS**

## 1 AND RESEARCH.

2 (a) Appropriations.—In addition to amounts otherwise available, there are appropriated to the  
3 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to  
4 remain available until September 30, 2031—

5 (1) ~~\$9,000,000,000~~ **\$2,000,000,000** to award grants to a Tribal, State, or local  
6 **governments or the government, a of the District of Columbia**, regional ~~organization, a~~  
7 **organizations**, special ~~district, districts~~, or a nonprofit ~~organization~~ **organizations** to  
8 support, on non-Federal land, forest restoration and resilience projects, including projects to  
9 reduce the risk of wildfires and establish defensible space around structures within at-risk  
10 communities ;

11 (2) ~~\$1,000,000,000~~ to award grants to a Tribal, State, or local government, a regional  
12 ~~organization, a special district, or a nonprofit organization to implement community~~  
13 ~~wildfire protection plans (as defined in section 101 of the Healthy Forests Restoration Act~~  
14 ~~of 2003 (16 U.S.C. 6511)), purchase firefighting equipment, provide firefighter training,~~  
15 ~~and increase the capacity for planning, coordinating, and monitoring projects on~~  
16 ~~non-Federal land to protect at-risk communities(as defined in section 101 of the Healthy~~  
17 ~~Forests Restoration Act of 2003 (16 U.S.C. 6511));~~

18 (3) ~~\$250,000,000~~(2) **\$1,000,000,000** to award grants to a Tribal, State, or local  
19 ~~government, a regional organization, a special district, or a nonprofit organization for~~  
20 **governments or the government of the District of Columbia, regional organizations,**  
21 **special districts, or nonprofit organizations to implement community wildfire**  
22 **protection plans (as defined in section 101 of the Healthy Forests Restoration Act of**  
23 **2003 (16 U.S.C. 6511)) in existence on the date of the enactment of this Act, purchase**  
24 **firefighting equipment, provide firefighter training, and increase the capacity for**  
25 **planning, coordinating, and monitoring projects on non-Federal land to protect at-risk**  
26 **communities (as defined in section 101 of the Healthy Forests Restoration Act of 2003**  
27 **(16 U.S.C. 6511));**

28 (3) **\$250,000,000** to award grants to Tribal, State, or local **governments or the**  
29 **government of the District of Columbia, regional organizations, special districts, or**  
30 **nonprofit organizations for projects on non-Federal land to aid in the recovery and**  
31 **rehabilitation of burned forested areas, including reforestation;**

32 (4) ~~\$250,000,000~~ **\$175,000,000** to award grants to a Tribal, State, or local **governments**  
33 **or the government, a of the District of Columbia**, regional ~~organization, a~~ **organizations,**  
34 ~~special district, districts~~, or a nonprofit ~~organization~~ **organizations** for projects on  
35 non-Federal land to expand equitable outdoor access and promote tourism on non-Federal  
36 forested land for members of underserved groups;

37 (5) ~~\$250,000,000~~ **\$150,000,000** for the State Fire Assistance and Volunteer Fire  
38 Assistance programs established under the Cooperative Forestry Assistance Act of 1978 (16  
39 U.S.C. 2101 et seq.), **through 2114**) to be distributed at the discretion of the Secretary;

40 (6) ~~\$250,000,000~~ **\$150,000,000** for the implementation of State-wide forest resource  
41 strategies under section 2A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C.  
42 2101a);

1 (7) \$250,000,000 for the competitive grant program under section 13A of the Cooperative  
2 Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program a  
3 cost share to carry out climate mitigation or forest resilience practices in the case of  
4 underserved forest landowners, subject to the condition that subsection (h) of that section  
5 shall not apply;

6 (8) \$250,000,000 for the competitive grant program under section 13A of the Cooperative  
7 Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program  
8 grants to support the participation of underserved forest landowners in emerging private  
9 markets for climate mitigation or forest resilience, subject to the condition that subsection  
10 (h) of that section shall not apply;

11 (9) \$250,000,000 for the competitive grant program under section 13A of the Cooperative  
12 Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program  
13 grants to support the participation of forest landowners who own less than 2,500 acres of  
14 forest land in emerging private markets for climate mitigation or forest resilience, subject to  
15 the condition that subsection (h) of that section shall not apply;

16 (10) \$500,000,000 for the competitive grant program under section 13A of the  
17 Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109a) to provide grants to states  
18 and other eligible entities to provide payments to owners of private forest land for  
19 implementation of forestry practices on private forest land, that are determined by the  
20 Secretary, based on the best available science, to provide measurable increases in carbon  
21 sequestration and storage beyond customary practices on comparable land, subject to the  
22 conditions that—

23 (A) those payments shall not preclude landowners from participation in other public  
24 and private sector financial incentive programs; and

25 (B) subsection (h) of that section shall not apply;

26 ~~(11) \$50,000,000 to carry out the healthy forests reserve program established under~~  
27 ~~section 501 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6571);~~

28 ~~(12) \$50,000,000 for the forest inventory and analysis program established under section~~  
29 ~~3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C.~~  
30 ~~1642(e)) for collaborative partnerships with the National Association of University Forest~~  
31 ~~Resources Programs;~~

32 ~~(13) \$50,000,000 for the forest inventory and analysis program established under section~~  
33 ~~3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C.~~  
34 ~~1642(e)) for activities and tactics to accelerate and expand existing research efforts to~~  
35 ~~improve forest carbon monitoring technologies to better predict changes in forest carbon~~  
36 ~~due to climate change;~~

37 ~~(14)~~**(12)** \$100,000,000 for the forest inventory and analysis program established under  
38 section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16  
39 U.S.C. 1642(e)) to carry out recommendations from a panel of relevant experts convened by  
40 the Secretary that has reviewed and, based on the review, issued recommendations  
41 regarding the current priorities and future needs of the forest inventory and analysis  
42 program with respect to climate change, forest health, sustainable wood products, and  
43 increasing carbon storage in forests;

1           ~~(15)~~**(13)** \$50,000,000 for the forest inventory and analysis program established under  
2 section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16  
3 U.S.C. 1642(e)) to provide enhancements to the technology managed and used by the forest  
4 inventory and analysis program, including cloud computing and remote sensing for  
5 purposes such as small area estimation;

6           ~~(16)~~\$1,000,000,000**(14) \$775,000,000** to provide grants under the wood innovation grant  
7 program under section 8643 of the Agriculture Improvement Act of 2018 (7 U.S.C. 7655d),  
8 including for the construction of new facilities that advance the purposes of the program,  
9 subject to the conditions ~~that that~~—

10           ~~(A)~~ the amount of such a grant shall be not more than \$5,000,000;

11           ~~(B)~~ notwithstanding subsection (d) of that section, a recipient of such a grant shall  
12 provide funds equal to not less than 50 percent of the amount received under the grant, to be  
13 derived from non-Federal sources; and

14           ~~(C)~~ a priority shall be placed on projects that create a financial model for addressing  
15 forest restoration needs on public or private forest land; ~~and~~**(17) \$50,000,000 for the**  
16 ~~research mission area of the Forest Service to accelerate and expand existing research~~  
17 ~~efforts relating to strategies to increase carbon stocks on National Forest System land;~~

18           ~~(18) \$50,000,000 for the research mission area of the Forest Service to accelerate and~~  
19 ~~expand existing research efforts relating to the impacts of climate change and weather~~  
20 ~~variability on national forest ecosystems;~~

21           ~~(19) \$50,000,000 for the research mission area of the Forest Service to accelerate and~~  
22 ~~expand existing research efforts relating to strategies to ensure that national forest~~  
23 ~~ecosystems, including forests, plants, aquatic ecosystems, and wildlife, are able to adapt to~~  
24 ~~climate change and weather variability;~~

25           ~~(20) \$50,000,000 for the research mission area of the Forest Service to assess the quantity~~  
26 ~~of carbon sequestration and storage accomplished by different forest practices when applied~~  
27 ~~in diverse ecological and geographic settings;~~

28           ~~(21)~~**(15)** \$50,000,000 for the research mission area of the Forest Service to carry out  
29 greenhouse gas life cycle analyses of domestic wood products;.

30           ~~(22) \$50,000,000 for the Forest Health Monitoring Program of the Forest Service for activities~~  
31 ~~and tactics to reduce the spread of invasive species on non-Federal forested land; and~~

32           ~~(23) \$2,250,000,000 to be used for staffing, salaries, and other workforce needs and expenses~~  
33 ~~to support the development of a Civilian Climate Corps for carrying out projects~~**(b) Funding for**  
34 **Restoration on Non-Federal Areas by States.—The Secretary may use amounts made**  
35 **available by this section to carry out eligible projects as determined by the Secretary,**  
36 **authorized in subsection (a) on non-Federal land through the Forest Service State and private-**  
37 **forestry mission area and other Department of Agriculture programs, including rural and urban-**  
38 **conservation and tree planting projects, subject to the conditions that— upon the request of the**  
39 **Governor of that State, or, in the case of the District of Columbia, the Mayor.**

40           ~~(A) the amounts~~**(c) Cost-sharing Requirement.—Any partnership agreements, including**  
41 **cooperative agreements and mutual interest agreements, using funds made available under**  
42 **this section paragraph shall be in addition to any amounts required for salaries and expenses**

1 needed to carry out projects under this subsection; and

2 (B) members of the Civilian Climate Corps shall be compensated at not less than 200 percent  
3 of the annual Federal poverty line.

4 ~~(b) Submission of Non-Federal Restoration Areas by States.—~~

5 (1) In general.—The Governor of a State may submit to the Secretary, in writing, a request to  
6 include with land on which a project is carried out using amounts made available by this section  
7 certain non-Federal land in the State.

8 (2) Inclusions.—A written request submitted under paragraph (1) may include 1 or more maps  
9 or recommendations.

10 (3) Authorization.—On approval of a written request submitted under paragraph (1), a project  
11 may be carried out using amounts made available by this section on the non-Federal land in the  
12 State that is the subject of the request.

13 ~~(c) Cost-sharing Requirement.—~~

14 (1) In general.—The grants made available under paragraphs (1) through (5) of subsection (a)  
15 shall be subject to a non-Federal ~~match~~ **cost-share** requirement of not less than 20 percent of the  
16 **project cost, which may be waived** overall project cost.

17 (2) Waiver.—The cost-sharing requirement under paragraph (1) may be waived, at the  
18 discretion of the Secretary, for high priority projects that —.

19 (A) have the purpose of protecting human life or critical infrastructure; and

20 (B) are located in counties where the average median household income of the population is  
21 less than 150 percent of the poverty line.**(d) Limitations.—Nothing in this section shall be**  
22 **interpreted to authorize funds of the Commodity Credit Corporation for activities under**  
23 **this section if such funds are not expressly authorized or currently expended for such**  
24 **purposes.**

## 25 SEC. 11003. STATE AND PRIVATE FORESTRY 26 CONSERVATION PROGRAMS.

27 (a) Appropriations.—In addition to amounts otherwise available, there are appropriated to the  
28 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to  
29 remain available until September 30, 2031—

30 (1) \$1,250,000,000 to provide competitive grants to ~~eligible entities~~ **States** through the  
31 Forest Legacy Program established under section 7 of the Cooperative Forestry Assistance  
32 Act of 1978 (16 U.S.C. 2103c) to acquire land and interests in land, **with priority given to**  
33 **grant applications that that—**

34 ~~(A) offer significant natural carbon sequestration benefits,; or~~

35 ~~(B) contribute to the resilience of community infrastructure, local economies, or natural~~  
36 **systems, or provide benefits to underserved populations;;**

37 ~~(2) \$3,000,000,000~~**(2) \$2,500,000,000** to provide multi-year, programmatic, competitive  
38 grants to a State agency, a local governmental entity, **and agency or governmental entity**  
39 **of the District of Columbia**, an Indian Tribe, or a nonprofit organization through the Urban

1 and Community Forestry Assistance program established under section 9(c) of the  
2 Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105(c)) for tree planting and  
3 related activities to increase **tree equity and** community tree canopy and associated societal  
4 and climate co-benefits, with a priority for projects that ~~increase tree equity benefit~~  
5 **underserved populations**; and

6 (3) \$100,000,000 for the acquisition of urban and community forests through the  
7 Community Forest and Open Space Program of the Forest Service.

8 (b) **Waiver.**—**Any non-Federal cost-share requirement otherwise applicable to projects**  
9 **carried out under this section may be waived at the discretion of the Secretary.** ~~Priority.—In~~  
10 ~~providing grants under this section, the Secretary shall—~~

11 (1) ~~with respect to grants under subsection (a)(2), give priority to projects that are located in—~~

12 (A) ~~a census block group in which 30 percent or more of the population lives below the~~  
13 ~~poverty line; and~~

14 (B) ~~a neighborhood with lower tree canopy and higher maximum daytime summer~~  
15 ~~temperatures compared to surrounding neighborhoods, as determined by the Secretary, based on~~  
16 ~~publicly available information;~~

17 (2) ~~with respect to grants under paragraphs (1) and (2) of subsection (a), give priority to grant~~  
18 ~~applications from underserved populations; and~~

19 (3) ~~set aside not less than 10 percent of the amounts made available under each of paragraphs~~  
20 ~~(1) and (2) of subsection (a) to provide grants under each of those paragraphs to individuals who~~  
21 ~~are members of underserved populations.~~

## 22 SEC. 11004. LIMITATION.

23 The funds made available under this subtitle are subject to the condition that the Secretary  
24 shall not—

25 (1) enter into any agreement—

26 (A) that is for a term extending beyond September 30, 2031; ~~and or~~

27 (B) under which any payment could be outlaid or funds disbursed after September  
28 30, 2031; ~~and or~~

29 (2) use any other funds available to the Secretary to satisfy obligations initially made  
30 under this subtitle.

## 31 ~~Subtitle C—Rural Development and Energy~~

## 32 ~~SEC. 12001. ADDITIONAL SUPPORT FOR THE USDA~~ 33 ~~BUSINESS AND INDUSTRY LOAN PROGRAM. SEC.~~ 34 **11005. APPROPRIATIONS.**

35 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal  
36 year 2022, out of any money in the Treasury not otherwise appropriated, ~~and notwithstanding~~  
37 ~~sections 381E through 381H and 381N of the Consolidated Farm and Rural Development Act (7-~~

1 U.S.C. 2009d through 2009g and 2009m), \$40,000,000, **\$200,000,000** to remain available until  
2 September 30, 2031, for the cost of direct loans and loan guarantees for the rural business-  
3 development programs authorized under section 310B of the Consolidated Farm and Rural-  
4 Development Act and described in subsections (a) and (g) of section 310B of the Consolidated-  
5 Farm and Rural Development Act (7 U.S.C. 1932(a) and (g)). **administrative costs of the**  
6 **agencies and offices of the Department of Agriculture for costs related to implementing this**  
7 **subtitle.**

## 8 ~~SEC. 12002~~ **Subtitle C—Rural Development and** 9 **Agricultural Credit and Outreach**

### 10 **PART 1—RURAL DEVELOPMENT**

#### 11 **SEC. 12001. ADDITIONAL SUPPORT FOR USDA RURAL** 12 **WATER PROGRAMS.**

13 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal  
14 year 2022, out of any money in the Treasury not otherwise appropriated, and notwithstanding  
15 sections 381E through 381H and 381N of the Consolidated Farm and Rural Development Act (7  
16 U.S.C. 2009d through 2009g and 2009m), ~~\$430,000,000~~ **\$97,000,000**, to remain available until  
17 September 30, 2031, for the cost of grants for rural water and waste water programs authorized  
18 by sections 306, 306C, and 306D and described in sections 306C(a)(2) and 306D of the  
19 Consolidated Farm and Rural Development Act ~~in in—~~

20 ~~(4)~~ persistent poverty counties (or, notwithstanding any population limits specified in **section**  
21 **343** of the Consolidated Farm and Rural Development Act, a county seat of a persistent poverty  
22 county with a population that does not exceed the authorized population limit by more than 10  
23 percent; ~~and~~), **Tribal lands, colonias, and insular areas, subject to the condition that the**  
24 **performance of any construction work completed with amounts provided under this**  
25 **section meet the condition described in section 9003(f) of the Farm Security and Rural**  
26 **Investment Act of 2002 (7 U.S.C. 8103(f)).**

#### 27 ~~(2) insular areas.~~ **SEC. 12002. USDA RURAL WATER** 28 **GRANTS FOR LEAD REMEDIATION.**

#### 29 ~~SEC. 12003. SUBSIDY FOR CERTAIN USDA RURAL DEVELOPMENT LOAN-~~ 30 ~~PAYMENTS.~~

31 ~~(a) Appropriation.—In addition to the amounts otherwise~~ **In addition to amounts otherwise**  
32 **made** available, there is appropriated to the Secretary for fiscal year 2022, **out of any money in**  
33 **the Treasury not otherwise appropriated and notwithstanding sections 381E through 381H**  
34 **and 381N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d through**  
35 **2009g and 2009m), \$970,000,000, to remain available until September 30, 2031,**  
36 **notwithstanding section 306C(a)(2)(A) of the Consolidated Farm and Rural Development**  
37 **Act (7 U.S.C. 1926c(a)(2)(A)), for grants under sections 306C(a)(1)(A) and 306(a)(2) of the**  
38 **Consolidated Farm and Rural Development Act (7 U.S.C. 1926c(a)(1)(A) and 1926(a)(2))**  
39 **for the purpose of replacement of service lines that contain lead, subject to the condition**



1 that the performance of any construction work completed with amounts provided under  
2 this section meet the condition described in section 9003(f) of the Farm Security and Rural  
3 Investment Act of 2002 (7 U.S.C. 8103(f)).

## 4 **SEC. 12003. ADDITIONAL FUNDING FOR ELECTRIC** 5 **LOANS FOR RENEWABLE ENERGY.**

6 (a) **Appropriation.**—In addition to amounts otherwise available, there is appropriated to  
7 the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise  
8 appropriated, ~~\$390,000,000~~ **\$2,880,000,000**, to remain available until September 30, 2031, ~~to~~  
9 ~~carry out this section.~~ **for the cost of loans under section 317 of the Rural Electrification Act**  
10 **of 1936 (7 U.S.C. 940g), including for projects that store electricity that supports the types**  
11 **of eligible projects under such section, which shall be forgiven in whole or in part based on**  
12 **how the borrower and the project meets the terms and conditions for loan forgiveness**  
13 **consistent with the purposes of such section established by the Secretary, subject to the**  
14 **condition that the performance of any construction work completed with amounts**  
15 **provided under this section meet the condition described in section 9003(f) of the Farm**  
16 **Security and Rural Investment Act of 2002 (7 U.S.C. 8103(f)).**

17 (b) **Use of Funds.**—

18 (1) **Payment.**—The Secretary shall make a payment to the lender on a covered loan equal to  
19 half of the total of the installment amounts owed by the borrower on the loan for 1 year, if the  
20 borrower has the opportunity to opt out of the payment.

21 (2) **Additional payments.**—To the extent that amounts made available by subsection (a)  
22 remain after making the payments under paragraph (1), the Secretary shall make additional loan  
23 payments on a covered loan.

24 (c) **Terms and Conditions.**—

25 (1) **Waiver.**—The Secretary shall waive statutory limits on maximum loan maturities for any  
26 covered loan durations, including those where the lender provides a deferral and extends the  
27 maturity of a covered loan during the 1-year period beginning with the date of enactment of this  
28 Act.

29 (2) **Extension.**—The Secretary shall, when necessary to provide more time because of the  
30 potential of higher volumes, travel restrictions, and the inability to access some properties during  
31 the COVID-19 pandemic, extend lender site visit requirements to —

32 (A) not more than 60 days (which may be extended at the discretion of the Secretary) after the  
33 occurrence of an adverse event, other than a payment default, that causes a loan to be classified  
34 as in liquidation; and

35 (B) not more than 90 days after a payment default.

36 (d) **Definition.**—In this section, the term “covered loan” means —

37 (1) a business and industry loan made or guaranteed before January 1, 2021, under subsection  
38 (a) or (g) of section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C.  
39 1932(a) or (g));

40 (2) a loan that is made by an intermediary lender before January 1, 2021, to an ultimate

1 recipient using a loan received under section 1323 of the Food Security Act of 1985 (7 U.S.C.  
2 1932 note; Public Law 99-198) or section 310H of the Consolidated Farm and Rural  
3 Development Act (7 U.S.C. 1936b); and

4 ~~(3) a loan that is made by a microenterprise development organization before January 1, 2021,~~  
5 ~~to a microentrepreneur under section 379E of the Consolidated Farm and Rural Development~~  
6 ~~Act (7 U.S.C. 2008s);~~ **(b) Limitation.—The Secretary shall not enter into any loan agreement**  
7 **pursuant to this section that could result in disbursements after September 30, 2031.**

## 8 SEC. 12004. RURAL ENERGY SAVINGS PROGRAM.

9 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
10 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
11 \$200,000,000, to remain available until September 30, 2031, to carry out ~~this section:~~ **section**  
12 **6407 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a) and this**  
13 **section, subject to the condition that the performance of any construction work completed**  
14 **with amounts provided under this section meet the condition described in section 9003(f) of**  
15 **such Act (7 U.S.C. 8103(f)).**

16 (b) Use of Funds.—

17 (1) IN GENERAL.—Except as provided in paragraph (2) of this subsection, at the election  
18 of an eligible entity **(as defined in section 6407(b) of the Farm Security and Rural**  
19 **Investment Act of 2002 (7 U.S.C. 8107a(b)))** to which a loan is made under section  
20 6407(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a(c)), the  
21 Secretary shall make a grant to the eligible entity in an amount equal to not more than 5  
22 percent of the loan amount for the purposes of costs incurred in—

23 (A) applying for a loan received under section 6407(c) of such Act;

24 (B) making a loan under section 6407(d) of such Act;

25 (C) making repairs to the property of a qualified consumer that facilitate the energy  
26 efficiency measures for the property financed through a loan under section 6407(d) of  
27 such Act;

28 (D) entering into a contract under section 6407(e) of such Act; or

29 (E) carrying out the duties of an eligible entity under section 6407 of such Act.

30 (2) PERSISTENT POVERTY COUNTIES.—In the case that the grant is for the purpose of  
31 making a loan under section 6407(d) of the Farm Security and Rural Investment Act of  
32 2002 (7 U.S.C. 8107a(d)) to a qualified consumer **(as defined in section 6407(b) of such**  
33 **Act)** in a persistent poverty county (as determined by the Secretary), the percentage  
34 limitation in paragraph (1) of this subsection shall be 10 percent.

35 **(c) Limitation.—The Secretary shall not enter into any loan agreement pursuant to this**  
36 **section that could result in disbursements after September 30, 2031, or any grant**  
37 **agreement pursuant to this section that could result in any outlays after September 30,**  
38 **2031. Definitions.—In this section:**

39 ~~(1) Eligible entity.—The term “eligible entity” has the meaning given the term in section~~  
40 ~~6407(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a(b)).~~

1       ~~(2) Qualified consumer.—The term “qualified consumer” has the meaning given the term in~~  
2       ~~section 6407(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a(b)).~~

### 3       **SEC. 12005. RURAL ENERGY FOR AMERICA PROGRAM.**

4       (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
5       Secretary, out of any money in the Treasury not otherwise appropriated, for eligible projects  
6       ~~under the Rural Energy for America Program established under section 9007 of the Farm~~  
7       ~~Security and Rural Investment Act of 2002 (7 U.S.C. 8107)—~~ **8107) and subject to the**  
8       **conditions that the performance of any construction work completed with amounts**  
9       **provided under this subsection meet the condition described in section 9003(f) of such Act,**  
10       **and notwithstanding section 9007(c)(3)(A) of such Act, the amount of a grant shall not**  
11       **exceed 50 percent of the cost of the activity carried out using the grant funds—**

12               ~~(1) \$811,750,000~~**(1) \$820,250,000** for fiscal year 2022, to remain available until  
13               September 30, 2031,~~and for which there may be no outlays after September 30, 2031; and;~~  
14               **and**

15               ~~(2) \$272,000,000~~**(2) \$180,276,500** for each of fiscal years 2023 through 2027, to remain  
16               available until September 30, 2031,~~and for which there may be no outlays after September~~  
17               ~~30, 2031.~~

18       (b) Underutilized Renewable Energy Technologies.—In addition to amounts otherwise  
19       available, there is appropriated to the Secretary, out of any money in the Treasury not otherwise  
20       appropriated, to provide grants and ~~other financial assistance~~ **loans guaranteed by the**  
21       **Secretary (including the costs of such loans)** under the program described in subsection (a) of  
22       **this section** relating to underutilized renewable energy technologies, and to provide technical  
23       assistance for applying to ~~such program, as determined by the Secretary~~ **the program described**  
24       **in subsection (a) of this section, including for underutilized renewable energy technologies,**  
25       **subject to the conditions that the performance of any construction work completed with**  
26       **amounts provided under this subsection meet the condition described in section 9003(f) of**  
27       **such Act and, notwithstanding section 9007(c)(3)(A) of the Farm Security and Rural**  
28       **Investment Act of 2002 (7 U.S.C. 8107(c)(3)(A)), the amount of a grant shall not exceed 50**  
29       **percent of the cost of the activity carried out using the grant funds,** and to the extent the  
30       following amounts remain available at the end of each fiscal year, the Secretary shall use such  
31       amounts in accordance with subsection ~~(a)~~ **(a) of this section—**

32               ~~(1) \$143,250,000~~**(1) \$144,750,000** for fiscal year 2022, to remain available until  
33               September 30, 2031,~~and for which there may be no outlays after September 30, 2031; and;~~  
34               **and**

35               ~~(2) \$48,000,000~~**(2) \$31,813,500** for each of fiscal years 2023 through 2027, to remain  
36               available until September 30, 2031,~~and for which there may be no outlays after September~~  
37               ~~30, 2031.~~

38       ~~(c) Non-federal Share.—Notwithstanding section 9007(c)(3)(A) of the Farm Security and~~  
39       ~~Rural Investment Act of 2002 (7 U.S.C. 8107(c)(3)(A)), the amount of a grant provided using~~  
40       ~~amounts made available by this section shall not exceed 50 percent of the cost of the activity~~  
41       ~~carried out using the grant funds.~~**(c) Limitation.—The Secretary shall not enter into any loan**  
42       **agreement pursuant to this section that could result in disbursements after September 30,**

1 **2031 or any grant agreement pursuant to this section that could result in any outlays after**  
2 **September 30, 2031.**

3 **SEC. 12006. BIOFUEL INFRASTRUCTURE AND**  
4 **AGRICULTURE PRODUCT MARKET EXPANSION.**

5 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
6 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
7 \$960,000,000, to remain available until September 30, 2031, to carry out this section.

8 (b) Use of Funds.—The Secretary shall use the amounts made available by subsection (a) to  
9 provide grants, **for which the Federal share shall be not more than 75 percent of the total**  
10 **cost of carrying out a project for which the grant is provided**, on a competitive basis, to  
11 ~~eligible entities described in subsection (e)~~ **transportation fueling facilities and distribution**  
12 **facilities, including fueling stations, convenience stores, hypermarket retailer fueling**  
13 **stations, fleet facilities, as well as fuel terminal operations, mid-stream partners, and**  
14 **heating oil distribution facilities or equivalent entities, subject to the condition that the**  
15 **performance of any construction work completed with amounts provided under this**  
16 **section shall meet the condition described in section 9003(f) of the Farm Security and Rural**  
17 **Investment Act of 2002 (7 U.S.C. 8103(f))—**

18 (1) to install, retrofit, or otherwise upgrade fuel dispensers or pumps and related  
19 equipment, storage tank system components, and other infrastructure required at a location  
20 ~~to ensure the environmentally safe availability of fuel-containing ethanol blends at levels~~  
21 ~~greater than 10 percent (related to dispensing certain biofuels blends to ensure the~~  
22 **increased sales of fuels with high levels of commodity-based ethanol and biodiesel that**  
23 **are at or greater than the levels required in the Notice of Funding Availability for the**  
24 **Higher Blends Infrastructure Incentive Program for Fiscal Year 2020, published in**  
25 **volume 85 of the Federal Register (85 Fed. Reg. 26656), as determined by the Secretary)  
26 ~~or fuel-containing biodiesel blends at levels greater than 20 percent (as determined by the~~  
27 ~~Secretary); and~~**

28 (2) to build and retrofit distribution systems for ethanol blends, traditional and pipeline  
29 biodiesel terminal operations (including rail lines), and home heating oil distribution centers  
30 or equivalent entities—

31 (A) to blend biodiesel; and

32 (B) to carry ethanol and biodiesel.

33 ~~(c) Eligible Entities.—Entities eligible to receive a grant under this section are transportation~~  
34 ~~fueling facilities and distribution facilities, including fueling stations, convenience stores,~~  
35 ~~hypermarket retailer fueling stations, fleet facilities, as well as fuel terminal operations,~~  
36 ~~midstream partners, and heating oil distribution facilities or equivalent entities.~~

37 ~~(d) Federal Share.—The Federal share of the total cost of carrying out a project for which a~~  
38 ~~grant is provided under this section shall be not more than 75 percent.~~

39 ~~(e) Limitation.—The Secretary may not limit the amount of funding an eligible entity may~~  
40 ~~receive under this section.~~

1 **SEC. 12007. ~~CLEAN ENERGY REPOWERING~~ USDA**  
2 **ASSISTANCE FOR RURAL UTILITIES ELECTRIC**  
3 **COOPERATIVES.**

4 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
5 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
6 \$9,700,000,000, to remain available until September 30, 2031, ~~to provide for the long-term~~  
7 **resiliency, reliability, and affordability of rural electric systems, by providing** to an eligible  
8 entity **(defined as an electric cooperative described in section 501(c)(12) or 1381(a)(2) of the**  
9 **Internal Revenue Code of 1986 and is or has been a Rural Utilities Service electric loan**  
10 **borrower pursuant to the Rural Electrification Act of 1936 or serving a predominantly**  
11 **rural area) assistance under paragraphs (1) and (2) by prioritizing awarding** such assistance to  
12 eligible entities **for purposes described in section 310B(a)(2)(C) of the Consolidated Farm**  
13 **and Rural Development Act (provided that the term renewable energy system in that**  
14 **paragraph has the meaning given such term in section 9001(16) of the Farm Security and**  
15 **Rural Investment Act of 2002) and for carbon capture and storage systems, that will achieve**  
16 the greatest reduction in greenhouse gas emissions **associated with rural electric systems** using  
17 such assistance and that will otherwise aid disadvantaged **rural** communities (as determined by  
18 the Secretary), **subject to the condition that any construction work completed with amounts**  
19 **provided under this section shall meet the condition described in section 9003(f) of the**  
20 **Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103(f)), when—**

21 (1) making grants and loans (including the cost of loans and modifications thereof ~~as~~  
22 ~~defined in section 502 of the Congressional Budget Act of 1974)) to purchase renewable~~  
23 ~~energy or renewable energy systems (as defined in section 9001(15) and (16) of the Farm~~  
24 ~~Security and Rural Investment Act of 2002 (7 U.S.C. 8101(15) and (16))), ~~deploy)),~~  
25 **purchase renewable energy systems (as defined in section 9001(16) of that Act (7 U.S.C.**  
26 **8101(16))), and carbon capture and storage systems, deploy such systems, or make**  
27 **energy efficiency improvements after the date of enactment of this Act; and**~~

28 (2) making grants for debt relief and other costs associated with terminating, after the  
29 date of enactment of this Act or up to one year prior to the date of enactment, the use of—

30 (A) facilities ~~with high greenhouse gas emissions~~ **operating on nonrenewable**  
31 **energy; and**

32 (B) related transmission assets.

33 (b) Limitation.—No eligible entity may receive an amount equal to more than 10 percent of  
34 the total amount made available by this section.

35 (c) **Prohibition.—Nothing in this section shall be interpreted to authorize funds of the**  
36 **Commodity Credit Corporation for activities under this section if such funds are not**  
37 **expressly authorized or currently expended for such purposes. Definition of Eligible**  
38 **Entity.—In this section, the term “eligible entity” means—**

39 ~~(1) an electric cooperative described in section 501(c)(12) or 1381(a)(2) of the Internal~~  
40 ~~Revenue Code of 1986; and~~

41 ~~(2) an entity primarily owned or controlled by 1 or more entities described in paragraph (1).~~

## 1 SEC. 12008. RURAL PARTNERSHIP PROGRAM.

### 2 (a) Rural Prosperity Development Grants.—

3 (1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to  
4 the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise  
5 appropriated, ~~\$3,500,000,000~~ **\$873,000,000**, to remain available until September 30, 2031,  
6 ~~to carry out this subsection~~ to provide grants to support rural development under this  
7 subsection, **subject to the condition that the recipient of a grant under this subsection**  
8 **shall contribute a non-Federal match of 25 percent of the amount of the grant, which**  
9 **may be satisfied through an in-kind contribution, except that the Secretary may waive**  
10 **such matching requirement on a finding that the recipient of the applicable grant is**  
11 **economically distressed.**

### 12 (2) ALLOCATION OF FUNDS.—

13 (A) FORMULA.—The Secretary shall establish a formula pursuant to which the  
14 Secretary shall allocate, for each State and for ~~Indian Tribes Tribal~~ **governments**, an  
15 amount to be provided under this subsection to eligible applicants described in  
16 paragraph (3).

### 17 (B) REQUIREMENTS.—

18 (i) FORMULA.—The formula established under subparagraph (A) shall include a  
19 graduated scale for the amount to be allocated under this subsection for eligible  
20 applicants in each State and eligible applicants of ~~Indian Tribes Tribal~~  
21 **governments**, with higher amounts provided based on lower populations and  
22 lower income levels, as determined by the Secretary.

23 (ii) ~~PRIORITY.—IN AWARD.~~—**In** awarding grants under this subsection to  
24 eligible applicants in each State and eligible applicants of ~~Indian Tribes Tribal~~  
25 **governments**, the Secretary shall give priority to eligible applicants representing  
26 a micropolitan statistical area (as defined by the Office of Management and  
27 Budget) **in OMB Bulletin No. 20-01 (effective March 2020) and any**  
28 **subsequent updates)** and 1 or more rural areas contiguous to that micropolitan  
29 statistical area **or eligible applicants representing high poverty areas (as**  
30 **determined by the Secretary) provided that the Secretary may award**  
31 **additional grants or funding under this subsection to implement activities**  
32 **pursuant to a rural development plan upon the Secretary's approval of the**  
33 **recipient's plan and report on the use of each grant provided to the recipient**  
34 **under this subsection.**

35 (3) ELIGIBLE APPLICANTS.—The Secretary may make a grant under this subsection to a  
36 partnership no member of which has received a grant under subsection (b) and that—

37 (A) is composed of ~~of~~—

38 ~~(i)~~ entities representing a region composed of 1 or more rural areas, including—

39 ~~(i)~~ **(i)** except as provided in subparagraph (B), 1 or more of—

40 ~~(aa)~~ **(I)** a unit of local government;

1                   ~~(bb)~~**(II)** a Tribal government; or

2                   ~~(ee)~~**(III)** an authority, agency, or instrumentality of an entity described in  
3                   item ~~(aa)~~ or ~~(bb)~~; and **subclauses (I) or (II); and**

4                   ~~(H)~~ a **(ii) a qualified** nonprofit or for-profit organization, **as determined by the**  
5                   **Secretary; including a public benefit corporation, an economic development**  
6                   **organization, a community or labor organization, an institution of higher**  
7                   **education, a community development financial institution, a philanthropic**  
8                   **organization, an instrumentality of a State agency relevant to community and rural**  
9                   **development, a cooperative extension, an institution in the Farm Credit System,**  
10                   **and a local food policy council; and**

11                   ~~(ii)~~ such other entities as the Secretary or the partnership may determine to be  
12                   appropriate;

13                   (B) does not include a member described in subparagraph (A)(i)~~(F)~~, but demonstrates  
14                   significant community support sufficient to support a likelihood of success on the  
15                   proposed projects, as determined by the Secretary; and

16                   (C) demonstrates, as determined by the Secretary, cooperation among the members  
17                   of the partnership necessary to complete comprehensive, ~~asset-based~~ rural  
18                   development to align Federal, State, regional, and Tribal, **through aligning**  
19                   **government** investment, ~~while~~ leveraging nongovernmental resources, ~~to build~~  
20                   **building** economic resilience, and ~~aid~~ **aiding** economic recovery, including in  
21                   communities impacted by economic transitions and climate change.

22                   (4) ELIGIBLE ACTIVITIES.—The use of grant funds provided under this subsection may be  
23                   used for the following purposes, provided that, where applicable, the performance of any  
24                   construction work completed with the grant funds shall meet the condition described **in**  
25                   section 9003(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103(f)):

26                   (A) Conducting comprehensive rural development and pre-development activities  
27                   and planning.

28                   (B) Supporting organizational operating expenses relating to the rural development  
29                   activities for which the grant was provided.

30                   (C) Implementing planned rural development activities and projects.

31                   (5) LIMITATION.—~~Not more than 25 percent of amounts received by a~~ **Terms and**  
32                   **conditions.—**

33                   ~~(A) In general.—The recipient of a grant under this subsection may not receive an~~  
34                   ~~additional grant under this subsection or funding to implement activities pursuant to a rural~~  
35                   ~~development plan unless the recipient provides to the Secretary an annual plan and report,~~  
36                   ~~which the Secretary has approved, on the use of each grant provided to the recipient under~~  
37                   ~~this subsection.~~

38                   ~~(B) Limitation.—Not more than 25 percent of amounts received by a recipient of a grant~~  
39                   ~~under this subsection may be used to satisfy a Federal matching requirement of any other~~  
40                   ~~program.~~

41                   ~~(6) Matching requirement.—~~

1           ~~(A) In general.—Subject to subparagraph (B), the recipient of a grant under this~~  
2           ~~subsection shall contribute a non-Federal match of 25 percent of the amount of the grant,~~  
3           ~~which may be satisfied through an in-kind contribution.~~

4           ~~(B) Waiver.—The Secretary may waive any portion of the matching requirement~~  
5           ~~described in subparagraph (A) on a finding that the recipient of the applicable grant is~~  
6           ~~economically distressed.~~

7           (b) Rural Prosperity Innovation **Grants.**—~~In Grants.~~—

8           ~~(1) Appropriation.—In addition to amounts otherwise available, there is appropriated to the~~  
9           ~~Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,~~  
10           ~~\$370,000,000~~ **\$97,000,000**, to remain available until September 30, 2031, to **provide grants to**  
11           ~~entities that have~~ carry out this subsection.

12           ~~(2) Eligible applicants.—The Secretary may make a grant under this subsection to an entity~~  
13           ~~that has not received a grant under subsection (a) and that that—~~

14           ~~(A) serves rural areas; and~~

15           ~~(B) is a qualified nonprofit corporation that serves rural areas (as determined by the~~  
16           ~~Secretary) or an institution of higher education that serves rural areas (as determined by the~~  
17           ~~Secretary), subject to the condition that the recipient of such grant shall contribute a~~  
18           ~~non-Federal match of 20 percent of the amount of the grant, which may be used—~~

19           ~~(1):~~

20           ~~(3) Eligible activities.—A grant provided under this subsection may be used—~~

21           ~~(A) to support activities of the recipient relating to—~~

22                   ~~(i)(A) development and predevelopment planning aspects of rural development; and~~

23                   ~~(ii)(B) organizational capacity-building necessary to support the rural development~~  
24                   ~~activities funded by the grant; and~~

25           ~~(B)(2) to support the recipient of a grant under subsection (a) in carrying out activities for~~  
26           ~~which that grant was provided.~~

27           ~~(4) Matching requirement.—The recipient of a grant under this subsection shall contribute a~~  
28           ~~non-Federal match of 20 percent of the amount of the grant.~~

29           (c) Definitions.—In this section:

30           (1) RURAL AREA.—The term “rural area” has the meaning given the term in section  
31           343(a)(13)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C.  
32           1991(a)(13)(C)).

33           (2) STATE.—The term “State” **has the meaning given the term in section 1404 of the**  
34           ~~National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C.~~  
35           ~~3103).~~ **means—**

36           ~~(A) the 50 States of the United States;~~

37           ~~(B) the District of Columbia; and~~

38           ~~(C) the insular areas.~~



1 **SEC. 12009. ADDITIONAL USDA RURAL DEVELOPMENT**  
2 **ADMINISTRATIVE FUNDS.**

3 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal  
4 year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$545,000,000~~  
5 **\$553,000,000**, to remain available until September 30, 2031, for administrative costs and salaries  
6 and expenses for the Rural Development mission area and ~~for research, data collection, and other~~  
7 ~~associated costs for section 12008. expenses of the agencies and offices of the Department for~~  
8 **costs related to implementing this part.**

9 **PART 2—AGRICULTURAL CREDIT AND OUTREACH**

10 **SEC. 12101. ASSISTANCE FOR CERTAIN FARM LOAN**  
11 **BORROWERS.**

12 Section 1005 of the American Rescue Plan Act of 2021 (Public Law 117–2) is amended to  
13 read as follows:

14 **“SEC. 1005. ASSISTANCE FOR CERTAIN FARM LOAN**  
15 **BORROWERS.**

16 **“(a) Appropriations.—In addition to amounts otherwise available, there are**  
17 **appropriated to the Secretary for fiscal year 2022, out of amounts in the Treasury not**  
18 **otherwise appropriated, to remain available until September 30, 2031—**

19 **“(1) such sums as may be necessary for the cost of payments under subsection (b);**  
20 **and**

21 **“(2) \$1,020,000,000 to provide payments or loan modifications or otherwise carry**  
22 **out the authorities under section 331(b)(4) of the Consolidated Farm and Rural**  
23 **Development Act (7 U.S.C. 1981(b)(4)), using a centralized process administered from**  
24 **the national office, for Farm Service Agency direct loan and loan guarantee**  
25 **borrowers, focusing on borrowers who are at risk (as determined by the Secretary of**  
26 **Agriculture using factors that may include whether the borrower is a limited resource**  
27 **farmer or rancher, the amount of payments received by the borrower during calendar**  
28 **years 2020 and 2021 under the Coronavirus Food Assistance Program of the**  
29 **Department of Agriculture, and other factors, as determined by the Secretary).**

30 **“(b) Payments.—**

31 **“(1) IN GENERAL.—The Secretary shall provide a payment in an amount up to 100**  
32 **percent of the outstanding indebtedness of each economically distressed borrower on**  
33 **eligible farm debt.**

34 **“(2) OTHER PAYMENTS.—**

35 **“(A) IN GENERAL.—For each farmer and rancher with outstanding**  
36 **indebtedness on eligible farm debt that does not qualify for a payment under**  
37 **paragraph (1), the Secretary shall provide a payment that is equal to, subject to**  
38 **subparagraph (B), the lesser of—**

1                   “(i) the amount of the outstanding indebtedness of the farmer or rancher  
2                   on eligible farm debt; and

3                   “(ii) \$150,000.

4                   “(B) REDUCTION.—A payment determined under subparagraph (A) shall be  
5                   reduced by the amount equal to the sum obtained by adding—

6                   “(i) the total of the payments received by the farmer or rancher during  
7                   calendar year 2020 pursuant to the Coronavirus Food Assistance Program of  
8                   the Department of Agriculture; and

9                   “(ii) the total of the payments received by the farmer or rancher during  
10                  calendar years 2018 and 2019 pursuant to the Market Facilitation Program  
11                  of the Department of Agriculture.

12                  “(c) Definitions.—In this section:

13                  “(1) ECONOMICALLY DISTRESSED BORROWER.—The term ‘economically distressed  
14                  borrower’ means a farmer or rancher that, as determined by the Secretary—

15                  “(A) was 90 days or more delinquent with respect to an eligible farm debt as of  
16                  April 30, 2021;

17                  “(B) was 90 days or more delinquent with respect to an eligible farm debt as of  
18                  December 31, 2020;

19                  “(C) operates a farm or ranch whose headquarters of operation, as determined  
20                  by the Secretary, location is—

21                  “(i) in a county with a poverty rate of not less than 20 percent, as  
22                  determined—

23                  “(I) in the 1990 or 2000 decennial census; or

24                  “(II) in the Small Area Income and Poverty Estimates of the Bureau  
25                  of the Census for the most recent year for which the Estimates are  
26                  available as of the date of enactment of the Act entitled ‘An Act to  
27                  provide for reconciliation pursuant to title II of S. Con. Res. 14’;

28                  “(ii) in a ZIP Code with a poverty rate of not less than 20 percent, as  
29                  determined by the Secretary; or

30                  “(iii) on land held in trust by the United States for the benefit of an Indian  
31                  Tribe or an individual Indian;

32                  “(D) owes more interest than principal with respect to an eligible farm debt as  
33                  of July 31, 2021;

34                  “(E) is undergoing bankruptcy or foreclosure or is in other financially  
35                  distressed categories, as determined by the Secretary, as of July 31, 2021;

36                  “(F) received a Department of Agriculture disaster set aside after January 1,  
37                  2020;

38                  “(G) has restructured an eligible farm debt 3 or more times as of July 31, 2021;  
39                  or

1           “(H) has restructured an eligible farm debt on or after January 1, 2020.

2           “(2) ELIGIBLE FARM DEBT.—

3           “(A) IN GENERAL.—The term ‘eligible farm debt’ means a debt owed to the  
4           United States by a farmer or rancher that was issued as a direct loan  
5           administered by the Farm Service Agency under subtitle A, B, or C of the  
6           Consolidated Farm and Rural Development Act (7 U.S.C. 1922 through 1970) and  
7           was outstanding or otherwise not paid as of December 31, 2020, or July 31, 2021.

8           “(B) AMOUNT.—The amount of eligible farm debt with respect to a borrower  
9           shall be equal to the amount of eligible farm debt outstanding as of a date  
10           determined by the Secretary, but no sooner than the date of enactment of the Act  
11           entitled ‘An Act to provide for reconciliation pursuant to title II of S. Con Res.  
12           14’, plus the total of all loan payments on eligible farm debt made by the  
13           borrower in calendar year 2021.

14           “(3) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

15           “(d) Limitation.—The Secretary shall not enter into any loan agreement pursuant to this  
16           section that could result in disbursements after September 30, 2031 or any grant agreement  
17           pursuant to this section that could result in any outlays after September 30, 2031.”.

18           **SEC. 12102. USDA ASSISTANCE AND SUPPORT FOR**  
19           **UNDERSERVED FARMERS, RANCHERS, AND**  
20           **FORESTERS.**

21           Section 1006 of the American Rescue Plan Act of 2021 (Public Law 117–2) is amended to  
22           read as follows:

23           **“SEC. 1006. USDA ASSISTANCE AND SUPPORT FOR**  
24           **UNDERSERVED FARMERS, RANCHERS, FORESTERS.**

25           “(a) Technical and Other Assistance.—In addition to amounts otherwise available, there  
26           is appropriated to the Secretary of Agriculture for fiscal year 2022, to remain available  
27           until September 30, 2031, out of any money in the Treasury not otherwise appropriated,  
28           \$200,000,000 to provide outreach, mediation, financial training, capacity building training,  
29           cooperative development and agricultural credit training and support, and other technical  
30           assistance on issues concerning food, agriculture, agricultural credit, agricultural  
31           extension, rural development, or nutrition to underserved farmers, ranchers, or forest  
32           landowners, including veterans, limited resource producers, beginning farmers and  
33           ranchers, and farmers, ranchers, and forest landowners living in high poverty areas.

34           “(b) Land Loss Assistance.—In addition to amounts otherwise available, there is  
35           appropriated to the Secretary of Agriculture for fiscal year 2022, to remain available until  
36           September 30, 2031, out of any money in the Treasury not otherwise appropriated,  
37           \$200,000,000 to provide grants and loans to eligible entities, as determined by the  
38           Secretary, to improve land access (including heirs’ property and fractionated land issues)  
39           for underserved farmers, ranchers, and forest landowners, including veterans, limited  
40           resource producers, beginning farmers and ranchers, and farmers, ranchers, and forest

1 landowners living in high poverty areas.

2 “(c) Equity Commissions.—In addition to amounts otherwise available, there is  
3 appropriated to the Secretary of Agriculture for fiscal year 2022, to remain available until  
4 September 30, 2031, out of any money in the Treasury not otherwise appropriated,  
5 \$10,000,000 to fund the activities of one or more equity commissions that will address racial  
6 equity issues within the Department of Agriculture and the programs of the Department of  
7 Agriculture.

8 “(d) Research, Education, and Extension.—In addition to amounts otherwise available,  
9 there is appropriated to the Secretary of Agriculture for fiscal year 2022, to remain  
10 available until September 30, 2031, out of any money in the Treasury not otherwise  
11 appropriated, \$189,000,000 to support and supplement agricultural research, education,  
12 and extension, as well as scholarships and programs that provide internships and pathways  
13 to agricultural sector or Federal employment, for 1890 Institutions (as defined in section 2  
14 of the Agricultural, Research, Extension, and Education Reform Act of 1998 (7 U.S.C.  
15 7601)), 1994 Institutions (as defined in section 532 of the Equity in Educational  
16 Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)), Alaska Native  
17 serving institutions and Native Hawaiian serving institutions eligible to receive grants  
18 under subsections (a) and (b), respectively, of section 1419B of the National Agricultural  
19 Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3156), Hispanic-serving  
20 institutions eligible to receive grants under section 1455 of the National Agricultural  
21 Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241), and the insular area  
22 institutions of higher education located in the territories of the United States, as referred to  
23 in section 1489 of the National Agricultural Research, Extension, and Teaching Policy Act  
24 of 1977 (7 U.S.C. 3361).

25 “(e) Discrimination Financial Assistance.—In addition to amounts otherwise available,  
26 there is appropriated to the Secretary of Agriculture for fiscal year 2022, to remain  
27 available until September 30, 2031, out of any money in the Treasury not otherwise  
28 appropriated, \$750,000,000 for a program to provide financial assistance to farmers,  
29 ranchers, or forest landowners determined to have experienced discrimination prior to  
30 January 1, 2021, in Department of Agriculture farm lending programs, under which the  
31 amount of financial assistance provided to a recipient may be not more than \$500,000 as  
32 appropriate in relation to any consequences experienced from the discrimination, which  
33 program shall be administered through 1 or more qualified nongovernmental entities  
34 selected by the Secretary subject to standards set and enforced by the Secretary, subject to  
35 the condition that any selected entity administering the program shall return the funds to  
36 the Secretary on the request of the Secretary if the standards are not adequately carried  
37 out or the administration of the program is not otherwise sufficient or if any funds  
38 provided to the selected entity are not distributed on the date that is 5 years after the date  
39 of enactment of the Act entitled ‘An Act to provide for reconciliation pursuant to title II of  
40 S. Con. Res. 14’, and any such returned funds shall be available for obligation for any  
41 activity authorized under this section, except subsections (c) and (f).

42 “(f) Administrative Costs.—In addition to amounts otherwise available, there is  
43 appropriated to the Secretary of Agriculture for fiscal year 2022, to remain available until  
44 September 30, 2031, out of any money in the Treasury not otherwise appropriated,  
45 \$35,000,000 for administrative costs, including training employees, of the agencies and

1 offices of the Department of Agriculture to carry out this section.

2 “(g) Limitation.—The funds made available under subsection (d) are subject to the  
3 condition that the Secretary shall not—

4 “(1) enter into any agreement—

5 “(A) that is for a term extending beyond September 30, 2031; or

6 “(B) under which any payment could be outlaid or funds disbursed after  
7 September 30, 2031; or

8 “(2) use any other funds available to the Secretary to satisfy obligations initially  
9 made under subsection (d).”.

## 10 Subtitle D—Research and Urban Agriculture

### 11 SEC. 13001. DEPARTMENT OF AGRICULTURE 12 RESEARCH FUNDING.

13 (a) Appropriations.—In addition to amounts otherwise available, there are appropriated to the  
14 Secretary, out of any money in the Treasury not otherwise appropriated, to remain available until  
15 September 30, 2031—

16 ~~(1) to the Agricultural Research Service, \$250,000,000 for fiscal year 2022, to carry out~~  
17 ~~agricultural research relating to climate change, including through climate hubs, long-term~~  
18 ~~agroecosystem research, nutrient uses and outcomes, soil carbon data collection, and other~~  
19 ~~related agricultural climate science;~~

20 ~~(2) to the Economic Research Service, \$45,000,000 for fiscal year 2022, to carry out~~  
21 ~~economic analysis and economic agricultural research relating to climate change;~~

22 ~~(3) to the Office of the Chief Economist, \$3,200,000 for each of fiscal years 2022 through~~  
23 ~~2026, to carry out economic analysis and economic agricultural research relating to climate~~  
24 ~~change and environmental services markets;~~

25 ~~(4) to the National Agricultural Statistics Service—~~

26 ~~(A) \$40,000,000 for fiscal year 2022, to carry out data collection and agricultural~~  
27 ~~research relating to climate change; and~~

28 ~~(B) \$14,000,000 for fiscal year 2022, for measurements, a survey, and data collection to~~  
29 ~~conduct the study required under section 7212(b) of the Agriculture Improvement Act of~~  
30 ~~2018 (Public Law 115–334; 132 Stat. 4812), which shall be completed not later than~~  
31 ~~December 31, 2022, \$5,000,000 for fiscal year 2022;;~~

32 ~~(5)(2) to the National Institute of Food and Agriculture—~~

33 ~~(A) to carry out fund~~ agricultural education, extension, and research relating to  
34 climate change—

35 (i) through the Agriculture and Food Research Initiative established by  
36 subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7  
37 U.S.C. 3157(b)), \$210,000,000 for fiscal year 2022; 3157(b))—

1 ~~(I) \$25,000,000 for each of fiscal years 2022 and 2023; and~~

2 ~~(II) \$150,000,000 for each of fiscal years 2024 through 2026;~~

3 (ii) through the sustainable agriculture research education program established  
4 under sections 1619, 1621, 1622, 1628, and 1629 of the Food, Agriculture,  
5 Conservation, and Trade Act of 1990 (7 U.S.C. 5801, 5811, 5812, 5831, 5832)—  
6 **5832), \$120,000,000 for fiscal year 2022;**

7 ~~(I) \$25,000,000 for each of fiscal years 2022 and 2023; and~~

8 ~~(II) \$150,000,000 for each of fiscal years 2024 through 2026;~~

9 ~~(iii) through the crop protection pest management competitive grant program~~  
10 ~~authorized under section 406 of the Agricultural Research, Extension, and~~  
11 ~~Education Reform Act of 1998 (7 U.S.C. 7626), \$30,000,000 for fiscal year 2022;~~

12 ~~(iv) through the Agricultural Genome to Phenome Initiative~~**(iii) through the**  
13 **organic agriculture research and extension initiative** established under section  
14 1671 **1672B** of the Food, Agriculture, Conservation, and Trade Act of 1990 (7  
15 U.S.C. 5924), ~~\$20,000,000~~ **5925b), \$60,000,000** for fiscal year 2022;

16  
17 ~~(v) through the organic agriculture research and extension initiative established~~  
18 ~~under section 1672B of the Food, Agriculture, Conservation, and Trade Act of~~  
19 ~~1990 (7 U.S.C. 5925b) —~~

20 ~~(I) \$15,000,000 for fiscal year 2022;~~

21 ~~(II) \$5,000,000 for fiscal year 2023; and~~

22 ~~(III) \$60,000,000 for each of fiscal years 2024 through 2026;~~

23 ~~(vi)~~**(iv)** through the urban, indoor, and other emerging agricultural production  
24 research, education, and extension initiative established under section 1672E of  
25 the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925g),  
26 ~~\$65,000,000~~ **\$5,000,000** for fiscal year 2022;

27 ~~(vii)~~**(v)** through the centers of excellence led by 1890 Institutions established  
28 under section 1673(d) of the Food, Agriculture, Conservation, and Trade Act of  
29 1990 (7 U.S.C. 5926(d)), ~~\$15,000,000~~ **\$5,000,000** for fiscal year 2022;

30 ~~(viii)~~**(vi)** through the specialty crop research and extension initiative established  
31 by section 412 of the Agricultural Research, Extension, and Education Reform  
32 Act of 1998 (7 U.S.C. 7632)— **7632), \$60,000,000 for fiscal year 2022;**

33 ~~(I) \$10,000,000 for each of fiscal years 2022 and 2023; and~~

34 ~~(II) \$60,000,000 for each of fiscal years 2024 through 2026;~~

35 ~~(ix)~~**(vii)** through the cooperative extension under the Smith-Lever Act (7  
36 U.S.C. 341 et seq.) ~~for~~ **through 349) for agricultural extension activities and**  
37 **research relating to climate change**, technical assistance, **and** technology  
38 adoption, ~~and other extension activities relating to climate change —~~ **\$80,000,000**  
39 **for fiscal year 2022;**

1                   (I) ~~\$60,000,000 for each of fiscal years 2022 and 2023; and~~

2                   (II) ~~\$160,000,000 for each of fiscal years 2024 through 2026;~~

3                   ~~(x)(viii) through the cooperative extension at 1994 Institutions in accordance~~  
4                   ~~with section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)), \$8,000,000~~  
5                   ~~**\$35,000,000 for each of fiscal years year 2022 through 2026; and**~~

6                   ~~(xi)(ix) through the cooperative extension at 1890 Institutions under section~~  
7                   ~~1444 of the National Agricultural Research, Extension, and Teaching Policy Act~~  
8                   ~~of 1977 (7 U.S.C. 3221), \$25,200,000 for each of fiscal years 2022 through 2026;~~  
9                   ~~**\$40,000,000 for fiscal year 2022;**~~

10                   ~~(B) \$2,664,500,000 for fiscal year 2022, for grants for construction, alteration,~~  
11                   ~~acquisition, modernization, renovation, or remodeling of agricultural research~~  
12                   ~~facilities, including related building costs associated with compliance with applicable~~  
13                   ~~Federal and State law, under section 4 of the Research Facilities Act (7 U.S.C. 390b),~~  
14                   ~~subject to the condition that, notwithstanding section 3(c)(2)(A) of that Act (7 U.S.C.~~  
15                   ~~390a(c)(2)(A)), the recipient of a grant provided using those amounts shall not be~~  
16                   ~~required to provide any non-Federal share of total funding provided under this~~  
17                   ~~subparagraph;~~

18                   ~~(C) \$985,500,000 for fiscal year 2022,~~**(B) for grants to covered institutions for**  
19                   ~~construction, alteration, acquisition, modernization, renovation, or remodeling of~~  
20                   ~~agricultural research facilities, including related building costs associated with~~  
21                   ~~compliance with applicable Federal and State law, under section 4 of the Research~~  
22                   ~~Facilities Act (7 U.S.C. 390b),~~**\$1,000,000,000 for fiscal year 2022,** subject to the  
23                   ~~condition that notwithstanding section 3(c)(2)(A) of that Act (7 U.S.C. 390a(c)(2)(A)),~~  
24                   ~~the recipient of a grant provided using those amounts shall not be required to provide~~  
25                   ~~any non-Federal share of total funding provided under this subparagraph;~~

26                   ~~(D) \$100,000,000 for fiscal year 2022, for research equipment grants under section~~  
27                   ~~1462A~~**(C) for the scholarships for students at 1890 Institutions grant program**  
28                   ~~under section 1446 of the National Agricultural Research, Extension, and Teaching~~  
29                   ~~Policy Act of 1977 (7 U.S.C. 3310a);~~**3222a), \$100,000,000 for fiscal year 2022, to**  
30                   ~~carry out such program in fiscal years 2024 through 2031;~~

31                   ~~(E) for the scholarships for students at 1890 Institutions grant program under section~~  
32                   ~~1446 of the National Agricultural Research, Extension, and Teaching Policy Act of~~  
33                   ~~1977 (7 U.S.C. 3222a) —~~

34                   ~~(i) \$10,000,000 for each of fiscal years 2022 and 2023;~~

35                   ~~(ii) \$50,000,000 for each of fiscal years 2024 and 2025; and~~

36                   ~~(iii) \$70,000,000 for fiscal year 2026;~~

37                   ~~(F) \$10,000,000 for each of fiscal years 2022 through 2026,~~**(D) for grants to**  
38                   ~~land-grant colleges and universities to support Tribal students under section 1450 of~~  
39                   ~~that Act (7 U.S.C. 3222e),~~**\$15,000,000 for fiscal year 2022,** and for purposes of this  
40                   ~~subparagraph, section 1450(b)(4) of such Act shall not apply; and~~

41                   ~~(G) \$10,000,000 for each of fiscal years 2022 through 2026,~~**(E) for the Higher**

1 Education Multicultural Scholars Program carried out pursuant to section 1417 of that  
2 Act (7 U.S.C. 3152), **\$15,000,000 for fiscal year 2022;**

3 ~~(6)~~**(3)** to the Office of the Chief Scientist, to carry out advanced research and  
4 development relating to climate through the Agriculture Advanced Research and  
5 Development Authority under section 1473H of the National Agricultural Research,  
6 Extension, and Teaching Policy Act of 1977 (7 U.S.C. ~~3319k~~)— **3319k**, **\$30,000,000 for**  
7 **fiscal year 2022;**

8 ~~(A) \$10,000,000 for each of fiscal years 2022 and 2023; and~~

9 ~~(B) \$120,000,000 for each of fiscal years 2024 through 2026;~~

10 ~~(7)~~**(4)** to the Foundation for Food and Agriculture Research, to carry out activities  
11 relating to climate change in accordance with section 7601 of the Agricultural Act of 2014  
12 (7 U.S.C. 5939), to be considered as provided pursuant to subsection (g)(1)(A) of **such**  
13 **section, \$210,000,000 that section, and subject to the condition that the Foundation shall**  
14 **not secure funds from any institution of higher education (as defined in section 101 of the**  
15 **Higher Education Act of 1965 (20 U.S.C. 1001)) to fulfill the matching funds requirement**  
16 **under section 7601(g)(1)(B)(i) of the Agricultural Act of 2014 (7 U.S.C.**  
17 **5939(g)(1)(B)(i))—**

18 ~~(A) \$45,000,000 for each of fiscal years 2022 and 2023; and~~

19 ~~(B) \$150,000,000 for each of fiscal years 2024 through 2026;~~

20 ~~(8) for biomass research, \$5,000,000 for fiscal year 2022, to carry out agriculture climate~~  
21 ~~research on biomass, including pyrolysis and biochar, and related activities in accordance~~  
22 ~~with section 9008 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8108);~~  
23 ~~and;~~

24 ~~(9)~~**(5)** to the Office of Urban Agriculture and Innovative Production, ~~\$62,000,000 for~~  
25 ~~each of fiscal years 2022 and 2023,~~ to carry out activities in accordance with section 222 of  
26 the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6923), **\$10,000,000**  
27 **for fiscal year 2022.-**

28 ~~(b) Covered Institution Defined.—In this section, the~~**(b) Definitions.—In this section:**

29 **(1) COVERED INSTITUTION.—The term “covered institution” means—**

30 ~~(1)~~**(A)** an 1890 Institution (as defined in section 2 of the Agricultural Research,  
31 Extension, and Education Reform Act of 1998 (7 U.S.C. 7601));

32 ~~(2)~~**(B)** a 1994 Institution (as defined in section 532 of the Equity in Educational  
33 Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382));

34 ~~(3)~~**(C)** an Alaska Native serving institution or Native Hawaiian serving institution  
35 eligible to receive grants under subsections (a) and (b), respectively, of section 1419B  
36 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7  
37 U.S.C. 3156);

38 ~~(4)~~**(D)** Hispanic-serving agricultural colleges and universities and Hispanic-serving  
39 institutions (as those terms are defined in section 1404 of the National Agricultural  
40 Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103));



1           ~~(5)~~(E) an eligible institution (as defined in section 1489 of the National Agricultural  
2           Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3361) (relating to  
3           institutions of higher education in insular areas)); and

4           ~~(6)~~(F) the University of the District of Columbia established pursuant to the Act of  
5           July 2, 1862 (commonly known as the “First Morrill Act”) (7 U.S.C. 301 ~~et seq.~~);

6           **through 309).**

7           **(2) STATE.—The term “State” has the meaning given the term in section 1404 of the**  
8           **National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C.**  
9           **3103).**

## 10   **SEC. 13002. LIMITATION.**

11       The funds made available under this subtitle are subject to the condition that the Secretary  
12       shall not—

13           (1) enter into any agreement—

14               (A) that is for a term extending beyond September 30, 2031; ~~and or~~

15               (B) under which any payment could be outlaid or funds disbursed after September  
16               30, 2031; ~~and or~~

17           (2) use any other funds available to the Secretary to satisfy obligations initially made  
18           under this subtitle.

## 19   **Subtitle E—Miscellaneous**

### 20   **SEC. 14001. ADDITIONAL SUPPORT FOR USDA OFFICE** 21   **OF THE INSPECTOR GENERAL.**

22       In addition to amounts otherwise made available, there is appropriated to the Office of the  
23       Inspector General of the Department of Agriculture for fiscal year 2022, out of any money in the  
24       Treasury not otherwise appropriated, \$5,000,000 to remain available until September 30, 2031,  
25       for audits, investigations, and other oversight activities of projects and activities carried out with  
26       funds made available to the Department of Agriculture under this title.

### 27   **SEC. 14002. ADDITIONAL SUPPORT FOR** 28   **FARMWORKER AND FOOD WORKER RELIEF GRANT** 29   **PROGRAM.**

30       **In addition to amounts otherwise available, there is appropriated to the Secretary of**  
31       **Agriculture for fiscal year 2022 to remain available until September 30, 2031, out of any**  
32       **money in the Treasury not otherwise appropriated, \$200,000,000 to provide additional**  
33       **funds to the Secretary for the Farmworker and Food Worker Relief Grant Program of the**  
34       **Agricultural Marketing Service to provide additional COVID–19 assistance relief**  
35       **payments for frontline grocery workers.**

## 36   **Subtitle F—Conservation**

## **SEC. 15001. SOIL CONSERVATION ASSISTANCE.**

(a) Appropriation.—In addition to amounts otherwise available, there are appropriated to the Secretary of Agriculture (referred to in this section as the “Secretary”) for each of fiscal years 2022 through 2028, out of any money in the Treasury not otherwise appropriated, such sums as are necessary to carry out this section, to remain available until expended, subject to the conditions that, for purposes of providing payments under subsections (b), (c), and (d), the Secretary shall not—

(1) enter into any agreement—

(A) that is for a term extending beyond September 30, 2031; or

(B) under which any payment could be outlaid or funds disbursed after September 30, 2031;

(2) use any other funds available to the Secretary to satisfy obligations initially made under this section; or

(3) interpret this section to authorize funds of the Commodity Credit Corporation for such payments if such funds are not expressly authorized or currently expended for such purposes.

(b) Availability of Payments to Producers.—

(1) IN GENERAL.—Of the funds made available under subsection (a), for each of the 2022 through 2026 crop years, the Secretary shall make payments to the producers on a farm for which the producer establishes 1 or more cover crop practices with respect to the applicable crop year, as determined by the Secretary, in accordance with this subsection, subject to the condition that a producer receiving a payment shall not receive a payment under any other provision of law for the same practices on the same acres.

(2) PAYMENT RATE.—The payment rate used to make payments with respect to a producer who establishes 1 or more cover crop practices under paragraph (1) shall be \$25 per acre of cover crop established.

(3) ACRES ESTABLISHED.—The acres for which a producer receives the payment rate under paragraph (2) shall be equal to the total number of acres on which the producer establishes 1 or more cover crop practices, not to exceed 1,000 acres per producer.

(c) Availability of Payments to Farm Owners.—

(1) IN GENERAL.—Of the funds made available under subsection (a), for each of the 2022 through 2026 crop years, the Secretary shall make payments to the owners of a farm with respect to which a producer establishes 1 or more cover crop practices pursuant to subsection (b), in accordance with this subsection, subject to the condition that an owner of a farm may not receive a payment under this subsection and subsection (b) for the same farm or acres, as determined by the Secretary.

(2) PAYMENT RATE.—The payment rate used to make payments under paragraph (1) with respect to the owner of a farm shall be \$5 per acre of cover crop established.

(3) ACRES ESTABLISHED.—The acres for which the owner of a farm receives the

1 payment rate under paragraph (2) shall be equal to the total number of acres for  
2 which the applicable producer establishes 1 or more cover crop practices, not to  
3 exceed 1,000 acres per owner.

4 **(d) Availability of Payments for Prevented Planting.—**

5 **(1) IN GENERAL.—**Of the funds made available under subsection (a) and in addition  
6 to any other payments or assistance, for the 2022 through 2026 crop years, the  
7 Secretary shall make payments in accordance with this subsection to producers on  
8 farms who establish 1 or more cover crop practices pursuant to subsection (b).

9 **(2) REQUIREMENTS.—**To receive a payment under this subsection, a producer—

10 **(A) shall have—**

11 **(i) purchased a crop insurance policy or plan of insurance under section**  
12 **508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) for the**  
13 **applicable crop year following the establishment of the cover crop practice,**  
14 **as determined by the Secretary;**

15 **(ii) established a cover crop practice pursuant to subsection (b) on the**  
16 **farm for which the insurance described in clause (i) was purchased, as**  
17 **determined by the Secretary; and**

18 **(iii) been unable to plant the crop for which insurance was purchased; and**

19 **(B) as determined by the Secretary, shall not—**

20 **(i) harvest the cover crop for market or sale;**

21 **(ii) harvest the cover crop for seed for purposes of marketing or sale,**  
22 **except that a quantity may be harvested for seed for on-farm usage only; or**

23 **(iii) otherwise use the acres for which payments are received under this**  
24 **subsection for any unapproved uses or other uses that seek to defeat or**  
25 **undermine the purposes of this section.**

26 **(3) PAYMENT AMOUNT.—**The Secretary shall make payments to producers under  
27 this subsection in an amount equal to the product obtained by multiplying—

28 **(A) the total number of acres for which the producer is eligible to receive a**  
29 **payment under this subsection; and**

30 **(B) the difference between—**

31 **(i) 100 percent of the prevented planting guarantee, calculated without**  
32 **regard to the establishment of the cover crop practices pursuant to**  
33 **subsection (b), applicable for the insurance policy purchased by the producer**  
34 **under section 508A of the Federal Crop Insurance Act (7 U.S.C. 1508a), as**  
35 **determined by the Secretary; and**

36 **(ii) the prevented planting indemnity payment received by the producer**  
37 **under that section and the policy purchased by the producer for the**  
38 **applicable crop, as determined by the Secretary.**

39 **SEC. 15002. ADDITIONAL AGRICULTURAL**

## 1 CONSERVATION INVESTMENTS.

2 (a) Appropriations.—In addition to amounts otherwise available (and subject to  
3 subsection (b)), there are appropriated to the Secretary of Agriculture (referred to in this  
4 section as the “Secretary”), out of any money in the Treasury not otherwise appropriated,  
5 to remain available until September 30, 2031 (subject to the condition that no such funds  
6 may be disbursed after September 30, 2031)—

7 (1) to carry out, using the facilities and authorities of the Commodity Credit  
8 Corporation, the environmental quality incentives program under subchapter A of  
9 chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa  
10 through 3839aa–8)—

11 (A)(i) \$300,000,000 for fiscal year 2022;

12 (ii) \$500,000,000 for fiscal year 2023;

13 (iii) \$1,750,000,000 for fiscal year 2024;

14 (iv) \$3,000,000,000 for fiscal year 2025; and

15 (v) \$3,450,000,000 for fiscal year 2026; and

16 (B) subject to the conditions on the use of the funds that—

17 (i) section 1240B(f)(1) of the Food Security Act of 1985 (16 U.S.C.  
18 3839aa–2(f)(1)) shall not apply;

19 (ii) section 1240H(c)(2) of the Food Security Act of 1985 (16 U.S.C.  
20 3839aa–8(c)(2)) shall be applied—

21 (I) by substituting “\$50,000,000” for “\$25,000,000”; and

22 (II) with the Secretary prioritizing proposals that utilize diet and feed  
23 management to reduce enteric methane emissions from ruminants;

24 (iii) the funds shall be available for 1 or more agricultural conservation  
25 practices or enhancements that the Secretary determines directly improve  
26 soil carbon or reduce nitrogen losses or greenhouse gas emissions, or capture  
27 or sequester greenhouse gas emissions, associated with agricultural  
28 production; and

29 (iv) the Secretary shall prioritize projects and activities that mitigate or  
30 address climate change through the management of agricultural production,  
31 including by reducing or avoiding greenhouse gas emissions;

32 (2) to carry out, using the facilities and authorities of the Commodity Credit  
33 Corporation, the conservation stewardship program under subchapter B of that  
34 chapter (16 U.S.C. 3839aa–21 through 3839aa–25)—

35 (A)(i) \$250,000,000 for fiscal year 2022;

36 (ii) \$500,000,000 for fiscal year 2023;

37 (iii) \$850,000,000 for fiscal year 2024;

38 (iv) \$1,000,000,000 for fiscal year 2025; and

1           (v) \$1,500,000,000 for fiscal year 2026; and

2           (B) subject to the conditions on the use of the funds that—

3                 (i) the funds shall only be available for—

4                         (I) 1 or more agricultural conservation practices or enhancements  
5                         that the Secretary determines directly improve soil carbon or reduce  
6                         nitrogen losses or greenhouse gas emissions, or capture or sequester  
7                         greenhouse gas emissions, associated with agricultural production; or

8                         (II) State-specific or region-specific groupings or bundles of  
9                         agricultural conservation activities for climate change mitigation  
10                         appropriate for cropland, pastureland, rangeland, nonindustrial private  
11                         forest land, and producers transitioning to organic or perennial  
12                         production systems; and

13                 (ii) the Secretary shall prioritize projects and activities that mitigate or  
14                 address climate change through the management of agricultural production,  
15                 including by reducing or avoiding greenhouse gas emissions;

16           (3) to carry out, using the facilities and authorities of the Commodity Credit  
17           Corporation, the agricultural conservation easement program under subtitle H of title  
18           XII of that Act (16 U.S.C. 3865 through 3865d)—

19                 (A)(i) \$100,000,000 for fiscal year 2022;

20                 (ii) \$200,000,000 for fiscal year 2023;

21                 (iii) \$300,000,000 for fiscal year 2024;

22                 (iv) \$500,000,000 for fiscal year 2025; and

23                 (v) \$600,000,000 for fiscal year 2026; and

24           (B) subject to the condition on the use of the funds that the Secretary shall  
25           prioritize projects and activities that mitigate or address climate change through  
26           the management of agricultural production, including by reducing or avoiding  
27           greenhouse gas emissions; and

28           (4) to carry out, using the facilities and authorities of the Commodity Credit  
29           Corporation, the regional conservation partnership program under subtitle I of title  
30           XII of that Act (16 U.S.C. 3871 through 3871f)—

31                 (A)(i) \$200,000,000 for fiscal year 2022;

32                 (ii) \$500,000,000 for fiscal year 2023;

33                 (iii) \$1,500,000,000 for fiscal year 2024;

34                 (iv) \$2,250,000,000 for fiscal year 2025; and

35                 (v) \$3,050,000,000 for fiscal year 2026; and

36           (B) subject to the conditions on the use of the funds that the Secretary—

37                 (i) shall prioritize partnership agreements under section 1271C(d) of the  
38                 Food Security Act of 1985 (16 U.S.C. 3871c(d)) that support the

1 implementation of conservation projects that assist agricultural producers  
2 and nonindustrial private forestland owners in directly improving soil  
3 carbon or reducing nitrogen losses or greenhouse gas emissions, or capturing  
4 or sequestering greenhouse gas emissions, associated with agricultural  
5 production;

6 (ii) shall prioritize projects and activities that mitigate or address climate  
7 change through the management of agricultural production, including by  
8 reducing or avoiding greenhouse gas emissions; and

9 (iii) may prioritize projects that—

10 (I) leverage corporate supply chain sustainability commitments; or

11 (II) utilize models that pay for outcomes from targeting methane and  
12 nitrous oxide emissions associated with agricultural production systems.

13 (b) Conditions.—The funds made available under this section are subject to the  
14 conditions that the Secretary shall not—

15 (1) enter into any agreement—

16 (A) that is for a term extending beyond September 30, 2031; or

17 (B) under which any payment could be outlaid or funds disbursed after  
18 September 30, 2031; or

19 (2) use any other funds available to the Secretary to satisfy obligations initially made  
20 under this section.

21 (c) Conforming Amendments.—

22 (1) Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa–2) is  
23 amended—

24 (A) in subsection (a), by striking “2023” and inserting “2031”; and

25 (B) in subsection (f)(2)(B)—

26 (i) in the subparagraph heading, by striking “2023” and inserting “2031”;  
27 and

28 (ii) by striking “2023” and inserting “2031”.

29 (2) Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended  
30 by striking “2023” each place it appears and inserting “2031”.

31 (3) Section 1240J(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa–22(a)) is  
32 amended, in the matter preceding paragraph (1), by striking “2023” and inserting  
33 “2031”.

34 (4) Section 1240L(h)(2)(A) of the Food Security Act of 1985 (16 U.S.C.  
35 3839aa–24(h)(2)(A)) is amended by striking “2023” and inserting “2031”.

36 (5) Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended—

37 (A) in subsection (a)—

1 (i) in the matter preceding paragraph (1), by striking “2023” and inserting  
2 “2031”;

3 (ii) in paragraph (1), by striking “2023” each place it appears and inserting  
4 “2031”;

5 (iii) in paragraph (2)(F), by striking “2023” and inserting “2031”; and

6 (iv) in paragraph (3), by striking “fiscal year 2023” each place it appears  
7 and inserting “each of fiscal years 2023 through 2031”;

8 (B) in subsection (b), by striking “2023” and inserting “2031”; and

9 (C) in subsection (h)—

10 (i) in paragraph (1)(B), in the subparagraph heading, by striking “2023”  
11 and inserting “2031”; and

12 (ii) by striking “2023” each place it appears and inserting “2031”.

13 (6) Section 1244(n)(3)(A) of the Food Security Act of 1985 (16 U.S.C. 3844(n)(3)(A))  
14 is amended by striking “2023” and inserting “2031”.

15 (7) Section 1271D(a) of the Food Security Act of 1985 (16 U.S.C. 3871d(a)) is  
16 amended by striking “2023” and inserting “2031”.

## 17 **SEC. 15003. CONSERVATION TECHNICAL** 18 **ASSISTANCE.**

19 (a) **Appropriations.**—In addition to amounts otherwise available (and subject to  
20 subsection (b)), there are appropriated to the Secretary of Agriculture (referred to in this  
21 section as the “Secretary”) for fiscal year 2022, out of any money in the Treasury not  
22 otherwise appropriated, to remain available until September 30, 2031 (subject to the  
23 condition that no such funds may be disbursed after September 30, 2031)—

24 (1) \$200,000,000 to provide conservation technical assistance through the Natural  
25 Resources Conservation Service;

26 (2) \$50,000,000 to carry out climate change adaptation and mitigation activities  
27 through the Natural Resources Conservation Service by working with the Regional  
28 Climate Hubs designed to provide information and technical support on climate smart  
29 agriculture and forestry to agricultural producers, landowners, and resource  
30 managers, as determined by the Secretary; and

31 (3) \$600,000,000 to carry out a carbon sequestration and greenhouse gas emissions  
32 quantification program through which the Natural Resources Conservation Service,  
33 including through technical service providers and other partners, shall collect  
34 field-based data to assess the carbon sequestration and greenhouse gas emissions  
35 reduction outcomes associated with activities carried out pursuant to this section and  
36 use the data to monitor and track greenhouse gas emissions and carbon sequestration  
37 trends through the Greenhouse Gas Inventory and Assessment Program of the  
38 Department of Agriculture.

39 (b) **Conditions.**—The funds made available under this section are subject to the

1 conditions that the Secretary shall not—

2 (1) enter into any agreement—

3 (A) that is for a term extending beyond September 30, 2031; or

4 (B) under which any payment could be outlaid or funds disbursed after  
5 September 30, 2031;

6 (2) use any other funds available to the Secretary to satisfy obligations initially made  
7 under this section; or

8 (3) interpret this section to authorize funds of the Commodity Credit Corporation  
9 for activities under this section if such funds are not expressly authorized or currently  
10 expended for such purposes.

11 (c) Administrative Costs.—In addition to amounts otherwise available, there is  
12 appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not  
13 otherwise appropriated, \$100,000,000, to remain available until September 30, 2028, for  
14 administrative costs of the agencies and offices of the Department of Agriculture for costs  
15 related to implementing this section.



**House Office of Legislative Counsel**

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1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the  
2 differences between -  
3 original document : C:\TEMP\C\USERS\LMANDERSON\DESKTOP\HR5376-REPORTED  
4 BY BUDGET\_SPLIT BY TITLE\EDLABOR\_HR5376\_T2.RTF  
5 and revised document: C:\TEMP\G\U\LMANDERSON\TITLE2\_ED.RTF  
6  
7 CompareRite found 1097 change(s) and 48 move(s) in the text  
8  
9 Deletions appear as Overstrike text  
10 Additions appear as Bold text  
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1 Title: To—  
2  
3

4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled;~~

6 TITLE II—COMMITTEE ON EDUCATION AND LABOR

7 Subtitle A—Education Matters

8 PART 1—ELEMENTARY AND SECONDARY EDUCATION

9 ~~SEC. 20001. REBUILD AMERICA’S SCHOOLS GRANT~~  
10 ~~PROGRAM.~~

11 ~~(a) In General. In addition to amounts otherwise available,~~  
12 ~~there is appropriated to the Department of Education—~~

13 ~~(1) for fiscal year 2022, out of any money in the Treasury not~~  
14 ~~otherwise appropriated, \$1,270,000,000, to remain available~~  
15 ~~until September 30, 2025, for carrying out this section; and~~

16 ~~(2) for each of fiscal years 2023 through 2024, out of any money~~  
17 ~~in the Treasury not otherwise appropriated, \$39,643,650,000, to~~  
18 ~~remain available until September 30, 2026, for carrying out this~~  
19 ~~section.~~

20 ~~(b) Rebuild America’s Schools Grants Authorized. From funds~~  
21 ~~provided under paragraphs (1) and (2) of subsection (a), the~~  
22 ~~Secretary shall award grants in fiscal years 2022 through 2024 to~~  
23 ~~State educational agencies in accordance with subsection (c).~~

24 ~~(c) Rebuild America’s Schools Grants.—~~

25 ~~(1) Eligibility. A State educational agency is eligible for an~~  
26 ~~allocation under this section—~~

27 ~~(A) with respect to fiscal year 2022, for the purpose of public~~  
28 ~~school facilities inventory efforts in accordance with paragraph~~  
29 ~~(3)(A); and~~

1 ~~(B) with respect to fiscal years 2023 and 2024, if such State~~  
2 ~~educational agency has had approved by the Secretary a State~~  
3 ~~facilities plan developed under paragraph (3)(A)(ii)(I), for the~~  
4 ~~purpose of improving public school facilities in accordance with~~  
5 ~~paragraph (3)(B).~~

6 ~~(2) Allocations to states.— The amount allocated to each State~~  
7 ~~educational agency under paragraph (1) shall be in the same~~  
8 ~~proportion as the amounts distributed to the State under part A~~  
9 ~~of title I of the Elementary and Secondary Education Act of~~  
10 ~~1965 (20 U.S.C. 6311) in the most recent fiscal year, relative to~~  
11 ~~the total amount received under such part by all other States~~  
12 ~~receiving an allocation under this section in such fiscal year.~~

13 ~~(3) State uses of funds.— A State educational agency that~~  
14 ~~receives an allocation under paragraph (1)—~~

15 ~~(A) with respect to fiscal year 2022, shall use—~~

16 ~~(i) not less than 80 percent of such allocation to award subgrants~~  
17 ~~to local educational agencies (including public charter schools~~  
18 ~~that are local educational agencies) in the State, in proportion to~~  
19 ~~the amount of funds such local educational agencies and charter~~  
20 ~~schools received under part A of title I of the Elementary and~~  
21 ~~Secondary Education Act of 1965 (20 U.S.C. 6311) in the most~~  
22 ~~recent fiscal year, to support each such local educational agency~~  
23 ~~in—~~

24 ~~(I) the development and publication of a local facilities master~~  
25 ~~plan to address the health, safety, education equity, enrollment~~  
26 ~~diversity, environmental sustainability, and climate resiliency of~~  
27 ~~the public school facilities operated by such agency; and~~

28 ~~(II) the collection and submission of data to the State~~  
29 ~~educational agency to support implementation of the State~~

- 1 ~~school facilities database; and~~
- 2 ~~(ii) not more than 20 percent of such allocation to—~~
- 3 ~~(I) develop a State facilities plan that details—~~
- 4 ~~(aa) how the State will use grant funds received under this~~  
5 ~~section and State funds to make improvements to public school~~  
6 ~~facilities of eligible local educational agencies to address~~  
7 ~~disparities in both the financing and expenditures of school~~  
8 ~~facilities capital outlay projects and in the conditions of public~~  
9 ~~school facilities between eligible local educational agencies and~~  
10 ~~other local educational agencies in the State;~~
- 11 ~~(bb) how the State will develop a competitive process to provide~~  
12 ~~subgrants to eligible local educational agencies, including the~~  
13 ~~State’s criteria for subgrant eligibility; and~~
- 14 ~~(cc) how the State will, in carrying out the competitive process~~  
15 ~~for subgrants described in item (bb), take into consideration the~~  
16 ~~impact that such subgrants may have on increasing student~~  
17 ~~diversity and decreasing racial and socioeconomic isolation of~~  
18 ~~students attending public elementary or secondary schools~~  
19 ~~improved by such subgrants;~~
- 20 ~~(II) develop and operate (directly or through grants or contracts)~~  
21 ~~the State school facilities database; and~~
- 22 ~~(III) provide technical assistance to local educational agencies in~~  
23 ~~carrying out activities described in clause (i) and supports~~  
24 ~~related to the requirements of paragraph (4) for eligible local~~  
25 ~~educational agencies; and~~
- 26 ~~(B) with respect to each of fiscal years 2023 and 2024, shall—~~
- 27 ~~(i) use not less than 90 percent of such allocation to award~~  
28 ~~subgrants on a competitive basis to eligible local educational~~

- 1 ~~agencies with approved applications described in paragraph~~  
2 ~~(4)(A); and~~
- 3 ~~(ii) use not more than 10 percent of such allocation to—~~
- 4 ~~(I) maintain and update (directly or through grants or contracts)~~  
5 ~~the State school facilities database;~~
- 6 ~~(II) provide technical assistance to eligible local educational~~  
7 ~~agencies in the State in carrying out school facilities capital~~  
8 ~~outlay projects, including technical assistance regarding capital~~  
9 ~~construction, energy efficiency, and climate resiliency;~~
- 10 ~~(III) develop and implement State level strategies for safe,~~  
11 ~~healthy, energy efficient, and environmentally resilient public~~  
12 ~~school facilities that address—~~
- 13 ~~(aa) indoor air quality;~~
- 14 ~~(bb) water quality;~~
- 15 ~~(cc) energy and water efficiency;~~
- 16 ~~(dd) renewable energy and decarbonization;~~
- 17 ~~(ee) exposure to toxic substances, including mercury, radon,~~  
18 ~~polychlorinated biphenyls, lead, vapor intrusions, and asbestos;~~
- 19 ~~(ff) climate resiliency;~~
- 20 ~~(gg) emergency preparedness for natural or man-made disasters~~  
21 ~~or emergencies; and~~
- 22 ~~(hh) structural hazards created by pyrrhotite, as determined by~~  
23 ~~an engineer's report and pyrrhotite testing;~~
- 24 ~~(IV) provide professional development opportunities for State~~  
25 ~~and local staff involved in maintenance and operations and~~  
26 ~~school facilities capital outlay projects; and~~
- 27 ~~(V) administer and monitor the implementation of subgrants~~

1 ~~provided under clause (i).~~

2 ~~(4) Rebuild america's schools subgrants to eligible local~~  
3 ~~educational agencies.—~~

4 ~~(A) Application.—The State educational agency shall require an~~  
5 ~~eligible local educational agency desiring a subgrant under~~  
6 ~~paragraph (3)(B)(i) to submit an application to the State~~  
7 ~~educational agency that, at a minimum, includes—~~

8 ~~(i) a certification that the eligible local educational agency shall~~  
9 ~~use subgrant funds for school facilities capital outlay projects~~  
10 ~~that prioritize the improvement of the public school facilities of~~  
11 ~~such agency that serve the highest numbers or percentages of~~  
12 ~~students who are eligible for a free or reduced price lunch under~~  
13 ~~the Richard B. Russell National School Lunch Act (42 U.S.C.~~  
14 ~~1751), under a method established by the Secretary; and~~

15 ~~(ii) such agency's facilities master plan.~~

16 ~~(B) Rebuild america's schools subgrant use of funds.—An~~  
17 ~~eligible local educational agency that receives a subgrant under~~  
18 ~~paragraph (3)(B)(i) shall use such funds to carry out school~~  
19 ~~facilities capital outlay projects, including 1 or more of the~~  
20 ~~following:~~

21 ~~(i) Assessing, planning, designing, constructing, modernizing,~~  
22 ~~retrofitting, or decarbonizing public school facilities.~~

23 ~~(ii) Carrying out major repairs of public school facilities,~~  
24 ~~including repairs to extend the life of facilities systems and~~  
25 ~~components by not less than 10 years.~~

26 ~~(iii) Upgrading or replacing major facilities systems,~~  
27 ~~components, furniture, fixtures, and equipment with a life of not~~  
28 ~~less than 10 years.~~

- 1 ~~(iv) Constructing new public school facilities, including when~~  
2 ~~student enrollment exceeds the physical and instructional~~  
3 ~~capacity of public school facilities.~~
- 4 ~~(v) Purchasing and preparing sites on which public school~~  
5 ~~facilities will be constructed.~~
- 6 ~~(vi) Improving energy and water efficiency in public school~~  
7 ~~facilities, including improvements related to clean energy.~~
- 8 ~~(vii) Reducing or eliminating the presence of health and safety~~  
9 ~~hazards in public school facilities, including—~~
  - 10 ~~(I) toxic substances, including mercury, radon, polychlorinated~~  
11 ~~biphenyls, lead, and asbestos;~~
  - 12 ~~(II) mold or mildew;~~
  - 13 ~~(III) rodents and pests; and~~
  - 14 ~~(IV) structural hazards created by pyrrhotite.~~
- 15 ~~(viii) Improving instructional or outdoor public school facilities~~  
16 ~~relating to early learning, special education, science, technology,~~  
17 ~~career and technical education, physical education, the arts,~~  
18 ~~literacy (including library programs), or community based~~  
19 ~~partnerships.~~
- 20 ~~(ix) Improving the public school facilities of magnet schools, or~~  
21 ~~other instructional programs, designed to increase student~~  
22 ~~diversity and decrease racial or socioeconomic isolation.~~
- 23 ~~(x) Supporting independent commissioning and certification of~~  
24 ~~public school facilities, public school facility systems, and~~  
25 ~~school facilities capital outlay projects.~~
- 26 ~~(d) Conditions.—~~
- 27 ~~(1) State matching requirement.—~~

1 ~~(A) In general.— As a condition of receiving an allocation under~~  
2 ~~subsection (c)(1)(B), a State shall contribute, from non-Federal~~  
3 ~~sources, an amount equal to 10 percent of the amount of the~~  
4 ~~allocation received under such subsection to carry out activities~~  
5 ~~supported by such allocation.~~

6 ~~(B) Exemption.— States that contributed an average of 10~~  
7 ~~percent or greater toward total local educational agency capital~~  
8 ~~outlay from non-Federal funds, within the most recent 5-year~~  
9 ~~fiscal period, are exempt from the State matching requirement~~  
10 ~~under subparagraph (A).~~

11 ~~(2) State maintenance of effort.—~~

12 ~~(A) In general.— The State shall provide an assurance to the~~  
13 ~~Secretary that for each fiscal year that the State receives an~~  
14 ~~allocation under this section, the State's share of school facilities~~  
15 ~~capital outlay will be not less than 90 percent of the average of~~  
16 ~~the State's share of school facilities capital outlay for the 5 years~~  
17 ~~preceding the 2020 fiscal year.~~

18 ~~(B) Waiver.— Notwithstanding subparagraph (A), in response to~~  
19 ~~a request from a State, the Secretary may modify or waive, in~~  
20 ~~whole or in part, the requirement of subparagraph (A) if the~~  
21 ~~Secretary determines that such State demonstrates an~~  
22 ~~exceptional or uncontrollable circumstance, such as a natural~~  
23 ~~disaster, pandemic, or precipitous decline in revenue.~~

24 ~~(3) Supplement not supplant.— As a condition of receiving an~~  
25 ~~allocation under subsection (c)(1)(B), a State shall use funds~~  
26 ~~received under this section only to supplement the level of State-~~  
27 ~~and local public funds that would, in the absence of the receipt-~~  
28 ~~of Federal funds under this section, be made available for the~~  
29 ~~State's contribution to school facilities capital outlays, and not to~~



1 ~~supplant those other funds.~~

2 ~~(e) Definitions.—~~

3 ~~(1) ESEA terms.—The terms “elementary school”, “local~~  
4 ~~educational agency”, “secondary school”, and “State educational~~  
5 ~~agency” have the meanings given the terms in section 8101 of~~  
6 ~~the Elementary and Secondary Education Act of 1965 (20~~  
7 ~~U.S.C. 7801).~~

8 ~~(2) Eligible local educational agency.—The term “eligible local~~  
9 ~~educational agency” means a local educational agency~~  
10 ~~(including a public charter school that is a local educational~~  
11 ~~agency under State law) in a State that—~~

12 ~~(A) is identified by the State based on the criteria established~~  
13 ~~under the State facilities plan as among the local educational~~  
14 ~~agencies in such State with—~~

15 ~~(i) the highest numbers or percentages of students counted under~~  
16 ~~section 1124(c) of the Elementary and Secondary Education Act~~  
17 ~~of 1965 (20 U.S.C. 6333(e)); or~~

18 ~~(ii) the most limited capacity to raise funds for the long term~~  
19 ~~improvement of public school facilities, as determined by an~~  
20 ~~assessment of factors determined by the Secretary;~~

21 ~~(B) certifies that any funds received under this section shall be~~  
22 ~~used to prioritize the improvement of public school facilities of~~  
23 ~~public elementary or secondary schools that serve the highest~~  
24 ~~percentages of students who are eligible for a free or reduced~~  
25 ~~price lunch under the Richard B. Russell National School Lunch~~  
26 ~~Act (42 U.S.C. 1751), under a method established by the~~  
27 ~~Secretary; and~~

28 ~~(C) certifies that any public school facilities improved by funds~~

1 ~~received under this section are—~~

2 ~~(i) operated and managed by a public agency or a non-profit~~  
3 ~~private entity; and~~

4 ~~(ii)(I) owned or leased from a public agency; or~~

5 ~~(II) owned or leased from a private entity, except that no~~  
6 ~~individual associated with such private entity may have a~~  
7 ~~financial interest or management role in the local educational~~  
8 ~~agency.~~

9 ~~(3) Local facilities master plan.— The term “local facilities~~  
10 ~~master plan” means a plan of a local educational agency~~  
11 ~~developed under subsection (c)(3)(A)(i)(I) by the local~~  
12 ~~educational agency, in consultation with local stakeholders,~~  
13 ~~which includes an assessment of such agency’s public school~~  
14 ~~facilities, financing of school capital project outlays, and student~~  
15 ~~enrollment levels, and other factors determined by the Secretary.~~

16 ~~(4) Operations and maintenance of school facilities.— The term~~  
17 ~~“operations and maintenance of school facilities” means the~~  
18 ~~labor, contracts, and supplies and materials supported by a local~~  
19 ~~educational agency’s annual operating budget related to—~~

20 ~~(A) cleaning, groundskeeping, and preventive and routine~~  
21 ~~maintenance of public school facilities and grounds;~~

22 ~~(B) minor repairs and operations of building systems and~~  
23 ~~equipment for public school facilities; and~~

24 ~~(C) payments for utilities for public school facilities.~~

25 ~~(5) Public school facility.— The term “public school facility”~~  
26 ~~means a school facility operated by a local educational agency~~  
27 ~~that is primarily used to educate students, including outdoor~~  
28 ~~facilities and grounds, but does not include—~~

- 1 ~~(A) a facility that is primarily used for athletic contests or~~  
2 ~~exhibitions or other events for which admission is charged to the~~  
3 ~~general public;~~
- 4 ~~(B) a vehicle; or~~
- 5 ~~(C) a district central office, operation center, or other school~~  
6 ~~facility if it is not primarily used to educate students.~~
- 7 ~~(6) School facilities capital outlay project. — The term “school~~  
8 ~~facilities capital outlay project” means the assessment, planning,~~  
9 ~~design, construction, renovation, repair, management, and~~  
10 ~~financing of a public school facility project with a life~~  
11 ~~expectancy of at least 10 years, but does not include operations~~  
12 ~~and maintenance of school facilities.~~
- 13 ~~(7) Secretary. — The term “Secretary” means the Secretary of~~  
14 ~~Education.~~
- 15 ~~(8) State. — The term “State” means each of the 50 States, the~~  
16 ~~District of Columbia, and the Commonwealth of Puerto Rico.~~
- 17 ~~(9) State’s contribution to school facilities capital outlays. — The~~  
18 ~~term “State’s contribution to school facilities capital outlays”~~  
19 ~~means the total amount of State appropriations on elementary~~  
20 ~~and secondary education capital expenditures in the State,~~  
21 ~~including —~~
- 22 ~~(A) State aid reimbursements for school facilities capital outlay~~  
23 ~~projects;~~
- 24 ~~(B) State payment of debt service for school facilities capital~~  
25 ~~outlay projects;~~
- 26 ~~(C) direct payment of school facilities capital outlay projects;~~  
27 ~~and~~
- 28 ~~(D) grants or facilities allowances to charter schools for facilities~~

1 ~~capital projects.~~

2 ~~(10) State facilities plan. The term “State facilities plan”~~  
3 ~~means a State’s plan developed by the State educational agency,~~  
4 ~~in accordance with subsection (c)(3)(A)(ii)(I) and including plan~~  
5 ~~elements determined by the Secretary, for the purpose of being~~  
6 ~~eligible for an allocation described in subsection (c)(1)(B).~~

7 ~~(11) State school facilities database. The term “State school~~  
8 ~~facilities database” means an electronic, publicly available~~  
9 ~~database maintained by the State educational agency that~~  
10 ~~contains an inventory of the infrastructure of all public school~~  
11 ~~facilities in the State, including the data elements determined by~~  
12 ~~the Secretary.~~

### 13 ~~SEC. 20002. OUTLYING AREAS.~~

14 ~~In addition to amounts otherwise available, there is appropriated~~  
15 ~~to the Department of Education for fiscal year 2022, out of any~~  
16 ~~money in the Treasury not otherwise appropriated,~~  
17 ~~\$410,900,000, to remain available until September 30, 2026, for~~  
18 ~~the Secretary of Education to allocate to each outlying area (as~~  
19 ~~defined in section 8101 of the Elementary and Secondary~~  
20 ~~Education Act of 1965 (20 U.S.C. 7801)) an amount in~~  
21 ~~proportion to the amount received by the outlying area under~~  
22 ~~part A of title I of the Elementary and Secondary Education Act~~  
23 ~~of 1965 (20 U.S.C. 6311) in the most recent fiscal year relative~~  
24 ~~to the total amount received under such part for such fiscal year~~  
25 ~~by all outlying areas, to carry out the activities described in~~  
26 ~~section 20001(c) in the outlying areas.~~

### 27 ~~SEC. 20003. IMPACT AID CONSTRUCTION GRANTS.~~

28 ~~In addition to amounts otherwise available, there is appropriated~~  
29 ~~to the Department of Education for fiscal year 2022, out of any~~

1 ~~money in the Treasury not otherwise appropriated,~~  
2 ~~\$410,900,000, to remain available until September 30, 2026, for~~  
3 ~~making payments to local educational agencies in accordance~~  
4 ~~with the same terms and conditions as the terms and conditions~~  
5 ~~of section 7007 of the Elementary and Secondary Education Act~~  
6 ~~of 1965 (20 U.S.C. 7707), except that—~~

7 ~~(1) subsection (a)(2)(A) of such section shall be applied by~~  
8 ~~substituting “20 percent” for “50 percent”;~~

9 ~~(2) subsection (a)(2)(B) of such section shall be applied by~~  
10 ~~substituting “20 percent” for “50 percent”; and~~

11 ~~(3) clauses (i) and (vi) of subsection (b)(5)(A) of such section~~  
12 ~~shall not apply to funds provided or received under this section.~~

13 ~~SEC. 20004. BUREAU OF INDIAN EDUCATION.~~

14  
15 ~~\* 9 In addition to amounts otherwise available, there is~~  
16 ~~appropriated to the Bureau of Indian Education for fiscal year~~  
17 ~~2022, out of any money in the Treasury not otherwise~~  
18 ~~appropriated—~~

19 ~~(1) \$369,810,000, to remain available until September 30, 2026,~~  
20 ~~for necessary expenses related to construction, repair,~~  
21 ~~improvement, and maintenance of buildings, utilities, and other~~  
22 ~~facilities necessary for the operation of Indian education~~  
23 ~~programs, including architectural and engineering services by~~  
24 ~~contract, acquisition of lands, and interests in lands, of which no~~  
25 ~~more than 3 percent shall be used for administrative costs to~~  
26 ~~carry out this section; and~~

27 ~~(2) \$41,090,000, to remain available until September 30, 2026,~~  
28 ~~for digital infrastructure to improve access to high-speed~~

1 ~~broadband sufficient for digital learning and related digital~~  
2 ~~infrastructure activities or programs operated or funded by the~~  
3 ~~Bureau of Indian Education, for Bureau-funded schools (as~~  
4 ~~defined in section 1141(3) of the Education Amendments of~~  
5 ~~1978 (25 U.S.C. 2021(3))).~~

6 ~~SEC. 20005. GALLAUDET UNIVERSITY.~~

7 ~~In addition to amounts otherwise available, there is appropriated~~  
8 ~~to the Department of Education for fiscal year 2022, out of any~~  
9 ~~money in the Treasury not otherwise appropriated,~~  
10 ~~\$150,000,000, to remain available until September 30, 2026, for~~  
11 ~~the Kendall Demonstration Elementary School and the Model~~  
12 ~~Secondary School for the Deaf at Gallaudet University for~~  
13 ~~construction, as defined in section 201(2) of the Education of the~~  
14 ~~Deaf Act of 1986 (20 U.S.C. 4351(2)).~~

15 ~~SEC. 20006~~ SEC. 20001. GROW YOUR OWN PROGRAMS.

16 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the  
17 Department of Education for fiscal year 2022, out of any money in the Treasury not otherwise  
18 appropriated, ~~\$197,000,000~~ **\$112,684,000**, to remain available through September 30, 2025, to  
19 award grants for the development and support of Grow Your Own Programs, as described in  
20 section 202(g) of the Higher Education Act of 1965(~~20 U.S.C. 1022a(g)~~).

21 (b) In General.—Section 202 of the Higher Education Act of 1965 (~~20 U.S.C. 1022a~~) is  
22 amended—

23 (1) in subsection (b)(6)(C), by striking “subsection (f) or (g)” and inserting “subsection  
24 (f) or (h)”;

25 (2) in subsection (c)(1), by inserting “a Grow Your Own program under subsection (g),”  
26 after “subsection (e),”;

27 (3) by redesignating subsections (g), (h), (i), (j), and (k), as subsections (h), (i), (j), (k),  
28 and (l), respectively; and

29 (4) by inserting after subsection (f) the following:

30 “(g) Partnership Grants for the Establishment of ‘Grow Your Own’ Programs.—

31 “(1) IN GENERAL.—An eligible partnership that receives a grant under this section shall  
32 carry out an effective ‘Grow Your Own’ program to address shortages of teachers in  
33 high-need subjects, fields, schools, and geographic areas, or shortages of school leaders in  
34 high-need schools, and to increase the diversity of qualified individuals entering into the

1 teacher, principal, or other school leader workforce.

2 “(2) REQUIREMENTS OF A GROW YOUR OWN PROGRAM.—In addition to carrying out each  
3 of the activities described in paragraphs (1) through (6) of subsection (d), an eligible  
4 partnership carrying out a Grow Your Own program under this subsection shall—

5 “(A) integrate ~~career-focused~~ courses on education topics with a year-long  
6 school-based clinical experience in which candidates teach or lead alongside an expert  
7 mentor teacher or school leader who is the teacher or school leader of record in the  
8 same local educational agencies in which the candidates expect to work;

9 “(B) provide opportunities for candidates to practice and develop teaching skills or  
10 school leadership skills;

11 “(C) support candidates as they complete their associate (in furtherance of their  
12 baccalaureate), baccalaureate, or master’s degree or earn their teaching or school  
13 leadership credential;

14 “(D) work to provide academic, counseling, and programmatic supports to  
15 candidates;

16 “(E) provide academic and nonacademic supports, including advising and financial  
17 assistance, to candidates to enter and complete teacher or school leadership preparation  
18 programs ~~and~~, to access and complete State licensure exams, **and to engage in**  
19 **school-based clinical placements;**

20 “(F) include efforts to recruit individuals with experience in high-need subjects or  
21 fields who are not certified to teach or lead, with a specific focus on recruiting  
22 individuals—

23 “(i) from groups or populations that are underrepresented; and

24 “(ii) who live in and come from the communities the schools serve; ~~and“(G)-~~  
25 ~~evaluate the effectiveness of the program, including, at a minimum, using the data~~  
26 ~~required under section 204(a)(1);~~

27 ~~“(H)“(G) require candidates to complete all State requirements to become fully~~  
28 ~~certified; and certified.”.~~

29 ~~“(I) provide stipends for candidates to engage in school-based~~  
30 ~~clinical placements.”.~~

## 31 ~~SEC. 20007~~ **SEC. 20002. TEACHER RESIDENCIES.**

32 In addition to amounts otherwise available, there is appropriated to the Department of  
33 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
34 ~~\$198,000,000~~ **\$112,266,000**, to remain available through September 30, 2025, to award grants  
35 for the development and support of high-quality teaching residency programs, as described in  
36 section 202(e) of the Higher Education Act of 1965 (20 U.S.C. 1022a(e)), except that amounts  
37 available under this section shall **also** be available for residency programs for prospective  
38 teachers in a bachelor’s ~~or master’s~~ degree program.

1 **SEC. ~~20008~~ 20003. SUPPORT SCHOOL PRINCIPALS.**

2 In addition to amounts otherwise available, there is appropriated to the Department of  
3 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
4 ~~\$198,000,000~~ **\$112,266,000**, to remain available through September 30, 2025, to award grants  
5 for the development and support of school leadership programs, as described in section 2243 of  
6 the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6673).

7 **SEC. ~~20009~~ 20004. HAWKINS.**

8 In addition to amounts otherwise available, there is appropriated to the Department of  
9 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
10 ~~\$198,000,000~~ **\$112,266,000**, to remain available through September 30, 2025, to award grants  
11 for the Augustus F. Hawkins Centers of Excellence Program, as described in section 242 of the  
12 Higher Education Act of 1965 (20 U.S.C. 1033a).

13 **SEC. ~~20010~~ 20005. FUNDING FOR THE INDIVIDUALS  
14 WITH DISABILITIES EDUCATION PART D PERSONNEL  
15 DEVELOPMENT.**

16 In addition to amounts otherwise available, there is appropriated to the Department of  
17 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
18 ~~\$297,000,000~~ **\$160,776,000**, to remain available until September 30, 2025, for personnel  
19 development **described** in section 662 of the Individuals with Disabilities Education Act (20  
20 U.S.C. 1462).

21 **SEC. 20006. GRANTS FOR NATIVE AMERICAN  
22 LANGUAGE TEACHERS AND EDUCATORS.**

23 The Native American Programs Act of 1974 is amended by inserting after section 803C  
24 the following:

25 **“SEC. 803D. GRANTS FOR NATIVE AMERICAN  
26 LANGUAGE TEACHERS AND EDUCATORS.**

27 **“(a) In General.—In addition to amounts otherwise available, there is appropriated for  
28 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain  
29 available until September 30, 2031, \$200,000,000 for the Secretary, in carrying out section  
30 803C, to award grants to carry out activities relating to preparing, training, and offering  
31 professional development to Native American language teachers and Native American  
32 language early childhood educators to ensure the survival and continuing vitality of Native  
33 American languages.**

34 **“(b) Cost Share Prohibition.—The Secretary shall not impose a cost sharing or matching  
35 fund requirement with respect to grants awarded under subsection (a).”.**

36 **PART 2—HIGHER EDUCATION**



1 ~~Subpart A—America’s College Promise~~

2 ~~SEC. 20021. GRANTS FOR TUITION FREE COMMUNITY~~  
3 ~~COLLEGE.~~

4 ~~Title VII of the Higher Education Act of 1965 (20 U.S.C. 1133~~  
5 ~~et seq.) is amended by adding at the end the following:~~

6 ~~“PART F—AMERICA’S COLLEGE PROMISE~~

7 ~~“Subpart 1—Grants for Tuition Free Community College~~

8 ~~“SEC. 785. GRANT AWARDS.~~

9 ~~“(a) In General. Beginning with award year 20232024, from~~  
10 ~~amounts appropriated to carry out this subpart for any fiscal~~  
11 ~~year, the Secretary shall award grants to States and eligible~~  
12 ~~Tribal Colleges and Universities to pay the Federal share of~~  
13 ~~expenditures needed to carry out the activities and services~~  
14 ~~described in section 789.~~

15 ~~“(b) Timing of Grant Awards.—The Secretary shall award grant~~  
16 ~~funds under subsection (a) for an award year not less than 30~~  
17 ~~days before the first day of the award year.~~

18 ~~“SEC. 786. FEDERAL SHARE; STATE SHARE.~~

19 ~~“(a) Federal Share.—~~

20 ~~“(1) In general.—~~

21 ~~“(A) Amount.—Subject to paragraph (2), the amount of the~~  
22 ~~Federal share of a grant under this subpart shall be based on a~~  
23 ~~formula that provides, for each eligible student enrolled in a~~  
24 ~~community college operated or controlled by the State or in an~~  
25 ~~eligible Tribal College or University, a per-student amount~~  
26 ~~(based on full-time equivalent enrollment) that is equal to the~~  
27 ~~applicable percent described in subparagraph (B), or the percent~~  
28 ~~described in paragraph (2) with respect to an eligible Tribal~~

1 ~~College or University, of—~~

2 ~~“(i) for the 20232024 award year, the median resident~~  
3 ~~community college tuition and fees per student in all States, not~~  
4 ~~weighted for enrollment, for the most recent award year for~~  
5 ~~which data are available; and~~

6 ~~“(ii) for each subsequent award year, the amount determined~~  
7 ~~under this paragraph for the preceding award year, increased by~~  
8 ~~the lesser of—~~

9 ~~“(I) a percentage equal to the estimated percentage increase in~~  
10 ~~the Consumer Price Index (as determined by the Secretary) since~~  
11 ~~the date of such determination; or~~

12 ~~“(II) 3 percent.~~

13 ~~“(B) Applicable percent.— The applicable percent for a State~~  
14 ~~receiving a grant under this subpart shall be—~~

15 ~~“(i) for the 20232024 award year, 100 percent;~~

16 ~~“(ii) for the 20242025 award year, 95 percent;~~

17 ~~“(iii) for the 20252026 award year, 90 percent;~~

18 ~~“(iv) for the 20262027 award year, 85 percent; and~~

19 ~~“(v) for the 20272028 award year, 80 percent.~~

20 ~~“(2) Tribal colleges and universities.— The amount of the~~  
21 ~~Federal share for an eligible Tribal College or University~~  
22 ~~receiving a grant under this subpart shall be the greater of—~~

23 ~~“(A) 100 percent of the per student amount determined in~~  
24 ~~accordance with clause (i) or (ii) of paragraph (1)(A), as~~  
25 ~~applicable, with respect to eligible students enrolled in such~~  
26 ~~eligible Tribal College or University (based on full-time~~  
27 ~~equivalent enrollment); or~~

1 ~~“(B) the amount that is 100 percent of the total amount needed~~  
2 ~~to set tuition and fees to \$0 for all eligible students enrolled in~~  
3 ~~such eligible Tribal College or University for the 20212022~~  
4 ~~award year, increased by the percentage increase in the~~  
5 ~~Consumer Price Index (as determined by the Secretary) between~~  
6 ~~July 1, 2021, and the applicable award year, and adjusted to~~  
7 ~~reflect the enrollment in such eligible Tribal College or~~  
8 ~~University for such applicable award year.~~

9 ~~“(b) State Share.—~~

10 ~~“(1) Formula.—~~

11 ~~“(A) In general.— The State share of a grant under this subpart~~  
12 ~~for each award year shall be the amount needed to pay the~~  
13 ~~applicable percent described in subparagraph (B) of the median~~  
14 ~~resident community college tuition and fees in all States, not~~  
15 ~~weighted for enrollment, per student (based on full-time~~  
16 ~~equivalent enrollment) determined in accordance with~~  
17 ~~subsection (a)(1)(A)(i) for all eligible students enrolled in a~~  
18 ~~community college operated or controlled by the State for such~~  
19 ~~award year.~~

20 ~~“(B) Applicable percent.— The applicable percent shall be—~~

21 ~~“(i) for the 20232024 award year, 0 percent;~~

22 ~~“(ii) for the 20242025 award year, 5 percent;~~

23 ~~“(iii) for the 20252026 award year, 10 percent;~~

24 ~~“(iv) for the 20262027 award year, 15 percent; and~~

25 ~~“(v) for the 20272028 award year, 20 percent.~~

26 ~~“(C) Obligation to provide share.— The State shall provide the~~  
27 ~~State share even if the State is able to set tuition and fees~~  
28 ~~charged to eligible students attending community colleges~~

1 ~~operated or controlled by the State to \$0 as required by section~~  
2 ~~788(a) without such State share.~~

3 ~~“(D) No double counting funds.—Except with respect to~~  
4 ~~funding described in paragraph (2)(A), no funds that count~~  
5 ~~toward the maintenance of effort requirement under section~~  
6 ~~788(c) may also count toward the State share under this~~  
7 ~~subsection.~~

8 ~~“(E) Special rule for outlying areas and territories.—~~

9 ~~“(i) In general.—If the Secretary determines that requiring an~~  
10 ~~outlying area or territory to provide a State share in accordance~~  
11 ~~with this subsection would represent a substantial hardship for~~  
12 ~~the outlying area or territory, the Secretary may reduce or waive~~  
13 ~~the State share for such area or territory. If the Secretary so~~  
14 ~~reduces or waives the amount of the State share of an outlying~~  
15 ~~area or territory, the Secretary shall increase the applicable~~  
16 ~~percent used to calculate the Federal share for such area or~~  
17 ~~territory, in proportion to the reduction in the applicable percent~~  
18 ~~used to calculate such State share.~~

19 ~~“(ii) Definition.—For the purposes of this subparagraph, the~~  
20 ~~term ‘outlying area or territory’ means the Commonwealth of~~  
21 ~~Puerto Rico, the District of Columbia, Guam, American Samoa,~~  
22 ~~the United States Virgin Islands, the Commonwealth of the~~  
23 ~~Northern Mariana Islands, and the Freely Associated States.~~

24 ~~“(2) Inclusion of state financial aid and local funds.—In the case~~  
25 ~~of a State that demonstrates to the satisfaction of the Secretary~~  
26 ~~that community colleges operated or controlled by such State~~  
27 ~~will not experience a net reduction in total per student revenue~~  
28 ~~(including revenue derived from tuition and fees) as compared~~  
29 ~~to the preceding fiscal year in such State, a State may include, as~~

1 ~~part of the State share—~~

2 ~~“(A) any financial aid that is provided from State funds to an~~  
3 ~~eligible student and that—~~

4 ~~“(i)(I) is not awarded predominantly on the basis of merit,~~  
5 ~~including programs awarded on the basis of predicted or actual~~  
6 ~~academic performance or assessments; and~~

7 ~~“(II) may be used by such student to pay any component of cost~~  
8 ~~of attendance, as defined under section 472; and~~

9 ~~“(B) any funds provided to community colleges by local~~  
10 ~~governments in such State for the purpose of carrying out this~~  
11 ~~subpart.~~

12 ~~“(3) Relationship to maintenance of effort.—The inclusion of~~  
13 ~~funds described in paragraph (2) as part of a State’s share shall~~  
14 ~~modify the maintenance of effort requirements under section~~  
15 ~~788(c) in accordance with the provisions of—~~

16 ~~“(A) section 791(10)(B)(iii), with respect to funds included~~  
17 ~~under paragraph (2)(A); and~~

18 ~~“(B) section 791(10)(A)(ii), with respect to funds included under~~  
19 ~~paragraph (2)(B).~~

20 ~~“(4) No in-kind contributions.—A State shall not include in-kind~~  
21 ~~contributions for purposes of the State share described in~~  
22 ~~paragraph (1).~~

23 ~~“(c) Determining Number of Eligible Students.—~~

24 ~~“(1) In general.—For purposes of subsections (a) and (b), the~~  
25 ~~Secretary shall, in consultation with the State or eligible Tribal~~  
26 ~~College or University concerned, determine the estimated~~  
27 ~~number of eligible students enrolled in the community colleges~~  
28 ~~operated or controlled by such State or in such eligible Tribal~~

1 ~~College or University for the applicable award year.~~

2 ~~“(2) Adjustment of grant amount.— For each year for which a~~  
3 ~~State or eligible Tribal College or University receives a grant~~  
4 ~~under this subpart, the Secretary shall, once final enrollment~~  
5 ~~data for such year are available—~~

6 ~~“(A) in consultation with the State or eligible Tribal College or~~  
7 ~~University concerned, determine the actual number of eligible~~  
8 ~~students enrolled in the community colleges operated or~~  
9 ~~controlled by such State or in such eligible Tribal College or~~  
10 ~~University for the year covered by the grant; and~~

11 ~~“(B) adjust the Federal share of the grant amount received by the~~  
12 ~~State or eligible Tribal College or University and the State share~~  
13 ~~under subsection (b) to reflect the actual number of eligible~~  
14 ~~students, which may include applying the relevant adjustment to~~  
15 ~~such Federal share or the State share, or both, in the subsequent~~  
16 ~~award year.~~

17 ~~“(d) Community Colleges Operated or Controlled by State to~~  
18 ~~Include Community Colleges Operated or Controlled by Local~~  
19 ~~Governments Within the State.— For purposes of this subpart,~~  
20 ~~the term ‘community college operated or controlled by a State’~~  
21 ~~shall include a community college operated or controlled by a~~  
22 ~~local government within such State.~~

23 ~~“(e) Inapplicability of State Requirements to Eligible~~  
24 ~~TCUs.— The Secretary may not apply any requirements~~  
25 ~~applicable only to States under this subpart to an eligible Tribal~~  
26 ~~College or University, including the requirements under~~  
27 ~~subsection (b), section 788(b) and (c), and section 790.~~

28 ~~“SEC. 787. APPLICATIONS.~~

29 ~~“In order to receive a grant under this subpart, a State or eligible~~

1 ~~Tribal College or University shall submit an application to the~~  
2 ~~Secretary that includes—~~

3 ~~“(1) an estimate of the number of eligible students enrolled in~~  
4 ~~the community colleges operated or controlled by the State or in~~  
5 ~~the eligible Tribal College or University and the cost of waiving~~  
6 ~~tuition and fees for all eligible students for each award year~~  
7 ~~covered by the grant;~~

8 ~~“(2) in the case of a State, a list of each of the community~~  
9 ~~colleges operated or controlled by the State;~~

10 ~~“(3) an assurance that each community college operated or~~  
11 ~~controlled by the State, or the eligible Tribal College or~~  
12 ~~University, as applicable, will set community college tuition and~~  
13 ~~fees for eligible students to \$0 as required by section 788(a);~~

14 ~~“(4) a description of how the State or eligible Tribal College or~~  
15 ~~University will ensure that programs leading to a recognized~~  
16 ~~postsecondary credential meet the quality criteria established by~~  
17 ~~the State under section 122(b)(1) of the Workforce Innovation~~  
18 ~~and Opportunity Act (29 U.S.C. 3152(b)(1)) or other quality~~  
19 ~~criteria determined appropriate by the State or eligible Tribal~~  
20 ~~College or University;~~

21 ~~“(5) an assurance that each community college operated or~~  
22 ~~controlled by the State or the eligible Tribal College or~~  
23 ~~University, as applicable, has entered into a program~~  
24 ~~participation agreement under section 487;~~

25 ~~“(6) an assurance that the State or eligible Tribal College or~~  
26 ~~University will assist eligible students in obtaining information~~  
27 ~~about and accessing means tested Federal benefit programs and~~  
28 ~~similar State, tribal, and local benefit programs that can provide~~  
29 ~~financial assistance for any component of the student’s cost of~~

1 ~~attendance, as defined under section 472, other than tuition and~~  
2 ~~fees;~~

3 ~~“(7) an assurance that, for each year of the grant, the State or~~  
4 ~~eligible Tribal College or University will notify each eligible~~  
5 ~~student of the student’s remaining eligibility for assistance under~~  
6 ~~this subpart;~~

7 ~~“(8) if the application is submitted by a State—~~

8 ~~“(A) an assurance that the State will meet the requirements of~~  
9 ~~section 788(b)(1) relating to the alignment of secondary and~~  
10 ~~postsecondary education; and~~

11 ~~“(B) an assurance that the State will meet the requirements of~~  
12 ~~section 788(b)(2) relating to the improvement of transfer~~  
13 ~~pathways between institutions of higher education; and~~

14 ~~“(9) an assurance that the State or eligible Tribal College or~~  
15 ~~University will clearly communicate to prospective students,~~  
16 ~~including students with prior college experience who have not~~  
17 ~~completed a postsecondary degree or credential, their families,~~  
18 ~~and the general public—~~

19 ~~“(A) plans to implement the program funded under this subpart;~~  
20 ~~and~~

21 ~~“(B) how eligible students can attend a community college~~  
22 ~~operated or controlled by the State or an eligible Tribal College~~  
23 ~~or University without paying tuition and fees.~~

24 ~~“SEC. 788. PROGRAM REQUIREMENTS.~~

25 ~~“(a) General Requirements.—As a condition of receiving a grant~~  
26 ~~under this subpart in each award year, a State or eligible Tribal~~  
27 ~~College or University shall—~~

28 ~~“(1) ensure that the total amount of tuition and fees charged to~~



1 ~~an eligible student attending a community college operated or~~  
2 ~~controlled by the State or the eligible Tribal College or~~  
3 ~~University, as applicable, is \$0;~~

4 ~~“(2) not apply financial assistance for which an eligible student~~  
5 ~~qualifies to tuition or fees; and~~

6 ~~“(3) not use any funds provided under this subpart for~~  
7 ~~administrative purposes relating to such grant.~~

8 ~~“(b) State Requirements.— In addition to the requirements under~~  
9 ~~subsection (a), as a condition of receiving a grant under this~~  
10 ~~subpart a State shall meet the following requirements:~~

11 ~~“(1) Alignment of secondary and higher education.— The State~~  
12 ~~shall—~~

13 ~~“(A) submit and implement a plan to align the requirements for~~  
14 ~~receiving a regular high school diploma from public schools in~~  
15 ~~the State with the requirements for entering credit-bearing~~  
16 ~~coursework at community colleges in such State; and~~

17 ~~“(B) not later than 3 years after the date on which the State first~~  
18 ~~receives a grant under this subpart, certify to the Secretary that~~  
19 ~~such alignment has been achieved.~~

20 ~~“(2) Transfer pathways.— The State shall—~~

21 ~~“(A) submit a plan, developed in collaboration with faculty from~~  
22 ~~institutions of higher education in the State, to improve transfer~~  
23 ~~pathways among institutions of higher education in the State,~~  
24 ~~including by—~~

25 ~~“(i) ensuring that associate degrees awarded by community~~  
26 ~~colleges in the State are fully transferable to, and credited as, the~~  
27 ~~first 2 years of related baccalaureate programs at public~~  
28 ~~institutions of higher education in such State;~~

1 ~~“(ii) increasing the transferability of individual courses within~~  
2 ~~the certificate or associate programs offered by community~~  
3 ~~colleges in the State to related baccalaureate programs offered~~  
4 ~~by institutions of higher education in such State to maximize the~~  
5 ~~transferability of credits for students who transfer before~~  
6 ~~completing an associate degree;~~

7 ~~“(iii) expanding the use of reverse transfer policies that allow~~  
8 ~~institutions to—~~

9 ~~“(I) implement the process of retroactively granting a certificate~~  
10 ~~or associate degree to students who had not completed the~~  
11 ~~requirements for such certificate or degree before they~~  
12 ~~transferred; and~~

13 ~~“(II) allow academic credits for coursework completed at a~~  
14 ~~4-year institution to be applied to a previously attended~~  
15 ~~community college for the purpose of obtaining an associate~~  
16 ~~degree or a certificate; and~~

17 ~~“(iv) ensuring that students attending community colleges in the~~  
18 ~~State have access to comprehensive counseling and supports to~~  
19 ~~facilitate the process of transferring to a 4-year institution of~~  
20 ~~higher education; and~~

21 ~~“(B) not later than 3 years after the date on which the State first~~  
22 ~~receives a grant under this subpart, certify to the Secretary that~~  
23 ~~the State is carrying out the plan submitted in accordance with~~  
24 ~~subparagraph (A) and is meeting the requirements of clauses (i)~~  
25 ~~through (iv) of such subparagraph.~~

26 ~~“(c) State Maintenance of Effort.—A State receiving a grant~~  
27 ~~under this subpart shall be entitled to receive its full allotment of~~  
28 ~~funds under this subpart for a fiscal year only if, for each year of~~  
29 ~~the grant, the State provides—~~

1 ~~“(1) State fiscal support for higher education per full-time~~  
2 ~~equivalent student at a level equal to or exceeding the average~~  
3 ~~amount of State fiscal support for higher education per full-time~~  
4 ~~equivalent student provided for the 3 consecutive preceding~~  
5 ~~fiscal years;~~

6 ~~“(2) financial support for operating expenses (excluding capital~~  
7 ~~expenses and research and development costs) for public 4-year~~  
8 ~~institutions of higher education at a level equal to or exceeding~~  
9 ~~the average amount provided for the 3 consecutive preceding~~  
10 ~~State fiscal years; and~~

11 ~~“(3) financial support for need-based financial aid at a level~~  
12 ~~equal to or exceeding the average amount provided for the 3~~  
13 ~~consecutive preceding State fiscal years.~~

14 ~~“(d) No Additional Eligibility Requirements.—A State or~~  
15 ~~eligible Tribal College or University that receives a grant under~~  
16 ~~this subpart may not impose additional eligibility requirements~~  
17 ~~on eligible students other than the requirements under this~~  
18 ~~subpart.~~

19 ~~“(e) Eligibility for Benefits.—No individual shall be determined~~  
20 ~~to be ineligible to receive benefits provided under this subpart~~  
21 ~~(including tuition and fees set to \$0 and other aid provided under~~  
22 ~~this subpart) on the basis of citizenship, alienage, or immigration~~  
23 ~~status.~~

24 ~~“SEC. 789. ALLOWABLE USES OF FUNDS.~~

25 ~~“(a) In General.—Except as provided in subsection (b)—~~

26 ~~“(1) a State shall use a grant under this subpart only to provide~~  
27 ~~funds to each community college operated or controlled by the~~  
28 ~~State to enable each such community college to set community~~  
29 ~~college tuition and fees for eligible students to \$0 as required~~

1 ~~under section 788(a); and~~

2 ~~“(2) an eligible Tribal College or University shall use a grant~~  
3 ~~under this subpart only to set community college tuition and fees~~  
4 ~~for eligible students to \$0 as required under section 788(a).~~

5 ~~“(b) Additional Uses. — If a State or an eligible Tribal College or~~  
6 ~~University demonstrates to the Secretary that the State or~~  
7 ~~eligible Tribal College or University has grant funds remaining~~  
8 ~~after meeting the demand for activities described in subsection~~  
9 ~~(a), the State or eligible Tribal College or University shall use~~  
10 ~~the remaining funds to carry out 1 or more of the following:~~

11 ~~“(1) Providing need based financial aid to students that may be~~  
12 ~~used by such students to pay any component of cost of~~  
13 ~~attendance, as defined under section 472.~~

14 ~~“(2) Reducing unmet need at public 4 year institutions of higher~~  
15 ~~education.~~

16 ~~“(3) Improving student outcomes by implementing~~  
17 ~~evidence based institutional reforms or practices, including~~  
18 ~~reforms or practices that are described in section 795D(b)(1) or~~  
19 ~~that meet an evidence tier defined in section 795E(2).~~

20 ~~“(4) Expanding access to dual or concurrent enrollment~~  
21 ~~programs or early college high school programs.~~

22 ~~“(c) Supplement, Not Supplant. — Except as provided in section~~  
23 ~~786(b)(2)(A), funds made available under this subpart shall be~~  
24 ~~used to supplement, and not supplant, other Federal, State, tribal,~~  
25 ~~and local funds that would otherwise be expended to carry out~~  
26 ~~activities described in this section.~~

27 ~~“(d) Continuation of Funding. —~~

28 ~~“(1) In general. — Except as provided in paragraph (2), a State or~~

~~an eligible Tribal College or University receiving a grant under this subpart for an award year may continue to receive funding under this subpart for subsequent award years conditioned on the availability of budget authority and on meeting the requirements of the grant, as determined by the Secretary.~~

~~“(2) Discontinuation.—The Secretary shall discontinue or reduce funding of the Federal share of a grant under this subpart if the State or an eligible Tribal College or University has violated the terms of the grant.~~

~~“(e) Rule of Construction Regarding BIE Funds.—Nothing in this subpart shall be construed to impact the availability of funds from, or uses of funds provided by, the Bureau of Indian Education for Tribal Colleges and Universities.~~

~~“SEC. 790. AUTOMATIC STABILIZERS FOR AMERICA’S COLLEGE PROMISE.~~

~~“(a) Maintenance of Effort Relief.—A State that meets the qualifying spending requirement may request a waiver of the requirements under section 788(c). Upon request by such a State, the Secretary shall waive the requirements of section 788(c) for the State as follows:~~

~~“(1) Tier i.—With respect to each State eligible for relief under tier I, such requirements shall be waived for the fiscal year succeeding the fiscal year for which the determination of the State’s eligibility for such relief is made.~~

~~“(2) Tiers ii through v.—With respect to each State eligible for relief under tier II, III, IV, or V, such requirements shall be waived, in accordance with subsection (d), for—~~

~~“(A) the fiscal year for which the determination of the State’s eligibility for such relief is made;~~

1 ~~“(B) the fiscal year succeeding the fiscal year described in~~  
2 ~~subparagraph (A); or~~

3 ~~“(C) both such fiscal years.~~

4 ~~“(b) State Share Relief.—~~

5 ~~“(1) State share relief.—A State that meets the qualifying~~  
6 ~~spending requirement and is eligible for relief under tier II, III,~~  
7 ~~IV, or V may request relief with respect to the requirements of~~  
8 ~~section 786(b)(1)(B). Upon request by such a State, the~~  
9 ~~Secretary shall provide relief from the requirements of section~~  
10 ~~786(b)(1)(B), for the applicable award year or years, for the~~  
11 ~~State as follows:~~

12 ~~“(A) Tier ii.—With respect to a State that is eligible for relief~~  
13 ~~under tier II, the Secretary shall—~~

14 ~~“(i) apply section 786(a)(1)(B)(v) by substituting ‘85 percent’~~  
15 ~~for ‘80 percent’; and~~

16 ~~“(ii) apply section 786(b)(1)(B)(v) by substituting ‘15 percent’~~  
17 ~~for ‘20 percent’.~~

18 ~~“(B) Tier iii.—With respect to a State that is eligible for relief~~  
19 ~~under tier III, the Secretary shall—~~

20 ~~“(i) apply section 786(a)(1)(B)(iv) by substituting ‘90 percent’~~  
21 ~~for ‘85 percent’;~~

22 ~~“(ii) apply section 786(a)(1)(B)(v) by substituting ‘90 percent’~~  
23 ~~for ‘80 percent’;~~

24 ~~“(iii) apply section 786(b)(1)(B)(iv) by substituting ‘10 percent’~~  
25 ~~for ‘15 percent’; and~~

26 ~~“(iv) apply section 786(b)(1)(B)(v) by substituting ‘10 percent’~~  
27 ~~for ‘20 percent’.~~

1 ~~“(C) Tier iv. — With respect to a State that is eligible for relief~~  
2 ~~under tier IV, the Secretary shall —~~

3 ~~“(i) apply section 786(a)(1)(B)(iii) by substituting ‘95 percent’~~  
4 ~~for ‘90 percent’;~~

5 ~~“(ii) apply section 786(a)(1)(B)(iv) by substituting ‘95 percent’~~  
6 ~~for ‘85 percent’;~~

7 ~~“(iii) apply section 786(a)(1)(B)(v) by substituting ‘95 percent’~~  
8 ~~for ‘80 percent’;~~

9 ~~“(iv) apply section 786(b)(1)(B)(iii) by substituting ‘5 percent’~~  
10 ~~for ‘10 percent’;~~

11 ~~“(v) apply section 786(b)(1)(B)(iv) by substituting ‘5 percent’~~  
12 ~~for ‘15 percent’; and~~

13 ~~“(vi) apply section 786(b)(1)(B)(v) by substituting ‘5 percent’~~  
14 ~~for ‘20 percent’.~~

15 ~~“(D) Tier v. — With respect to a State that is eligible for relief~~  
16 ~~under tier V, the Secretary shall —~~

17 ~~“(i) apply section 786(a)(1)(B)(ii) by substituting ‘100 percent’~~  
18 ~~for ‘95 percent’;~~

19 ~~“(ii) apply section 786(a)(1)(B)(iii) by substituting ‘100 percent’~~  
20 ~~for ‘90 percent’;~~

21 ~~“(iii) apply section 786(a)(1)(B)(iv) by substituting ‘100-~~  
22 ~~percent’ for ‘85 percent’;~~

23 ~~“(iv) apply section 786(a)(1)(B)(v) by substituting ‘100 percent’~~  
24 ~~for ‘80 percent’;~~

25 ~~“(v) apply section 786(b)(1)(B)(ii) by substituting ‘0 percent’ for~~  
26 ~~‘5 percent’;~~

27 ~~“(vi) apply section 786(b)(1)(B)(iii) by substituting ‘0 percent’~~

- 1 for ~~‘10 percent’~~;
- 2 ~~“(vii) apply section 786(b)(1)(B)(iv) by substituting ‘0 percent’~~  
3 ~~for ‘15 percent’; and~~
- 4 ~~“(viii) apply section 786(b)(1)(B)(v) by substituting ‘0 percent’~~  
5 ~~for ‘20 percent’.~~
- 6 ~~“(2) Applicable award years.— With respect to each State~~  
7 ~~eligible for relief under tier II, III, IV, or V, the Secretary shall~~  
8 ~~provide the relief under paragraph (1), in accordance with~~  
9 ~~subsection (d), for—~~
- 10 ~~“(A) the award year for which the determination of the State’s~~  
11 ~~eligibility for such relief is made;~~
- 12 ~~“(B) the award year succeeding the award year described in~~  
13 ~~subparagraph (A); or~~
- 14 ~~“(C) both such award years.~~
- 15 ~~“(c) State Eligibility.— A State’s eligibility for relief under this~~  
16 ~~section shall be determined as follows:~~
- 17 ~~“(1) Tier i.— A State shall be eligible for relief under tier I for a~~  
18 ~~fiscal year for which—~~
- 19 ~~“(A) the State is in an elevated unemployment period at any~~  
20 ~~point in the fiscal year; and~~
- 21 ~~“(B) the State is not eligible for relief under any other tier.~~
- 22 ~~“(2) Tier ii.— A State shall be eligible for relief under tier II for~~  
23 ~~a fiscal or award year, as applicable, for which—~~
- 24 ~~“(A)(i) the State average unemployment rate is equal to or~~  
25 ~~greater than 6.5 percent but less than 7.5 percent at any point in~~  
26 ~~the fiscal or award year; or~~
- 27 ~~“(ii) the national average unemployment rate is equal to or~~



1 ~~greater than 6.5 percent but less than 7.5 percent at any point in~~  
2 ~~the fiscal or award year; and~~

3 ~~“(B) the State is not eligible for relief under tier III, IV, or V.~~

4 ~~“(3) Tier iii.— A State shall be eligible for relief under tier III for~~  
5 ~~a fiscal or award year, as applicable, for which—~~

6 ~~“(A)(i) the State average unemployment rate is equal to or~~  
7 ~~greater than 7.5 percent but less than 8.5 percent at any point in~~  
8 ~~the fiscal or award year; or~~

9 ~~“(ii) the national average unemployment rate is equal to or~~  
10 ~~greater than 7.5 percent but less than 8.5 percent at any point in~~  
11 ~~the fiscal or award year; and~~

12 ~~“(B) the State is not eligible for relief under tier IV or V.~~

13 ~~“(4) Tier iv.— A State shall be eligible for relief under tier IV for~~  
14 ~~a fiscal or award year, as applicable, for which—~~

15 ~~“(A)(i) the State average unemployment rate is equal to or~~  
16 ~~greater than 8.5 percent but less than 9.5 percent at any point in~~  
17 ~~the fiscal or award year; or~~

18 ~~“(ii) the national average unemployment rate is equal to or~~  
19 ~~greater than 8.5 percent but less than 9.5 percent at any point in~~  
20 ~~the fiscal or award year; and~~

21 ~~“(B) the State is not eligible for relief under tier V.~~

22 ~~“(5) Tier v.— A State shall be eligible for relief under tier V for~~  
23 ~~a fiscal or award year, as applicable, for which—~~

24 ~~“(A) the State average unemployment rate is equal to or greater~~  
25 ~~than 9.5 percent at any point in the fiscal or award year; or~~

26 ~~“(B) the national average unemployment rate is equal to or~~  
27 ~~greater than 9.5 percent at any point in the fiscal or award year.~~

1 ~~“(d) Discretion in the Provision of Relief.—In determining the~~  
2 ~~fiscal years for which to provide relief in accordance with~~  
3 ~~subsection (a)(2), or the award years for which to provide relief~~  
4 ~~in accordance with subsection (b), to a State that is eligible~~  
5 ~~under tier II, III, IV, or V, the Secretary shall take into account~~  
6 ~~the following:~~

7 ~~“(1) In the case of a State that requests relief under subsection~~  
8 ~~(a)(2), the fiscal years for which the State requests such relief,~~  
9 ~~including—~~

10 ~~“(A) if the State requests such relief for the fiscal year for which~~  
11 ~~the determination of the State’s eligibility for such relief is~~  
12 ~~made, the amount by which the State is unable to meet the~~  
13 ~~requirements of section 788(c) for such fiscal year; and~~

14 ~~“(B) if the State requests such relief for the fiscal year~~  
15 ~~succeeding the year described in subparagraph (A), the amount~~  
16 ~~by which the State anticipates being unable to meet such~~  
17 ~~requirements for such succeeding fiscal year.~~

18 ~~“(2) In the case of a State that requests relief under subsection~~  
19 ~~(b), the award years for which the State requests such relief,~~  
20 ~~including—~~

21 ~~“(A) if the State requests such relief for the award year for~~  
22 ~~which the determination of the State’s eligibility for such relief~~  
23 ~~is made, the extent to which the State is unable to meet the~~  
24 ~~requirements of section 786(b)(1)(B) for such award year; and~~

25 ~~“(B) if the State requests such relief for the award year~~  
26 ~~succeeding the year described in subparagraph (A), the extent to~~  
27 ~~which the State anticipates being unable to meet such~~  
28 ~~requirements for such succeeding award year.~~

29 ~~“(3) The actual or anticipated timing, severity, and duration of~~

1 ~~the unemployment rate increase during—~~

2 ~~“(A) the fiscal or award year, as applicable, for which the~~  
3 ~~determination of the State’s eligibility for such relief is made;~~

4 ~~“(B) the fiscal or award year, as applicable, succeeding the fiscal~~  
5 ~~or award year described in subparagraph (A); and~~

6 ~~“(C) the fiscal or award year, as applicable, preceding the fiscal~~  
7 ~~or award year described in subparagraph (A).~~

8 ~~“(4) Other factors determined to be relevant by the Secretary.~~

9 ~~“(e) Continued Payment to Employees.— A State that receives~~  
10 ~~relief under subsection (a) or (b) shall, to the greatest extent~~  
11 ~~practicable, continue to pay its employees of, and contractors~~  
12 ~~with, public institutions of higher education in the State during~~  
13 ~~the period in which the State is receiving such relief.~~

14 ~~“(f) Definitions.— In this section:~~

15 ~~“(1) Elevated unemployment period.— The term ‘elevated~~  
16 ~~unemployment period’—~~

17 ~~“(A) when used with respect to the Nation as a whole, means a~~  
18 ~~consecutive, 3 month period in a fiscal year for which the~~  
19 ~~national average unemployment rate is not less than 0.5-~~  
20 ~~percentage points above the lowest national average~~  
21 ~~unemployment rate for the 12 month period preceding such~~  
22 ~~3 month period; and~~

23 ~~“(B) when used with respect to a State, means a consecutive,~~  
24 ~~3 month period in a fiscal year in which the State average~~  
25 ~~unemployment rate is not less than 0.5 percentage points above~~  
26 ~~the lowest State average unemployment rate for such State for~~  
27 ~~the 12 month period preceding such 3 month period.~~

28 ~~“(2) Qualifying spending requirement.— The term ‘qualifying~~

1 ~~spending requirement’, when used with respect to determining~~  
2 ~~whether a State has met such requirement, means the State has~~  
3 ~~not disproportionately decreased spending for any of the~~  
4 ~~categories described in paragraphs (1) through (3) of section~~  
5 ~~788(c) relative to such State’s overall decrease in spending~~  
6 ~~averaged over the 3 consecutive preceding fiscal years.~~

7 ~~“(3) National average unemployment rate.—The term ‘national~~  
8 ~~average unemployment rate’ means the average (seasonally~~  
9 ~~adjusted) rate of total unemployment in all States for a~~  
10 ~~consecutive, 3-month period in a fiscal year, based on data from~~  
11 ~~the Bureau of Labor Statistics of the Department of Labor.~~

12 ~~“(4) State average unemployment rate.—The term ‘State~~  
13 ~~average unemployment rate’ means the average (seasonally~~  
14 ~~adjusted) rate of total unemployment in a State for a~~  
15 ~~consecutive, 3-month period in a fiscal year, based on data from~~  
16 ~~the Bureau of Labor Statistics of the Department of Labor.~~

17 ~~“SEC. 791. DEFINITIONS.~~

18 ~~“In this subpart:~~

19 ~~“(1) Career pathway.—The term ‘career pathway’ has the~~  
20 ~~meaning given the term in section 3 of the Workforce~~  
21 ~~Innovation and Opportunity Act (29 U.S.C. 3102).~~

22 ~~“(2) Community college.—The term ‘community college’~~  
23 ~~means—~~

24 ~~“(A) a degree-granting public institution of higher education at~~  
25 ~~which—~~

26 ~~“(i) the highest degree awarded is an associate degree; or~~

27 ~~“(ii) an associate degree is the predominant degree awarded;~~

28 ~~“(B) an eligible Tribal College or University;~~

1 ~~“(C) a degree granting branch campus of a 4 year public~~  
2 ~~institution of higher education, if, at such branch campus—~~

3 ~~“(i) the highest degree awarded is an associate degree; or~~

4 ~~“(ii) an associate degree is the predominant degree awarded; or~~

5 ~~“(D) at the designation of the Secretary, in the case of a State~~  
6 ~~that does not operate or control any institution that meets a~~  
7 ~~definition under subparagraph (A) or (C), a college or similarly~~  
8 ~~defined and structured academic entity—~~

9 ~~“(i) that was in existence on July 1, 2021;~~

10 ~~“(ii) within a 4 year public institution of higher education; and~~

11 ~~“(iii) at which—~~

12 ~~“(I) the highest degree awarded is an associate degree; or~~

13 ~~“(II) an associate degree is the predominant degree awarded.~~

14 ~~“(3) Dual or concurrent enrollment program.—The term ‘dual or~~  
15 ~~concurrent enrollment program’ has the meaning given the term~~  
16 ~~in section 8101 of the Elementary and Secondary Education Act~~  
17 ~~of 1965.~~

18 ~~“(4) Early college high school.—The term ‘early college high~~  
19 ~~school’ has the meaning given the term in section 8101 of the~~  
20 ~~Elementary and Secondary Education Act of 1965. **SEC. 20021.**~~

21 **INCREASING THE MAXIMUM FEDERAL PELL**  
22 **GRANT.**

23 (a) Award Year 2022–2023.—Section 401(b)(7) of the Higher Education Act of 1965 is  
24 amended—

25 (1) in subparagraph (A)(iii), by inserting “and such sums as may be necessary for  
26 fiscal year 2022 to carry out the \$550 increase for enrollment at institutions of higher  
27 education defined in section 101 or 102(a)(1)(B) provided under subparagraph  
28 (C)(iii)” before “; and”; and

29 (2) in subparagraph (C)(iii), by inserting before the period at the end the following:  
30 “, except that, for award year 2022–2023, such amount shall be equal to the amount

1 determined under clause (ii) for award year 2017–2018, increased by \$550 for  
2 enrollment at institutions of higher education defined in section 101 or 102(a)(1)(B)”.

3 (b) Subsequent Award Years Through 2025–2026.—Section 401(b) of the Higher  
4 Education Act of 1965, as amended by section 703 of the FAFSA Simplification Act (title  
5 VII of division FF of Public Law 116–260), is amended—

6 (1) in paragraph (5)(A)—

7 (A) in clause (i), by striking “and” after the semicolon;

8 (B) by redesignating clause (ii) as clause (iii); and

9 (C) by inserting after clause (i) the following:

10 “(ii) for each of award years 2023–2024 through 2025–2026, an additional  
11 \$550 for enrollment at institutions of higher education defined in section 101  
12 or 102(a)(1)(B); and”; and

13 (2) in paragraph (6)(A)—

14 (A) in clause (i)—

15 \*\* 1 (I)(i) by striking “appropriated) such” and inserting the following:  
16 “appropriated)—

17 “(I) such”; and

18 (ii) by adding at the end the following:

19 \*\* 2 “(II) such sums as are necessary to carry out paragraph (5)(A)(ii) for  
20 each of fiscal years 2023 through ~~2029~~ 2025; and”; and

21 (B) in clause (ii), by striking “(5)(A)(ii)” and inserting “(5)(A)(iii)”.

## 22 SEC. 20022. EXPANDING FEDERAL STUDENT AID 23 ELIGIBILITY.

24 Section 484(a)(5) of the Higher Education Act of 1965 is amended by inserting “, or, with  
25 respect to any grant, loan, or work assistance received under this title for award years  
26 2022–2023 through 2029–2030, be subject to a grant of deferred enforced departure or  
27 have deferred action pursuant to the Deferred Action for Childhood Arrivals policy of the  
28 Secretary of Homeland Security or temporary protected status” after “becoming a citizen  
29 or permanent resident”.

## 30 SEC. 20023. INCREASE IN PELL GRANTS FOR 31 RECIPIENTS OF MEANS-TESTED BENEFITS.

32 Section 473 of the Higher Education Act of 1965, as amended by section 702(b) of the  
33 FAFSA Simplification Act (title VII of division FF of Public Law 116–260), is amended by  
34 adding at the end the following:

35 “(d) Special Rule for Means-tested Benefit Recipients.—During award years 2024–2025  
36 through 2029–2030, and notwithstanding subsection (b), for an applicant (or, as applicable,  
37 an applicant and spouse, or an applicant’s parents) who is not described in subsection (c)

1 and who, at any time during the previous 24-month period, received a benefit under a  
2 means-tested Federal benefit program (or whose parent or spouse received such a benefit,  
3 as applicable) described in clauses (i) through (vi) of section 479(b)(4)(H), the Secretary  
4 shall for the purposes of this title consider the student aid index as equal to –\$1,500 for the  
5 applicant.”.

## 6 **SEC. 20024. RETENTION AND COMPLETION GRANTS.**

7 Title VII of the Higher Education Act of 1965 is amended by adding at the end the  
8 following:

### 9 **“PART F—RETENTION AND COMPLETION GRANTS**

#### 10 **“SEC. 791. RETENTION AND COMPLETION GRANTS.**

11 “(a) In General.—From amounts appropriated to carry out this section for a fiscal year,  
12 the Secretary shall carry out a program to make grants (which shall be known as ‘retention  
13 and completion grants’) to eligible entities to enable the such entities to carry out the  
14 activities described in the applications submitted under subsection (b).

15 “(b) Application.—To be eligible to receive a grant under this section, an eligible entity  
16 shall submit an application to the Secretary that includes a description of—

17 “(1) how the eligible entity will use the funds to implement or expand  
18 evidence-based reforms or practices to improve student outcomes at institutions of  
19 higher education in the State or system of institutions of higher education, or at the  
20 Tribal College or University, as applicable; and

21 “(2) how the eligible entity will sustain such reforms or practices after the grant  
22 period.

23 “(c) Priority.—In awarding grants under this section to eligible entities, the Secretary  
24 shall give priority to eligible entities that propose to use a significant share of grant funds  
25 to, among students of color, low-income students, students with disabilities, students in  
26 need of remediation, first generation college students, student parents, and other  
27 underserved student populations in such eligible entity, improve enrollment, retention,  
28 transfer, or completion rates or labor market outcomes.

29 “(d) Adequate Progress.—As a condition of continuing to receive funds under this  
30 section, for each year in which an eligible entity participates in the program under this  
31 section, such eligible entity shall demonstrate to the satisfaction of the Secretary that the  
32 entity has made adequate progress in implementing or expanding evidence-based reforms  
33 or practices, and, among students of color, low-income students, students with disabilities,  
34 students in need of remediation, first generation college students, student parents, and  
35 other underserved student populations in such eligible entity, improving enrollment,  
36 retention, transfer, or completion rates or labor market outcomes.

37 “(e) Matching Requirement.—As a condition of receiving a grant under this section for  
38 the applicable year described in paragraphs (1) through (3), an eligible entity that is not a  
39 Tribal College or University shall provide matching funds for such applicable year toward  
40 the cost of the activities described in the application submitted under subsection (b). Such

1 matching funds shall be in the amount of—

2 “(1) in the second year of a grant, not less than 10 percent of the grant amount  
3 awarded to such eligible entity for such year;

4 “(2) in the third year of a grant, not less than 15 percent of the grant amount  
5 awarded to such eligible entity for such year; and

6 “(3) in the fourth year and each subsequent year of a grant, not less than 20 percent  
7 of the grant amount awarded to such eligible entity for such year.

8 “(f) General Requirement.—An eligible entity shall use a grant under this section only to  
9 carry out activities described in the application for such year under subsection (b).

10 “(g) Evidence-based Reforms or Practices.—An eligible entity receiving a grant under  
11 this section shall, directly or in collaboration with institutions of higher education and  
12 other non-profit organizations, use the grant funds to implement one or more of the  
13 following evidence-based reforms or practices:

14 “(1) Providing comprehensive academic, career, and student support services,  
15 including mentoring, advising, or case management services.

16 “(2) Providing assistance in applying for and accessing direct support services,  
17 financial assistance, or means-tested benefit programs to meet the basic needs of  
18 students.

19 “(3) Providing accelerated learning opportunities, including dual or concurrent  
20 enrollment programs and early college high school programs.

21 “(4) Reforming remedial or developmental education, course scheduling, or  
22 credit-awarding policies.

23 “(5) Improving transfer pathways between—

24 “(A) in the case of an eligible entity that is a State, community colleges and  
25 4-year institutions of higher education in the State;

26 “(B) in the case of an eligible entity that is a system of institutions of higher  
27 education, institutions within such system and other institutions of higher  
28 education in the State in which the system is located; or

29 “(C) in the case of a Tribal College or University, between the Tribal College or  
30 University and other institutions of higher education.

31 ~~\*\* 3 “(e)“(h) Supplement, Not Supplant.—Funds made available to carry out under this~~  
32 ~~subpart part shall be used to supplement, and not supplant, other Federal, State, tribal, and local~~  
33 ~~local, Tribal, and institutional funds that would otherwise be expended to carry out activities~~  
34 ~~under described in this subpart section.~~

35 “(i) Definitions.—In this section:

36 “(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a State, a system of  
37 institutions of higher education, or a Tribal College or University.

38 “(2) EVIDENCE TIERS.—

39 ~~\*\* 4 “(A) EVIDENCE TIER 1.—The term ‘evidence tier 1’, when used with respect to~~



1 a reform or practice, means a reform or practice that meets the criteria for receiving an  
2 expansion grant from the education innovation and research program under section  
3 4611(a)(2)(C) of the Elementary and Secondary Education Act of 1965(~~20 U.S.C.~~  
4 ~~7261~~), as determined by the Secretary in accordance with such section.

5 \*\* 5 “(B) EVIDENCE TIER 2.—The term ‘evidence tier 2’, when used with respect to  
6 a reform or practice, means a reform **or practice** that meets the criteria for receiving a  
7 mid-phase grant from the education innovation and research program under section  
8 4611(a)(2)(B) of the Elementary and Secondary Education Act of 1965(~~20 U.S.C.~~  
9 ~~7261~~), as determined by the Secretary in accordance with such section.

10 \*\* 6 “(3) FIRST GENERATION COLLEGE STUDENT.—The term ‘first generation college  
11 student’ has the meaning given the term in section 402A(h)(3).

12 \*\* 7 “(4) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’  
13 has the meaning given the term in section 101 **or 102(a)(1)(B)**.

14 “(5) STATE.—The term ‘State’ means each of the 50 States of the United States, the  
15 District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the  
16 United States Virgin Islands, the Commonwealth of the Northern Mariana Islands,  
17 and the Freely Associated States.

18 \*\* 8 ~~“(12)“(6) TRIBAL COLLEGE OR UNIVERSITY.—The term ‘Tribal College or~~  
19 ~~University’ has the meaning given such the term in section 316(b)(3).~~

20 \*\* 9 ~~In~~“(j) **Appropriation.**—In addition to amounts otherwise available, there is appropriated  
21 ~~to the Bureau of Indian Education~~ for fiscal year 2022, out of any money in the Treasury not  
22 otherwise appropriated—

23 “(1) **\$310,000,000 to remain available until September 30, 2030, to award**  
24 **competitive grants to eligible entities that are not Tribal Colleges and Universities to**  
25 **carry out the approved activities described in the applications submitted under**  
26 **subsection (b);**

27 “(2) **\$37,500,000 to remain available until September 30, 2030, to award competitive**  
28 **grants to Tribal Colleges and Universities to carry out the approved activities**  
29 **described in the applications submitted under subsection (b);**

30 “(3) **\$95,000,000 to remain available until September 30, 2030, to supplement the**  
31 **competitive grant amounts awarded to eligible entities with funds available under**  
32 **paragraph (1) and (2) to implement reforms or practices that meet evidence tier 1;**

33 “(4) **\$47,500,000 to remain available until September 30, 2030, to supplement the**  
34 **competitive grant amounts awarded to eligible entities with funds available under**  
35 **paragraphs (1) and (2) to implement reforms or practices that meet evidence tier 1 or**  
36 **evidence tier 2, or a combination of such reforms or practices; and**

37 “(5) **\$10,000,000 to remain available until September 30, 2030, to evaluate the**  
38 **effectiveness of the activities carried out under this section.**

39 “(k) **Sunset.**—The authority to make grants under this section shall expire at the end of  
40 award year 2026–2027.

41 “(l) **Inapplicability of GEPA Contingent Extension of Programs.**—Section 422 of the

1 **General Education Provisions Act shall not apply to this part.”.**

2 **SEC. 20025. INSTITUTIONAL AID.**

3 **\*\* 10 (a) In General.**—In addition to amounts otherwise available, there is appropriated for  
4 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

5 **(1) \$470,640,000, to remain available until September 30, 2028, for carrying out**  
6 **section 371(b)(2)(B) of the Higher Education Act of 1965 in fiscal year 2022;**

7 **(2) \$470,640,000, to remain available until September 30, 2028, for carrying out**  
8 **section 371(b)(2)(B) of the Higher Education Act of 1965 in fiscal year 2023;**

9 **(3) \$470,640,000, to remain available until September 30, 2028, for carrying out**  
10 **section 371(b)(2)(B) of the Higher Education Act of 1965 in fiscal year 2024;**

11 **(4) \$470,640,000, to remain available until September 30, 2028, for carrying out**  
12 **section 371(b)(2)(B) of the Higher Education Act of 1965 in fiscal year 2025;**

13 **(5) \$470,640,000, to remain available until September 30, 2028, for carrying out**  
14 **section 371(b)(2)(B) of the Higher Education Act of 1965 in fiscal year 2026;**

15 **(6) \$470,640,000, to remain available until September 30, 2028, for carrying out**  
16 **section 371(b)(2)(C) of the Higher Education Act of 1965 in fiscal year 2022;**

17 **(7) \$470,640,000, to remain available until September 30, 2028, for carrying out**  
18 **section 371(b)(2)(C) of the Higher Education Act of 1965 in fiscal year 2023;**

19 **(8) \$470,640,000, to remain available until September 30, 2028, for carrying out**  
20 **section 371(b)(2)(C) of the Higher Education Act of 1965 in fiscal year 2024;**

21 **(9) \$470,640,000, to remain available until September 30, 2028, for carrying out**  
22 **section 371(b)(2)(C) of the Higher Education Act of 1965 in fiscal year 2025;**

23 **(10) \$470,640,000, to remain available until September 30, 2028, for carrying out**  
24 **section 371(b)(2)(C) of the Higher Education Act of 1965 in fiscal year 2026;**

25 **(11) \$141,120,000, to remain available until September 30, 2028, for carrying out**  
26 **section 371(b)(2)(D)(i) of the Higher Education Act of 1965 in fiscal year 2022;**

27 **(12) \$141,120,000, to remain available until September 30, 2028, for carrying out**  
28 **section 371(b)(2)(D)(i) of the Higher Education Act of 1965 in fiscal year 2023;**

29 **(13) \$141,120,000, to remain available until September 30, 2028, for carrying out**  
30 **section 371(b)(2)(D)(i) of the Higher Education Act of 1965 in fiscal year 2024;**

31 **(14) \$141,120,000, to remain available until September 30, 2028, for carrying out**  
32 **section 371(b)(2)(D)(i) of the Higher Education Act of 1965 in fiscal year 2025;**

33 **(15) \$141,120,000, to remain available until September 30, 2028, for carrying out**  
34 **section 371(b)(2)(D)(i) of the Higher Education Act of 1965 in fiscal year 2026;**

35 **(16) \$70,560,000, to remain available until September 30, 2028, for carrying out**  
36 **section 371(b)(2)(D)(ii) of the Higher Education Act of 1965 in fiscal year 2022;**

37 **(17) \$70,560,000, to remain available until September 30, 2028, for carrying out**  
38 **section 371(b)(2)(D)(ii) of the Higher Education Act of 1965 in fiscal year 2023;**

1           (18) \$70,560,000, to remain available until September 30, 2028, for carrying out  
2 section 371(b)(2)(D)(ii) of the Higher Education Act of 1965 in fiscal year 2024;

3           (19) \$70,560,000, to remain available until September 30, 2028, for carrying out  
4 section 371(b)(2)(D)(ii) of the Higher Education Act of 1965 in fiscal year 2025;

5           (20) \$70,560,000, to remain available until September 30, 2028, for carrying out  
6 section 371(b)(2)(D)(ii) of the Higher Education Act of 1965 in fiscal year 2026;

7           (21) \$23,520,000, to remain available until September 30, 2028, for carrying out  
8 section 371(b)(2)(D)(iii) of the Higher Education Act of 1965 in fiscal year 2022;

9           (22) \$23,520,000, to remain available until September 30, 2028, for carrying out  
10 section 371(b)(2)(D)(iii) of the Higher Education Act of 1965 in fiscal year 2023;

11           (23) \$23,520,000, to remain available until September 30, 2028, for carrying out  
12 section 371(b)(2)(D)(iii) of the Higher Education Act of 1965 in fiscal year 2024;

13           (24) \$23,520,000, to remain available until September 30, 2028, for carrying out  
14 section 371(b)(2)(D)(iii) of the Higher Education Act of 1965 in fiscal year 2025;

15           (25) \$23,520,000, to remain available until September 30, 2028, for carrying out  
16 section 371(b)(2)(D)(iii) of the Higher Education Act of 1965 in fiscal year 2026;

17           (26) \$23,520,000, to remain available until September 30, 2028, for carrying out  
18 section 371(b)(2)(D)(iv) of the Higher Education Act of 1965 in fiscal year 2022;

19           (27) \$23,520,000, to remain available until September 30, 2028, for carrying out  
20 section 371(b)(2)(D)(iv) of the Higher Education Act of 1965 in fiscal year 2023;

21           (28) \$23,520,000, to remain available until September 30, 2028, for carrying out  
22 section 371(b)(2)(D)(iv) of the Higher Education Act of 1965 in fiscal year 2024;

23           (29) \$23,520,000, to remain available until September 30, 2028, for carrying out  
24 section 371(b)(2)(D)(iv) of the Higher Education Act of 1965 in fiscal year 2025; and

25           (30) \$23,520,000, to remain available until September 30, 2028, for carrying out  
26 section 371(b)(2)(D)(iv) of the Higher Education Act of 1965 in fiscal year 2026.

27 **(b) Use of Funds.—**

28           (1) **IN GENERAL.—**An institution of higher education receiving funds made available  
29 under this section shall use such funds in accordance with the uses of funds described  
30 under subparagraphs (B), (C), and clauses (i) through (iv) of subparagraph (D) of  
31 section 371(b)(2) of the Higher Education Act of 1965, as applicable, and to award  
32 need-based financial aid (including emergency financial aid grants) to low-income  
33 students enrolled in an eligible program (as defined in section 481(b) of the Higher  
34 Education Act of 1965) at such institution.

35           (2) **DISTRIBUTION REQUIREMENTS.—**The Secretary of Education shall distribute each  
36 of the amounts appropriated under paragraphs (6) through (10) of subsection (a) in  
37 accordance with section 371(b)(2)(C), except that in clause (ii) of such section, “25”  
38 and “of \$600,000 annually” shall not apply.

39           (c) **No Additional Eligibility Requirements.—**No individual shall be determined by the  
40 Secretary of Education to be ineligible for benefits provided under subsection (b)(1) except

1 on the basis of not being a low-income student enrolled in an eligible program (as defined  
2 in section 481(b) of the Higher Education Act of 1965).

3 **SEC. 20026. RESEARCH AND DEVELOPMENT**  
4 **INFRASTRUCTURE COMPETITIVE GRANT**  
5 **PROGRAM.**

6 Title III of the Higher Education Act of 1965 is amended—

7 (1) by redesignating part G as part H; and

8 (2) by inserting after section 371 the following:

9 **“PART G—IMPROVING RESEARCH &**  
10 **DEVELOPMENT INFRASTRUCTURE FOR**  
11 **HISTORICALLY BLACK COLLEGES AND**  
12 **UNIVERSITIES, TRIBAL COLLEGES AND**  
13 **UNIVERSITIES, AND MINORITY-SERVING**  
14 **INSTITUTIONS**

15 **“SEC. 381. IMPROVING RESEARCH & DEVELOPMENT**  
16 **INFRASTRUCTURE FOR HISTORICALLY BLACK**  
17 **COLLEGES AND UNIVERSITIES, TRIBAL COLLEGES**  
18 **AND UNIVERSITIES, AND MINORITY-SERVING**  
19 **INSTITUTIONS.**

20 **“(a) Eligible Institution.—In this section, the term ‘eligible institution’ means—**

21 **“(1) an institution that—**

22 **“(A) is described in section 371(a);**

23 **“(B) is a 4-year institution; and**

24 **“(C) is not an institution classified as ‘very high research activity’ by the**  
25 **Carnegie Classification of Institutions of Higher Education; or**

26 **\*\* 11 “(2) Consortia.—An eligible an institution may apply to receive a grant under this**  
27 **section described in paragraph (1) acting** on behalf of a consortium, which may include  
28 institutions classified as ~~very~~ **‘very high research activity activity’** by the Carnegie  
29 Classification of Institutions of Higher Education, ~~two~~ 2-year institutions of higher  
30 education **(as defined in section 101)**, and other academic partners, philanthropic  
31 organizations, and industry partners, provided that the eligible institution is the lead member  
32 and fiscal agent of the consortium.

33 **“(b) Authorization of Grant Programs.—For the purpose of supporting research and**  
34 **development infrastructure at eligible institutions, the Secretary shall award, on a**

1 competitive basis, to eligible institutions—

2 “(1) planning grants for a period of not more than 2 years; and

3 “(2) implementation grants for a period of not more than 5 years.

4 “(c) Applications.—

5 “(1) IN GENERAL.—An eligible institution that desires to receive a planning grant  
6 under subsection (b)(1) or an implementation grant under subsection (b)(2) shall  
7 submit an application to the Secretary that includes a description of the activities that  
8 will be carried out with grant funds.

9 \*\* 12 ~~“(3)“(2)~~ NO COMPREHENSIVE DEVELOPMENT PLAN.—The requirement under section  
10 391(b)(1) shall not apply to grants awarded under this section.

11 “(d) Priority in Awards.—

12 “(1) IN GENERAL.—In awarding planning and implementation grants under this  
13 section, the Secretary shall administer separate competitions for each of the categories  
14 of institutions listed in paragraphs (1) through (7) of section 371(a).

15 “(2) PRIORITY.—In awarding implementation grants under this section, the  
16 Secretary shall give priority to eligible institutions that have received a planning grant  
17 under this section.

18 “(e) Use of Funds.—

19 “(1) PLANNING GRANTS.—An eligible institution that receives a planning grant  
20 under subsection (b)(1) shall use the grant funds to develop a strategic plan for  
21 improving institutional research and development infrastructure that includes—

22 \*\* 13 ~~“(i)“(A)~~ an assessment of the existing institutional research capacity and  
23 research and development infrastructure; and

24 \*\* 14 ~~“(ii)“(B)~~ a detailed description of how **the institution would use** research and  
25 development infrastructure funds provided by an implementation grant under this  
26 section ~~would be used to increase institutional~~ **the institution’s** research capacity and  
27 support research and development infrastructure; ~~and~~.

28 \*\* 15 “(2) IMPLEMENTATION GRANTS.—An eligible institution that receives an  
29 implementation grant under subsection (b)(2) shall use the grant funds to support research  
30 and development infrastructure, which shall include carrying out at least one of the  
31 following activities:

32 \*\* 16 ~~“(B)“(A)~~ Providing for the improvement of infrastructure existing on the date  
33 of the grant award, including deferred maintenance, or the establishment of new  
34 physical infrastructure, including instructional program spaces, laboratories, ~~or~~  
35 ~~research facilities~~ **research facilities or furniture, fixtures, and instructional**  
36 **research-related equipment and technology** relating to the fields of science,  
37 technology, engineering, the arts, mathematics, health, agriculture, education,  
38 medicine, law, and other disciplines.

39 \*\* 17 ~~“(C)“(B)~~ Hiring and retaining faculty, students, research-related staff, or other  
40 personnel, including research personnel skilled in operating, using, or applying

1 technology, equipment, or devices used to conduct or support research.

2 **“(C) Creating and supporting inter- and intra-institutional research centers**  
3 **(including formal and informal communities of practice) in fields of research for**  
4 **which research and development infrastructure funds have been awarded under**  
5 **this section, including hiring staff and purchasing supplies and equipment.**

6 **“(f) Supplement Not Supplant.—Funds made available under this section shall be used to**  
7 **supplement, and not supplant, other Federal, State, tribal, and local funds that would**  
8 **otherwise be expended to carry out the activities described in this section.**

9 **“(g) Sunset.—**

10 **“(1) IN GENERAL.—The authority to make—**

11 **\*\* 18 “(A) planning grants under subsection (b)(1) shall expire at the end of fiscal**  
12 **year 2025; and**

13 **\*\* 19 “(B) implementation grants under subsection (b)(2) shall expire at the end of**  
14 **fiscal year 2027.**

15 **\*\* 20 “(2) INAPPLICABILITY OF GEPA CONTINGENT EXTENSION OF PROGRAMS.—Section**  
16 **422 of the General Education Provisions Act (~~20 U.S.C. 1226a~~) shall not apply to this**  
17 **section.**

18 **\*\* 21 ~~“In~~“(h) Appropriations.—In addition to amounts otherwise available, there is**  
19 **appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**  
20 **~~\$9,000,000,000~~ \$3,000,000,000, to remain available until September 30, ~~2030~~ 2028, for carrying**  
21 **out this ~~subpart.~~” section.”.**

22 **SEC. 20027. NORTHERN MARIANA ISLANDS,**  
23 **AMERICAN SAMOA, UNITED STATES VIRGIN**  
24 **ISLANDS, GUAM, AND FREELY ASSOCIATED STATES**  
25 **COLLEGE ACCESS.**

26 Title VII of the Higher Education Act of 1965, as amended by this Act, is further  
27 amended by adding at the end the following:

28 **“PART G—COLLEGE ACCESS FOR STUDENTS IN**  
29 **OUTLYING AREAS**

30 **“SEC. 792. NORTHERN MARIANA ISLANDS,**  
31 **AMERICAN SAMOA, UNITED STATES VIRGIN**  
32 **ISLANDS, GUAM, AND FREELY ASSOCIATED STATES**  
33 **COLLEGE ACCESS GRANTS.**

34 **“(a) Grants.—**

35 **“(1) GRANT AMOUNTS.—**

1           \*\* 22 “(A) IN GENERAL.—Beginning with award year 2023–2024, from amounts  
2           appropriated to carry out this section, the Secretary shall ~~provide such sums as may be~~  
3           ~~necessary~~ **award grants** to the Governors of each outlying area for such Governors to  
4           award grants to eligible institutions that enroll eligible students to pay the difference  
5           between the tuition and fees charged for in-State students and the tuition and fees  
6           charged for out-of-State students on behalf of each eligible student enrolled in the  
7           eligible institution.

8           \*\* 23 “(B) MAXIMUM STUDENT AMOUNTS.—The amount paid on behalf of an  
9           eligible student under this section shall be—

10           \*\* 24 “(i) not more than \$15,000 for any one award year (as defined in section  
11           481);**(a)(1)**; and

12           **“(ii) not more than \$75,000 in the aggregate.**

13           \*\* 25 “(C) PRORATION.—The Governor shall prorate payments under this section  
14           with respect to eligible students who attend an eligible institution on less than a  
15           full-time basis.

16           **“(2) AGREEMENT.—Each Governor desiring a grant under this section shall enter**  
17           **into an agreement with the Secretary for the purposes of administering the grant**  
18           **program.**

19           \*\* 26 ~~“(4)“(3)~~ GRANT AUTHORITY.—The authority to make grants under this section shall  
20           expire at the end of award year 2029–2030.

21           **“(b) Inapplicability of GEPA Contingent Extension of Programs.—Section 422 of the**  
22           **General Education Provisions Act shall not apply to this section.**

23           **“(c) No Additional Eligibility Requirements.—No individual shall be determined, by a**  
24           **Governor, an eligible institution, or the Secretary, to be ineligible for benefits provided**  
25           **under this section except on the basis of eligibility requirements under this section.**

26           **“(d) Definitions.—In this section:**

27           \*\* 27 “(1) ELIGIBLE INSTITUTION.—The term ‘eligible institution’ means an institution  
28           that—

29           \*\* 28 “(A) is a public four-year institution of higher education located in one of the  
30           several States of the United States, the District of Columbia, **the Commonwealth of**  
31           **Puerto Rico**, or an outlying area;

32           **“(B) enters into an agreement with the Governor of an outlying area, or with**  
33           **two or more of such Governors (except that such institution may not enter into an**  
34           **agreement with the Governor of the outlying area in which such institution is**  
35           **located), to carry out the grant program under this section; and**

36           **“(C) submits an assurance to the Governor and to the Secretary that the**  
37           **institution shall use funds made available under this section to supplement, and**  
38           **not supplant, assistance that otherwise would be provided to eligible students**  
39           **from outlying areas.**

40           **“(2)“(5) ELIGIBLE STUDENT.—The term ‘eligible student’ means a student who—**

1           “(A) was domiciled in an outlying area for not less than 12 consecutive months  
2           preceding the commencement of the freshman year at an institution of higher  
3           education supported by a grant awarded under this section;

4           “(B) has not completed an undergraduate baccalaureate course of study; and

5           “(C) is enrolled as an undergraduate student in an eligible program (as defined in  
6           section 481(b)) at a community college on not less than a half-time basis; **on at least a**  
7           **half-time basis.**

8           ~~“(B) in the case of a student who is enrolled in a community college that charges different~~  
9           ~~tuition rates on the basis of in State or in district residency, either—~~

10          ~~“(i) qualifies for in State or in district resident tuition at such community college; or~~

11          ~~“(ii) would qualify for such in State or in district resident tuition at such community~~  
12          ~~college, but for the immigration status of such student;~~

13          ~~“(C) has not been enrolled (whether full time or less than full time) for more than 6~~  
14          ~~semesters (or the equivalent) for which the community college tuition and fees of the~~  
15          ~~student were set to \$0 pursuant to section 788(a);~~

16          ~~“(D) is not enrolled in a dual or concurrent enrollment program or early college high~~  
17          ~~school; and~~

18          ~~“(E) in the case of a student who is a United States citizen, has filed a Free Application~~  
19          ~~for Federal Student Aid described in section 483 for the applicable award year for which the~~  
20          ~~student is enrolled.~~

21          ~~“(6) Eligible tribal college or university.—The term ‘eligible Tribal College or~~  
22          ~~University’ means—~~

23          ~~“(A) a 2-year Tribal College or University; or~~

24          ~~“(B) a degree granting Tribal College or University—~~

25          ~~“(i) at which the highest degree awarded is an associate degree; or~~

26          ~~“(ii) an associate degree is the predominant degree awarded.~~

27          ~~“(7)“(3) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’~~  
28          ~~has the meaning given the term in section 101.~~

29          ~~“(8) Means tested federal benefit program.—The term ‘means tested Federal benefit~~  
30          ~~program’ has the meaning given the term in section 479.~~

31          ~~“(9) Recognized postsecondary credential.—The term ‘recognized postsecondary~~  
32          ~~credential’ has the meaning given the term in section 3 of the Workforce Innovation and~~  
33          ~~Opportunity Act (29 U.S.C. 3102).~~

34          ~~“(10) State fiscal support for higher education.—~~

35          ~~“(A) Inclusions.—~~

36          ~~“(i) In general.—Except as provided in subparagraph (B), the term ‘State fiscal support~~  
37          ~~for higher education’, used with respect to a State for a fiscal year, means an amount that is~~  
38          ~~equal to—~~



1       ~~“(I) the gross amount of applicable State funds appropriated or dedicated, and expended~~  
2       ~~by the State, including funds from lottery receipts, in the fiscal year, that are used to support~~  
3       ~~institutions of higher education and student financial aid for higher education in the State;~~  
4       ~~and~~

5       ~~“(II) any funds described in clause (ii), if applicable.~~

6       ~~“(ii) Local funds.— In the case of a State that includes, as part of the State share under~~  
7       ~~section 786(b)(2)(B) for an award year, funds provided to community colleges by local~~  
8       ~~governments in such State for the purpose of carrying out this subpart, local funds provided~~  
9       ~~to community colleges operated or controlled by such State for operating expenses~~  
10       ~~(excluding capital expenses and research and development costs) shall be included in the~~  
11       ~~calculation of the State fiscal support for higher education for such award year under clause~~  
12       ~~(i).~~

13       ~~“(B) Exclusions.— State fiscal support for higher education for a State for a fiscal year~~  
14       ~~shall not include—~~

15       ~~“(i) funds described in subparagraph (A) that are returned to the State;~~

16       ~~“(ii) State appropriated funds derived from Federal sources, including funds provided~~  
17       ~~under section 786(a) and section 795A(a)(2);~~

18       ~~“(iii) funds that are included in the State share under section 786(b), including funds~~  
19       ~~included in the State share in accordance with paragraph (2)(A) of such section;~~

20       ~~“(iv) amounts that are portions of multiyear appropriations to be distributed over multiple~~  
21       ~~years that are not to be spent for the year for which the calculation under this paragraph is~~  
22       ~~being made, subject to subparagraph (C);~~

23       ~~“(v) tuition, fees, or other educational charges paid directly by a student to a public~~  
24       ~~institution of higher education or to the State;~~

25       ~~“(vi) funds for—~~

26       ~~“(I) financial aid to students attending, or operating expenses of—~~

27       ~~“(aa) out of State institutions of higher education;~~

28       ~~“(bb) proprietary institutions of higher education (as defined in section 102(b));~~

29       ~~“(cc) institutions of higher education not accredited by an agency or association~~  
30       ~~recognized by the Secretary pursuant to section 496;~~

31       ~~“(II) financial aid to students awarded predominantly on the basis of merit, including~~  
32       ~~programs awarded on the basis of predicted or actual academic performance or assessments;~~

33       ~~“(III) research and development; or~~

34       ~~“(IV) hospitals, athletics, or other auxiliary enterprises;~~

35       ~~“(vii) corporate or other private donations directed to one or more institutions of higher~~  
36       ~~education permitted to be expended by the State; or~~

37       ~~“(viii) any other funds that the Secretary determines shall not be included in the~~  
38       ~~calculation of State fiscal support for higher education for such State.~~

1           ~~“(C) Adjustments for biennial appropriations.—The Secretary shall take into~~  
2           ~~consideration any adjustments to the calculations under this paragraph that may be required~~  
3           ~~to accurately reflect State fiscal support for higher education in States with biennial-~~  
4           ~~appropriation cycles.~~

5           ~~“(11) State fiscal support for higher education per full-time equivalent student.—The~~  
6           ~~term ‘State fiscal support for higher education per full-time equivalent student’, when used~~  
7           ~~with respect to a State for a fiscal year, means the amount that is equal to—~~

8           ~~“(A) the State fiscal support for higher education for the previous fiscal year; divided by~~

9           ~~“(B) the number of full-time equivalent students enrolled in public institutions of higher~~  
10           ~~education in such State for such previous fiscal year.”~~**(4) GOVERNOR.—The term**  
11           ~~‘Governor’ means the chief executive of an outlying area.~~

12           **\*\* 29** ~~“(5) OUTLYING AREA.—The term ‘outlying area’ means the Northern Mariana~~  
13           ~~Islands, American Samoa, the United States Virgin Islands, and Guam~~ **Guam, and the**  
14           ~~Freely Associated States.~~

15  
16           ~~\* 8~~ ~~“(12) Tribal college or university.—The term ‘Tribal College or University’ has the~~  
17           ~~meaning given such term in section 316(b)(3).~~

18           ~~“SEC. 792. SUNSET.~~

19           ~~“(a) In General.—The authority to make grants under this subpart shall expire at the end of~~  
20           ~~award year 2027~~**2028.**

21           ~~“(b) Inapplicability of GEPA Contingent Extension of Programs.—Section 422 of the General~~  
22           ~~Education Provisions Act (20 U.S.C. 1226a) shall not apply to this subpart.~~

23           ~~“SEC. 793. APPROPRIATION.~~

24           ~~“In~~**“(e) Appropriations.—In** addition to amounts otherwise available, there is appropriated  
25           ~~for fiscal year 2022~~, out of any money in the Treasury not otherwise appropriated, such sums as  
26           ~~may be necessary, to remain available until September 30, 2030, for carrying out this subpart.”.~~

27           ~~SEC. 20022. RETENTION AND COMPLETION GRANTS.~~

28           ~~Part F of title VII of the Higher Education Act of 1965 (20 U.S.C. 1133 et seq.), as added by~~  
29           ~~section 20021, is further amended by adding at the end the following:~~

30           ~~“Subpart 2—Retention and Completion Grants~~

31           ~~“SEC. 795. RETENTION AND COMPLETION GRANTS.~~

32           ~~“Beginning with award year 2023~~**2024**, from amounts appropriated to carry out this subpart  
33           ~~for any fiscal year, the Secretary shall carry out a grant program to make grants (which shall be~~  
34           ~~known as ‘retention and completion grants’) to eligible States and Tribal Colleges and~~  
35           ~~Universities to enable the eligible States and Tribal Colleges and Universities to carry out the~~  
36           ~~activities described in section 795D.~~

37           ~~“SEC. 795A. GRANT AMOUNTS.~~

38           ~~“(a) Reservation.—From the amounts appropriated to carry out this subpart, the Secretary~~  
39           ~~shall—~~

1       “(1) reserve an amount equal to 3 percent of such amounts to allocate grants to Tribal Colleges  
2 and Universities, which shall be distributed according to the formula in section 316(d)(3)(B), to  
3 carry out the activities described in section 795D(b)(1) and implement reforms or practices that  
4 meet an evidence tier defined in section 795E(2); and

5       “(2) use the amount remaining after the allocation under paragraph (1) to award competitive  
6 grants to eligible States that have submitted applications under section 795B.

7       “(b) Supplement, Not Supplant. — Grant funds awarded under this subpart shall be used to  
8 supplement, and not supplant, other Federal, State, tribal, and local funds that would otherwise  
9 be expended to carry out activities assisted under this subpart.

10       “(c) Grant Period. — Subject to the requirements under section 795C, a grant under this subpart  
11 shall be for a period of not more than 7 years.

12       “SEC. 795B. APPLICATIONS.

13       “(a) In General. — As a condition of receiving a grant under this subpart, an eligible State shall  
14 submit an application to the Secretary that includes —

15       “(1) a description of —

16       “(A) how the eligible State will use the funds to implement evidence-based institutional  
17 reforms or practices at institutions of higher education in such State to improve student outcomes  
18 and meet the requirements of section 795D(b)(2), including —

19       “(i) how such eligible State will use grant funds to implement 1 or more reforms or practices  
20 described in section 795D(b)(1) at such institutions;

21       “(ii) the extent to which each reform or practice to be implemented meets an evidence tier  
22 defined in section 795E(2); and

23       “(iii) annual implementation benchmarks that the eligible State will use to track progress in  
24 implementing such reforms or practices;

25       “(B) how such eligible State will increase support for the public institutions of higher  
26 education identified in accordance with paragraph (2)(B); and

27       “(C) the improvements the eligible State anticipates in student outcomes, including  
28 improvements in retention, completion, or transfer rates or labor market outcomes, or a  
29 combination of such student outcomes, disaggregated by student demographics including, at a  
30 minimum, race, ethnicity, income, disability status, remediation, and status as a first generation  
31 college student;

32       “(2)(A) with respect to each State public institution of higher education —

33       “(i) the total per-student funding;

34       “(ii) the amount of per-student funding that is from State appropriated funds; and

35       “(iii) the share of students at the institution who are students of color, low-income students,  
36 students with disabilities, students in need of remediation, or first-generation college students;  
37 and

38       “(B) an identification of public institutions of higher education in the eligible State that  
39 received less funding on a per-student basis as described in clause (i) or (ii), or both, of

1 subparagraph (A), and are serving disproportionately high shares of students of color,  
2 low-income students, students with disabilities, students in need of remediation, or first-  
3 generation college students;

4 ~~“(3) a description of the steps the eligible State will take to ensure the sustainability of the~~  
5 ~~institutional reforms or practices identified in paragraph (1)(A); and~~

6 ~~“(4) a description of how the eligible State will evaluate the effectiveness of activities funded~~  
7 ~~under this subpart, including how such eligible State will assess impacts on student outcomes,~~  
8 ~~including retention, transfer, and completion rates and labor market outcomes.~~

9 ~~“(b) Priorities.— In awarding funds under this subpart, the Secretary shall give priority to~~  
10 ~~eligible States that do one or more of the following:~~

11 ~~“(1) Propose to use a significant share of grant funds for reforms or practices that meet an~~  
12 ~~evidence tier defined in section 795E(2).~~

13 ~~“(2) Propose to use a significant share of grant funds to improve retention, transfer, and~~  
14 ~~completion rates and labor market outcomes among students of color, low-income students,~~  
15 ~~students with disabilities, students in need of remediation, first generation college students, and~~  
16 ~~other underserved student populations in such State.~~

17 ~~“(3) Propose to use a significant share of grant funds to improve retention, transfer, and~~  
18 ~~completion rates and labor market outcomes among students attending institutions identified in~~  
19 ~~subsection (a)(2)(B).~~

20 ~~“(4) Demonstrate a commitment to supporting activities funded under this subpart with~~  
21 ~~non-Federal funds.~~

22 ~~“SEC. 795C. PROGRAM REQUIREMENTS.~~

23 ~~“(a) In General.— As a condition of continuing to receive funds under this subpart, for each~~  
24 ~~year in which an eligible State participates in the program under this subpart, the eligible State~~  
25 ~~shall submit to the Secretary the eligible State’s progress —~~

26 ~~“(1) in meeting the annual implementation benchmarks included in the application of such~~  
27 ~~eligible State under section 795B(a)(1)(A)(iii);~~

28 ~~“(2) in increasing funding for the public institutions of higher education identified in~~  
29 ~~accordance with section 795B(a)(2)(B), as included in the application of such eligible State~~  
30 ~~under section 795B(a)(1)(B); and~~

31 ~~“(3) in improving the student outcomes identified by the State under section 795B(a)(1)(C).~~

32 ~~“(b) Eligibility for Benefits.— No individual shall be determined to be ineligible to receive~~  
33 ~~benefits provided under this subpart (including services and other aid provided under this~~  
34 ~~subpart) on the basis of citizenship, alienage, or immigration status.~~

35 ~~“SEC. 795D. USES OF FUNDS.~~

36 ~~“(a) General Requirement for States.— Except as provided in subsection (c), an eligible State~~  
37 ~~shall use a grant under this subpart only to carry out activities described in the application for~~  
38 ~~such year under section 795B(a)(1).~~

39 ~~“(b) Evidence-based Institutional Reforms or Practices.—~~

1       “(1) In general.—An eligible State or Tribal College or University receiving a grant under this  
2 subpart shall, directly or in collaboration with institutions of higher education and other  
3 non-profit organizations, use the grant funds to implement one or more of the following  
4 evidence-based institutional reforms or practices:

5       “(A) Providing comprehensive academic, career, and student support services, including  
6 mentoring, advising, case management services, or career pathway navigation.

7       “(B) Providing assistance in applying for and accessing direct support services, means-tested  
8 Federal benefit programs, or similar State, tribal, or local benefit programs.

9       “(C) Providing emergency financial aid grants to students for unexpected expenses and to  
10 meet basic needs.

11       “(D) Providing accelerated learning opportunities, including dual or concurrent enrollment  
12 programs and early college high school programs, and pathways to graduate and professional-  
13 degree programs, and reforming course scheduling and credit-awarding policies.

14       “(E) Reforming remedial and developmental education.

15       “(F) Utilizing career pathways, including through building capacity for career and technical  
16 education as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of  
17 2006 (20 U.S.C. 2302), programs of study as defined in such section, or degree pathways.

18       “(G) Improving transfer pathways between community colleges and four-year institutions of  
19 higher education in the eligible State, or, in the case of a Tribal College or University, between  
20 the Tribal College or University and other institutions of higher education.

21       “(2) State allocation minimums with respect to evidence tiers.—An eligible State receiving a  
22 grant under this subpart shall use not less than 30 percent of the grant funds for evidence-based  
23 reforms or practices that meet an evidence tier defined in section 795E(2), of which at least  
24 two-thirds shall be used for evidence-based reforms or practices that meet evidence tier 1.

25       “(e) Use of Funds for Administrative Purposes.—An eligible State or Tribal College or  
26 University that receives a grant under this subpart may use—

27       “(1) not more than 3 percent of such grant for administrative purposes relating to the grant  
28 under this subpart; and

29       “(2) not more than 3 percent of such grant to evaluate the effectiveness of activities carried out  
30 under this subpart.

31       “SEC. 795E. DEFINITIONS.

32       “*In this subpart:*

33       “(1) Eligible state.—The term ‘eligible State’ means a State that is a recipient of a grant under  
34 subpart 1.

35       “(2) Evidence tiers.— section.”.

## 36 **PART 3—DEPARTMENT OF EDUCATION** 37 **IMPLEMENTATION**

### 38 **SEC. 20031. PROGRAM ADMINISTRATION.**

1       \*\* 30 In addition to amounts otherwise available, there is appropriated to the Department of  
2 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
3 \$738,000,000 **\$91,742,000**, to remain available until expended, for necessary administrative  
4 expenses associated with carrying out this subtitle and sections 22101 and 22102.

## 5 **SEC. 20032. STUDENT AID ADMINISTRATION.**

6       \*\* 31 In addition to amounts otherwise available, there is appropriated to the Department of  
7 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
8 \$91,000,000 **\$85,000,000**, to remain available through September 30, 2030, for Student Aid  
9 Administration within the Department of Education for necessary administrative expenses  
10 associated with carrying out this subtitle **and for additional Federal administrative expenses.**

11  
12 ~~\* 4 “(A) Evidence tier 1. The term ‘evidence tier 1’, when~~  
13 ~~used with respect to a reform or practice, means a reform or~~  
14 ~~practice that meets the criteria for receiving an expansion grant~~  
15 ~~from the education innovation and research program under~~  
16 ~~section 4611 of the Elementary and Secondary Education Act of~~  
17 ~~1965 (20 U.S.C. 7261), as determined by the Secretary in~~  
18 ~~accordance with such section.~~

19  
20 ~~\* 5 “(B) Evidence tier 2. The term ‘evidence tier 2’, when~~  
21 ~~used with respect to a reform or practice, means a reform that~~  
22 ~~meets the criteria for receiving a mid phase grant from the~~  
23 ~~education innovation and research program under section 4611~~  
24 ~~of the Elementary and Secondary Education Act of 1965 (20~~  
25 ~~U.S.C. 7261), as determined by the Secretary in accordance with~~  
26 ~~such section.~~

27  
28 ~~\* 6 “(3) First generation college student. The term ‘first~~  
29 ~~generation college student’ has the meaning given the term in~~  
30 ~~section 402A(h).~~

1 ~~\* 7 “(4) Institution of higher education.—The term ‘institution-~~  
2 ~~of higher education’ has the meaning given the term in section~~  
3 ~~101.~~

4 ~~“(5) Tribal college or university.—The term ‘Tribal College or~~  
5 ~~University’ has the meaning given the term in section 316(b)(3).~~

6 ~~“SEC. 795F. SUNSET.~~

7 ~~“(a) In General.—The authority to make grants under this~~  
8 ~~subpart shall expire at the end of award year 20292030.~~

9 ~~“(b) Inapplicability of GEPA Contingent Extension of~~  
10 ~~Programs.—Section 422 of the General Education Provisions-~~  
11 ~~Act (20 U.S.C. 1226a) shall not apply to this subpart.~~

12 ~~“SEC. 795G. APPROPRIATION.~~

13  
14 ~~\* 21 “In addition to amounts otherwise available, there is~~  
15 ~~appropriated for fiscal year 2022, out of any money in the~~  
16 ~~Treasury not otherwise appropriated, \$9,000,000,000, to remain~~  
17 ~~available until September 30, 2030, for carrying out this~~  
18 ~~subpart.”.~~

19 ~~SEC. 20023. TUITION ASSISTANCE FOR STUDENTS AT~~  
20 ~~HISTORICALLY BLACK COLLEGES AND UNIVERSITIES,~~  
21 ~~TRIBAL COLLEGES AND UNIVERSITIES, AND~~  
22 ~~MINORITY SERVING INSTITUTIONS.~~

23 ~~Part F of title VII of the Higher Education Act of 1965 (20-~~  
24 ~~U.S.C. 1133 et seq.), as added and amended by this Act, is~~  
25 ~~further amended by adding at the end the following:~~

26 ~~“Subpart 3—Tuition Assistance for Students at Historically-~~  
27 ~~Black Colleges and Universities, Tribal Colleges and~~  
28 ~~Universities, and Minority-serving Institutions~~

1 ~~“SEC. 796. TUITION ASSISTANCE FOR HISTORICALLY-~~  
2 ~~BLACK COLLEGES AND UNIVERSITIES.~~

3 ~~“Beginning with award year 20232024, from amounts-~~  
4 ~~appropriated to carry out this subpart for any fiscal year, the~~  
5 ~~Secretary shall award grants to participating historically Black-~~  
6 ~~colleges and universities that are eligible institutions.~~

7 ~~“SEC. 796A. TUITION ASSISTANCE FOR TRIBAL-~~  
8 ~~COLLEGES AND UNIVERSITIES.~~

9 ~~“Beginning with award year 20232024, from amounts-~~  
10 ~~appropriated to carry out this subpart for any fiscal year, the~~  
11 ~~Secretary shall award grants to participating Tribal Colleges and-~~  
12 ~~Universities that are eligible institutions.~~

13 ~~“SEC. 796B. TUITION ASSISTANCE FOR ALASKA-~~  
14 ~~NATIVE SERVING INSTITUTIONS, ASIAN AMERICAN-~~  
15 ~~AND NATIVE AMERICAN PACIFIC ISLANDER SERVING-~~  
16 ~~INSTITUTIONS, HISPANIC SERVING INSTITUTIONS,~~  
17 ~~NATIVE AMERICAN SERVING NONTRIBAL-~~  
18 ~~INSTITUTIONS, NATIVE HAWAIIAN SERVING-~~  
19 ~~INSTITUTIONS, AND PREDOMINANTLY BLACK-~~  
20 ~~INSTITUTIONS.~~

21 ~~“(a) In General. Beginning with award year 20232024, from-~~  
22 ~~amounts appropriated to carry out this subpart for any fiscal~~  
23 ~~year, the Secretary shall award grants to participating Alaska-~~  
24 ~~Native serving institutions, Asian American and Native-~~  
25 ~~American Pacific Islander serving institutions, Hispanic serving-~~  
26 ~~institutions, Native American serving nontribal institutions,~~  
27 ~~Native Hawaiian serving institutions, and Predominantly Black-~~  
28 ~~institutions that are eligible institutions.~~

29 ~~“(b) Status of Institution. An institution’s status as an eligible-~~



1 ~~institution described in subsection (a) shall—~~

2 ~~“(1) be based on the most recent data available; and~~

3 ~~“(2) be reviewed annually to ensure that the institution continues~~  
4 ~~to meet the requirements for status as an institution described in~~  
5 ~~subsection (a).~~

6 ~~“SEC. 796C. GRANT TERMS.~~

7 ~~“(a) Grant Amount.—~~

8 ~~“(1) In general.—For each year for which an eligible institution~~  
9 ~~participates in the grant program under this subpart, such~~  
10 ~~eligible institution shall receive a grant in an amount equal to the~~  
11 ~~product of—~~

12 ~~“(A) the number of eligible students enrolled at the institution~~  
13 ~~for such year; and~~

14 ~~“(B)(i) for the 20232024 award year, the median resident~~  
15 ~~community college tuition and fees per student in all States, not~~  
16 ~~weighted for enrollment, for the most recent award year for~~  
17 ~~which data are available; and~~

18 ~~“(ii) for the 20242025 award year and each subsequent award~~  
19 ~~year, the amount determined under this subparagraph for the~~  
20 ~~preceding award year, increased by the lesser of—~~

21 ~~“(I) a percentage equal to the estimated percentage increase in~~  
22 ~~the Consumer Price Index (as determined by the Secretary) since~~  
23 ~~the date of such determination; or~~

24 ~~“(II) 3 percent.~~

25 ~~“(2) First-year tuition and fees.—As a condition of receiving a~~  
26 ~~grant under this subpart, an eligible institution shall not increase~~  
27 ~~tuition and fees during the first year of participation in the grant~~  
28 ~~program under this subpart at a rate greater than the average~~

1 ~~annual increase at the eligible institution in the previous 5 years.~~

2 ~~“(3) Students enrolled less than full time. The Secretary shall~~  
3 ~~develop and implement a formula for making adjustments to~~  
4 ~~grant amounts under this subpart based on the number of eligible~~  
5 ~~students at each eligible institution enrolled less than full time~~  
6 ~~and the associated tuition and fees charged to such students in~~  
7 ~~proportion to the degree to which each such student is not~~  
8 ~~attending on a full-time basis.~~

9 ~~“(4) Data adjustments.—~~

10 ~~“(A) In general.—The Secretary shall establish a process~~  
11 ~~through which each eligible institution that participates in the~~  
12 ~~program under this section—~~

13 ~~“(i) provides the necessary eligible student enrollment data at~~  
14 ~~the start of the award year; and~~

15 ~~“(ii) initially receives grant funds, as calculated under this~~  
16 ~~subsection, based on such data.~~

17 ~~“(B) Adjustment of grant amount.—For each year for which an~~  
18 ~~eligible institution receives a grant under this subpart, the~~  
19 ~~Secretary shall, once final enrollment data for such year are~~  
20 ~~available—~~

21 ~~“(i) in consultation with the eligible institution concerned,~~  
22 ~~determine the actual number of eligible students for the year~~  
23 ~~covered by the grant; and~~

24 ~~“(ii) adjust the grant amount received by the eligible institution~~  
25 ~~to reflect the actual number of eligible students, which may~~  
26 ~~include applying the relevant adjustment to such grant amount in~~  
27 ~~the subsequent award year.~~

28 ~~“(b) Duplicate Grants Prohibited.—An institution shall not~~

1 ~~receive more than one grant at a time under this subpart.~~

2 ~~“(c) Application.— An eligible institution that desires a grant~~  
3 ~~under this subpart shall submit an application to the Secretary~~  
4 ~~that includes—~~

5 ~~“(1) an assurance that the institution commits to maintaining,~~  
6 ~~expanding, or adopting and implementing evidence-based~~  
7 ~~institutional reforms or practices to improve student outcomes,~~  
8 ~~which shall include one or more of the practices described in~~  
9 ~~section 795D(b)(1); and~~

10 ~~“(2) in the case of an eligible institution that enrolls students~~  
11 ~~who transfer from another institution, an assurance that the~~  
12 ~~institution—~~

13 ~~“(A) commits to increasing the transferability of individual~~  
14 ~~courses within certificate or associate programs offered by~~  
15 ~~community colleges in the State to related baccalaureate~~  
16 ~~programs offered by such institution to maximize the~~  
17 ~~transferability of credits for students who transfer before~~  
18 ~~completing an associate degree;~~

19 ~~“(B) will ensure that students attending community colleges in~~  
20 ~~the State have access to comprehensive counseling and other~~  
21 ~~easily accessible tools regarding the process for transferring to~~  
22 ~~such institution; and~~

23 ~~“(C) has a formal, statewide articulation agreement with~~  
24 ~~community colleges in the State in which such institution~~  
25 ~~operates that, at a minimum, ensures that associate degrees~~  
26 ~~awarded by community colleges in the State are fully~~  
27 ~~transferable to, and credited as, the first 2 years of related~~  
28 ~~baccalaureate programs at such institution.~~

29 ~~“(d) Use of Funds.—~~

1 ~~“(1) Required use.—Funds awarded under this subpart to a~~  
2 ~~participating eligible institution shall be used to reduce tuition~~  
3 ~~and fees for eligible students by an amount that is not less than~~  
4 ~~the minimum per student amount described in paragraph (2),~~  
5 ~~unless the actual cost of tuition and fees at such institution is not~~  
6 ~~more than such per student amount, in which case such~~  
7 ~~institution shall use such funds to waive all such tuition and fees~~  
8 ~~charged to such students and use any remaining funds in~~  
9 ~~accordance with paragraph (3).~~

10 ~~“(2) Minimum per student amount.—The minimum per student~~  
11 ~~amount described in this paragraph shall be equal to—~~

12 ~~“(A) for the 20232024 award year, the median resident~~  
13 ~~community college tuition and fees per student in all States, not~~  
14 ~~weighted for enrollment, for the most recent award year for~~  
15 ~~which data are available; and~~

16 ~~“(B) for the 20242025 award year and each subsequent award~~  
17 ~~year, the amount determined under this paragraph for the~~  
18 ~~preceding award year, increased by the lesser of—~~

19 ~~“(i) a percentage equal to the estimated percentage increase in~~  
20 ~~the Consumer Price Index (as determined by the Secretary) since~~  
21 ~~the date of such determination; or~~

22 ~~“(ii) 3 percent.~~

23 ~~“(3) Additional uses.—A participating eligible institution shall~~  
24 ~~use any grant funds remaining after meeting the requirements of~~  
25 ~~paragraph (1) to provide financial aid to eligible students that~~  
26 ~~may be used by such students to pay for any component of cost~~  
27 ~~of attendance other than tuition and fees, which may include~~  
28 ~~emergency financial aid grants.~~

1 ~~\* 3 “(e) Supplement, Not Supplant.—Funds made available to~~  
2 ~~carry out this subpart shall be used to supplement, and not~~  
3 ~~supplant, other Federal, State, tribal, and local funds that would~~  
4 ~~otherwise be expended to carry out activities under this subpart.~~

5 ~~“(f) Sixty Credits.—Funds under this subpart may only be used~~  
6 ~~to waive or reduce tuition and fees for the first 60 credits for~~  
7 ~~which an eligible student is enrolled in the participating eligible~~  
8 ~~institution except that, when calculating the number of credits in~~  
9 ~~which the student has been enrolled for the purpose of carrying~~  
10 ~~out this subpart—~~

11 ~~“(1) no student shall be considered to have been enrolled for~~  
12 ~~more than 12 credits per semester (or the equivalent) during the~~  
13 ~~period for which the student is receiving benefits under this~~  
14 ~~subpart; and~~

15 ~~“(2) the participating eligible institution may exclude any credits~~  
16 ~~that a student enrolled in and did not complete at such institution~~  
17 ~~if the institution determines that such exclusion would be in the~~  
18 ~~best interest of the student, except that an institution may~~  
19 ~~exclude no more than 15 credits under this paragraph for each~~  
20 ~~individual student.~~

21 ~~“(g) Eligibility for Benefits.—No individual shall be determined~~  
22 ~~to be ineligible to receive benefits provided under this subpart~~  
23 ~~(including reduction of tuition and fees and other aid provided~~  
24 ~~under this subpart) on the basis of citizenship, alienage, or~~  
25 ~~immigration status.~~

26 ~~“SEC. 796D. DEFINITIONS.~~

27 ~~“In this subpart:~~

28 ~~“(1) Alaska native serving institution.—The term ‘Alaska~~  
29 ~~Native serving institution’ has the meaning given such term in~~

1 ~~section 317(b).~~

2 ~~“(2) Asian american and native american pacific-~~  
3 ~~islander serving institution.—The term ‘Asian American and~~  
4 ~~Native American Pacific Islander serving institution’ has the~~  
5 ~~meaning given such term in section 371(c).~~

6 ~~“(3) Cost of attendance.—The term ‘cost of attendance’ has the~~  
7 ~~meaning given such term in section 472.~~

8 ~~“(4) Eligible institution.—~~

9 ~~“(A) In general.—The term ‘eligible institution’ means a public-~~  
10 ~~or nonprofit 4 year institution of higher education that has an~~  
11 ~~undergraduate student body of which not less than 35 percent~~  
12 ~~are low income students.~~

13 ~~“(B) Continuing eligibility.—The Secretary’s determination of~~  
14 ~~whether an institution meets the requirement under~~  
15 ~~subparagraph (A) shall be based on the most recent data~~  
16 ~~available, and shall be reviewed annually to ensure that the~~  
17 ~~institution continues to meet the requirements for participation.~~

18 ~~“(5) Eligible student.—~~

19 ~~“(A) In general.—The term ‘eligible student’ means a student,~~  
20 ~~regardless of age, who—~~

21 ~~“(i) is enrolled as an undergraduate student in an eligible-~~  
22 ~~program (as defined in section 481(b)) at a participating eligible-~~  
23 ~~institution, on at least a half time basis;~~

24 ~~“(ii) is a low income student;~~

25 ~~“(iii) has been enrolled at such participating eligible institution-~~  
26 ~~under this subpart for not more than 60 credits, subject to section~~  
27 ~~796C(f);~~

28 ~~“(iv) has not been enrolled (whether full time or less than-~~

1 ~~full-time) for more than 6 semesters (or the equivalent) for~~  
2 ~~which the student received a benefit under this subpart;~~

3 ~~“(v) is not enrolled in a dual or concurrent enrollment program~~  
4 ~~or early college high school;~~

5 ~~“(vi) has not completed an undergraduate baccalaureate course~~  
6 ~~of study; and~~

7 ~~“(vii) in the case of a student who is a United States citizen, has~~  
8 ~~filed a Free Application for Federal Student Aid described in~~  
9 ~~section 483 for the applicable award year for which the student~~  
10 ~~is enrolled.~~

11 ~~“(B) Continued eligibility. In the case of an eligible student~~  
12 ~~who receives assistance under this subpart and attends an~~  
13 ~~institution that loses status as an eligible institution or as an~~  
14 ~~institution described in section 796B(a), the student may~~  
15 ~~continue to receive such assistance for the period for which the~~  
16 ~~student would have been eligible if the institution at which they~~  
17 ~~are enrolled had retained such status.~~

18 ~~“(6) Hispanic serving institution. The term ‘Hispanic serving~~  
19 ~~institution’ has the meaning given such term in section 502.~~

20 ~~“(7) Historically black college or university. The term~~  
21 ~~‘historically Black college or university’ means a part B~~  
22 ~~institution as defined in section 322.~~

23 ~~“(8) Low income student. The term ‘low income student’~~  
24 ~~means a student who meets the financial eligibility criteria for~~  
25 ~~receiving a Federal Pell Grant under section 401, regardless of~~  
26 ~~whether such student is otherwise eligible to receive such~~  
27 ~~Federal Pell Grant.~~

28 ~~“(9) Native american serving nontribal institution. The term~~

1 ~~‘Native American serving nontribal institution’ has the meaning~~  
2 ~~given such term in section 319.~~

3 ~~“(10) Native hawaiian serving institution.—The term ‘Native~~  
4 ~~Hawaiian serving institution’ has the meaning given such term~~  
5 ~~in section 317(b).~~

6 ~~“(11) Predominantly black institution.—The term~~  
7 ~~‘Predominantly Black institution’ has the meaning given such~~  
8 ~~term in section 371(c).~~

9 ~~“(12) Tribal college or university.—The term ‘Tribal College or~~  
10 ~~University’ has the meaning given such term in section~~  
11 ~~316(b)(3).~~

12 ~~“SEC. 796E. SUNSET.~~

13 ~~“(a) In General.—The authority to make grants under this~~  
14 ~~subpart shall expire at the end of award year 20292030.~~

15 ~~“(b) Inapplicability of GEPA Contingent Extension of~~  
16 ~~Programs.—Section 422 of the General Education Provisions~~  
17 ~~Act (20 U.S.C. 1226a) shall not apply to this subpart.~~

18 ~~“SEC. 796F. APPROPRIATION.~~

19 ~~“In addition to amounts otherwise available, there is~~  
20 ~~appropriated for fiscal year 2022, out of any money in the~~  
21 ~~Treasury not otherwise appropriated, such sums as may be~~  
22 ~~necessary, to remain available until September 30, 2030, for~~  
23 ~~carrying out this subpart.”.~~

24 ~~SEC. 20024. NORTHERN MARIANA ISLANDS,~~  
25 ~~AMERICAN SAMOA, UNITED STATES VIRGIN ISLANDS,~~  
26 ~~AND GUAM COLLEGE ACCESS.~~

27 ~~Part F of title VII of the Higher Education Act of 1965 (20~~  
28 ~~U.S.C. 1133 et seq.), as added and amended by this Act, is~~



1 ~~further amended by adding at the end the following:~~

2 ~~“SEC. 798. NORTHERN MARIANA ISLANDS, AMERICAN~~  
3 ~~SAMOA, UNITED STATES VIRGIN ISLANDS, AND GUAM~~  
4 ~~COLLEGE ACCESS GRANTS.~~

5 ~~“(a) Grants.—~~

6 ~~“(1) Grant amounts.—~~

7  
8 ~~\* 22 “(A) In general.— Beginning with award year 20232024,~~  
9 ~~from amounts appropriated to carry out this section, the~~  
10 ~~Secretary shall provide such sums as may be necessary to the~~  
11 ~~Governors of each outlying area for such Governors to award~~  
12 ~~grants to eligible institutions that enroll eligible students to pay~~  
13 ~~the difference between the tuition and fees charged for in-State~~  
14 ~~students and the tuition and fees charged for out-of-State~~  
15 ~~students on behalf of each eligible student enrolled in the~~  
16 ~~eligible institution.~~

17  
18 ~~\* 23 “(B) Maximum student amounts.— The amount paid on~~  
19 ~~behalf of an eligible student under this section shall be—~~

20  
21 ~~\* 24 “(i) not more than \$15,000 for any one award year (as~~  
22 ~~defined in section 481); and~~

23 ~~“(ii) not more than \$75,000 in the aggregate.~~

24  
25 ~~\* 25 “(C) Proration.— The Governor shall prorate payments~~  
26 ~~under this section with respect to eligible students who attend an~~  
27 ~~eligible institution on less than a full-time basis.~~

1 ~~“(2) Application.— Each eligible student desiring a payment~~  
2 ~~under this section shall submit an application to the eligible~~  
3 ~~institution at which such student is enrolled or plans to enroll.~~

4 ~~“(3) Eligibility for benefits.— No individual shall be determined~~  
5 ~~to be ineligible to receive benefits provided under this subpart~~  
6 ~~(including tuition payments and other aid provided under this~~  
7 ~~subpart) on the basis of citizenship, alienage, or immigration~~  
8 ~~status.~~

9 ~~“(b) Administration of Program.—~~

10 ~~“(1) In general.— Each Governor shall carry out the program~~  
11 ~~under this section in consultation with the Secretary. Each~~  
12 ~~Governor may enter into a grant, contract, or cooperative~~  
13 ~~agreement with another public or private entity to administer the~~  
14 ~~program under this section.~~

15 ~~“(2) Memorandum of agreement.— Each Governor and the~~  
16 ~~Secretary shall enter into a memorandum of agreement that~~  
17 ~~describes—~~

18 ~~“(A) the manner in which the Governor will consult with the~~  
19 ~~Secretary with respect to administering the program under this~~  
20 ~~section; and~~

21 ~~“(B) any technical or other assistance to be provided to the~~  
22 ~~Governor by the Secretary for purposes of administering the~~  
23 ~~program under this section (which may include access to the~~  
24 ~~information in the Free Application for Federal Student Aid~~  
25 ~~described in section 483).~~

26 ~~“(3) Construction.— Nothing in this section shall be construed to~~  
27 ~~require an institution of higher education to alter the institution’s~~  
28 ~~admissions policies or standards in any manner to enable an~~  
29 ~~eligible student to enroll in the institution.~~

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~~\* 26 “(4) Grant authority. The authority to make grants under this section shall expire at the end of award year 20292030.~~

~~“(c) Inapplicability of GEPA Contingent Extension of Programs. Section 422 of the General Education Provisions Act (20 U.S.C. 1226a) shall not apply to this section.~~

~~“(d) Definitions. In this section:~~

~~\* 27 “(1) Eligible institution. The term ‘eligible institution’ means an institution that—~~

~~\* 28 “(A) is a public four-year institution of higher education located in one of the several States of the United States, the District of Columbia, Puerto Rico, or an outlying area;~~

~~“(B) is eligible to participate in the student financial assistance programs under title IV; and~~

~~“(C) enters into an agreement with the Governor of an outlying area, or with two or more of such Governors (except that such institution may not enter into an agreement with the Governor of the outlying area in which such institution is located), containing such conditions as each Governor may specify, including a requirement that the institution use the funds made available under this section to supplement and not supplant assistance that otherwise would be provided to eligible students from outlying areas.~~

~~“(2) Eligible student. The term ‘eligible student’ means an individual who—~~

~~“(A) was domiciled in an outlying area for not less than 12-~~

1 ~~consecutive months preceding the commencement of the~~  
2 ~~freshman year at an institution of higher education;~~

3 ~~“(B) has not completed an undergraduate baccalaureate course~~  
4 ~~of study;~~

5 ~~“(C) begins the individual’s course of study at an eligible~~  
6 ~~institution within 3 calendar years (excluding any period of~~  
7 ~~service on active duty in the Armed Forces or service under the~~  
8 ~~Peace Corps Act (22 U.S.C. 2501 et seq.) or subtitle D of title I~~  
9 ~~of the National and Community Service Act of 1990 (42 U.S.C.~~  
10 ~~12571 et seq.)) of—~~

11 ~~“(i) graduation from secondary school, or obtaining the~~  
12 ~~recognized equivalent of a secondary school diploma; or~~

13 ~~“(ii) transfer from an institution of higher education located in~~  
14 ~~an outlying area (including transfer following the completion of~~  
15 ~~an associate degree or certificate at such institution); and~~

16 ~~“(D) is enrolled or accepted for enrollment, on at least a~~  
17 ~~half-time basis, in a baccalaureate degree or other program~~  
18 ~~(including a program of study abroad approved for credit by the~~  
19 ~~institution at which such student is enrolled) leading to a~~  
20 ~~recognized educational credential at an eligible institution.~~

21 ~~“(3) Institution of higher education.—The term ‘institution of~~  
22 ~~higher education’ has the meaning given the term in section 101.~~

23 ~~“(4) Governor.—The term ‘Governor’ means the Governor of an~~  
24 ~~outlying area.~~

25  
26 \* 29 ~~“(5) Outlying area.—The term ‘outlying area’ means the~~  
27 ~~Northern Mariana Islands, American Samoa, the United States~~  
28 ~~Virgin Islands, and Guam.~~

1 ~~“(e) Appropriations.— In addition to amounts otherwise~~  
2 ~~available, there is appropriated for fiscal year 2022, out of any~~  
3 ~~money in the Treasury not otherwise appropriated, such sums as~~  
4 ~~may be necessary, to remain available until September 30, 2030,~~  
5 ~~for carrying out this section.”.~~

6 ~~Subpart B— Pell Grants and Student Loans~~

7 ~~SEC. 20031. INCREASING THE MAXIMUM FEDERAL~~  
8 ~~PELL GRANT.~~

9 ~~(a) Award Year 20222023.— Section 401(b)(7) of the Higher~~  
10 ~~Education Act of 1965 (20 U.S.C. 1070a(b)(7)) is amended—~~

11 ~~(1) in subparagraph (A)(iii), by inserting “and such sums as may~~  
12 ~~be necessary for fiscal year 2022 to carry out the \$500 increase~~  
13 ~~provided under subparagraph (C)(iii)” before “; and”; and~~

14 ~~(2) in subparagraph (C)(iii), by inserting before the period at the~~  
15 ~~end the following: “, except that, for award year 20222023, such~~  
16 ~~amount shall be increased by \$500”.~~

17 ~~(b) Subsequent Award Years Through 20292030.—~~

18 ~~(1) In general.— Section 401(b) of the Higher Education Act of~~  
19 ~~1965 (20 U.S.C. 1070a(b)), as amended by section 703 of the~~  
20 ~~FAFSA Simplification Act (title VII of division FF of Public~~  
21 ~~Law 116260), is amended—~~

22 ~~(A) in paragraph (5)(A)—~~

23 ~~(i) in clause (i), by striking “and” after the semicolon;~~

24 ~~(ii) by redesignating clause (ii) as clause (iii); and~~

25 ~~(iii) by inserting after clause (i) the following:~~

26 ~~“(ii) for each of award years 20232024 through 20292030, an~~  
27 ~~additional \$500; and”;~~ and

1 ~~(B) in paragraph (6)(A)—~~

2 ~~(i) in clause (i)—~~

3

4 \* 1 ~~(I) by striking “appropriated) such” and inserting the~~  
5 ~~following: “appropriated)—~~

6 ~~“(I) such”; and~~

7 ~~(II) by adding at the end the following:~~

8

9 \* 2 ~~“(II) such sums as are necessary to carry out paragraph~~  
10 ~~(5)(A)(ii) for each of fiscal years 2023 through 2029; and”; and~~

11 ~~(ii) in clause (ii), by striking “(5)(A)(ii)” and inserting~~  
12 ~~“(5)(A)(iii)”.~~

13 ~~(2) Effective date.—The amendments made by paragraph (1)~~  
14 ~~shall take effect as if included in section 703 of the FAFSA~~  
15 ~~Simplification Act (title VII of division FF of Public Law~~  
16 ~~116260) and in accordance with section 701(b) of such Act.~~

17 ~~SEC. 20032. FEDERAL STUDENT AID ELIGIBILITY.~~

18 ~~Section 484(a)(5) of the Higher Education Act of 1965 (20~~  
19 ~~U.S.C. 1091(a)(5)) is amended by inserting “, or, with respect to~~  
20 ~~any grant, loan, or work assistance received under this title for~~  
21 ~~award years 20222023 through 20292030, be subject to a grant~~  
22 ~~of deferred enforced departure or have deferred action pursuant~~  
23 ~~to the Deferred Action for Childhood Arrivals policy of the~~  
24 ~~Secretary of Homeland Security or temporary protected status~~  
25 ~~under section 244 of the Immigration and Nationality Act (8~~  
26 ~~U.S.C. 1254a)” after “becoming a citizen or permanent~~  
27 ~~resident”.~~

~~1 SEC. 20033. ACTIVE DUTY DEFERMENT PERIODS-~~  
~~2 COUNTED TOWARD PUBLIC SERVICE LOAN-~~  
~~3 FORGIVENESS.~~

~~4 Section 455(m) of the Higher Education Act of 1965 (20 U.S.C.~~  
~~5 1087e(m)) is amended—~~

~~6 (1) by redesignating paragraphs (2) through (4) as paragraphs~~  
~~7 (3) through (5), respectively; and~~

~~8 (2) in paragraph (1), in the matter preceding subparagraph (A),~~  
~~9 by striking “paragraph (2)” and inserting “paragraph (3)”;~~ and

~~10 (3) by inserting after paragraph (1) the following:~~

~~11 “(2) Active duty deferment periods.—~~

~~12 “(A) In general.—Notwithstanding paragraph(1)(A) and subject~~  
~~13 to subparagraph (B), the Secretary shall deem each month for~~  
~~14 which a loan payment was in deferment under subsection (f)(2)-~~  
~~15 of this section or for which a loan payment was in forbearance-~~  
~~16 under section 685.205(a)(7) of title 34, Code of Federal~~  
~~17 Regulations, (or similar successor regulations), for a borrower~~  
~~18 described in subsection (f)(2)(C) as if the borrower of the loan-~~  
~~19 had made a payment for the purpose of public service loan-~~  
~~20 forgiveness under this subsection.~~

~~21 “(B) Limitation.—Subparagraph (A) shall apply only to eligible~~  
~~22 Federal Direct Loans originated before the first day of fiscal~~  
~~23 year 2031.”.~~

~~24 Subpart C—Investments in Historically Black Colleges and~~  
~~25 Universities, Tribal Colleges and Universities, and~~  
~~26 Minority Serving Institutions~~

~~27 SEC. 20041. INSTITUTIONAL AID.~~

- 1 ~~\* 10 (a) In General. — In addition to amounts otherwise~~  
2 ~~available, there is appropriated for fiscal year 2022, out of any~~  
3 ~~money in the Treasury not otherwise appropriated —~~
- 4 ~~(1) \$113,738,000, to remain available until September 30, 2022,~~  
5 ~~for carrying out section 371(b)(2)(B) of the Higher Education~~  
6 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2022;~~
- 7 ~~(2) \$113,738,000, to remain available until September 30, 2023,~~  
8 ~~for carrying out section 371(b)(2)(B) of the Higher Education~~  
9 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2023;~~
- 10 ~~(3) \$113,738,000, to remain available until September 30, 2024,~~  
11 ~~for carrying out section 371(b)(2)(B) of the Higher Education~~  
12 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2024;~~
- 13 ~~(4) \$113,738,000, to remain available until September 30, 2025,~~  
14 ~~for carrying out section 371(b)(2)(B) of the Higher Education~~  
15 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2025;~~
- 16 ~~(5) \$113,738,000, to remain available until September 30, 2026,~~  
17 ~~for carrying out section 371(b)(2)(B) of the Higher Education~~  
18 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2026;~~
- 19 ~~(6) \$113,738,000, to remain available until September 30, 2022,~~  
20 ~~for carrying out section 371(b)(2)(C) of the Higher Education~~  
21 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2022;~~
- 22 ~~(7) \$113,738,000, to remain available until September 30, 2023,~~  
23 ~~for carrying out section 371(b)(2)(C) of the Higher Education~~  
24 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2023;~~
- 25 ~~(8) \$113,738,000, to remain available until September 30, 2024,~~  
26 ~~for carrying out section 371(b)(2)(C) of the Higher Education~~  
27 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2024;~~
- 28 ~~(9) \$113,738,000, to remain available until September 30, 2025,~~



- 1 ~~for carrying out section 371(b)(2)(C) of the Higher Education-~~  
2 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2025;~~  
3 ~~(10) \$113,738,000, to remain available until September 30,~~  
4 ~~2026, for carrying out section 371(b)(2)(C) of the Higher-~~  
5 ~~Education Act of 1965 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year-~~  
6 ~~2026;~~
- 7 ~~(11) \$34,104,000, to remain available until September 30, 2022,~~  
8 ~~for carrying out section 371(b)(2)(D)(i) of the Higher Education-~~  
9 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year 2022;~~
- 10 ~~(12) \$34,104,000, to remain available until September 30, 2023,~~  
11 ~~for carrying out section 371(b)(2)(D)(i) of the Higher Education-~~  
12 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year 2023;~~
- 13 ~~(13) \$34,104,000, to remain available until September 30, 2024,~~  
14 ~~for carrying out section 371(b)(2)(D)(i) of the Higher Education-~~  
15 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year 2024;~~
- 16 ~~(14) \$34,104,000, to remain available until September 30, 2025,~~  
17 ~~for carrying out section 371(b)(2)(D)(i) of the Higher Education-~~  
18 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year 2025;~~
- 19 ~~(15) \$34,104,000, to remain available until September 30, 2026,~~  
20 ~~for carrying out section 371(b)(2)(D)(i) of the Higher Education-~~  
21 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year 2026;~~
- 22 ~~(16) \$17,052,000, to remain available until September 30, 2022,~~  
23 ~~for carrying out section 371(b)(2)(D)(ii) of the Higher Education~~  
24 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year 2022;~~
- 25 ~~(17) \$17,052,000, to remain available until September 30, 2023,~~  
26 ~~for carrying out section 371(b)(2)(D)(ii) of the Higher Education~~  
27 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year 2023;~~
- 28 ~~(18) \$17,052,000, to remain available until September 30, 2024,~~

- 1 ~~for carrying out section 371(b)(2)(D)(ii) of the Higher Education~~  
2 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year 2024;~~  
3 ~~(19) \$17,052,000, to remain available until September 30, 2025,~~  
4 ~~for carrying out section 371(b)(2)(D)(ii) of the Higher Education~~  
5 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year 2025;~~  
6 ~~(20) \$17,052,000, to remain available until September 30, 2026,~~  
7 ~~for carrying out section 371(b)(2)(D)(ii) of the Higher Education~~  
8 ~~Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year 2026;~~  
9 ~~(21) \$5,684,000, to remain available until September 30, 2022,~~  
10 ~~for carrying out section 371(b)(2)(D)(iii) of the Higher~~  
11 ~~Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal~~  
12 ~~year 2022;~~  
13 ~~(22) \$5,684,000, to remain available until September 30, 2023,~~  
14 ~~for carrying out section 371(b)(2)(D)(iii) of the Higher~~  
15 ~~Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal~~  
16 ~~year 2023;~~  
17 ~~(23) \$5,684,000, to remain available until September 30, 2024,~~  
18 ~~for carrying out section 371(b)(2)(D)(iii) of the Higher~~  
19 ~~Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal~~  
20 ~~year 2024;~~  
21 ~~(24) \$5,684,000, to remain available until September 30, 2025,~~  
22 ~~for carrying out section 371(b)(2)(D)(iii) of the Higher~~  
23 ~~Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal~~  
24 ~~year 2025;~~  
25 ~~(25) \$5,684,000, to remain available until September 30, 2026,~~  
26 ~~for carrying out section 371(b)(2)(D)(iii) of the Higher~~  
27 ~~Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal~~  
28 ~~year 2026;~~

1 ~~(26) \$5,684,000, to remain available until September 30, 2022,~~  
2 ~~for carrying out section 371(b)(2)(D)(iv) of the Higher~~  
3 ~~Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal~~  
4 ~~year 2022;~~

5 ~~(27) \$5,684,000, to remain available until September 30, 2023,~~  
6 ~~for carrying out section 371(b)(2)(D)(iv) of the Higher~~  
7 ~~Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal~~  
8 ~~year 2023;~~

9 ~~(28) \$5,684,000, to remain available until September 30, 2024,~~  
10 ~~for carrying out section 371(b)(2)(D)(iv) of the Higher~~  
11 ~~Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal~~  
12 ~~year 2024;~~

13 ~~(29) \$5,684,000, to remain available until September 30, 2025,~~  
14 ~~for carrying out section 371(b)(2)(D)(iv) of the Higher~~  
15 ~~Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal~~  
16 ~~year 2025; and~~

17 ~~(30) \$5,684,000, to remain available until September 30, 2026,~~  
18 ~~for carrying out section 371(b)(2)(D)(iv) of the Higher~~  
19 ~~Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal~~  
20 ~~year 2026;~~

21 ~~(b) Use of Funds.—The Secretary shall use 15 percent of each of~~  
22 ~~the amounts appropriated under paragraphs (6) through (10) of~~  
23 ~~subsection (a) to award 25 additional grants under section~~  
24 ~~371(b)(2)(C)(ii).~~

25 ~~SEC. 20042. RESEARCH AND DEVELOPMENT~~  
26 ~~INFRASTRUCTURE COMPETITIVE GRANT PROGRAM.~~

27 ~~Title III of the Higher Education Act of 1965 (20 U.S.C. 1051 et~~  
28 ~~seq.) is amended—~~

1 ~~(1) by redesignating part G as part H; and~~

2 ~~(2) by inserting after section 371 the following:~~

3 ~~“PART G—IMPROVING RESEARCH & DEVELOPMENT~~  
4 ~~INFRASTRUCTURE FOR MINORITY-SERVING~~  
5 ~~INSTITUTIONS~~

6 ~~“SEC. 381. IMPROVING RESEARCH & DEVELOPMENT~~  
7 ~~INFRASTRUCTURE FOR MINORITY-SERVING~~  
8 ~~INSTITUTIONS.~~

9 ~~“(a) Eligible Institution.— In this section, the term ‘eligible~~  
10 ~~institution’ means an institution that—~~

11 ~~“(1) is described in section 371(a);~~

12 ~~“(2) is a 4-year institution; and~~

13 ~~“(3) is not an institution classified as very high research activity~~  
14 ~~by the Carnegie Classification of Institutions of Higher~~  
15 ~~Education.~~

16 ~~“(b) Authorization of Grant Programs.—~~

17 ~~“(1) Planning grants.— The Secretary shall award planning~~  
18 ~~grants, on a competitive basis, to eligible institutions to assist the~~  
19 ~~eligible institutions in developing a strategic plan, assessing~~  
20 ~~capacity, and carrying out other activities to develop and submit~~  
21 ~~an application for an implementation grant under paragraph (2)~~  
22 ~~to support research and development infrastructure. Planning~~  
23 ~~grants awarded under this paragraph shall be for a period of 1 to~~  
24 ~~2 years.~~

25 ~~“(2) Implementation grants.— The Secretary shall award~~  
26 ~~implementation grants, on a competitive basis, to eligible~~  
27 ~~institutions to assist the eligible institutions in supporting~~  
28 ~~research and development infrastructure. Implementation grants~~

1 ~~awarded under this paragraph shall be for a period of 1 to 5~~  
2 ~~years.~~

3 ~~“(c) Applications.—~~

4 ~~“(1) In general.—~~

5 ~~“(A) Planning grants.— An eligible institution that desires to~~  
6 ~~receive a planning grant under subsection (b)(1) shall submit an~~  
7 ~~application to the Secretary. Such application shall include—~~

8 ~~“(i) a description of the activities that will be carried out with~~  
9 ~~grant funds; and~~

10 ~~“(ii) an assurance that the grant funds provided under subsection~~  
11 ~~(b)(1) shall be used to supplement, and not supplant, other~~  
12 ~~Federal, State, tribal, and local funds that would otherwise be~~  
13 ~~expended to develop a plan, assess capacity, or carry out other~~  
14 ~~activities related to research and development infrastructure.~~

15 ~~“(B) Implementation grants.—~~

16 ~~“(i) In general.— An eligible institution that desires to receive an~~  
17 ~~implementation grant under subsection (b)(2) shall submit an~~  
18 ~~application to the Secretary. Such application shall include—~~

19 ~~“(I) a description of the projects that will be carried out with~~  
20 ~~grant funds and, in the case of an institution that was previously~~  
21 ~~awarded a planning grant under subsection (b)(1), the strategic~~  
22 ~~plan developed as part of such planning grant;~~

23 ~~“(II) a description of how such projects will support the research~~  
24 ~~and development infrastructure of the institution; and~~

25 ~~“(III) an assurance that the grant funds provided under~~  
26 ~~subsection (b)(2) shall be used to supplement, and not supplant,~~  
27 ~~other Federal, State, tribal, and local funds that would otherwise~~  
28 ~~be expended to support research and development infrastructure.~~

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~~\* 11 “(2) Consortia.— An eligible institution may apply to receive a grant under this section on behalf of a consortium, which may include institutions classified as very high research activity by the Carnegie Classification of Institutions of Higher Education, two-year institutions of higher education, and other academic partners, philanthropic organizations, and industry partners, provided that the eligible institution is the lead member and fiscal agent of the consortium.~~

~~\* 12 “(3) No comprehensive development plan.— The requirement under section 391(b)(1) shall not apply to grants awarded under this section.~~

~~“(d) Priority in Awards.— In awarding planning and implementation grants under this section, the Secretary shall give priority to eligible institutions that meet any of the following:~~

~~“(1) Received less than \$10,000,000 for the previous fiscal year for research and development from all Federal sources combined, except that, in the case of an eligible institution being considered for an implementation grant, the calculation of such amount shall not include a planning grant under this section.~~

~~“(2) In the case of eligible institutions being considered for an implementation grant, have received a planning grant under this section and have developed and submitted to the Secretary a high-quality strategic plan, in accordance with the requirements of such planning grant.~~

~~“(e) Use of Funds.—~~

1 ~~“(1) Planning grants.—An eligible institution that receives a~~  
2 ~~planning grant under subsection (b)(1) shall use the grant funds~~  
3 ~~to develop a strategic plan, assess capacity, and carry out other~~  
4 ~~activities to develop and submit an application for an~~  
5 ~~implementation grant to support research and development~~  
6 ~~infrastructure. In carrying out the activities under such grant,~~  
7 ~~each such eligible institution—~~

8 ~~“(A) shall develop a high quality strategic plan for improving~~  
9 ~~institutional research and development infrastructure that~~  
10 ~~includes—~~

11  
12 ~~\* 13 “(i) an assessment of the existing institutional research~~  
13 ~~capacity and research and development infrastructure; and~~

14  
15 ~~\* 14 “(ii) a detailed description of how research and~~  
16 ~~development infrastructure funds provided by an~~  
17 ~~implementation grant under this section would be used to~~  
18 ~~increase institutional research capacity and support research and~~  
19 ~~development infrastructure; and~~

20 ~~“(B) in developing such strategic plan, may work in partnership~~  
21 ~~with entities described in subsection (c)(2) to identify and secure~~  
22 ~~non-Federal funding to support research and development~~  
23 ~~infrastructure.~~

24  
25 ~~\* 15 “(2) Implementation grants.—An eligible institution that~~  
26 ~~receives an implementation grant under subsection (b)(2) shall~~  
27 ~~use the grant funds to support research and development~~  
28 ~~infrastructure, which shall include carrying out at least one of~~

1 ~~the following activities:~~

2 ~~“(A) Providing funding for a program under paragraph (1), (2),~~  
3 ~~or (9) of section 311(c) or under paragraph (1), (2), or (8) of~~  
4 ~~section 503(b) related to research and development~~  
5 ~~infrastructure that is being carried out by the eligible institution~~  
6 ~~on the date on which the eligible institution receives a grant~~  
7 ~~under this section.~~

8

9 ~~\* 16 “(B) Providing for the improvement of infrastructure~~  
10 ~~existing on the date of the grant award, including deferred~~  
11 ~~maintenance, or the establishment of new physical~~  
12 ~~infrastructure, including instructional program spaces,~~  
13 ~~laboratories, or research facilities relating to the fields of~~  
14 ~~science, technology, engineering, the arts, mathematics, health,~~  
15 ~~agriculture, education, medicine, law, and other disciplines.~~

16

17 ~~\* 17 “(C) Hiring and retaining faculty, students, research-related~~  
18 ~~staff, or other personnel, including research personnel skilled in~~  
19 ~~operating, using, or applying technology, equipment, or devices~~  
20 ~~used to conduct or support research.~~

21 ~~“(D) Supporting research internships and fellowships for~~  
22 ~~students, including undergraduate, graduate, and post-doctoral~~  
23 ~~positions, which may include providing direct student financial~~  
24 ~~assistance to such students.~~

25 ~~“(E) Creating new, or expanding existing, academic positions,~~  
26 ~~including internships, fellowships, and post-doctoral positions,~~  
27 ~~in fields of research for which research and development~~  
28 ~~infrastructure funds have been awarded under this section.~~



1 ~~“(F) Creating and supporting inter- and intra-institutional~~  
2 ~~research centers (including formal and informal communities of~~  
3 ~~practice) in fields of research for which research and-~~  
4 ~~development infrastructure funds have been awarded under this-~~  
5 ~~section, including hiring staff, purchasing supplies and-~~  
6 ~~equipment, and funding travel to relevant conferences and-~~  
7 ~~seminars to support the work of such centers.~~

8 ~~“(G) Building new institutional support structures and-~~  
9 ~~departments that help faculty learn about, and increase faculty-~~  
10 ~~and student access to, Federal research and development grant-~~  
11 ~~funds and non-Federal academic research grants.~~

12 ~~“(H) Building data and collaboration infrastructure so that early-~~  
13 ~~findings and research can be securely shared to facilitate peer-~~  
14 ~~review and other appropriate collaboration.~~

15 ~~“(I) Providing programs of study and courses in fields of~~  
16 ~~research for which research and development infrastructure-~~  
17 ~~funds have been awarded under this section.~~

18 ~~“(J) Paying operating and administrative expenses for, and~~  
19 ~~coordinating project partnerships with members of, a consortium~~  
20 ~~described in subsection (c)(2) on behalf of which the eligible-~~  
21 ~~institution has received a grant under this section.~~

22 ~~“(K) Installing or extending the life and usability of basic-~~  
23 ~~systems and components of campus facilities related to research,~~  
24 ~~including high-speed broadband internet infrastructure sufficient-~~  
25 ~~to support digital and technology-based learning.~~

26 ~~“(L) Expanding, remodeling, renovating, or altering biomedical-~~  
27 ~~and behavioral research facilities existing on the date of the~~  
28 ~~grant award that receive support under section 404I of the Public~~  
29 ~~Health Service Act (42 U.S.C. 283k).~~

1 ~~“(M) Acquiring and installing furniture, fixtures, and~~  
2 ~~instructional research related equipment and technology for~~  
3 ~~academic instruction in campus facilities in fields of research for~~  
4 ~~which research and development infrastructure funds have been~~  
5 ~~awarded under this section.~~

6 ~~“(N) Providing increased funding to programs that support~~  
7 ~~research and development at the eligible institution that are~~  
8 ~~funded by National Institutes of Health, including the Path to~~  
9 ~~Excellence and Innovation program with the National Institutes~~  
10 ~~of Health.~~

11 ~~“(f) Eligibility for Benefits.— No individual shall be determined~~  
12 ~~to be ineligible to receive benefits provided with grant funds~~  
13 ~~awarded under this section (including direct student financial~~  
14 ~~assistance) on the basis of citizenship, alienage, or immigration~~  
15 ~~status.~~

16 ~~“(g) Sunset.—~~

17 ~~“(1) In general.— The authority to make—~~

18  
19 ~~\* 18 “(A) planning grants under subsection (b)(1) shall expire at~~  
20 ~~the end of fiscal year 2025; and~~

21  
22 ~~\* 19 “(B) implementation grants under subsection (b)(2) shall~~  
23 ~~expire at the end of fiscal year 2027.~~

24  
25 ~~\* 20 “(2) Inapplicability of gepa contingent extension of~~  
26 ~~programs.— Section 422 of the General Education Provisions~~  
27 ~~Act (20 U.S.C. 1226a) shall not apply to this section.~~

28 ~~“(h) Appropriations.— In addition to amounts otherwise~~

1 ~~available, there is appropriated for fiscal year 2022, out of any~~  
2 ~~money in the Treasury not otherwise appropriated,~~  
3 ~~\$2,000,000,000, to remain available until September 30, 2028,~~  
4 ~~for carrying out this section.”.~~

5 ~~PART 3 MISCELLANEOUS~~

6 ~~SEC. 20051~~ SEC. 20033. OFFICE OF INSPECTOR  
7 GENERAL.

8 In addition to amounts otherwise available, there is appropriated to the Department of  
9 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
10 ~~\$35,000,000~~ \$10,000,000, to remain available until expended, for the Office of Inspector General  
11 of the Department of Education, for salaries and expenses necessary for oversight, investigations,  
12 and audits of programs, grants, and projects funded under this subtitle and sections 22101 and  
13 22102 carried out by the Office of Inspector General.

14 ~~SEC. 20052. PROGRAM ADMINISTRATION FUNDS.~~

15  
16 ~~\* 30 In addition to amounts otherwise available, there is~~  
17 ~~appropriated to the Department of Education for fiscal year~~  
18 ~~2022, out of any money in the Treasury not otherwise~~  
19 ~~appropriated, \$738,000,000, to remain available until expended,~~  
20 ~~for necessary administrative expenses associated with carrying~~  
21 ~~out this subtitle and sections 22101 and 22102.~~

22 ~~SEC. 20053. STUDENT AID ADMINISTRATION.~~

23  
24 ~~\* 31 In addition to amounts otherwise available, there is~~  
25 ~~appropriated to the Department of Education for fiscal year~~  
26 ~~2022, out of any money in the Treasury not otherwise~~  
27 ~~appropriated, \$91,000,000, to remain available through~~  
28 ~~September 30, 2030, for Student Aid Administration within the~~  
29 ~~Department of Education for necessary administrative expenses~~  
30 ~~associated with carrying out this subtitle.~~

1 Subtitle B—Labor Matters

2 SEC. 21001. DEPARTMENT OF LABOR.

3 In addition to amounts otherwise available, out of any money in the Treasury not otherwise  
4 appropriated, there are appropriated to the Department of Labor for fiscal year 2022, to remain  
5 available until September 30, 2026, the following amounts:

6 (1) \$195,000,000 to the Employee Benefits Security Administration for carrying out  
7 enforcement activities.

8 (2) \$707,000,000 to the Occupational Safety and Health Administration for carrying out  
9 enforcement, standards development, whistleblower investigations, compliance assistance,  
10 funding for State plans, and related activities within the Occupational Safety and Health  
11 Administration.

12 (3) \$133,000,000 to the Mine Safety and Health Administration for carrying out  
13 enforcement, standard setting, technical assistance, and related activities.

14 (4) \$405,000,000 to the Wage and Hour Division for carrying out activities.

15 (5) \$121,000,000 to the Office of Workers' Compensation Programs for carrying out  
16 activities of the Office ~~relating to claims activity, policy and standards development, and~~  
17 ~~monitoring of State workers' compensation programs.~~

18 (6) \$201,000,000 to the Office of Federal Contract Compliance Programs for carrying out  
19 audit, investigation, enforcement, and compliance assistance, and other activities.

20 (7) \$176,000,000 to the Office of the Solicitor for carrying out necessary legal support for  
21 activities carried out by the Office related to and in support of the activities of those  
22 Department of Labor agencies receiving additional funding in this section.

23 SEC. 21002. NATIONAL LABOR RELATIONS BOARD.

24 In addition to amounts otherwise available, out of any money in the Treasury not otherwise  
25 appropriated, there are appropriated to the National Labor Relations Board for fiscal year 2022,  
26 \$350,000,000, to remain available until September 30, 2026, for carrying out the activities of the  
27 Board, ~~of which not more than \$5,000,000 shall be for the implementation of systems to conduct~~  
28 ~~electronic voting for union representation elections.~~

29 SEC. 21003. EQUAL EMPLOYMENT OPPORTUNITY  
30 COMMISSION.

31 In addition to amounts otherwise available, out of any money in the Treasury not otherwise  
32 appropriated, there are appropriated to the Equal Employment Opportunity Commission for  
33 fiscal year 2022, \$321,000,000, to remain available until September 30, 2026, for carrying out  
34 investigation, enforcement, outreach, and related activities.

35 SEC. 21004. ADJUSTMENT OF CIVIL PENALTIES.

36 (a) Occupational Safety and Health Act of 1970.—Section 17 of the Occupational Safety and  
37 Health Act of 1970 (29 U.S.C. 666) is amended—

1 (1) in subsection (a)—

2 (A) by striking “\$70,000” and inserting “\$700,000”; and

3 (B) by striking “\$5,000” and inserting “\$50,000”;

4 (2) in subsection (b), by striking “\$7,000” and inserting “\$70,000”; and

5 (3) in subsection (d), by striking “\$7,000” and inserting “\$70,000”.

6 (b) Fair Labor Standards Act of 1938.—Section 16(e) of the Fair Labor Standards Act of 1938  
7 (29 U.S.C. 216(e)) is amended—

8 (1) in paragraph (1)(A)—

9 (A) in clause (i), by striking “\$11,000” and inserting “\$132,270”; and

10 (B) in clause (ii), by striking “\$50,000” and inserting “\$601,150”; and

11 (2) in paragraph (2)—

12 (A) in the first sentence, by striking “\$1,100” and inserting “\$20,740”; and

13 (B) in the second sentence, by striking “\$1,100” and inserting “\$11,620”.

14 (c) Migrant and Seasonal Agricultural Worker Protection Act.—Section 503(a)(1) of the  
15 Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1853(a)(1)) is amended by  
16 striking “\$1,000” and inserting “\$25,790”.

17 (d) Effective Date.—The amendments made by this section shall take effect on January 1,  
18 2022.

## 19 SEC. 21005. CIVIL MONETARY PENALTIES FOR PARITY 20 VIOLATIONS.

21 (a) Civil Monetary Penalties Relating to Parity in Mental Health and Substance Use  
22 Disorders.—Section 502(c)(10) of the Employee Retirement Income Security Act of 1974 (29  
23 U.S.C. 1132(c)(10)(A)) is amended—

24 (1) in the heading, by striking “USE OF GENETIC INFORMATION” and inserting “USE OF  
25 GENETIC INFORMATION AND PARITY IN MENTAL HEALTH AND SUBSTANCE USE DISORDER  
26 BENEFITS”; and

27 (2) in subparagraph (A)—

28 (A) by striking “any plan sponsor of a group health plan” and inserting “any plan  
29 sponsor or plan administrator of a group health plan”; and

30 (B) by striking “for any failure” and all that follows through “in connection with the  
31 plan.” and inserting “for any failure by such sponsor, administrator, or issuer, in  
32 connection with the plan—

33 “(i) to meet the requirements of subsection (a)(1)(F), (b)(3), (c), or (d) of  
34 section 702 or section 701 or 702(b)(1) with respect to genetic information; or

35 “(ii) to meet the requirements of subsection (a) of section 712 with respect to  
36 parity in mental health and substance use disorder benefits.”.

1 (b) Exception to the General Prohibition on Enforcement.—Section 502 of such Act (29  
2 U.S.C. 1132) is amended—

3 (1) in subsection (a)(6), by striking “or (9)” and inserting “(9), or (10)”; and

4 (2) in subsection (b)(3)—

5 (A) by striking “subsections (c)(9) and (a)(6)” and inserting “subsections (c)(9),  
6 (c)(10), and (a)(6)”;

7 (B) by striking “under subsection (c)(9))” and inserting “under subsections (c)(9)  
8 and (c)(10)), and except with respect to enforcement by the Secretary of section 712”;  
9 and

10 (C) by striking “706(a)(1)” and inserting “733(a)(1)”.

11 (c) Effective Date.—The amendments made by subsection (a) shall apply with respect to  
12 group health plans, or any health insurance issuer offering health insurance coverage in  
13 connection with such plan, for plan years beginning after the date that is 1 year after the date of  
14 enactment of this Act.

## 15 SEC. 21006. PENALTIES UNDER THE NATIONAL LABOR 16 RELATIONS ACT.

17 (a) In General.—Section 12 of the National Labor Relations Act (29 U.S.C. 162) is  
18 amended—

19 (1) by striking “sec. 12. Any person” and inserting the following:

### 20 “SEC. 12. PENALTIES.

21 “(a) Violations for Interference With Board.—Any person”; and

22 (2) by adding at the end the following:

23 “(b) Civil Penalties for Unfair Labor Practices.—Any employer who commits an unfair labor  
24 practice within the meaning of section 8(a) affecting commerce shall be subject to a civil penalty  
25 in an amount not to exceed \$50,000 for each such violation, except that, with respect to such an  
26 unfair labor practice within the meaning of paragraph (3) or (4) of section 8(a) or such a  
27 violation of section 8(a) that results in the discharge of an employee or other serious economic  
28 harm to an employee, the Board shall double the amount of such penalty, to an amount not to  
29 exceed \$100,000, in any case where the employer has within the preceding 5 years committed  
30 another such violation of such paragraph (3) or (4) or such violation of section 8(a) that results in  
31 such discharge or other serious economic harm. A civil penalty under this paragraph shall be in  
32 addition to any other remedy ordered by the Board.

33 “(c) Considerations.—In determining the amount of any civil penalty under this section, the  
34 Board shall consider—

35 “(1) the gravity of the actions of the employer resulting in the penalty, including the  
36 impact of such actions on the charging party or on other persons seeking to exercise rights  
37 guaranteed by this Act;

38 “(2) the size of the employer;

1           “(3) the history of previous unfair labor practices or other actions by the employer  
2           resulting in a penalty; and

3           “(4) the public interest.

4           “(d) Director and Officer Liability.—If the Board determines, based on the particular facts and  
5           circumstances presented, that a director or officer’s personal liability is warranted, a civil penalty  
6           for a violation described in this section may also be assessed against any director or officer of the  
7           employer who directed or committed the violation, had established a policy that led to such a  
8           violation, or had actual or constructive knowledge of and the authority to prevent the violation  
9           and failed to prevent the violation.”.

10          (b) ~~Additional Penalties.~~—The National Labor Relations Act (29 U.S.C. 151 et seq.) is  
11          amended by inserting after section 12 (29 U.S.C. 162) the following:

12          ~~“SEC. 12A. ADDITIONAL PENALTIES.~~

13          ~~“(a) Civil Penalties for Additional Conduct.—Any employer who violates subsection (d)-  
14          affecting commerce shall be subject to a civil penalty in an amount not to exceed \$50,000 for  
15          each such violation, except that, with respect to such a violation that results in the discharge of  
16          an employee or other serious economic harm to an employee, the Board shall double the amount  
17          of such penalty, to an amount not to exceed \$100,000, in any case where the employer has within  
18          the preceding 5 years committed another such violation of subsection (d) that results in such  
19          discharge or other serious economic harm.~~

20          ~~“(b) Considerations.—In determining the amount of any civil penalty under this section, the  
21          Board shall consider—~~

22          ~~“(1) the gravity of the actions of the employer resulting in the penalty, including the impact of  
23          such actions on the charging party or on other persons seeking to exercise rights guaranteed by  
24          this Act;~~

25          ~~“(2) the size of the employer;~~

26          ~~“(3) the history of previous unfair labor practices or other actions by the employer resulting in  
27          a penalty; and~~

28          ~~“(4) the public interest.~~

29          ~~“(e) Director and Officer Liability.—If the Board determines, based on the particular facts and  
30          circumstances presented, that a director or officer’s personal liability is warranted, a civil penalty  
31          for a violation described in this section may also be assessed against any director or officer of the  
32          employer who directed or committed the violation, had established a policy that led to such a  
33          violation, or had actual or constructive knowledge of and the authority to prevent the violation  
34          and failed to prevent the violation.~~

35          ~~“(d) Prohibition.—It shall be unlawful for an employer—~~

36          ~~“(1) to promise, threaten, or take any action—~~

37          ~~“(A) to permanently replace an employee who participates in a strike as defined by section  
38          501(2) of the Labor Management Relations Act, 1947 (29 U.S.C. 142(2));~~

39          ~~“(B) to discriminate against an employee who is working or has unconditionally offered to  
40          return to work for the employer because the employee supported or participated in such a strike;~~

1 or

2 ~~“(C) to lockout, suspend, or otherwise withhold employment from employees in order to~~  
3 ~~influence the position of such employees or the representative of such employees in collective-~~  
4 ~~bargaining prior to a strike;~~

5 ~~“(2) to communicate or misrepresent to an employee under section 2(3) that such employee is~~  
6 ~~excluded from the definition of employee under section 2(3);~~

7 ~~“(3) to require or coerce an employee to attend or participate in such employer’s campaign-~~  
8 ~~activities unrelated to the employee’s job duties, including activities that are subject to the~~  
9 ~~requirements under section 203(b) of the Labor Management Reporting and Disclosure Act of~~  
10 ~~1959 (29 U.S.C. 433(b)); or~~

11 ~~“(4) to violate subsection (e).~~

12 ~~“(e) Collective Action.—~~

13 ~~“(1) In general.—No employer shall—~~

14 ~~“(A) enter into or attempt to enforce any agreement, express or implied, whereby prior to a~~  
15 ~~dispute to which the agreement applies, an employee undertakes or promises not to pursue,~~  
16 ~~bring, join, litigate, or support any kind of joint, class, or collective claim arising from or relating~~  
17 ~~to the employment of such employee in any forum that, but for such agreement, is of competent~~  
18 ~~jurisdiction;~~

19 ~~“(B) coerce an employee into undertaking or promising not to pursue, bring, join, litigate, or~~  
20 ~~support any kind of joint, class, or collective claim arising from or relating to the employment of~~  
21 ~~such employee; or~~

22 ~~“(C) retaliate or threaten to retaliate against an employee for refusing to undertake or promise~~  
23 ~~not to pursue, bring, join, litigate, or support any kind of joint, class, or collective claim arising~~  
24 ~~from or relating to the employment of such employee.~~

25 ~~“(2) Exception.—This subsection shall not apply to any agreement embodied in or expressly~~  
26 ~~permitted by a contract between an employer and a labor organization.~~

27 ~~“(f) Enforcement.—The provisions of section 10 and 11 shall apply to a violation of this~~  
28 ~~section in the same manner as such provisions apply to an unfair labor practice, except that—~~

29 ~~“(1) an order under section 10 with respect to a violation of this section—~~

30 ~~“(A) shall require only that the person in such violation pay a civil penalty under subsection-~~  
31 ~~(a); and~~

32 ~~“(B) shall not include a requirement for a person to cease and desist such violation or any form~~  
33 ~~of affirmative action other than the payment of such penalty;~~

34 ~~“(2) a petition under subsection (e) of section 10 with respect to a violation of this section may~~  
35 ~~be only for enforcement of an order for the payment of a civil penalty under subsection (a);~~

36 ~~“(3) a petition under subsection (f) of section 10 with respect to a violation of this section may~~  
37 ~~be only for review of an order for the payment of such a civil penalty; and~~

38 ~~“(4) a court under section 10 may not grant any form of relief, including temporary relief, a~~  
39 ~~restraining order, or any other form of injunctive relief, for a violation of this section other than a~~



1 ~~decree to enforce, modify, or set aside in whole or in part an order of the Board imposing a civil~~  
2 ~~penalty under subsection (a) for a violation of this section.”.~~

3 (e) Effective Date.—The amendments made by this section shall take effect on January 1,  
4 2022.

## 5 Subtitle C—Workforce Development Matters

### 6 PART 1—DEPARTMENT OF LABOR

#### 7 SEC. 22001. DISLOCATED WORKER EMPLOYMENT AND 8 TRAINING ACTIVITIES.

9 (a) ~~In General.~~—~~In Appropriation.~~—~~In~~ addition to amounts otherwise made available, there  
10 is appropriated to the Department of Labor for fiscal year 2022, out of any money in the  
11 Treasury not otherwise appropriated, ~~\$16,000,000,000~~ **\$2,000,000,000**, to remain available until  
12 September 30, 2026, ~~except that no amounts may be expended after September 30, 2031, which~~  
13 ~~shall be reserved and allotted to States~~ **which shall be allotted** in accordance with subsection  
14 (b)(2) of section 132 **and reserved under subsection (a) of section 133** of the Workforce  
15 Innovation and Opportunity Act (~~29 U.S.C. 3172~~), ~~reserved~~, and allocated to ~~local areas in~~  
16 ~~accordance with subsections (a) and~~ **under subsection (b)(1)(B)** of section 133 of such Act (~~29~~  
17 ~~U.S.C. 3173~~), and reserved by such local areas as follows: **for each local area to provide—**

18 ~~(1) Not less than 20 percent shall be reserved for carrying out the~~(1) career services  
19 authorized under subsection (c)(2) of section 134 of the Workforce Innovation and  
20 Opportunity Act (~~29 U.S.C. 3174~~) ~~and expanding access to the,~~ **including** individualized  
21 career services described in section 134(c)(2)(A)(xii) of such Act (~~29 U.S.C.~~  
22 ~~3174(e)(2)(A)(xii))~~;

23 ~~(2) Not less than 20 percent shall be reserved for carrying out the~~(2) supportive services  
24 and ~~providing the~~ needs-related payments authorized under paragraphs (2) and (3) of  
25 section 134(d) of the Workforce Innovation and Opportunity Act (~~29 U.S.C. 3174(d)~~),  
26 except that ~~for purposes of the reservation under this paragraph~~ the requirements of  
27 subparagraphs (B) and (C) of paragraph (3) of such section shall not apply; and

28 (3) **training services, including through** ~~Not less than 50 percent shall be reserved for~~  
29 ~~carrying out the training services—~~

30 (A) ~~of which, not less than 60 percent shall be made available for individual training~~  
31 accounts, authorized under section 134(c)(3) of the Workforce Innovation and Opportunity  
32 Act, (~~29 U.S.C. 3174(e)(3)~~).

33 (B) ~~except that for purposes of providing transitional jobs as part of those services under~~  
34 this section, section 134(d)(5) of such Act (~~29 U.S.C. 3174(d)(5)~~) shall be applied by  
35 substituting “40 percent” for “10 percent”.

36 (b) Supplement Not Supplant.—Amounts made available to carry out this section shall be used  
37 to supplement and not supplant other Federal, State, and local public funds expended to provide  
38 employment and training activities for dislocated workers, including funds provided under the  
39 Workforce Innovation and Opportunity Act (~~29 U.S.C. 3101 et seq.~~).

## SEC. 22002. ADULT WORKER EMPLOYMENT AND TRAINING ACTIVITIES.

(a) ~~In General.~~—~~In Appropriation.~~—~~In~~ addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$15,000,000,000~~ **\$1,000,000,000**, to remain available until September 30, 2026, ~~except that no amounts may be expended after September 30, 2031, which shall be reserved and allotted to States~~ **which shall be allotted** in accordance with subsection (b)(1) of section 132 **and reserved under subsection (a) of section 133** of the Workforce Innovation and Opportunity Act (~~29 U.S.C. 3172~~), reserved, and allocated to local areas in accordance with subsections (a) and **under subsection (b)(1)(A)** of section 133 of such Act (~~29 U.S.C. 3173~~), and reserved by such local areas as follows: **for each local area to provide—**

(1) ~~Not less than 20 percent shall be reserved for carrying out the~~ **(1)** career services authorized under subsection (c)(2) of section 134 of the Workforce Innovation and Opportunity Act (~~29 U.S.C. 3174~~) and expanding access to the, **including** individualized career services described in section 134(c)(2)(A)(xii) of such Act (~~29 U.S.C. 3174(e)(2)(A)(xii)~~);

(2) ~~Not less than 10 percent shall be reserved for carrying out the~~ **(2)** supportive services and ~~providing the~~ needs-related payments authorized under paragraphs (2) and (3) of section 134(d) of the Workforce Innovation and Opportunity Act (~~29 U.S.C. 3174(d)~~), **except that the requirements of subparagraphs (B) and (C) of paragraph (3) of such section shall not apply; and**

(3) ~~Not less than 50 percent shall be reserved for carrying out the training services—~~

(A) ~~of which, not less than 60 percent shall be made available for~~ **(3) training services, including through** individual training accounts ~~or contracts~~, authorized under ~~of~~ section 134(c)(3) of the Workforce Innovation and Opportunity Act, (~~29 U.S.C. 3174(e)(3)~~); and

(B) ~~except that for purposes of providing incumbent worker training as part of those services under this section, if such training is provided to low-wage workers, section 134(d)(4)(A)(i) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(d)(4)(A)(i))~~ **such Act** shall be applied by substituting “40 percent” for “20 percent”.

(b) Supplement Not Supplant.—Amounts made available to carry out this section shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide adult employment and training activities, including funds provided under the Workforce Innovation and Opportunity Act (~~29 U.S.C. 3101 et seq.~~).

## SEC. 22003. YOUTH WORKFORCE INVESTMENT ACTIVITIES.

(a) ~~In General.~~—~~In Appropriation.~~—~~In~~ addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$9,054,000,000~~ **\$1,500,000,000**, to remain available until September 30, 2026, ~~except that no amounts may be expended after September 30, 2031, which shall be reserved and allotted to States~~ **which shall be allotted** in accordance with subparagraphs (B) and (C) of section 127(b)(1) **and reserved under subsection (a) of section 128** of the

1 Workforce Innovation and Opportunity Act(~~29 U.S.C. 3162(b)(1)~~), reserved and allocated to  
2 local areas in accordance with subsections (a) and, **and allocated under subsection (b)** of  
3 section 128 of such Act (~~29 U.S.C. 3163~~), and reserved by such local areas as follows: **for each**  
4 **local area to—**

5 ~~(1) 25 percent shall be reserved for carrying~~**(1) carry** out the youth workforce investment  
6 activities authorized under section 129 of the Workforce Innovation and Opportunity  
7 Act(~~29 U.S.C. 3164 et seq.~~);

8 ~~(2) 75 percent shall be reserved to~~**(2) provide** opportunities for in-school youth and  
9 out-of-school youth to participate in paid work experiences described in subsection  
10 (c)(2)(C) of section 129 of the Workforce Innovation and Opportunity Act(~~29 U.S.C.~~  
11 ~~3164~~); **and**

12 ~~(b) Partnerships.—Not less than 20 percent of amounts made available under subsection~~  
13 ~~(a) shall be used by local areas to~~**(3) partner** with community-based organizations **servng to**  
14 **support** out-of-school youth ~~to carry out activities described in paragraphs (1) and (2) of~~  
15 ~~subsection (a)~~, including those residing in high-crime or high-poverty areas.

16 ~~(e)~~**(b) Supplement Not Supplant.**—Amounts made available to carry out this section shall be  
17 used to supplement and not supplant other Federal, State, and local public funds expended for  
18 youth workforce investment activities, including funds provided under the Workforce Innovation  
19 and Opportunity Act(~~29 U.S.C. 3101 et seq.~~).

## 20 SEC. 22004. EMPLOYMENT SERVICE.

21 In addition to amounts otherwise ~~made~~ available, there is appropriated to the Department of  
22 Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, the  
23 following amounts, to remain available until September 30, 2026,~~except that no amounts may be~~  
24 ~~expended after September 30, 2031:~~

25 ~~(1) \$1,250,000,000~~**(1) \$400,000,000** for carrying out the State grant activities authorized  
26 under section 7 of the Wagner-Peyser Act(~~29 U.S.C. 49f~~), which shall be allotted in  
27 accordance with section 6 of such Act(~~29 U.S.C. 49e~~), except that, for purposes of this  
28 section, funds shall also be ~~provided to~~ **reserved and used for** the Commonwealth of the  
29 Northern Mariana Islands and American Samoa in amounts the Secretary determines  
30 appropriate prior to the allotments being made in accordance with section 6 of such Act(~~29~~  
31 ~~U.S.C. 49d~~).

32 ~~(2) \$100,000,000 for carrying out improvements to~~ **the State** workforce and labor market  
33 information systems ~~authorized under section 15 of the Wagner-Peyser Act (29 U.S.C.~~  
34 ~~491-2)~~.

## 35 SEC. 22005. RE-ENTRY EMPLOYMENT OPPORTUNITIES.

36 In addition to amounts otherwise ~~made~~ available, there is appropriated to the Department of  
37 Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
38 ~~\$3,600,000,000~~ **the following amounts**, to remain available until September 30, 2026,~~except~~  
39 ~~that no amounts may be expended after September 30, 2031, for carrying out ex-offender~~  
40 ~~activities, under the authority of section 169 of the Workforce Innovation and Opportunity Act~~  
41 ~~(29 U.S.C. 3224). Not less than 25 percent of such funds shall be:~~

1           **(1) \$375,000,000, for carrying out the Reentry Employment Opportunities program.**

2           **(2) \$125,000,000, for competitive grants to national and regional intermediaries for**  
3 **activities to carry out Reentry Employment Opportunity programs** that prepare for  
4 employment of young adults with criminal records, young adults who have been justice  
5 system-involved, or young adults who have dropped out of school or other educational  
6 programs, **made** with a priority for projects serving high-crime, high-poverty areas.

7 **SEC. 22006. REGISTERED APPRENTICESHIPS, YOUTH**  
8 **APPRENTICESHIPS, AND PRE-APPRENTICESHIPS.**

9       ~~(a) In General.—~~In addition to amounts otherwise ~~made~~ available, there is appropriated to the  
10 Department of Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise  
11 appropriated, ~~\$5,000,000,000~~ **the following amounts**, to remain available until September 30,  
12 2026, ~~except that no amounts may be expended after September 30, 2031, to carry:~~

13           **(1) \$500,000,000 for carrying out** activities through grants, cooperative agreements,  
14 contracts, or other arrangements, ~~with States and other appropriate entities, including~~  
15 **including arrangements with States and outlying areas (as such terms are defined in**  
16 **paragraphs (45) and (56), respectively, of section 3 of the Workforce Innovation and**  
17 **Opportunity Act), equity intermediaries, and business and labor industry partner**  
18 **intermediaries, to create or expand only—**

19           ~~(1)(A) registered~~ apprenticeship programs ~~registered under the Act of August 16,~~  
20 ~~1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664, chapter~~  
21 ~~663; 29 U.S.C. 50 et seq.); and;~~

22           ~~(2) youth apprenticeship programs and~~**(B) pre-apprenticeship programs that**  
23 **articulate to registered apprenticeship programs; and**

24           **(C) youth apprenticeship programs that—**

25                   **(i) provide participants with high-quality, classroom-based related**  
26 **instruction and training, and employment opportunities with progressively**  
27 **increasing wages; and**

28                   **(ii) prepare participants for enrollment in an institution of higher**  
29 **education (as defined in section 101 or 102(c) of the Higher Education Act of**  
30 **1965), a registered apprenticeship program, and employment.**

31           **(2) \$500,000,000 for carrying out activities through arrangements** described in  
32 paragraph (1) **to support programs described in such paragraph that serve-**

33           ~~(b) Reservation.— Not less than 50 percent of the funds made available under section (a)~~  
34 ~~shall be reserved for —~~

35           ~~(1) entities serving~~ a high number or high percentage of individuals with barriers to  
36 employment (as defined in section 3**(24)** of the Workforce Innovation and Opportunity  
37 Act~~(29 U.S.C. 3102))~~), including individuals with disabilities, or nontraditional  
38 apprenticeship populations;~~or~~

39           ~~(2) youth apprenticeships or pre-apprenticeships that articulate to such registered-~~  
40 ~~apprenticeships programs.~~

1           ~~SEC. 22007. COMMUNITY COLLEGE AND INDUSTRY PARTNERSHIP GRANTS.~~

2           ~~(a) Definitions.— In this section —~~

3           ~~(1) Eligible institution.— The term “eligible institution” means an institution of higher~~  
4 ~~education (as defined in section 101 or 102(c) of the Higher Education Act of 1965 (20~~  
5 ~~U.S.C. 1001, 1002(c)), including a Tribal College or University (as defined in section 316~~  
6 ~~of such Act (20 U.S.C. 1059e)), or a consortium of such institutions —~~

7           ~~(A) at which the highest degree awarded is an associate degree; or an associate degree is~~  
8 ~~the predominant degree awarded; and~~

9           ~~(B) that is working directly with an industry or sector partnership, or in the process of~~  
10 ~~establishing such partnership, to carry out a grant under this section.~~

11  
12 ~~\* 37 (2) Perkins cte definitions.— The terms “career and~~  
13 ~~technical education”, “career guidance and academic~~  
14 ~~counseling”, “dual or concurrent enrollment program”,~~  
15 ~~“evidence based” and “work based learning” have the meanings~~  
16 ~~given the terms in section 3 of the Carl D. Perkins Career and~~  
17 ~~Technical Education Act of 2006 (20 U.S.C. 2302).~~

18 ~~(3) Registered apprenticeship program.— The term “registered~~  
19 ~~apprenticeship program” means an apprenticeship registered~~  
20 ~~under the Act of August 16, 1937 (commonly known as the~~  
21 ~~“National Apprenticeship Act”; 50 Stat. 664, chapter 663; 29~~  
22 ~~U.S.C. 50 et seq.).~~

23 ~~(4) Secretary.— The term “Secretary” means the Secretary of~~  
24 ~~Labor.~~

25 ~~(5) Wioia definitions.—~~

26 ~~(A) In general.— The terms “career pathway”, “in demand~~  
27 ~~industry sector or occupation”, “individual with a barrier to~~  
28 ~~employment”, “industry or sector partnership”, “integrated~~  
29 ~~education and training”, “recognized postsecondary credential”~~  
30 ~~and “supportive services” have the meanings given the terms in~~  
31 ~~section 3 of the Workforce Innovation and Opportunity Act (29~~

1 ~~U.S.C. 3102).~~

2 ~~(B) Career services.— The term “career services” means services~~  
3 ~~described in section 134(c)(2) of the Workforce Innovation and~~  
4 ~~Opportunity Act (29 U.S.C. 3174(c)(2)).~~

5 ~~(b) In General.— In addition to amounts otherwise made~~  
6 ~~available, there is appropriated to the Department of Labor for~~  
7 ~~fiscal year 2022, out of any money in the Treasury not otherwise~~  
8 ~~appropriated, \$2,000,000,000, to remain available until~~  
9 ~~September 30, 2026, except that no amounts may be expended~~  
10 ~~after September 30, 2031, to carry out this section.~~

11 ~~(c) Grants.— From funds appropriated under subsection (b) and~~  
12 ~~not reserved under subsection (e), and under the authority of~~  
13 ~~section 169(b)(5) of the Workforce Innovation and Opportunity~~  
14 ~~Act (29 U.S.C. 3224(b)(5)), the Secretary shall award grants on~~  
15 ~~a competitive basis to eligible institutions for the purposes of~~  
16 ~~expanding workforce development and employment~~  
17 ~~opportunities in high skill, high wage, or in demand industry~~  
18 ~~sectors or occupations. To receive such a grant, an eligible~~  
19 ~~institution shall submit to the Secretary an application at such~~  
20 ~~time, in such manner, and containing such information as~~  
21 ~~specified by the Secretary, including a description of the related~~  
22 ~~programs, recognized postsecondary credentials, and~~  
23 ~~employment opportunities.~~

24 ~~(d) Use of Grant Funds.—~~

25  
26 ~~\* 33 (1) In general.— An eligible institution awarded a grant~~  
27 ~~under this section shall use such grant funds to expand~~  
28 ~~opportunities for attainment of recognized postsecondary~~  
29 ~~credentials that are nationally portable and stackable for~~

1 ~~high skill, high wage, or in-demand industry sectors or~~  
2 ~~occupations by—~~

3 ~~(A) establishing, improving, or scaling high quality,~~  
4 ~~evidence-based education and training programs, such as career-~~  
5 ~~and technical education programs, career pathway programs,~~  
6 ~~and work-based learning programs (including programs of~~  
7 ~~registered apprenticeships or pre-apprenticeships that articulate~~  
8 ~~to registered apprenticeships);~~

9

10 ~~\* 34 (B) creating, developing, or expanding articulation-~~  
11 ~~agreements (as defined in section 486A(a) of the Higher~~  
12 ~~Education Act of 1965 (20 U.S.C. 1093a(a))), credit transfer-~~  
13 ~~agreements, corequisite remediation programs, dual or~~  
14 ~~concurrent enrollment programs, or policies and processes to~~  
15 ~~award academic credit for prior learning or career training~~  
16 ~~programs supported by the funds described in subsection (c);~~

17 ~~(C) making available open, searchable, and comparable~~  
18 ~~information on curriculum or recognized postsecondary~~  
19 ~~credentials, including those created or developed using such~~  
20 ~~funds, and information on the related skills or competencies, and~~  
21 ~~related employment and earnings outcomes;~~

22 ~~(D) establishing or implementing plans for providers of~~  
23 ~~programs supported with such funds to be included on the~~  
24 ~~eligible training services provider list described in section~~  
25 ~~122(d) of the Workforce Innovation and Opportunity Act (29-~~  
26 ~~U.S.C. 3152(d));~~

27 ~~(E) purchasing, leasing, or refurbishing specialized equipment~~  
28 ~~necessary to carry out the education or career training programs~~  
29 ~~supported by such funds;~~

1 ~~(F) reducing or eliminating out-of-pocket expenses related to~~  
2 ~~participants' cost of attendance in the education or career~~  
3 ~~training activities supported by such funds; or~~

4 ~~(G) establishing or expanding industry or sector partnerships to~~  
5 ~~successfully carry out the activities described in subparagraphs~~  
6 ~~(A) through (F).~~

7 ~~(2) Reservation.—An eligible institution awarded a grant under~~  
8 ~~this section shall use not less than 15 percent of such grant funds~~  
9 ~~to provide services to help individuals with barriers to~~  
10 ~~employment complete and successfully transition out of~~  
11 ~~education or career training programs supported by such funds,~~  
12 ~~which shall include providing supportive services, career~~  
13 ~~services, career guidance and academic counseling, or job~~  
14 ~~placement assistance.~~

15 ~~(e) Reservations.—From the amounts made available under~~  
16 ~~subsection (b), the Secretary shall reserve not more than 5~~  
17 ~~percent for—~~

18  
19 ~~\* 35 (1) targeted outreach to eligible institutions serving a high~~  
20 ~~number or high percentage of low income individuals or~~  
21 ~~individuals with barriers to employment, and rural serving~~  
22 ~~eligible institutions, to provide guidance and assistance in the~~  
23 ~~grant application process under this section;~~

24 ~~(2) administration of the program described in this section,~~  
25 ~~including providing technical assistance and oversight to support~~  
26 ~~eligible institutions (including consortia of eligible institutions);~~  
27 ~~and~~



1 ~~\* 36 (3) evaluating and reporting on the performance and impact~~  
2 ~~of programs funded under this section.~~

3 ~~(f) Supplement Not Supplant.—Amounts available to carry out~~  
4 ~~this section shall be used to supplement and not supplant other~~  
5 ~~Federal, State, and local public funds expended to support~~  
6 ~~community college education or career training programs.~~

7 ~~SEC. 22008~~ **SEC. 22007. INDUSTRY OR SECTOR**  
8 **PARTNERSHIP GRANTS.**

9 (a) ~~In General.—In Appropriation.—In~~ addition to amounts otherwise made available, there  
10 is appropriated to the Department of Labor for fiscal year 2022, out of any money in the  
11 Treasury not otherwise appropriated, \$10,000,000,000 **\$4,600,000,000**, to remain available until  
12 September 30, 2026, **for the Secretary to award**, except that no amounts may be expended after  
13 ~~September 30, 2031, to carry out this section.~~

14 (b) ~~Grants.—From amounts appropriated under subsection (a) and not reserved under~~  
15 ~~subsection (d), and under the authority of section 169(b)(5) of the Workforce Innovation and~~  
16 ~~Opportunity Act (29 U.S.C. 3224(b)(5)), the Secretary shall award grants on a competitive basis,~~  
17 **grants, contracts, or cooperative agreements** to eligible partnerships for the purposes of  
18 expanding workforce development and employment opportunities **employment and training**  
19 **activities** for high-skill, high-wage, or in-demand industry sectors or occupations, ~~including~~  
20 ~~information technology, clean energy, arts and entertainment, infrastructure and transportation,~~  
21 ~~advanced manufacturing, health care, public health, home care, and early childhood care and~~  
22 ~~education. To receive such a grant.~~

23 (b) **Eligibility.—To be eligible to receive funds under this section**, an eligible partnership  
24 shall submit to the Secretary an application at such time, in such manner, and containing such  
25 information as specified by the Secretary. **that includes a description of programs to be**  
26 **supported with such funds, the recognized postsecondary credentials participants in such**  
27 **programs will earn, and related employment opportunities for which participants in such**  
28 **programs will be prepared.**

29 (c) ~~Uses of Funds.—An eligible partnership awarded such a grant~~ **funds** under this section  
30 shall **use use—**

31 ~~(1) such grant funds to to—~~

32 (1) **regularly** engage and ~~regularly~~ convene stakeholders in a collaborative structure to  
33 identify, develop, improve, or expand training, employment, and growth opportunities **to**  
34 **develop, or expand, employment and training activities** for the high-skill, high-wage, or  
35 in-demand industry sector or occupation on which such partnership is focused;

36 (2) ~~not less than 50 percent of such grant funds to~~ directly provide, or arrange for the  
37 provision of, high-quality, evidence-based training ~~for the high skill, high wage, or~~  
38 ~~in-demand~~ **that leads to the attainment of nationally or regionally portable and**  
39 **stackable recognized postsecondary credentials for the** industry sector or occupation ~~on~~

1 which such partnership is focused **described in paragraph (1)**, which shall include—

2 (A)(i) training services described in any clause of subparagraph (D) of section  
3 134(c)(3) of the Workforce Innovation and Opportunity Act (~~29 U.S.C. 3174(e)(3)~~)  
4 provided through contracts that meet the requirements of that section 134(c)(3); or

5 ~~(B)(ii)~~ training provided ~~through~~ **through**—

6 (I) registered apprenticeship programs, ~~youth apprenticeship, or;~~

7 (II) pre-apprenticeship programs that articulate to registered apprenticeship  
8 programs, ~~or through;~~

9 (III) youth apprenticeship programs that—

10 (aa) provide participants with high-quality, classroom-based related  
11 instruction and training, and employment opportunities with  
12 progressively increasing wages; and

13 (bb) prepare participants for enrollment in an institution of higher  
14 education (as defined in section 101 or 102(c) of the Higher Education  
15 Act of 1965), a registered apprenticeship program, and employment; or

16 (IV) joint labor-management partnerships; ~~and organizations; and~~

17 ~~(C) establishing or implementing plans for providers of programs supported with~~  
18 ~~such funds to be included on the eligible training services provider list described in~~  
19 ~~section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C.~~  
20 ~~3152(d)).~~ **(B) the provision of information on related skills or competencies that**  
21 **may be attained through such training or credentials;**

22 ~~(3) not less than 15 percent of such grant funds to~~ **(3) directly provide, or arrange for the**  
23 **provision of, services to help individuals with barriers to employment prepare for,**  
24 **complete, and successfully transition out of training described in paragraph (2), which**  
25 **services shall include career services, supportive services, or the provision of needs-related**  
26 **payments authorized under subsections (c)(2), (d)(2), and (d)(3) of section 134 of the**  
27 **Workforce Innovation and Opportunity Act(29 U.S.C. 3174)., except that, for purposes of**  
28 **this section, subparagraphs (B) and (C) of section 134(d)(3) of that Act shall not apply;**  
29 **and**

30 ~~(d) Reservations.—~~ **(4) establish or implement plans for providers of programs**  
31 **supported with such funds to meet the criteria and carry out the procedures to be**  
32 **included on the eligible training services provider list described in section 122(d) of the**  
33 **Workforce Innovation and Opportunity Act.**

34 ~~(1) In general.—From the amounts made available under subsection (a), the Secretary shall~~  
35 ~~reserve not more than 5 percent for—~~ **(d) Administration.—In addition to amounts otherwise**  
36 **available, there is appropriated to the Department of Labor for fiscal year 2022, out of any**  
37 **money in the Treasury not otherwise appropriated, \$150,000,000, to remain available until**  
38 **September 30, 2026, for—**

39 ~~(A)~~ **(1) targeted outreach and support to eligible partnerships serving local areas with high**  
40 **unemployment rates or high percentages of individuals with low incomes** **dislocated**  
41 **workers** or individuals with barriers to employment, to provide guidance and assistance in

1 the grant application process under this section;

2 ~~(B)(2)~~ administration of the program described in this section, including providing  
3 comprehensive technical assistance and oversight to support eligible partnerships; and

4 ~~(C)(3)~~ evaluating and reporting on the performance and impact of programs funded under  
5 this section.

6 ~~(2) State board or local board funds.—From amounts made available under subsection (a), the~~  
7 ~~Secretary shall reserve not less than 5 percent~~ **(e) State Board or Local Board Funds.—In**  
8 **addition to amounts otherwise available, there is appropriated to the Department of Labor**  
9 **for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**  
10 **\$250,000,000, to remain available until September 30, 2026,** to provide direct assistance to  
11 State boards or local boards to support the creation or expansion of industry or sector  
12 partnerships in local areas with high unemployment rates or high percentages of ~~individuals with~~  
13 ~~low incomes~~ **dislocated workers** or individuals with barriers to employment, as compared to  
14 State or national averages for such rates or percentages.

15 ~~(e)(f)~~ Supplement Not Supplant.—Amounts made available to carry out this section shall be  
16 used to supplement and not supplant other Federal, State, and local public funds expended to  
17 support activities described in this section.

18 ~~(f) Definitions.—In this section:~~

19 ~~(1) Eligible partnership.—The term “eligible partnership”~~  
20 ~~means—~~

21  
22 ~~\* 32 (A) an industry or sector partnership, which shall include~~  
23 ~~multiple representatives described in each of clauses (i) through~~  
24 ~~(iii) of paragraph (26)(A) of section 3 of the Workforce~~  
25 ~~Innovation and Opportunity Act (29 U.S.C. 3102); or~~

26 ~~(B) a partnership of multiple entities described in section 3(26)~~  
27 ~~of such Act (29 U.S.C. 3102(26)), and a State board or local~~  
28 ~~board, that is in the process of establishing an industry or sector~~  
29 ~~partnership. SEC. 22008. JOB CORPS.~~

30 ~~(2) Perkins ete definitions.—The terms “career guidance and academic counseling” and~~  
31 ~~“evidence based” have the meanings given the terms in section 3 of the Carl D. Perkins Career~~  
32 ~~and Technical Education Act of 2006 (20 U.S.C. 2302).~~

33 ~~(3) Registered apprenticeship program.—The term “registered apprenticeship program” means~~  
34 ~~an apprenticeship registered under the Act of August 16, 1937 (commonly known as the~~  
35 ~~“National Apprenticeship Act”; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).~~

1       ~~(4) Secretary.—The term “Secretary” means the Secretary of Labor.~~

2       ~~(5) Wioa definitions.—The terms “career pathway”, “in-demand industry sector or~~  
3 ~~occupation”, “individual with a barrier to employment”, “industry or sector partnership”, “local~~  
4 ~~area”, “local board”, and “State board” have the meanings given the terms in section 3 of the~~  
5 ~~Workforce Innovation and Opportunity Act (29 U.S.C. 3102).~~

6       ~~SEC. 22009. JOB CORPS.~~

7       ~~**(a) Appropriation.—In** addition to amounts otherwise ~~made~~ available, there is appropriated~~  
8 ~~to the Department of Labor for fiscal year 2022, out of any amounts in the Treasury not~~  
9 ~~otherwise appropriated, \$1,500,000,000 **\$500,000,000**, to remain available until September 30,~~  
10 ~~2026, except that no amounts may be expended after September 30, 2031, for the Job Corps-~~  
11 ~~program authorized under section 143 **2026—**~~

12           ~~**(1) to provide funds to operators and service providers to—**~~

13                   ~~**(A) carry out the activities and services described in sections 148 and 149** of the~~  
14 ~~Workforce Innovation and Opportunity Act(29 U.S.C. 3193), including improving and~~  
15 ~~expanding; and~~

16                   ~~**(B) improve and expand** access to allowances and ~~supports~~ **services** described in~~  
17 ~~section 150 of such Act(29 U.S.C. 3200), except that for the purposes of this section,~~  
18 ~~outlying areas as defined in section 3 of such Act (29 U.S.C. 3102) shall be considered~~  
19 ~~eligible to receive funds under this section. Of such funds, no less than \$750,000,000-~~  
20 ~~shall be reserved for; and~~

21           ~~**(2) for the** construction, rehabilitation, and acquisition of Job Corps ~~Centers.~~ **centers,**~~  
22 ~~**notwithstanding section 158(c) of the Workforce Innovation and Opportunity Act.**~~

23       ~~SEC. 22010(b) Eligibility of Operators and Service Providers.—For the purposes of~~  
24 ~~carrying out subsection (a), an entity in a State or outlying area (as such term is defined in~~  
25 ~~section 3(45) of the Workforce Innovation and Opportunity Act) may be eligible to be~~  
26 ~~selected as an operator or service provider.~~

27       ~~**SEC. 22009. NATIVE AMERICAN PROGRAMS.**~~

28       ~~In addition to amounts otherwise ~~made~~ available, there is appropriated to the Department of~~  
29 ~~Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated,~~  
30 ~~\$450,000,000 **\$50,000,000**, to remain available until September 30, 2026, except that no~~  
31 ~~amounts may be expended after September 30, 2031, for the Native American programs-~~  
32 ~~authorized under to carry out activities described in section 166(d)(2)(A) of the Workforce~~  
33 ~~Innovation and Opportunity Act.~~

34       ~~**SEC. 22011** **22010. MIGRANT AND SEASONAL**~~  
35 ~~**FARMWORKER PROGRAMS.**~~

36       ~~In addition to amounts otherwise ~~made~~ available, there is appropriated to the Department of~~  
37 ~~Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated,~~  
38 ~~\$450,000,000 **\$70,000,000**, to remain available until September 30, 2026, except that no~~  
39 ~~amounts may be expended after September 30, 2031, for the migrant and seasonal farmworker-~~  
40 ~~programs authorized under to carry out activities described in section 167(d) of the Workforce~~

1 Innovation and Opportunity Act, except that, for purposes of providing services ~~under those~~  
2 ~~programs as part of such activities~~ to low-income individuals under this section, section  
3 3(36)(A)(ii)(I) of such Act (~~29 U.S.C. 3102(36)(A)(ii)(I)~~) shall be applied by substituting “150  
4 percent of the poverty line” for “the poverty line”.

## 5 ~~SEC. 22012~~ **22011. YOUTHBUILD PROGRAM.**

6 In addition to amounts otherwise ~~made~~ available, there is appropriated to the Department of  
7 Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated,  
8 ~~\$500,000,000~~ **\$15,000,000**, to remain available until September 30, 2026, ~~except that no~~  
9 ~~amounts may be expended after September 30, 2031, for the YouthBuild program authorized~~  
10 ~~under to carry out activities described in section 171(c)(2) of the Workforce Innovation and~~  
11 ~~Opportunity Act(29 U.S.C. 3226), including for the purposes of improving and expanding access~~  
12 ~~to services, stipends, wages, and benefits described in subsections (e)(2) subparagraphs (A)(vii)~~  
13 ~~and (e)(2)(F) of section 171(c)(2) of such Act.~~

## 14 ~~SEC. 22013~~ **22012. SENIOR COMMUNITY SERVICE** 15 **EMPLOYMENT PROGRAM.**

16 In addition to amounts otherwise ~~made~~ available, there is appropriated to the Department of  
17 Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated,  
18 ~~\$100,000,000~~ **\$35,000,000**, to remain available until September 30, 2026, ~~except that no~~  
19 ~~amounts may be expended after September 30, 2031, for the Senior Community Service~~  
20 ~~Employment program authorized under title V section 502 of the Older Americans Act (42~~  
21 ~~U.S.C. 3056 et seq.): of 1965.~~

## 22 ~~SEC. 22014. PROGRAM ADMINISTRATION.~~ **SEC. 22013.** 23 **PROVISION OF INFORMATION.**

24 ~~In addition to amounts otherwise made available, there is appropriated to~~ **For purposes of**  
25 **determinations of the eligibility of individuals to participate in activities funded under this**  
26 **subtitle, the provision of information for such determinations by Federal agencies other**  
27 **than the Department of Labor for fiscal year 2022, out of any money in the Treasury not**  
28 **otherwise appropriated, \$720,000,000, to remain available until September 30, 2028, except that**  
29 **no amounts may be expended after September 30, 2031, for program administration within the**  
30 **Department of Labor for salaries and expenses necessary to implement this part, parts 3 and 4,**  
31 **and section 22402 of part 5 of this subtitle, including for management, legal, or other support**  
32 **necessary to implement such parts or section. or the Department of Education shall not be**  
33 **required.**

## 34 **SEC. 22014. DEFINITIONS.**

35 **In this part:**

36 **(1) ELIGIBLE PARTNERSHIP.—The term “eligible partnership” means—**

37 **\*\* 32 (A) an industry or sector partnership, which shall include multiple**  
38 **representatives described in each of clauses (i) through (iii) of paragraph (26)(A) of**  
39 **section 3 of the Workforce Innovation and Opportunity Act(29 U.S.C. 3102); or**

1           **(B) a State board or local board, a joint labor-management organization, or an**  
2           **entity eligible to be a representative under clause (i), (ii), or (iii) of paragraph**  
3           **(26)(A) of section 3 of the Workforce Innovation and Opportunity Act, that is in**  
4           **the process of establishing an industry or sector partnership described in**  
5           **subparagraph (A), to carry out a grant, contract, or cooperative agreement under**  
6           **section 22007.**

7           **(2) EVIDENCE-BASED.—The term “evidence-based” has the meaning given the term**  
8           **in section 3(23) of the Carl D. Perkins Career and Technical Education Act of 2006.**

9           **(3) REGISTERED APPRENTICESHIP PROGRAM.—The term “registered apprenticeship**  
10           **program” means an apprenticeship program registered with the Office of**  
11           **Apprenticeship of the Employment and Training Administration of the Department of**  
12           **Labor or a State apprenticeship agency recognized by the Office of Apprenticeship**  
13           **pursuant to the Act of August 16, 1937 (commonly known as the “National**  
14           **Apprenticeship Act”; 50 Stat. 664, chapter 663).**

15           **(4) SECRETARY.—The term “Secretary” means the Secretary of Labor.**

16           **(5) WIOA DEFINITIONS.—**

17           **(A) IN GENERAL.—The terms “career pathway”, “in-demand industry sector or**  
18           **occupation”, “individual with a barrier to employment”, “industry or sector**  
19           **partnership”, “local area”, “local board”, “recognized postsecondary credential”,**  
20           **“State board”, and “supportive services” have the meanings given the terms in**  
21           **paragraphs (7), (23), (24), (26), (32), (33), (52), (57), and (59), respectively, of**  
22           **section 3 of the Workforce Innovation and Opportunity Act.**

23           **(B) CAREER SERVICES.—The term “career services” means services described**  
24           **in section 134(c)(2) of the Workforce Innovation and Opportunity Act.**

## 25 PART 2—DEPARTMENT OF EDUCATION

### 26 SEC. 22101. ADULT EDUCATION AND LITERACY.

27           ~~(a) In General.—In Appropriation.—In~~ addition to amounts otherwise made available, there  
28 is appropriated to the Department of Education for fiscal year 2022, out of any money in the  
29 Treasury not otherwise appropriated, ~~\$3,600,000,000~~ **\$700,000,000**, to remain available until  
30 September 30, 2028, ~~to carry out title II of 2027, to carry out the program of adult education~~  
31 **and literacy activities authorized under** the Workforce Innovation and Opportunity Act,  
32 **except that** ~~(29 U.S.C. 3101 et seq.), which shall be reserved, and granted and allotted to eligible~~  
33 ~~agencies in accordance with subsections (a), (b), and (c) of section 211 of such Act, respectively.~~

34           ~~(b) Requirement.—With respect to each eligible agency that receives funds appropriated by~~  
35 ~~this section, for each fiscal year for which such an eligible agency receives such funds~~ **funds**  
36 **appropriated under this section**, section 222(a)(1) of the Workforce Innovation and  
37 Opportunity Act ~~(29 U.S.C. 3302(a)(1))~~ the shall be applied by substituting “not less than 10  
38 percent” for “not more than 20 percent”, **and section 222(b) of such Act shall not apply.**

39           **(b) Supplement Not Supplant.—Amounts made available to carry out this section shall**  
40 **be used to supplement and not supplant other Federal, State, and local public funds**  
41 **expended to support adult education and literacy activities, including funds provided**

1 under the Workforce Innovation and Opportunity Act.

## 2 SEC. 22102. CAREER AND TECHNICAL EDUCATION.

3 (a) ~~In General.~~—~~In Appropriation.~~—~~In~~ addition to amounts otherwise ~~made~~ available, there  
4 is appropriated to the Department of Education for fiscal year 2022, out of any money in the  
5 Treasury not otherwise appropriated, the following amounts, to remain available until September  
6 30, ~~2028~~ **2027**:

7 (1) ~~\$3,000,000,000~~ **\$600,000,000** for carrying out career and technical education  
8 programs authorized under section 124 and section 135 of the Carl D. Perkins Career and  
9 Technical Education Act of 2006(~~20 U.S.C. 2301 et seq.~~), which shall be allotted in  
10 accordance with section 111 and section 112 of such Act(~~20 U.S.C. 2321, 2322~~), except that  
11 subsection (b) of section 112 ~~of such Act (20 U.S.C. 2322)~~ shall not apply.

12 (2) ~~\$1,000,000,000~~ **\$100,000,000** for carrying out the innovation and modernization  
13 program ~~described in subsection (e) in subsection (e)~~ of section 114 of the Carl D. Perkins  
14 Career and Technical Education Act of 2006(~~20 U.S.C. 2324(e)~~), except that, for purposes  
15 of this **paragraph, paragraph (2) of such subsection and paragraph—**

16 ~~(A) the 20 percent limitation in paragraph (1) of such subsection, and paragraph (2) of~~  
17 ~~such subsection,~~ shall not apply ; and

18 ~~(B) eligible agencies,~~ as defined in section 3(**18**) of such Act, shall be eligible to receive  
19 grants under section ~~114(e) of such Act~~ **program**.

20 (b) Supplement Not Supplant.—Amounts made available to carry out this section shall be used  
21 to supplement and not supplant other Federal, State, and local public funds expended for career  
22 and technical education programs, including ~~the~~ funds provided under the Carl D. Perkins Career  
23 and Technical Education Act of 2006(~~20 U.S.C. 2301 et seq.~~).

## 25 SEC. 22103. COMMUNITY COLLEGE AND INDUSTRY 26 PARTNERSHIP GRANTS.

27 (a) **Appropriation.**—~~In~~ addition to amounts otherwise available, there is appropriated to  
28 the Department of Education for fiscal year 2022, out of any money in the Treasury not  
29 otherwise appropriated, **\$4,900,000,000**, to remain available until September 30, 2026, for  
30 the Secretary, in coordination with the Secretary of Labor, to award grants, on a  
31 competitive basis, to eligible institutions for the purposes of expanding employment and  
32 training activities for high-skill, high-wage, or in-demand industry sectors or occupations.

33 (b) **Eligibility.**—To be eligible to receive such a grant, an eligible institution shall submit  
34 to the Secretary an application that includes a description of programs to be supported  
35 with such grant, the recognized postsecondary credentials participants in such programs  
36 will earn, and the related employment opportunities for which participants in such  
37 programs will be prepared.

38 **\*\* 33 (1) In general.**—~~An~~(c) **Use of Funds.**—An eligible institution awarded a grant under  
39 this section shall use such grant funds to expand opportunities for attainment of recognized  
40 postsecondary credentials that are nationally **or regionally** portable and stackable for high-skill,

1 high-wage, or in-demand industry sectors or occupations by—

2 **(1) establishing, improving, or scaling high-quality, evidence-based education or**  
3 **career training programs, career pathway programs, or work-based learning**  
4 **programs (including registered apprenticeship programs or pre-apprenticeships that**  
5 **articulate to registered apprenticeship programs);**

6 **(2) providing services to help individuals with barriers to employment prepare for,**  
7 **complete, and successfully transition out of programs described in paragraph (1)**  
8 **supported by such grant, which shall include providing supportive services, career**  
9 **services, career guidance and academic counseling, or job placement assistance; and**

10 **(3) carrying out 1 or more of the following:**

11 ~~\*\* 34 (B) creating~~**(A) Creating**, developing, or expanding articulation agreements  
12 (as defined in section 486A(a) of the Higher Education Act of 1965~~(20 U.S.C.~~  
13 ~~1093a(a)))~~), credit transfer agreements, corequisite remediation programs, dual or  
14 concurrent enrollment programs, or policies and processes to award academic credit  
15 for prior learning or ~~career training~~ **for programs described in paragraph (1)**  
16 **supported by the funds described in subsection (e); such grant.**

17 **(B) Making available information on curricula and recognized postsecondary**  
18 **credentials, including those created or developed using such grant, and**  
19 **information on the related skills or competencies and related employment and**  
20 **earnings outcomes.**

21 **(C) Establishing or implementing plans for providers of programs described in**  
22 **paragraph (1) supported by such grant to meet the criteria and carry out the**  
23 **procedures to be included on the eligible training services provider list described**  
24 **in section 122(d) of the Workforce Innovation and Opportunity Act.**

25 **(D) Purchasing, leasing, or refurbishing specialized equipment necessary to**  
26 **carry out such programs.**

27 **(E) Reducing participants' cost of attendance in such programs.**

28 **(F) Establishing or expanding industry or sector partnerships to successfully**  
29 **carry out the activities supported by such grant under this paragraph, and**  
30 **paragraphs (1) and (2).**

31 **(d) Administration.—In addition to amounts otherwise available, there is appropriated**  
32 **to the Department of Education for fiscal year 2022, out of any money in the Treasury not**  
33 **otherwise appropriated, \$100,000,000, to remain available until September 30, 2026, to**  
34 **carry out, in coordination of the Department of Labor, the following activities:**

35 ~~\*\* 35 (1) targeted~~ **Targeted** outreach to eligible institutions serving a high number or  
36 high percentage of low-income individuals or individuals with barriers to employment, and  
37 rural-serving eligible institutions, to provide guidance and assistance in the grant application  
38 process under this section;

39 **(2) Administration of the program described in this section, including providing**  
40 **technical assistance and oversight to support eligible institutions.**

41 ~~\*\* 36 (3) evaluating~~ **Evaluating** and reporting on the performance and impact of



1 programs funded under this section.

2 (e) **Supplement Not Supplant.**—Amounts available to carry out this section shall be used  
3 to supplement and not supplant other Federal, State, and local public funds expended to  
4 support activities described in this section.

5 (f) **Definitions.**—In this section:

6 (1) **COMMUNITY COLLEGE.**—The term “community college” means—

7 (A) a degree-granting public institution of higher education (as defined in  
8 section 101 of the Higher Education Act of 1965) at which—

9 (i) the highest degree awarded is an associate degree; or

10 (ii) an associate degree is the most frequently awarded degree;

11 (B) a 2-year Tribal College or University (as defined in section 316(b)(3) of the  
12 Higher Education Act of 1965);

13 (C) a degree-granting Tribal College or University (as defined in section  
14 316(b)(3) of the Higher Education Act of 1965) at which—

15 (i) the highest degree awarded is an associate degree; or

16 (ii) an associate degree is the most frequently awarded degree; or

17 (D) a branch campus of a 4-year public institution of higher education (as  
18 defined in section 101 of the Higher Education Act of 1965), if, at such branch  
19 campus—

20 (i) the highest degree awarded is an associate degree; or

21 (ii) an associate degree is the most frequently awarded degree.

22 (2) **ELIGIBLE INSTITUTION.**—The term “eligible institution” means a community  
23 college, a postsecondary vocational institution (as defined in section 102(c) of the  
24 Higher Education Act of 1965), or a consortium of such colleges or institutions, that is  
25 working directly with an industry or sector partnership, or in the process of  
26 establishing such partnership, to carry out a grant under this section.

27 ~~\*\* 37 (2)(3) PERKINS CTE DEFINITIONS.~~—The terms ~~“career and technical~~  
28 ~~education”~~, “career guidance and academic counseling”, “dual or concurrent enrollment  
29 program”, “evidence-based”, and “work-based learning” have the meanings given the terms  
30 in **paragraphs (7), (15), (23), and (55), respectively, of** section 3 of the Carl D. Perkins  
31 Career and Technical Education Act of 2006(20 U.S.C. 2302).

32 (4) **REGISTERED APPRENTICESHIP PROGRAM.**—The term “registered apprenticeship  
33 program” means an apprenticeship program registered with the Office of  
34 Apprenticeship of the Employment and Training Administration of the Department of  
35 Labor or a State apprenticeship agency recognized by the Office of Apprenticeship  
36 pursuant to the Act of August 16, 1937 (commonly known as the “National  
37 Apprenticeship Act”; 50 Stat. 664, chapter 663).

38 (5) **SECRETARY.**—The term “Secretary” means the Secretary of Education.

39 (6) **WIOA DEFINITIONS.**—

1 (A) IN GENERAL.—The terms “career pathway”, “in-demand industry sector or  
2 occupation”, “individual with a barrier to employment”, “industry or sector  
3 partnership”, “recognized postsecondary credential”, and “supportive services”  
4 have the meanings given the terms in paragraphs (7), (23), (24), (26), (52), and  
5 (59), respectively, of section 3 of the Workforce Innovation and Opportunity Act.

6 (B) CAREER SERVICES.—The term “career services” means services described  
7 in section 134(c)(2) of the Workforce Innovation and Opportunity Act.

## 8 PART 3—COMPETITIVE INTEGRATED EMPLOYMENT 9 TRANSFORMATION GRANT PROGRAM

### 10 SEC. 22201. COMPETITIVE INTEGRATED EMPLOYMENT 11 TRANSFORMATION GRANT PROGRAM.

12 (a) ~~In General.~~—~~In Appropriation.~~—~~In~~ addition to amounts otherwise made available, there  
13 is appropriated to the Department of Labor, \$300,000,000 for fiscal year 2022, out of any money  
14 in the Treasury not otherwise appropriated, **the following amounts**, to remain available ~~until~~  
15 ~~expended through fiscal year 2029~~, for the Secretary of Labor (~~referred to in this section as the~~  
16 ~~“Secretary”~~) to award grants to **covered** States in accordance with this section to assist  
17 employers in such States who were issued special certificates under section 14(c) of the Fair  
18 Labor Standards Act of 1938 (29 U.S.C. 214(c)) ~~in transforming (or continuing to~~  
19 ~~transform)~~(**referred to in this part as “special certificates”**) **in transforming** their business  
20 and program models from providing employment using special certificates to business and  
21 program models that employ and support people with disabilities in competitive integrated  
22 employment ~~and to cover any administrative costs associated with such grants.:~~

23 (b) ~~Reservations and Allotments; Duration of Awards.~~—(1) **\$189,000,000 for subsection**  
24 **(d)(2)(B).**

25 (1) ~~Reservations.~~—(2) **\$81,000,000 for subsection (d)(2)(C).**

26 (A) ~~Allotments to non-covered states.~~—

27 (i) ~~In general.~~—~~The Secretary shall reserve 10 percent of the amount appropriated by~~  
28 ~~subsection (a) to award grants, in accordance to clause (ii), to States described in subsection~~  
29 ~~(c)(3) that submit an application under subsection (c) meeting the applicable requirements of~~  
30 ~~such subsection.~~

31 (ii) ~~Allotment amount.~~—~~The Secretary shall allot grants to each State under clause (i) a grant~~  
32 ~~in an amount that bears the same relationship to the total amount reserved under clause (i) as the~~  
33 ~~population of the State bears to the total population of all States described in such clause.~~

34 (B) ~~National technical assistance center.~~—~~The Secretary shall use 2 percent of the amounts~~  
35 ~~appropriated in subsection (a) to establish, either directly or through grants, contracts, or~~  
36 ~~cooperative agreements, a national technical assistance center to provide technical assistance to~~  
37 ~~employers who are transforming from employing people with disabilities using special~~  
38 ~~certificates to providing competitive integrated employment and to collect and disseminate~~  
39 ~~evidence-based practices with respect to the transformations and in providing competitive~~  
40 ~~integrated employment and integrated services.~~

1       (2) Allotments to covered states.—

2       (A) 15 or more covered states.—

3       (i) ~~In general.—In the case that, as of a date determined appropriate by the Secretary, there are~~  
4 ~~15 or more covered States the Secretary shall allot to each covered State a grant in an amount~~  
5 ~~equal to the sum of the allotted to such State under clauses (ii) and (iii).~~ (b) **Applications.**—

6  
7       \* 38 (ii) ~~Allotment based on number of employees under special certificates.—From the~~  
8 ~~total amount that is 70 percent of the funds appropriated under subsection (a) and not~~  
9 ~~reserved under paragraph (1), the Secretary shall allot to each covered State an amount that~~  
10 ~~bears the same relationship to such total amount as the number of people with disabilities~~  
11 ~~who are employed under a special certificate in the covered State bears to the total number~~  
12 ~~of people with disabilities who are employed under a special certificate in all covered~~  
13 ~~States.~~

14  
15       \* 39 (iii) ~~Allotment based on employers with special certificates.—From the total amount~~  
16 ~~that is 30 percent of the funds appropriated under subsection (a) and not reserved under~~  
17 ~~paragraph (1), the Secretary shall allot to each covered State an amount that bears the same~~  
18 ~~relationship to such total amount as the number of employers in the covered State who have~~  
19 ~~in effect a special certificate bears to the total number of employers in all covered States~~  
20 ~~who have in effect such a certificate.~~

21       (B) ~~14 or fewer covered states.—In the case that, as of the date determined appropriate by~~  
22 ~~the Secretary under subparagraph (A), there are fewer than 15 covered States, the Secretary~~  
23 ~~shall award grants to each covered State on a competitive basis in an amount that the~~  
24 ~~Secretary determines necessary to accomplish the purpose of the grant described in~~  
25 ~~subsection (a).~~

26       (C) ~~Covered state.—In this subsection, the term “covered State” means a State that —~~

27       (i) ~~is not described in subsection (c)(3); and~~

28       (ii) ~~submits an application under subsection (c) that meets the applicable requirements~~  
29 ~~under such subsection.~~

30       (3) ~~Duration of awards.—A grant under this section shall be awarded for a period of 5-~~  
31 ~~years.~~

32       (4) ~~Cutoff.—The Secretary may not issue a grant under this subsection after September~~  
33 ~~30, 2025.~~

34       (e) ~~Applications.—~~

35       (1) **IN GENERAL.**—To be eligible to receive a grant under this section, a **covered** State  
36 shall submit an application to the Secretary at such time, in such manner, and including  
37 such information as the Secretary may reasonably require.

38       (2) **CONTENTS.**—~~IN THE CASE OF A STATE NOT DESCRIBED IN PARAGRAPH (3), AN~~  
39 **CONTENTS.—Each** application submitted under paragraph (1) shall include—

40       (A) a description of the status of the employers in the **covered** State providing

1 employment using special certificates, ~~which may include~~ **including**—

2 (i) the number of employers in the **covered** State using special certificates to  
3 employ and pay people with disabilities;

4 (ii) the number of employees in the **covered** State employed under a special  
5 certificate;

6 (iii) the average number of hours such employees work per week; and

7 (iv) the average hourly wage for such employees;

8 (B) a description of activities to be funded under the grant, and the goals of such  
9 activities, including the activities of the **covered** State with respect to competitive  
10 integrated employment for people with disabilities; and

11 (C) assurances that—

12 (i) the activities carried out under the grant will, ~~by not later than the end of the~~  
13 ~~5-year grant period, result in~~—

14 ~~(I)~~ **result in**—

15 **(I) each employer in the covered State that, on the date of enactment**  
16 **of this Act, provides employment using special certificates transforming**  
17 **its business and program models as described in subsection (c)(1); and**

18 **(II) each employer in the covered State voluntarily ceasing to use special**  
19 **certificates by the end of the 5-year grant period and no longer applying for**  
20 **or renewing such certificates; or**

21 ~~(II) in the case of an employer in the State that, as of the date of enactment~~  
22 ~~of this Act, provides employment using special certificates, the employer—~~

23 ~~(aa) transforms its business and program models as described in~~  
24 ~~subsection (d)(1)(A); or~~

25 ~~(bb) ceases providing specialized employment services for people with~~  
26 ~~disabilities; and~~

27 (ii) each individual in the **covered** State who is employed under a special  
28 certificate ~~on or after the date of enactment will will, as a result of such a~~  
29 **transformation**, be employed in competitive integrated employment or a  
30 combination of competitive integrated employment and integrated services,  
31 including by compensating all employees of the employer for all hours worked at  
32 a rate that is—

33 (I) not less than the higher ~~of~~ **of**—

34 **(aa) the rate specified in section 6(a)(1) of the Fair Labor Standards**  
35 **Act of 1938 (29 U.S.C. 206(a)(1)) or;**

36 **(bb) the rate specified in the an applicable State or local minimum**  
37 **wage law, or; or**

38 **(cc) in the case of work on a contract that is subject to chapter 67**  
39 **of title 41, United States Code, the applicable prevailing wage rate**

1 under the McNamara-O'Hara Service Contract Act (41 U.S.C. 6701 et  
2 seq.); **such chapter**; and

3 (II) not less than the rate paid by the employer for the same or similar  
4 work performed by other employees who are not people with disabilities, and  
5 who are similarly situated in similar occupations by the same employer and  
6 who have similar training, experience, and skills; and

7 (iii) the **covered** State will establish an advisory council ~~described in~~  
8 ~~subsection (e)~~ to monitor and guide the process of transforming business and  
9 program models of employers in the **covered** State as described in subsection  
10 ~~(d)(1)(A)-(c)(1)~~.

11 ~~(3) Applications for states receiving amount from reservation. — In the case of a State that, as~~  
12 ~~of the date of enactment of this Act, is determined by the Secretary to have phased out or to be in~~  
13 ~~the process of phasing out the use of special certificates in the State, an application under this~~  
14 ~~subsection from such State shall include only the information described in paragraph (2)(B).~~

15 ~~(d) Use of Funds.—~~

16 ~~(1) In general. — In the case of a State not described in paragraph (2), such State~~ **(c) Use of**  
17 **Funds.—A covered State receiving a grant under this section** shall use the grant funds for  
18 each of the following activities:

19 ~~(A)(1)~~ Identifying each employer in the State that will transform its business and program  
20 models from employing people with disabilities using special certificates to employing  
21 people with disabilities in competitive integrated employment settings, or a setting  
22 involving a combination of competitive integrated employment and integrated services.

23 ~~(B)(2)~~ Implementing a service delivery infrastructure to support people with disabilities  
24 who have been employed under special certificates through such a transformation, including  
25 providing enhanced integrated services to support people with the most significant  
26 disabilities.

27 ~~(C)(3)~~ Expanding competitive integrated employment and integrated services to be  
28 provided to such people as a result of transformations described in ~~subparagraph (A)~~  
29 **paragraph (1)**.

30 ~~(2) States receiving amount from reservation. — A State that, as of~~ **(d) Allotments.—**

31 **(1) IN GENERAL.—Not later than 18 months after** the date of enactment of this Act, ~~is~~  
32 ~~determined by the Secretary to have phased out or to be in the process of phasing out the~~  
33 ~~use of special certificates in the State, shall use the grant funds for expansion of competitive~~  
34 ~~integrated employment and integrated services to be provided to people with disabilities.~~  
35 **the Secretary shall—**

36 ~~(e) Members of the Advisory Council.—A State receiving~~ **(A) determine the**  
37 **number of covered States; and**

38 **(B)(i) in a case in which the Secretary determines that there are 15 or more**  
39 **covered States, award each covered State a grant under paragraph (2); or**

40 **(ii) in a case in which the Secretary determines that there are 14 or fewer**  
41 **covered States, award each covered State a grant under paragraph (3) for the**

1 first 5-year grant period under such paragraph.

2 (2) 15 OR MORE COVERED STATES.—

3 (A) IN GENERAL.—In a case in which the Secretary determines under  
4 paragraph (1) that there are 15 or more covered States, from the funds  
5 appropriated under subsection (a), the Secretary shall allot to each covered State  
6 a grant under this section shall, for the purpose described in subsection (c)(2)(C)(iii),  
7 establish an advisory council composed of the following: in an amount equal to the  
8 sum of—

9 (1) ~~People with disabilities, including people with intellectual or developmental~~  
10 ~~disabilities and people with mental health disabilities, who are or were employed~~  
11 ~~under a special certificate, who shall comprise not less than 25 percent of the~~  
12 ~~members of such advisory council.~~ (i) the allotment made to the covered State  
13 in accordance with subparagraph (B); and

14 (2) ~~Family members of a person with an intellectual, developmental, or mental~~  
15 ~~health disability who is or was employed under a special certificate or is~~  
16 ~~employed in competitive integrated employment.~~

17 (3) ~~An employer providing competitive integrated employment.~~

18 (4) ~~An employer providing employment under special certificates.~~

19 (5) ~~Representatives of relevant State agencies with expertise in competitive~~  
20 ~~integrated employment, disability organizations with such expertise, and disability~~  
21 ~~related offices and groups with such expertise.~~ (ii) the allotment made to the  
22 covered State in accordance with subparagraph (C).

23 \*\* 38 (ii)(B) ALLOTMENT BASED ON THE NUMBER OF EMPLOYEES EMPLOYED UNDER  
24 SPECIAL CERTIFICATES.—From the total amount that is 70 percent of the funds  
25 appropriated under subsection (a) and not reserved under paragraph (1), the Secretary  
26 shall allot to each covered State an amount that bears the same relationship to such  
27 total amount as the number of people with disabilities who are employed under a  
28 special certificate in the covered State bears to the total number of people with  
29 disabilities who are employed under a special certificate in all covered States.

30 \*\* 39 (iii)(C) ALLOTMENT BASED ON THE NUMBER OF EMPLOYERS WITH SPECIAL  
31 CERTIFICATES.—From the total amount that is 30 percent of the funds appropriated  
32 under subsection (a) and not reserved under paragraph (1)(2), the Secretary shall allot  
33 to each covered State an amount that bears the same relationship to such total amount  
34 as the number of employers in the covered State who have in effect a special certificate  
35 bears to the total number of employers in all covered States who have in effect such a  
36 certificate.

37 SEC. 22202.(D) DATA.—In determining the number of people with disabilities  
38 who are employed under a special certificate for purposes of subparagraph (B)  
39 and the number of employers who have in effect a special certificate for purposes  
40 of subparagraph (C), the Secretary shall use the most accurate data available to  
41 the Secretary on the date of enactment of this Act.

42 (E) GRANT PERIOD.—A grant under this paragraph shall be awarded for a

1           period of 5 years.

2           **(3) 14 OR FEWER COVERED STATES.—**

3           **(A) IN GENERAL.—**In a case in which the Secretary determines under  
4           paragraph (1) that there are 14 or fewer covered States, from the funds  
5           appropriated under subsection (a), the Secretary shall award a grant to each  
6           covered State in an amount that the Secretary determines necessary for the  
7           covered State to accomplish the purpose of the grant described in such subsection  
8           and for the Secretary to meet the requirements of this paragraph.

9           **(B) GRANT PERIODS.—**

10           **(i) IN GENERAL.—**The Secretary shall award grants under this paragraph  
11           for 2 separate, 5-year grant periods.

12           **(ii) SECOND 5-YEAR GRANT PERIOD.—**Grants for the second 5-year grant  
13           period shall be awarded—

14                   **(I)** not earlier than the end of the second year of the first 5-year grant  
15                   period described in paragraph (1)(B)(ii); and

16                   **(II)** not later than September 30, 2025.

17           **(C) LIMIT ON NUMBER OF GRANTS.—**No State may receive more than 1 grant  
18           under this paragraph.

19           **(e) Definition of Covered State.—**In this section, the term “covered State” means a State  
20           (as defined in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203)) that—

21                   **(1)** as of the date of enactment of this Act, has not phased out, or is not in the  
22                   process of phasing out, the use of special certificates in the State; and

23                   **(2)** submits an application under subsection (b) that meets the requirements under  
24                   such subsection.

## 25           **SEC. 22202. GRANTS FOR STATES TO EXPAND** 26           **COMPETITIVE INTEGRATED EMPLOYMENT.**

27           **(a) Appropriation.—**In addition to amounts otherwise made available, there is  
28           appropriated to the Department of Labor for fiscal year 2022, out of any money in the  
29           Treasury not otherwise appropriated, \$24,000,000, to remain available through fiscal year  
30           2029, for the Secretary of Labor to award grants to covered States in accordance with this  
31           section to assist employers in such States who were issued special certificates in continuing  
32           to transform their business and program models from providing employment using special  
33           certificates to business and program models that employ and support people with  
34           disabilities in competitive integrated employment.

35           **(b) Applications.—**To be eligible to receive a grant under this section, a covered State  
36           shall submit an application to the Secretary at such time, in such manner, and include such  
37           information as the Secretary may reasonably require, including a description of activities  
38           to be funded under the grant and the activities of the covered State with respect to  
39           competitive integrated employment for people with disabilities.

1 (c) Use of Funds.—A covered State that receives a grant under this section shall use the  
2 grant funds for activities to expand competitive integrated employment and integrated  
3 services to be provided to people with disabilities.

4 (d) Grant Award.—Not later than 18 months after the date of enactment of this Act, the  
5 Secretary shall award each covered State a grant in an amount that bears the same  
6 relationship to the total amount appropriated under subsection (a) as the population of the  
7 covered State bears to the total population of all covered States.

8 (e) Grant Period.—A grant under this section shall be awarded for a period of 5 years.

9 (f) Definition of Covered State.—In this section, the term “covered State” means a State  
10 (as defined in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203)) that—

11 (1) as of the date of enactment of this Act, has phased out, or is the process of  
12 phasing out, the use of special certificates in the State; and

13 (2) submits an application under subsection (b) that meets the requirements under  
14 such subsection.

## 15 **SEC. 22203. TECHNICAL ASSISTANCE.**

16 In addition to amounts otherwise made available, there is appropriated to the  
17 Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise  
18 appropriated, \$6,000,000, to remain available through fiscal year 2029, for the Secretary to,  
19 in partnership with the Office of Special Education and Rehabilitative Services of the  
20 Department of Education, establish, either directly or through grants, contracts, or  
21 cooperative agreements, a national technical assistance center to—

22 (1) provide technical assistance to employers who are transforming from employing  
23 people with disabilities using special certificates to employing people with disabilities  
24 in competitive integrated employment settings; and

25 (2) collect and disseminate information on evidence-based practices for such  
26 transformations and for providing competitive integrated employment and integrated  
27 services.

## 28 **SEC. 22204. SUPPLEMENT AND NOT SUPPLANT.**

29 Any funds made available to a State under this part shall be used to supplement and not  
30 supplant any Federal, State, or local public funds expended—

31 (1) to assist employers in such State who were issued a special certificate in  
32 transforming (or continuing to transform) their business and program models from  
33 providing employment using special certificates to business and program models that  
34 employ and support people with disabilities in competitive integrated employment; or

35 (2) to support the employment of people with disabilities in competitive integrated  
36 employment.

## 37 **SEC. 22205. DEFINITIONS.**

38 In this part:



1 (1) COMPETITIVE INTEGRATED EMPLOYMENT.—The term “competitive integrated  
2 employment” has the meaning given such term in section 7(5) of the Rehabilitation Act of  
3 1973 (29 U.S.C. 705(5)).

4 (2) EMPLOYEE; EMPLOYER.—The terms “employee” and “employer” have the meanings  
5 given such terms in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203).

6 ~~(3) INTEGRATED COMMUNITY PARTICIPATION AND WRAPAROUND SERVICES; INTEGRATED~~  
7 ~~SERVICES.—THE TERMS “INTEGRATED COMMUNITY PARTICIPATION AND WRAPAROUND~~  
8 ~~SERVICES” OR “INTEGRATED SERVICES” MEAN SERVICES.—The term “integrated services”~~  
9 **means** services for people with disabilities that are—

10 (A) designed to assist such people in developing skills and abilities to reside  
11 successfully in home and community-based settings;

12 (B) provided in accordance with a person-centered written plan of care;

13 (C) created using evidence-based practices that lead to such people—

14 (i) maintaining competitive integrated employment;

15 (ii) achieving independent living; or

16 (iii) maximizing socioeconomic self-sufficiency, optimal independence, and  
17 full participation in the community;

18 (D) provided in a community location that is not specifically intended for people  
19 with disabilities;

20 (E) provided in a location that—

21 (i) allows the people receiving the services to interact with people without  
22 disabilities to the fullest extent possible; and

23 (ii) makes it possible for the people receiving the services to access community  
24 resources that are not specifically intended for people with disabilities and to have  
25 the same opportunity to participate in the community as people who do not have a  
26 disability; and

27 (F) provided in multiple locations to allow the individual receiving the services to  
28 have options, thereby—

29 (i) optimizing individual initiative, autonomy, and independence; and

30 (ii) facilitating choice regarding services and supports, and choice regarding the  
31 provider of such services.

32 (4) PEOPLE WITH DISABILITIES.—The term “people with disabilities” includes individuals  
33 described in section 14(c)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)(1)).

34 ~~(5) STATE.—THE TERM “STATE” HAS THE MEANING GIVEN THE TERM IN SECTION 3 OF THE~~  
35 ~~FAIR LABOR STANDARDS ACT OF 1938 (29 U.S.C. 203)).~~ **SECRETARY.—The term**  
36 **“Secretary” means the Secretary of Labor.**

37 **PART 4—RECRUITMENT, EDUCATION AND TRAINING,**  
38 **RETENTION, AND CAREER ADVANCEMENTS FOR THE**

# 1 DIRECT CARE WORKFORCE

## 2 SEC. 22301. DEFINITIONS.

3 In this part:

4 (1) ~~CTE~~ **CTE DEFINITIONS.**—The terms “**area career and technical education school**”,  
5 “evidence-based”, and “work-based learning” have the meanings given such terms in  
6 **paragraphs (3), (23), and (55), respectively, of section 3 of the Carl D. Perkins Career and**  
7 **Technical Education Act of 2006 (20 U.S.C. 2302).**

8 (2) ~~WIOA~~ **WIOA DEFINITIONS.**—The terms “career pathway”, “career planning”,  
9 “individual with a barrier to employment”, “local board”, “older individual”, “on-the-job  
10 training”, “recognized postsecondary credential”, and “State board” have the meanings  
11 given such terms ~~in~~ **paragraphs (7), (8), (24), (33), (39), (44), (52), and (57), respectively,**  
12 **of section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).**

13 (3) **OTHER DEFINITIONS.**—

14 (A) ~~DIRECT SUPPORT CAREER AND TECHNICAL EDUCATION SCHOOL.~~—~~THE TERM~~  
15 ~~“CAREER AND TECHNICAL EDUCATION SCHOOL” HAS THE MEANING GIVEN THE TERM~~  
16 ~~“ELIGIBLE RECIPIENT” IN SECTION 3 OF THE 3 OF THE CARL D. PERKINS CAREER AND~~  
17 ~~TECHNICAL EDUCATION ACT OF 2006 (20 U.S.C. 2302).~~

18 (B) ~~DIRECT CARE WORKER.~~—The term “**direct care support worker**” means—

19 (i) a direct support professional;

20 (ii) ~~any a worker who provides~~ **providing** direct care services ~~in~~, **which may**  
21 **include palliative care, in a** home or community-based setting;

22 (iii) a respite care provider who provides short-term support and care to an  
23 individual in order to provide relief to a family caregiver;

24 (iv) ~~a palliative care worker;~~

25 (v) a direct care worker, as defined in section 799B of the Public Health  
26 Service Act (42 U.S.C. ~~795p~~; **295p**); or

27 (vi) ~~(v)~~ an individual in any other position or job related to those described in  
28 clauses (i) through ~~(vi)~~ **(iv)**, as determined by the Secretary in consultation with  
29 the Secretary of Health and Human Services acting through the Administrator for  
30 the Administration for Community Living.

31 (C) ~~(B)~~ **ELIGIBLE ENTITY.**—The term “eligible entity” means an entity that is—

32 (i) a State;

33 (ii) a labor organization, **or** a joint labor-management organization, ~~or a~~  
34 ~~Multi-Employer Training and Education Fund;~~

35 (iii) a nonprofit organization with experience in aging, disability, supporting the  
36 rights and interests of direct ~~care~~ **support** workers, or training or educating direct  
37 ~~care~~ **support** workers;

38 (iv) an Indian Tribe or Tribal organization ~~(as defined in section 4 of the Indian~~

1 ~~Self-Determination and Education Assistance Act (25 U.S.C. 5304));~~

2 (v) an urban Indian organization~~(as defined in section 4 of the Indian Health-~~  
3 ~~Care Improvement Act (25 U.S.C. 1603));~~

4 (vi) a State board or local board;

5 (vii) an area agency on aging (as defined in section 102 of the Older Americans  
6 Act of 1965 (42 U.S.C. 3002));

7 (viii) when in partnership with an entity described in any of clauses (i) through  
8 ~~(vii)—~~**(vii) or with a consortium described in clause (ix)—**

9 (I) an institution of higher education (as defined in section 101 of the  
10 Higher Education Act of 1965 (20 U.S.C. 1001) or section 102(a)(1)(B) of  
11 such Act (20 U.S.C. 1002(a)(1)(B))); or

12 (II) **a an area** career and technical education school; or

13 (ix) a consortium of entities listed in any of clauses (i) through (vii).

14 ~~(D)~~**(C)** FAMILY CAREGIVER.—The term “family caregiver” means a paid or unpaid  
15 adult family member or other individual who has a significant relationship with, and  
16 who provides a broad range of assistance to, an individual with a chronic or other  
17 health condition, disability, or functional limitation.

18 ~~(E)~~**(D)** HOME AND COMMUNITY-BASED SERVICES.—The term “home and  
19 community-based services” has the meaning given such term in section 9817(a)(2) of  
20 the American Rescue Plan Act of 2021 (Public Law 117–2).

21 ~~(F)~~**(E)** PERSON WITH A DISABILITY.—The term “person with a disability” means an  
22 individual with a disability as defined in section 3 of the Americans with Disabilities  
23 Act of 1990 (42 U.S.C. 12102).

24 ~~(G)~~**(F)** PRE-APPRENTICESHIP PROGRAM.—The term “pre-apprenticeship program”  
25 means a program that articulates to a registered apprenticeship program.

26 ~~(H)~~**(G)** REGISTERED APPRENTICESHIP PROGRAM.—The term “registered  
27 apprenticeship program” means an apprenticeship program registered ~~under~~ **with the**  
28 **Office of Apprenticeship of the Employment Training Administration of the**  
29 **Department of Labor or a State apprenticeship agency recognized by the Office of**  
30 **Apprenticeship pursuant to** the Act of August 16, 1937 (commonly known as the  
31 “National Apprenticeship Act”; 50 Stat. 664, chapter 663; ~~29 U.S.C. 50 et seq.~~).

32 ~~(I)~~**(H)** SECRETARY.—The term “Secretary” means the Secretary of Labor.

33 ~~(J)~~**(I)** STATE.—The term “State” means each of the 50 States of the United States,  
34 the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam,  
35 the United States Virgin Islands, and the Commonwealth of the Northern Mariana  
36 Islands.

37 **SEC. 22302. GRANTS TO SUPPORT THE DIRECT CARE**  
38 **WORKFORCE.**

39 (a) Grants Authorized.—In addition to amounts otherwise available, there is appropriated to

1 the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
2 ~~\$1,480,000,000~~ **\$1,000,000,000**, to remain available until September 30, 2031, for awarding, on  
3 a competitive basis, grants to eligible entities to carry out the activities described in subsection  
4 (c) with respect to direct ~~care~~ **support** workers.

5 (b) Applications; Award Basis.—

6 (1) APPLICATIONS.—

7 (A) IN GENERAL.—An eligible entity seeking a grant under subsection (a) shall  
8 submit to the Secretary an application at such time, in such manner, and containing  
9 such information as the Secretary, in coordination with the Secretary of Health and  
10 Human Services acting through the Administrator of the Administration for  
11 Community Living, may require.

12 (B) CONTENTS.—Each application under subparagraph (A) shall include—

13 (i) a description of the type or types of direct ~~care~~ **support** workers the entity  
14 plans to serve through the activities supported by the grant;

15 (ii) a description of the one or more eligible ~~partnering~~ entities collaborating to  
16 carry out the activities described in subsection (c); **and**

17 (iii) an assurance that—

18 (I) the eligible entity will ~~establish a consultative process, as described in~~  
19 ~~subsection (c)(2);~~ **consult on the development and implementation of the**  
20 **grant, with direct support workers, their representatives, and recipients**  
21 **of direct care services and their families; and**

22 (II) the eligible entity will consult on the implementation of the grant, or  
23 coordinate the activities of the grant, with the agencies in the State that are  
24 responsible for developmental disability services, aging, education,  
25 workforce development, and Medicaid, to the extent that each such entity is  
26 not the eligible entity; ~~and.~~

27 ~~(iv) a plan for ensuring that the eligible entity will remain neutral in any organizing effort~~  
28 ~~involving direct care workers served by the grant who seek to form, join, or assist a labor~~  
29 ~~organization.~~

30 ~~(2) Consideration.—In awarding grants under subsection (a), the Secretary, in~~  
31 ~~coordination with the Secretary of Health and Human services acting through the~~  
32 ~~Administrator of the Administration for Community Living, shall ensure equitable~~  
33 ~~geographic diversity in distribution of the grants, including by selecting recipients in rural~~  
34 ~~areas and selecting recipients in urban areas.~~

35 ~~(3)~~**(2) DURATION OF GRANTS.**—A grant awarded under this section shall be for a period of  
36 3 years, and may be renewed. The Secretary, in coordination with the Secretary of Health  
37 and Human Services acting through the Administrator of the Administration for Community  
38 Living, shall award grants (including any renewals) under this section in 3-year cycles  
39 subject to the limits set forth in subsection (a).

40 (c) Use of Funds.—

1           (1) ~~In general.~~—

2           ~~(A)~~ REQUIRED USE OF FUNDS.—Each eligible entity receiving a grant under subsection (a)  
3 shall use the grant funds to provide competitive wages, benefits, and other supportive  
4 services, including transportation, child care, dependent care, workplace accommodations,  
5 and workplace health and safety protections, to the direct ~~care~~ **support** workers served by  
6 the grant that are necessary to enable such workers to participate in the activities supported  
7 by the grant.

8           ~~(B)~~ **(2)** ADDITIONAL ACTIVITIES.—In addition to the requirement described in  
9 subparagraph ~~(A)~~ **paragraph (1)**, each eligible entity receiving a grant under subsection (a)  
10 shall use the grant funds for one or more of the following activities:

11           ~~(i)~~ **(A)** Developing and implementing a strategy for the recruitment of direct ~~care~~  
12 **support** workers.

13           ~~(ii)~~ **(B)** Developing and implementing a strategy for the retention of direct ~~care~~  
14 **support** workers using evidence-based best practices, such as providing mentoring to  
15 such workers, **including a strategy that can also support family caregivers.**—

16           ~~(iii)~~ **(C)** Developing or implementing an education and training program for the  
17 direct ~~care~~ **support** workers served by the grant, which shall include—

18           ~~(i)~~ **(i)** education and training on—

19           ~~(aa)~~ **(I)** the rights of direct ~~care~~ **support** workers under applicable Federal,  
20 State, or local employment law on—

21           ~~(AA)~~ **(aa)** wages and hours, including under **sections 3, 6, 7, 12, and**  
22 **13 of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.); 203,**  
23 **206, 207, 212, 213);**

24           ~~(BB)~~ **(bb)** safe working conditions, including under **section 5 of the**  
25 **Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.);**  
26 **654); and**

27           ~~(CC)~~ **(cc)** forming, joining, or assisting a labor organization, including  
28 under **sections 7 and 8 of the National Labor Relations Act (29 U.S.C.**  
29 **153 et seq.); and 157, 158); and**

30           ~~(DD)~~ **other applicable terms and conditions of employment; and**

31           ~~(bb)~~ **(II)** relevant Federal and State laws (including regulations) on the  
32 provision of home and community-based services; and

33           ~~(H)~~ **(ii)** providing a progressively increasing, clearly defined schedule of hourly  
34 wages to be paid to each direct ~~care~~ **support** worker served by the grant for each  
35 hour the worker spends on education or training provided through the program  
36 described in this ~~clause~~ **subparagraph**, with a schedule of hourly wages that—

37           ~~(aa)~~ **(I)** is consistent with measurable skill gains or attainment of a  
38 recognized postsecondary credential received as a result of participation in or  
39 completion of such education or training program; and

40           ~~(bb)~~ **(II)** ensures that each such worker is compensated for each hour the

1 worker spends on education or training through such program at an entry rate  
2 that is not less than the greater of the applicable minimum wage required by  
3 other applicable Federal, State, or local law, or a collective bargaining  
4 agreement;

5 ~~(H)~~(iii) developing and implementing a strategy for the retention and career  
6 advancement of the direct care **support** workers served by the grant, including  
7 providing career planning for the direct care **support** workers served by the grant  
8 to support the identification of advancement opportunities, and career pathways in  
9 the direct care or home care sectors; and

10 ~~(V)~~(iv) using evidence-based models and standards for achievement for the  
11 attainment of any associated recognized postsecondary credentials, which  
12 include—

13 ~~(aa)~~(I) supporting opportunities to participate in pre-apprenticeship or  
14 registered apprenticeship programs, work-based learning, or on-the-job  
15 training;

16 ~~(bb)~~(II) providing on-the-job supervision or mentoring to support the  
17 development of related skills and competencies throughout completion of  
18 such credentials; and

19 ~~(cc)~~(III) training on the in-demand skills and competencies of direct care  
20 **support** workers served by the grant, including the provision of culturally  
21 competent and disability competent supports and services.

22 ~~(2) Consultation.— Each eligible entity receiving a grant under this section shall consult in the~~  
23 ~~development and implementation of the grant with—~~

24 ~~(A) individuals with disabilities;~~

25 ~~(B) older individuals;~~

26 ~~(C) direct care workers;~~

27 ~~(D) family caregivers, guardians, or family members; or~~

28 ~~(E) representatives of—~~

29 ~~(i) organizations representing the rights and interests of people receiving home and~~  
30 ~~community based services;~~

31 ~~(ii) provider agencies or employers of direct care workers served by the grant;~~

32 ~~(iii) labor or joint labor management organizations, or advocacy organizations, representing~~  
33 ~~direct care workers served by the grant; or~~

34 ~~(iv) institutions of higher education or career and technical education schools providing~~  
35 ~~education and training on direct care.~~

36 (d) Supplement and Not Supplant.—An eligible entity receiving a grant under this section  
37 shall use such grant only to supplement, and not supplant, the amount of funds that, in the  
38 absence of such grant, would be available to the eligible entity to address the recruitment,  
39 education and training, retention, or career advancement of direct care **support** workers in the  
40 State served by the grant.

~~PART 5—WORKFORCE DEVELOPMENT PROGRAMS IN  
SUPPORT OF COMMUNITIES AND THE ENVIRONMENT  
SEC. 22401. CORPORATION FOR NATIONAL AND  
COMMUNITY SERVICE.~~

~~(a) In General.—~~

~~(1) Americorps state and national programs.—~~

~~(A) In general.— In addition to amounts otherwise made  
available, there is appropriated for fiscal year 2023, out of any  
money in the Treasury not otherwise appropriated, to the  
Corporation for National and Community Service,  
\$1,305,000,000, to remain available until September 30, 2027,  
for carrying out national service programs authorized under  
section 122(a)(3)(B) of the National and Community Service  
Act of 1990 (42 U.S.C. 12572(a)(3)(B)) which shall be used to  
make funding adjustments to existing (as of the date of  
enactment of this Act) awards and make new awards to entities  
to support national service programs authorized under the  
AmeriCorps State and National program (whether or not the  
entities are already grant recipients under such provisions on the  
date of enactment of this Act) and to increase the living  
allowances of participants in national service programs.~~

~~(B) Waiver of matching requirement.— For the purposes of  
carrying out this subparagraph, the Corporation shall waive any  
match requirement in whole or in part where a grantee  
demonstrates such waiver would increase access and remove  
barriers for organizations that serve communities that are  
adversely affected by persistent poverty, discrimination, or  
inequality.~~

~~(2) National civilian community corps.— In addition to amounts~~

1 ~~otherwise made available, there is appropriated for fiscal year~~  
2 ~~2023, out of any money in the Treasury not otherwise~~  
3 ~~appropriated, to the Corporation for National and Community~~  
4 ~~Service, \$80,000,000, to remain available until September 30,~~  
5 ~~2027, for carrying out the National Civilian Community Corps~~  
6 ~~authorized under section 152 of the National and Community~~  
7 ~~Service Act of 1990 (42 U.S.C. 12612).~~

8 ~~(3) Volunteers in service to america program.— In addition to~~  
9 ~~amounts otherwise made available, there is appropriated for~~  
10 ~~fiscal year 2023, out of any money in the Treasury not otherwise~~  
11 ~~appropriated, to the Corporation for National and Community~~  
12 ~~Service, \$100,000,000, to remain available until September 30,~~  
13 ~~2027, for carrying out the Volunteers in Service to America~~  
14 ~~(VISTA) program for the purposes described in section 101 of~~  
15 ~~the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951),~~  
16 ~~including to increase the living allowances of volunteers,~~  
17 ~~described in section 105(b) of such Act (42 U.S.C. 4955).~~

18 ~~(4) State commissions.— In addition to amounts otherwise made~~  
19 ~~available, there is appropriated for fiscal year 2023, out of any~~  
20 ~~money in the Treasury not otherwise appropriated, to the~~  
21 ~~Corporation for National and Community Service, \$40,000,000,~~  
22 ~~to remain available until September 30, 2027, to make~~  
23 ~~adjustments to existing (as of the date of enactment of this Act)~~  
24 ~~awards and new and additional awards, including awards to~~  
25 ~~State Commissions on National and Community Service, under~~  
26 ~~section 126(a) of the National and Community Service Act of~~  
27 ~~1990 (42 U.S.C. 12576(a)).~~

28 ~~(5) Use of funds.— Amounts made available under paragraphs~~  
29 ~~(1) through (4) shall be used by the Corporation for National and~~  
30 ~~Community Service to carry out activities described in section~~



1 ~~122(a)(3)(B) of the National and Community Service Act of~~  
2 ~~1990 (42 U.S.C. 12572(a)(3)(B)) and for activities related to~~  
3 ~~environmental resiliency, remediation, or mitigation by—~~

4 ~~(A) ensuring at least 50 percent of such funds are awarded to~~  
5 ~~entities that serve, and have representation from, low-income~~  
6 ~~communities, Tribal, Alaska Native, or Native Hawaiian~~  
7 ~~communities, or communities experiencing (or at risk of~~  
8 ~~experiencing) adverse health and environmental conditions;~~

9 ~~(B) taking into account the diversity of communities served by~~  
10 ~~such entities and the diversity of AmeriCorps members serving~~  
11 ~~in these projects, including racial, ethnic, socioeconomic,~~  
12 ~~linguistic, or geographic diversity, and utilizing culturally~~  
13 ~~competent and multilingual strategies in the provision of~~  
14 ~~services to communities and in the recruitment of members;~~

15 ~~(C) supporting projects that are planned and implemented with~~  
16 ~~the community served by such activities;~~

17 ~~(D) providing participants with workforce development~~  
18 ~~opportunities such as pre-apprenticeship programs that articulate~~  
19 ~~to registered apprenticeships, and pathways to post-service~~  
20 ~~employment in high-quality jobs or registered apprenticeships;~~  
21 ~~and~~

22 ~~(E) coordinating with and providing resources to the~~  
23 ~~Departments of Labor and Education to improve the readiness of~~  
24 ~~participants to transition to high-quality jobs or further~~  
25 ~~education.~~

26 ~~(b) Administrative Costs.—~~

27 ~~(1) In general.— In addition to amounts otherwise made~~  
28 ~~available, there is appropriated for fiscal year 2022, out of any~~  
29 ~~money in the Treasury not otherwise appropriated, to the~~

1 ~~Corporation for National and Community Service,~~  
2 ~~\$199,650,000, to remain available until September 30, 2027,~~  
3 ~~which shall be used for administrative expenses as provided~~  
4 ~~under section 501(a)(5) of the National and Community Service~~  
5 ~~Act of 1990 (42 U.S.C. 12681(a)(5)) and under section 504(a) of~~  
6 ~~the Domestic Volunteer Service Act of 1973 (42 U.S.C.~~  
7 ~~5084(a)), including an evaluation of the Corporation's~~  
8 ~~information technology security, corrective actions to address~~  
9 ~~recommendations arising from audits of the agency and the~~  
10 ~~National Service Trust, and, in consultation with the Inspector~~  
11 ~~General, the development of grant fraud prevention and~~  
12 ~~detection controls and risk-based anti-fraud grant monitoring.~~  
13 ~~Not less than 5 percent of funds under this paragraph shall be~~  
14 ~~reserved for outreach to and recruitment of members from~~  
15 ~~communities traditionally underrepresented in the programs and~~  
16 ~~activities funded under this section.~~

17 ~~(2) Project, operations, and management plan.—In addition to~~  
18 ~~amounts otherwise made available, there is appropriated for~~  
19 ~~fiscal year 2022, out of any money in the Treasury not otherwise~~  
20 ~~appropriated, to the Corporation for National and Community~~  
21 ~~Service, \$350,000, to remain available until September 30,~~  
22 ~~2023, which shall be used by the Chief Executive Officer of the~~  
23 ~~Corporation for National and Community Service in~~  
24 ~~collaboration with the Department of Labor, to develop, issue,~~  
25 ~~and implement a project, operations, and management plan for~~  
26 ~~funds appropriated under this section. In developing the~~  
27 ~~financial management portion of the plan, the Chief Executive~~  
28 ~~Officer shall consult with the Inspector General. Such plan shall~~  
29 ~~be provided to the Committee on Education and Labor of the~~  
30 ~~House of Representatives and the Committee on Health,~~  
31 ~~Education, Labor, and Pensions of the Senate prior to obligating~~

1 ~~funds or making outlays for funds appropriated under subsection~~  
2 ~~(a). 5—DEPARTMENT OF LABOR INSPECTOR~~  
3 ~~GENERAL AND PROGRAM ADMINISTRATION~~  
4 ~~FUNDING~~

5  
6 ~~\* 48 (c) Office of Inspector General.— In addition to amounts~~  
7 ~~otherwise made available, there is appropriated for fiscal year~~  
8 ~~2022, out of any money in the Treasury not otherwise~~  
9 ~~appropriated, to the Office of Inspector General of the~~  
10 ~~Corporation for National and Community Service, \$15,000,000~~  
11 ~~to remain available until September 30, 2030, which shall be~~  
12 ~~used by the Office of Inspector General of the Corporation for~~  
13 ~~National and Community Service for salaries and expenses~~  
14 ~~necessary for oversight and audit of programs, activities and~~  
15 ~~operations funded under this section.~~

16 ~~(d) National Service Trust.— In addition to amounts otherwise~~  
17 ~~made available, there is appropriated for fiscal year 2023, out of~~  
18 ~~any money in the Treasury not otherwise appropriated, to the~~  
19 ~~National Service Trust, \$260,000,000, to remain available until~~  
20 ~~expended, for—~~

21 ~~(1) administration of the National Service Trust; and~~

22 ~~(2) payment to the Trust for the provision of educational awards~~  
23 ~~pursuant to section 145(a)(1)(A) and section 148 of the National~~  
24 ~~and Community Service Act of 1990 (42 U.S.C. 12601(a)(1)(A);~~  
25 ~~12604).~~

26 ~~SEC. 22402. DEPARTMENT OF LABOR.~~

27 ~~(a) In General.—~~

28 ~~(1) Youthbuild program.— In addition to amounts otherwise~~

1 ~~made available, there is appropriated for fiscal year 2023, out of~~  
2 ~~any money in the Treasury not otherwise appropriated, to the~~  
3 ~~Department of Labor, \$250,000,000, to remain available until~~  
4 ~~September 30, 2027, except that no amounts may be expended~~  
5 ~~after September 30, 2031, for the YouthBuild program~~  
6 ~~authorized under section 171(c)(1) of the Workforce Innovation~~  
7 ~~and Opportunity Act (29 U.S.C. 3226(c)(1)), including for the~~  
8 ~~purposes of improving and expanding access to services,~~  
9 ~~stipends, wages, and benefits described in subsections~~  
10 ~~(c)(2)(A)(vii) and (c)(2)(F) of section 171 of such Act.~~

11 ~~(2) Job corps program. In addition to amounts otherwise made~~  
12 ~~available, there is appropriated for fiscal year 2023, out of any~~  
13 ~~money in the Treasury not otherwise appropriated, to the~~  
14 ~~Department of Labor, \$500,000,000, to remain available until~~  
15 ~~September 30, 2030, except that no amounts may be expended~~  
16 ~~after September 30, 2031, for the Job Corps program authorized~~  
17 ~~under section 143 of the Workforce Innovation and Opportunity~~  
18 ~~Act (29 U.S.C. 3193 et seq.), including Civilian Conservation~~  
19 ~~Centers as described in section 147(d)(1) of such Act (29 U.S.C.~~  
20 ~~3197) and for the purposes of improving and expanding access~~  
21 ~~to allowances and supports described in section 150 of such Act~~  
22 ~~(29 U.S.C. 3200).~~

23 ~~(3) Ex offender activities. In addition to amounts otherwise~~  
24 ~~made available, there is appropriated for fiscal year 2023, out of~~  
25 ~~any money in the Treasury not otherwise appropriated, to the~~  
26 ~~Department of Labor, \$500,000,000, to remain available until~~  
27 ~~September 30, 2027, except that no amounts may be expended~~  
28 ~~after September 30, 2031, for ex offender activities under the~~  
29 ~~authority of section 169(b)(5) of the Workforce Innovation and~~  
30 ~~Opportunity Act (29 U.S.C. 3224(b)(5)).~~

1 ~~(4) Apprenticeship programs.—In addition to amounts otherwise~~  
2 ~~made available, there is appropriated for fiscal year 2023, out of~~  
3 ~~any money in the Treasury not otherwise appropriated, to the~~  
4 ~~Department of Labor, \$1,000,000,000, to remain available until~~  
5 ~~September 30, 2027, except that no amounts may be expended~~  
6 ~~after September 30, 2031, to carry out activities through grants,~~  
7 ~~cooperative agreements, contracts or other arrangements, with~~  
8 ~~States and other appropriate entities, including equity~~  
9 ~~intermediaries and business and labor industry partner~~  
10 ~~intermediaries, to create or expand only apprenticeship programs~~  
11 ~~registered under the Act of August 16, 1937 (commonly known~~  
12 ~~as the “National Apprenticeship Act”; 50 Stat. 664, chapter 663;~~  
13 ~~29 U.S.C. 50 et seq.), youth apprenticeship programs, and~~  
14 ~~pre-apprenticeship programs articulating to apprenticeship~~  
15 ~~programs registered under such Act.~~

16 ~~(5) Paid youth employment activities.—In addition to amounts~~  
17 ~~otherwise made available, there is appropriated for fiscal year~~  
18 ~~2023, out of any money in the Treasury not otherwise~~  
19 ~~appropriated, to the Department of Labor, \$249,800,000, to~~  
20 ~~remain available until September 30, 2030, except that no~~  
21 ~~amounts may be expended after September 30, 2031, for paid~~  
22 ~~youth employment activities under the authority of section~~  
23 ~~169(b)(5) of the Workforce Innovation and Opportunity Act (29~~  
24 ~~U.S.C. 3224(b)(5)) for in-school and out-of-school youth as~~  
25 ~~defined in section 3 of such Act (29 U.S.C. 3102).~~

26 ~~(b) Use of Funds.—Amounts made available under paragraphs~~  
27 ~~(1) through (8) of subsection (a) shall be used for activities to~~  
28 ~~include training for careers in industry sectors and occupations~~  
29 ~~related to environmental resiliency, remediation, or mitigation~~  
30 ~~and activities to increase diversity within such industry sectors~~

1 ~~and occupations, taking into account the diversity of~~  
2 ~~communities and participants served by such programs,~~  
3 ~~including racial, ethnic, socioeconomic, linguistic, or geographic~~  
4 ~~diversity.~~

5 ~~(c) Project, Operations, and Management Plan.—In addition to~~  
6 ~~amounts otherwise made available, there is appropriated for~~  
7 ~~fiscal year 2022, out of any money in the Treasury not otherwise~~  
8 ~~appropriated, to the Department of Labor, \$200,000, to remain~~  
9 ~~available until September 30, 2023, which shall be used by the~~  
10 ~~Secretary of Labor in collaboration with the Chief Executive~~  
11 ~~Officer of the Corporation for National and Community Service,~~  
12 ~~to develop and issue a project, operations, and management plan~~  
13 ~~for funds appropriated under this section. Such plan shall be~~  
14 ~~provided to the Committee on Education and Labor of the House~~  
15 ~~of Representatives and the Committee on Health, Education,~~  
16 ~~Labor, and Pensions of the Senate prior to obligating funds or~~  
17 ~~making outlays for funds appropriated under subsection (a).~~

18 ~~PART 6 DEPARTMENT OF LABOR INSPECTOR~~  
19 ~~GENERAL FUNDING~~

20 ~~SEC. 22501~~ **SEC. 22401.** DEPARTMENT OF LABOR  
21 **INSPECTOR GENERAL FUNDING.**

22 In addition to amounts otherwise available, there is appropriated to the Office of Inspector  
23 General of the Department of Labor for fiscal year 2022, out of any money in the Treasury not  
24 otherwise appropriated, ~~\$100,000,000~~ **\$40,000,000**, to remain available until expended, for  
25 salaries and expenses necessary for oversight, investigations, and audits of programs, grants, and  
26 projects of the Department of Labor funded under this subtitle and subtitle B of this title.

27 **SEC. 22402. PROGRAM ADMINISTRATION.**

28 In addition to amounts otherwise available, there is appropriated to the Department of  
29 Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
30 **\$90,000,000**, to remain available until September 30, 2029, for program administration  
31 within the Department of Labor for salaries and expenses necessary to implement part 1  
32 (other than section 22007), and parts 3 and 4, of this subtitle.

1 Subtitle D—Child Care and Universal Pre-~~Kindergarten~~  
2 **kindergarten**

3 **SEC. 23001. BIRTH THROUGH FIVE CHILD CARE AND**  
4 **EARLY LEARNING ENTITLEMENT.**

5 (a) ~~Child Care Definitions.—The Short Title.—This section may be cited as the “Birth-~~  
6 ~~Through Five Child Care and Early Learning Entitlement Act”.~~

7 (b) ~~Definitions.—~~

8 (1) ~~In general.—The definitions in section 658P of the Child Care and Development Block~~  
9 ~~Grant Act of 1990 (42 U.S.C. 9858n) shall apply to this section, except as provided in~~  
10 ~~subparagraph (2) subsection (b) and as otherwise specified.~~

11 (2)(b) ~~Additional terms.—In Definitions.—In this section:~~

12 (A)(1) ~~CHILD CARE CERTIFICATE.—~~

13 (i)(A) ~~IN GENERAL.—The term “child care certificate” means a certificate (that may~~  
14 ~~be a check or other disbursement) that is issued by a State, Tribal, territorial, or local~~  
15 ~~government under this section directly to a parent who may shall use such certificate~~  
16 ~~only as payment for child care services or as a deposit for child care services if such a~~  
17 ~~deposit is required of other children being cared for by the provider.~~

18 (ii)(B) ~~RULE.—Nothing in this section shall preclude the use of such certificates for~~  
19 ~~sectarian child care services if freely chosen by the parent. For the purposes of this~~  
20 ~~section, child care certificates shall be considered Federal financial assistance to the~~  
21 ~~provider.~~

22 (B)(2) ~~CHILD EXPERIENCING HOMELESSNESS.—The term “child experiencing~~  
23 ~~homelessness” means an individual who is a homeless child or youth under section 725 of~~  
24 ~~the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a).~~

25 (C)(3) ~~ELIGIBLE ACTIVITY.—The term “eligible activity”, with respect to a parent, shall~~  
26 ~~include, at minimum, activities consisting of—~~

27 (i)(A) ~~full-time or part-time employment;~~

28 (ii)(B) ~~self-employment;~~

29 (iii)(C) ~~job search activities;~~

30 (iv)(D) ~~job training;~~

31 (v)(E) ~~secondary, postsecondary, or adult education, including education through a~~  
32 ~~program of high school classes, a course of study at an institution of higher education,~~  
33 ~~classes towards an equivalent of a high school diploma recognized by State law, or~~  
34 ~~English as a second language classes;~~

35 (vi)(F) ~~health treatment (including mental health and substance use treatment) for a~~  
36 ~~condition that prevents the parent from participating in other eligible activities;~~

37 (vii)(G) ~~activities to prevent child abuse and neglect, or family violence prevention~~

1 or intervention activities;

2 ~~(viii)~~**(H)** employment and training activities under the supplemental nutrition  
3 assistance program established under **section 6(d)(4)** the Food and Nutrition Act of  
4 2008 (7 U.S.C. ~~2011 et seq.~~; **2015(d)(4)**);

5 ~~(ix)~~**(I)** employment and training activities under the Workforce Innovation and  
6 Opportunity Act(~~29 U.S.C. 3101~~);

7 ~~(x) work activities under the program of block grants to States for temporary~~  
8 ~~assistance for needy families under part A of title IV~~**(J) a work activity described in**  
9 **subsection (d) of section 407** of the Social Security Act (42 U.S.C. ~~601 et seq.~~; and  
10 **607) for which, consistent with clauses (ii) and (iii) of section 402(a)(1)(A) of such**  
11 **Act (42 U.S.C. 602(a)(1)(A)), a parent or caretaker is treated as being engaged in**  
12 **work for a month in a fiscal year for purposes of the program of block grants to**  
13 **States for temporary assistance for needy families established under part A of**  
14 **title IV of the Social Security Act; and**

15 ~~(xi)~~**(K)** taking leave under the Family and Medical Leave Act of 1993 (~~29 U.S.C.~~  
16 ~~2601 et seq.~~)(or equivalent provisions for Federal employees), a State or local paid or  
17 unpaid leave law, or a program of employer-provided leave.

18 ~~(D)(4) ELIGIBLE CHILD.—THE CHILD.—~~

19 **(A) IN GENERAL.—The term “eligible child” means an individual**~~(without regard to~~  
20 ~~the immigration status of the individual or of any parent of the individual)—, subject~~  
21 **to subsection (g)(1)(C)(i)(III)—**

22 (i) who is less than 6 years of age;

23 (ii) who is not yet in kindergarten;

24 (iii) whose family income—

25 (I) does not exceed 100 percent of the State median income for a family of  
26 the same size for fiscal year 2022;

27 (II) does not exceed ~~115~~ **125** percent of such State median income for  
28 fiscal year 2023;

29 (III) does not exceed ~~130~~ **150** percent of such State median income for  
30 fiscal year 2024; and

31 (IV) **does not exceed 250 percent of such State median income** for each  
32 of the fiscal years 2025 through 2027, ~~is of any level;~~ **and**

33 ~~(iv) whose family assets do not exceed \$1,000,000 (as certified by a member of~~  
34 ~~such family); and~~

35 ~~(v)~~**(iv)** who—

36 (I) resides with a parent **or parents who are** participating in an eligible  
37 activity;

38 (II) is included in a population of vulnerable children identified by the lead  
39 agency involved, which at a minimum shall include children **with**



1                    **disabilities, infants and toddlers with disabilities, children** experiencing  
2                    homelessness, children in foster care, children in kinship care, and children  
3                    who are receiving, or need to receive, child protective services; or

4                    (III) resides with a parent who is more than 65 years of age.

5                    **(B) EXPANDED ELIGIBILITY RULE FOR FISCAL YEARS 2022 THROUGH 2024.—**

6                    **(i) IN GENERAL.—A child who is eligible to receive services under this**  
7                    **subparagraph shall be treated as an eligible child for the other provisions of**  
8                    **this section.**

9                    **(ii) RULE.—Notwithstanding subparagraph (A)(iii), a State may use the**  
10                    **payments under subsection (g)(1) for fiscal year 2022, 2023, or 2024, to**  
11                    **provide direct child care services described in subsection (h)(1)(A) to**  
12                    **children who meet the requirements of clauses (i), (ii), and (iv) of**  
13                    **subparagraph (A) and whose family income exceeds the percentage specified**  
14                    **in subparagraph (A)(iii) (but does not exceed 250 percent) of State median**  
15                    **income for a family of the same size for a given fiscal year, if the State has**  
16                    **appropriately prioritized, subject to approval by the Secretary, assistance for**  
17                    **such services based on family income.**

18                    **(iii) VARIATION IN COST OF LIVING.—In determining eligibility under this**  
19                    **subparagraph, the State may take into consideration geographic variation in**  
20                    **the cost of living among regions of the State and expand eligibility for**  
21                    **children described in clause (ii) in a region of the State based on such**  
22                    **variation, subject to approval by the Secretary.**

23                    **(5)(E) ELIGIBLE CHILD CARE PROVIDER.—**

24                    **(A) IN GENERAL.—The term “eligible child care provider” means a center-based**  
25                    **child care provider, a family child care provider, or other provider of child care**  
26                    **services for compensation that—**

27                    **(i) is licensed to provide child care services under State law or, in the case**  
28                    **of an Indian Tribe or Tribal organization, meets the rules set by the**  
29                    **Secretary;**

30                    **(ii) participates in the State’s tiered system for measuring the quality of**  
31                    **eligible child care providers described in subsection (4)(B)—(f)(4)(B), or, in**  
32                    **the case of an Indian Tribe or Tribal organization, meets the rules set by the**  
33                    **Secretary—**

34                    **(aa)(I) not later than the last day of the third fiscal year for which the State**  
35                    **receives funds under this section; and**

36                    **(bb)(II) for the remainder of the period for which the provider receives**  
37                    **funds under this section; and**

38                    **(iii) satisfies the State and local requirements applicable to eligible child**  
39                    **care providers under the Child Care and Development Block Grant Act of**  
40                    **1990(42 U.S.C. 9857 et seq.), including those requirements described in section**  
41                    **658E(c)(2)(I) of such Act (42 U.S.C. 9858c(c)(2)(I)).**

1           ~~(ii)~~**(B)** SPECIAL RULE.—A child care provider who ~~has been~~ is eligible to provide  
2 child care services in a State for children receiving assistance under the Child Care and  
3 Development Block Grant Act of 1990 (~~42 U.S.C. 9857 et seq.~~) on the date the State  
4 submits an application for funds under this section ~~and remains in good standing with,~~  
5 **and remains in compliance with any licensing or registration standards, or**  
6 **regulations, of the State, shall be deemed to be an eligible child care provider under**  
7 this section for ~~3~~ **3.5** years after the State **first** receives funding under this section.

8           ~~(F)~~**(6)** FMAP.—The term “FMAP” has the meaning given the term “Federal medical  
9 assistance percentage” in the first sentence of section 1905(b) of the Social Security Act (42  
10 U.S.C. 1396d(b)).

11           ~~(G)~~**(7)** FAMILY CHILD CARE PROVIDER.—~~FAMILY PROVIDER.~~—The term “family child  
12 care ~~provider~~ **provider**” means one or more individuals who provide child care services  
13 ~~less than 24 hours per day per child,~~ in a private residence other than the residences of the  
14 children, ~~unless care involved, for less than 24 hours per day per child, or for 24 hours is~~  
15 ~~provided per day per child due to the nature of the parent(s)’ work.~~ **work of the parent**  
16 **involved.**

17           ~~(H)~~**(8)** INCLUSIVE CARE.—The term “inclusive”, with respect to care (including child  
18 care), means care provided by an eligible child care provider—

19           ~~(i)~~**(A)** for whom the percentage of children served by the provider who are children  
20 with disabilities or infants or toddlers with disabilities reflects the prevalence of  
21 children with disabilities and infants and toddlers with disabilities (whichever the  
22 provider serves) among children within the State involved; and

23           ~~(ii)~~**(B)** that provides care and full participation for children with disabilities and  
24 infants and toddlers with disabilities (whichever the provider serves) alongside  
25 children who are—

26                   ~~(i)~~**(i)** not children with disabilities; and

27                   ~~(ii)~~**(ii)** not infants and toddlers with disabilities.

28           ~~(I)~~**(9)** INFANT OR TODDLER.—The term “infant or toddler” means an individual who is  
29 less than 3 years of age.

30           ~~(J)~~**(10)** INFANT OR TODDLER WITH A DISABILITY.—The term “infant or toddler with a  
31 disability” has the meaning given the term in section 632 of the Individuals with Disabilities  
32 Education Act (20 U.S.C. 1432).

33           ~~(K)~~**(11)** LEAD AGENCY.—The term “lead agency” means the agency designated ~~or~~  
34 ~~established~~ under subsection (e).

35           ~~(L)~~**(12)** STATE.—The term “State” means any of the 50 States and the District of  
36 Columbia.

37           ~~(M)~~**(13)** TERRITORY.—The term “territory” means the Commonwealth of Puerto Rico,  
38 the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of  
39 the Northern Mariana Islands.

40           ~~(N)~~ Tribal organization.—The term “Tribal organization” ~~has the meaning given the term in~~  
41 ~~section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).~~

1 ~~(O) Urban indian organization.—The term “Urban Indian organization” has the meaning given~~  
2 ~~the term in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603).~~

3 (c) Appropriations.—

4 (1) ~~IN GENERAL.—IN STATES.—~~

5 (A) ~~STATE APPROPRIATIONS.—In addition to amounts otherwise available, there is~~  
6 ~~appropriated to the Department of Health and Human Services for fiscal year 2022,~~  
7 ~~out of any money in the Treasury not otherwise appropriated, for carrying out this~~  
8 ~~section— appropriated—~~

9 (A) ~~\$20,000,000,000 for fiscal year 2022(i)(I) \$11,460,000,000, to remain~~  
10 ~~available until September 30, 2025, 2027, for States and the Commonwealth of~~  
11 ~~Puerto Rico, to carry out the activities described in subsection (h)(1)(A) in~~  
12 ~~fiscal year 2022;~~

13 (B) ~~\$30,000,000,000 for fiscal year 2023(II) \$5,730,000,000, to remain~~  
14 ~~available until September 30, 2026 2027, for States and the Commonwealth of~~  
15 ~~Puerto Rico, to carry out the activities described in subsection (h)(1)(B) in~~  
16 ~~fiscal year 2022;~~

17 (C) ~~\$40,000,000,000 for fiscal year 2024(III) \$4,125,600,000, to remain~~  
18 ~~available until September 30, 2027, for States and the Commonwealth of~~  
19 ~~Puerto Rico, to carry out the activities described in subparagraph (A) or (B)~~  
20 ~~of subsection (h)(1), as determined by the State or Commonwealth, in fiscal~~  
21 ~~year 2022; and;~~

22 (D) ~~such sums as may be necessary for each of fiscal years 2025 through~~  
23 ~~2027(IV) \$1,604,400,000, to remain available for one fiscal year. until~~  
24 ~~September 30, 2027, for States and the Commonwealth of Puerto Rico, to~~  
25 ~~carry out the activities described in subparagraph (A), (B), or (C) of~~  
26 ~~subsection (h)(1), as determined by the State or Commonwealth, in fiscal~~  
27 ~~year 2022;~~

28 (2) ~~Administration.—(ii)(I) \$16,235,000,000, to remain available until~~  
29 ~~September 30, 2027, for States and the Commonwealth of Puerto Rico, to~~  
30 ~~carry out the activities described in subsection (h)(1)(A) in fiscal year 2023;~~

31 (A) ~~Fiscal years 2022 through 2024.—In(II) \$8,117,500,000, to remain~~  
32 ~~available until September 30, 2027, for States and the Commonwealth of~~  
33 ~~Puerto Rico, to carry out the activities described in subsection (h)(1)(B) in~~  
34 ~~fiscal year 2023;~~

35 (III) ~~\$5,844,600,000, to remain available until September 30, 2027, for~~  
36 ~~States and the Commonwealth of Puerto Rico, to carry out the activities~~  
37 ~~described in subparagraph (A) or (B) of subsection (h)(1), as determined by~~  
38 ~~the State or Commonwealth, in fiscal year 2023; and~~

39 (IV) ~~\$2,272,900,000, to remain available until September 30, 2027, for~~  
40 ~~States and the Commonwealth of Puerto Rico, to carry out the activities~~  
41 ~~described in subparagraph (A), (B), or (C) of subsection (h)(1), as determined~~  
42 ~~by the State or Commonwealth, in fiscal year 2023; and~~

1 (iii)(I) \$20,055,000,000, to remain available until September 30, 2027, for  
2 States and the Commonwealth of Puerto Rico, to carry out the activities  
3 described in subsection (h)(1)(A) in fiscal year 2024;

4 (II) \$10,027,500,000, to remain available until September 30, 2027, for  
5 States and the Commonwealth of Puerto Rico, to carry out the activities  
6 described in subsection (h)(1)(B) in fiscal year 2024;

7 (III) \$7,219,800,000, to remain available until September 30, 2027, for  
8 States and the Commonwealth of Puerto Rico, to carry out the activities  
9 described in subparagraph (A) or (B) of subsection (h)(1), as determined by  
10 the State or Commonwealth, in fiscal year 2024; and

11 (IV) \$2,807,700,000, to remain available until September 30, 2027, for  
12 States and the Commonwealth of Puerto Rico, to carry out the activities  
13 described in subparagraph (A), (B), or (C) of subsection (h)(1), as determined  
14 by the State or Commonwealth, in fiscal year 2024.

15 (B) STATE ENTITLEMENT.—In addition to amounts otherwise available, there is  
16 appropriated to the Department of Health and Human Services, out of any money in  
17 the Treasury not otherwise appropriated, ~~\$130,000,000 for each of fiscal years 2022,~~  
18 ~~2023, and 2024, to carry out subsection (k). Amounts appropriated by the preceding~~  
19 ~~sentence shall be available for one fiscal year.~~

20 ~~(B) Fiscal years 2025 through 2027.— From the amounts appropriated under~~  
21 ~~subsection (a), the Secretary shall reserve, to carry out subsection (k), up to 1 percent~~  
22 ~~of such amounts for each of fiscal years 2025, 2026, and 2027, which shall be in~~  
23 ~~addition to amounts otherwise available for this purpose. Amounts appropriated by the~~  
24 ~~preceding sentence shall be available for one fiscal year. such sums as may be~~  
25 ~~necessary for each of fiscal years 2025 through 2027, for payments to States, for~~  
26 ~~carrying out this section (other than carrying out activities described in~~  
27 ~~paragraph (4), (5), or (6)).~~

28 (2) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—

29 (A) INDIAN TRIBE AND TRIBAL ORGANIZATION APPROPRIATIONS.—In addition to  
30 amounts otherwise available, there is appropriated to the Department of Health  
31 and Human Services for fiscal year 2022, out of any money in the Treasury not  
32 otherwise appropriated, for grants to Indian Tribes and Tribal organizations for  
33 the purpose of carrying out the child care program described in this section  
34 (other than carrying out activities described in paragraph (4), (5), or (6)),  
35 consistent, to the extent practicable as determined by the Secretary, with the  
36 requirements applicable to States—

37 (i) \$960,000,000, to remain available until September 30, 2027, to carry out  
38 the child care program in fiscal year 2022;

39 (ii) \$1,360,000,000, to remain available until September 30, 2027, to carry  
40 out the child care program in fiscal year 2023; and

41 (iii) \$1,680,000,000 to remain available until September 30, 2027, to carry  
42 out the child care program in fiscal year 2024.

1           **(B) INDIAN TRIBE AND TRIBAL ORGANIZATION ENTITLEMENT.—In addition to**  
2           **amounts otherwise available, there is appropriated to the Department of Health**  
3           **and Human Services, out of any money in the Treasury not otherwise**  
4           **appropriated, such sums as may be necessary for each of fiscal years 2025**  
5           **through 2027, for payments to Indian Tribes and Tribal organizations, for the**  
6           **purpose of carrying out the child care program described in this section (other**  
7           **than carrying out activities described in paragraph (4), (5), or (6)), consistent, to**  
8           **the extent practicable as determined by the Secretary, with the requirements**  
9           **applicable to States.**

10       **(3) TERRITORIES.—**

11           **(A) TERRITORY APPROPRIATIONS.—In addition to amounts otherwise available,**  
12           **there is appropriated to the Department of Health and Human Services for fiscal**  
13           **year 2022, out of any money in the Treasury not otherwise appropriated, for**  
14           **grants to Guam, American Samoa, the Commonwealth of the Northern Mariana**  
15           **Islands, and the United States Virgin Islands for the purpose of carrying out the**  
16           **child care program described in this section (other than carrying out activities**  
17           **described in paragraph (4), (5), or (6)), consistent, to the extent practicable as**  
18           **determined by the Secretary, with the requirements applicable to States—**

19                   **(i) \$120,000,000, to remain available until September 30, 2027, to carry out**  
20                   **the child care program in fiscal year 2022;**

21                   **(ii) \$170,000,000, to remain available until September 30, 2027, to carry**  
22                   **out the child care program in fiscal year 2023; and**

23                   **(iii) \$210,000,000, to remain available until September 30, 2027, to carry**  
24                   **out the child care program in fiscal year 2024.**

25           **(B) TERRITORY ENTITLEMENT.—In addition to amounts otherwise available,**  
26           **there is appropriated to the Department of Health and Human Services, out of**  
27           **any money in the Treasury not otherwise appropriated, such sums as may be**  
28           **necessary for each of fiscal years 2025 through 2027, for payments to territories,**  
29           **for the purpose of carrying out the child care program described in this section**  
30           **(other than carrying out activities described in paragraph (4), (5), or (6)),**  
31           **consistent, to the extent practicable as determined by the Secretary, with the**  
32           **requirements applicable to States.**

33       **(4) GRANTS TO LOCALITIES.—In addition to amounts otherwise available, there is**  
34       **appropriated to the Department of Health and Human Services for fiscal year 2022,**  
35       **out of any money in the Treasury not otherwise appropriated—**

36           **(A) \$950,000,000, to remain available until September 30, 2027, to carry out the**  
37           **program of grants to localities described in subsection (i)(2) in fiscal year 2023;**

38           **(B) \$950,000,000, to remain available until September 30, 2027, to carry out the**  
39           **program of grants to localities described in subsection (i)(2) in fiscal year 2024;**

40           **(C) \$950,000,000, to remain available until September 30, 2027, to carry out the**  
41           **program of grants to localities described in subsection (i)(2) in fiscal year 2025;**

42           **(D) \$950,000,000, to remain available until September 30, 2027, to carry out the**

1 program of grants to localities described in subsection (i)(2) in fiscal year 2026;  
2 and

3 (E) \$950,000,000, to remain available until September 30, 2027, to carry out the  
4 program of grants to localities described in subsection (i)(2) in fiscal year 2027.

5 (5) HEAD START EXPANSION IN NONPARTICIPATING STATES.—In addition to amounts  
6 otherwise available, there is appropriated to the Department of Health and Human  
7 Services for fiscal year 2022, out of any money in the Treasury not otherwise  
8 appropriated—

9 (A) \$2,850,000,000, to remain available until September 30, 2027, to carry out  
10 the program of awards to Head Start agencies described in subsection (i)(3) in  
11 fiscal year 2023;

12 (B) \$2,850,000,000, to remain available until September 30, 2027, to carry out  
13 the program of awards to Head Start agencies described in subsection (i)(3) in  
14 fiscal year 2024;

15 (C) \$2,850,000,000, to remain available until September 30, 2027, to carry out  
16 the program of awards to Head Start agencies described in subsection (i)(3) in  
17 fiscal year 2025;

18 (D) \$2,850,000,000, to remain available until September 30, 2027, to carry out  
19 the program of awards to Head Start agencies described in subsection (i)(3) in  
20 fiscal year 2026; and

21 (E) \$2,850,000,000, to remain available until September 30, 2027, to carry out  
22 the program of awards to Head Start agencies described in subsection (i)(3) in  
23 fiscal year 2027.

24 (6) FEDERAL ADMINISTRATION.—

25 (A) FISCAL YEARS 2022 THROUGH 2025.—In addition to amounts otherwise  
26 available, there is appropriated to the Department of Health and Human Services  
27 for fiscal year 2022, out of any money in the Treasury not otherwise  
28 appropriated—

29 (i) \$130,000,000, to remain available until September 30, 2027, to carry out  
30 subsections (k) and (l) in fiscal year 2022;

31 (ii) \$130,000,000, to remain available until September 30, 2027, to carry  
32 out subsections (k) and (l) in fiscal year 2023;

33 (iii) \$130,000,000, to remain available until September 30, 2027, to carry  
34 out subsections (k) and (l) in fiscal year 2024; and

35 (iv) \$130,000,000, to remain available until September 30, 2027, to carry  
36 out subsections (k) and (l) in fiscal year 2025.

37 (B) FISCAL YEARS 2026 THROUGH 2027.—In addition to amounts otherwise  
38 available, there is appropriated to the Department of Health and Human  
39 Services, out of any money in the Treasury not otherwise appropriated, for each  
40 of fiscal years 2026 and 2027, an amount equal to 1.06 percent of the prior year's

1                   **appropriation under paragraph (1)(B), to carry out subsections (k) and (l).**

2           (d) Establishment of Birth Through Five Child Care and Early Learning Entitlement  
3 Program.—

4           (1) IN GENERAL.—The Secretary is authorized to administer a child care and early  
5 learning entitlement program under which ~~families, in States, territories, and Indian Tribes~~  
6 **an eligible child, in a State, territory, or Indian Tribe, or served by a Tribal**  
7 **organization**, with an approved application under subsection (f) or (g), shall be provided an  
8 opportunity to obtain high-quality child care services ~~for eligible children~~, subject to the  
9 requirements of this section.

10           (2) ASSISTANCE FOR EVERY ELIGIBLE CHILD.—Beginning on October 1, 2024, every  
11 ~~family child~~ who applies for assistance under this section ~~with respect to a child, who is~~ in a  
12 State with an approved application under subsection (g), or in a territory or Indian ~~tribe~~  
13 **Tribe or served by a Tribal organization** with an approved application under subsection  
14 (f), and who is determined, by a lead agency (or other entity designated by a lead agency)  
15 **for the State, territory, Indian Tribe, or Tribal organization involved**, following  
16 standards and procedures established by the Secretary by rule, to be an eligible child, shall  
17 be offered ~~child care~~ assistance **for direct child care services** in accordance with and  
18 subject to the requirements and limitations of this section.

19           (e) Lead Agency.—The Governor of a State or the head of a territory or Indian **Tribe,**  
20 ~~desiring tribe, desiring to receive assistance under this section shall designate an agency (which~~  
21 ~~may be an appropriate collaborative agency), or establish a joint interagency office—~~

22 ~~(1) to serve as the lead agency for the State, territory, or Indian tribe or a related tribal~~  
23 **organization to receive a payment under this section, shall designate a lead agency (such as**  
24 **a State agency or joint interagency office) to administer the child care program carried out**  
25 **under this section. under this section; and**

26 ~~(2) to administer, directly or through other governmental or nongovernmental agencies of the~~  
27 ~~State, territory or Indian tribe the financial assistance received under this section by the State,~~  
28 ~~territory, or Indian tribe, including by certifying the eligibility of children.~~

29           (f) Applications and State Plans.—

30           (1) APPLICATION.—To be eligible to receive assistance under this section, a State shall  
31 prepare and submit to the Secretary for approval an application ~~at such time, in such~~  
32 ~~manner, and~~ containing a State plan that—

33                   (A) for a transitional State plan, meets the requirements under ~~subsection (e)~~  
34 **paragraph (3)** and contains such information as the Secretary may require, to  
35 demonstrate the State will meet the requirements of this section; and

36                   (B) for a full State plan, meets the requirements under ~~subsection (d)~~ **paragraph (4)**  
37 and contains that information.

38           (2) PERIOD COVERED BY PLAN.—A State plan contained in the application shall be  
39 designed to be implemented—

40                   (A) for a transitional State plan, during a ~~1-year~~ period **of not more than 3 years;**  
41 and

1 (B) for a full State plan, during a ~~3-year~~ period of **not more than 3 years**.

2 (3) REQUIREMENTS FOR TRANSITIONAL STATE PLANS.—For a period of ~~1-year~~ **not more**  
3 **than 3 years** following the date of enactment of this Act, the Secretary shall award funds  
4 under this section to States with an approved application that contains a transitional State  
5 plan, submitted under paragraph (1)(A) ~~that includes at such time, in such manner, and~~  
6 **containing such information as the Secretary shall require, including**, at a minimum—

7 (A) an assurance that the State will submit a State plan under paragraph (4); and

8 (B) a description of how the funds received by the State under this section will be  
9 spent to expand access to ~~child-care~~ assistance **for direct child care services** and  
10 increase the supply and quality of child care providers within the State, in alignment  
11 with the requirements of this section.

12 (4) REQUIREMENTS FOR FULL STATE PLANS.—The Secretary ~~may~~ **shall** award funds under  
13 this section to States with an approved application that contains a ~~subsequent~~ **full** State plan,  
14 submitted under ~~subsection (a)(2), that includes~~ **paragraph (1)(B), at such time, in such**  
15 **manner, and containing such information as the Secretary shall by rule require,**  
16 **including**, at a minimum, the following:

17 (A) PAYMENT RATES AND COST ESTIMATION.—

18 (i) PAYMENT RATES.—The State plan shall certify that payment rates for the  
19 provision of **direct** child care services for which assistance is provided in  
20 accordance with this section for the period covered by the plan, within 3 years  
21 after the State **first** receives funds under this section—

22 (I) will be sufficient to meet the cost of child care, and set in accordance  
23 with a cost estimation model or cost study described in clause (ii) that is  
24 approved by the Secretary; and

25 (II) will correspond to differences in quality (including improved quality)  
26 based on the State’s tiered system for measuring the quality of eligible child care  
27 providers described in subparagraph (B).

28 (ii) COST ESTIMATION.—Such State plan shall—

29 (I) demonstrate that the State has, after consulting with relevant entities  
30 and stakeholders, developed and uses a statistically valid and reliable cost  
31 estimation model or cost study for the payment rates ~~of~~ **for direct** child care  
32 services in the State that reflect rates for providers at each of the tiers of the  
33 State’s tiered system for measuring the quality of **eligible** child care  
34 providers described in subparagraph (B), and variations in the cost of **direct**  
35 child care services by geographic area, type of provider, and age of child,  
36 and the additional costs associated with providing inclusive ~~child~~ care  
37 ~~services; and;~~

38 (II) certify that the State’s payment rates for **direct** child care services for  
39 which assistance is provided in accordance with this section—

40 (aa) are set in accordance with the most recent estimates from the  
41 most recent cost estimation model or cost study under subclause (I), so



1 that providers at each tier of the tiered system for measuring provider  
2 quality described in subparagraph (B) receive a payment that is  
3 sufficient to meet the requirements of such tier;

4 (bb) are set so as to provide payments to providers not at the top tier  
5 of the tiered system that are sufficient to enable the providers to  
6 increase quality to meet the requirements for the next tier;

7 (cc) ensure adequate wages for staff of child care providers providing  
8 such **direct** child care services that—

9 (AA) at a minimum, provide a living wage for all staff of such  
10 child care providers; and

11 (BB) are equivalent to wages for elementary educators with similar  
12 credentials and experience in the State; and

13 (dd) are adjusted on an annual basis for cost of living increases to  
14 ensure those payment rates remain sufficient to meet the requirements  
15 of this section; **and**

16 **(III) certify that the State will update, not less often than once every 3**  
17 **years, the cost estimation model or cost study described in subclause (I).-**

18  
19 (iii) PAYMENT PRACTICES.—Such State plan shall include an assurance that the  
20 State will implement payment practices that support the fixed costs of providing  
21 **direct** child care services.

22 (B) TIERED SYSTEM FOR MEASURING THE QUALITY OF **ELIGIBLE** CHILD CARE  
23 PROVIDERS.—Such State plan shall certify that the State has implemented, or assure  
24 that the State will implement within 3 years after **first** receiving funds under this  
25 section, a tiered system for measuring the quality of eligible child care providers who  
26 provide child care services for which assistance is made available under this section.  
27 Such tiered system shall—

28 (i) include a set of standards, for determining the tier of quality of a child care  
29 provider, that—

30 (I) uses standards for a highest tier that at a minimum are equivalent to  
31 Head Start program performance standards described in section  
32 641A(a)(1)(B) of the Head Start Act (42 U.S.C. 9836a(a)(1)(B)) or other  
33 equivalent evidence-based standards approved by the Secretary; and

34 (II) includes quality indicators and thresholds that are appropriate for child  
35 development in different types of child care provider settings, including child  
36 care centers and the settings of family child care providers, and are  
37 appropriate for providers serving different age groups (including mixed age  
38 groups) of children;

39 (ii) include a different set of standards that includes indicators, when  
40 appropriate, for care during nontraditional hours of operation; and

1 (iii) provide for sufficient resources and supports for child care providers at  
2 tiers lower than the highest tier to facilitate progression toward **meeting** higher  
3 quality standards.

4 (C) ACHIEVING HIGH QUALITY FOR ALL CHILDREN.—Such State plan shall certify the  
5 State has implemented, or will implement within 3 years ~~of~~ **after first** receiving funds  
6 under this section, policies and financing practices that will ensure all ~~families of~~  
7 eligible children can choose ~~for the children~~ to attend child care at the highest quality  
8 tier within 6 years after the date of enactment of this Act.

9 (D) COMPENSATION.—Such plan shall provide a certification that the State has or  
10 will have within 3 years after **first** receiving funds under this section, a wage ladder for  
11 staff of eligible child care providers receiving assistance under this section, including a  
12 certification that wages for such staff, at a minimum, will meet the requirements of  
13 subparagraph (A)(ii)(II)(cc).

14 (E) SLIDING FEE SCALE FOR COPAYMENTS.—

15 (i) IN GENERAL.—Except as provided in ~~clauses~~ **clause** (ii)(I) ~~and (iii)~~, the State  
16 plan shall provide an assurance that the State will for the period covered by the  
17 plan use a sliding fee scale described in clause (ii) to determine a copayment for a  
18 family receiving assistance under this section (or, for a family receiving part-time  
19 care, a reduced copayment that is the proportionate amount of the full  
20 copayment).

21 (ii) SLIDING FEE SCALE.—A full copayment described in clause (i) shall use a  
22 sliding fee scale that provides that, for a family with a family income—

23 (I) of not more than 75 percent of State median income for a family of the  
24 same size, the family shall not pay a copayment, toward the cost of the child  
25 care involved for all eligible children in the family;

26 (II) of more than 75 percent but not more than 100 percent of State median  
27 income for a family of the same size, the copayment shall be more than 0 but  
28 not more than 2 percent of that family income, toward such cost for all such  
29 children;

30 (III) of more than 100 percent but not more than 125 percent of State  
31 median income for a family of the same size, the copayment shall be more  
32 than 2 but not more than 4 percent of that family income, toward such cost  
33 for all such children;

34 (IV) of more than 125 percent but not more than 150 percent of State  
35 median income for a family of the same size, the copayment shall be more  
36 than 4 but not more than 7 percent of that family income, toward such cost  
37 for all such children; and

38 (V) of more than 150 percent **but not more than 250 percent** of the State  
39 median income for a family of the same size, the copayment shall be 7  
40 percent of that family income, toward such cost for all such children.

41 ~~(iii) Special rules.—The State shall not require a copayment under this subparagraph~~  
42 ~~for any eligible child of a family with a child that is eligible for a Head Start program~~

1 under the Head Start Act (42 U.S.C. 9831 et seq.), or a child who has been identified as  
2 a member of a population listed in subsection (b)(2)(D)(v)(II). A State or another  
3 entity may pay a copayment (full or reduced) under this subparagraph on behalf of a  
4 family, but may not receive Federal reimbursement under this section for such  
5 payment.

6 (F) PROHIBITION ON CHARGING MORE THAN COPAYMENT.—The State plan shall  
7 certify that the State ~~shall~~ **will** not permit a child care provider receiving financial  
8 assistance under this section to charge, for child care for an eligible child, more than  
9 the total of—

10 (i) the financial assistance provided for the child under this section; and

11 (ii) any applicable copayment pursuant to subparagraph (E).

12 (G) ELIGIBILITY.—The State plan shall assure that each child who receives  
13 assistance under this section will be considered to meet all eligibility requirements for  
14 such assistance, and will receive such assistance, for not less than ~~24 months~~ **12**  
15 **months unless the child has aged out of the program**, and the child's eligibility  
16 determination and redetermination, including any determination based on the State's  
17 definition of eligible activities, shall be implemented in ~~such~~ a manner that supports  
18 child well-being and reduces barriers to enrollment, including continuity of services.

19 (H) POLICIES TO SUPPORT ACCESS TO CHILD CARE FOR UNDERSERVED  
20 POPULATIONS.—The State plan shall ~~assure~~ **demonstrate** that the State will prioritize  
21 increasing access to, and the quality and the supply of, child care in the State for  
22 underserved populations, including at a minimum, low-income children, children in  
23 underserved areas, infants and toddlers, children with disabilities and infants and  
24 toddlers with disabilities, children who are dual language learners, ~~and~~ **children**  
25 **experiencing homelessness, children in foster or kinship care**, children who receive  
26 care during nontraditional hours, **and vulnerable children as defined by the lead**  
27 **agency pursuant to subsection (b)(4)(A)(iv)(II).**

28 (I) POLICIES.—The State plan shall include a certification that the State will apply,  
29 under this section, the policies and procedures described in subparagraphs (A), (B), (I),  
30 (J), (K)(i), (R), and (U) of section 658E(c)(2) of the Child Care and Development  
31 Block Grant Act of 1990 (42 U.S.C. 9858c(c)(2)), and the policies and procedures  
32 described in section 658H of such Act (**42 U.S.C. 9858f**), to child care services  
33 provided under this section.

34 (J) LICENSING.—The State plan shall ~~include an assurance that the State has or will~~  
35 ~~develop within 3 years after~~ **demonstrate that the State has consulted or will**  
36 **consult with organizations (including labor organizations) representing child care**  
37 **directors, teachers, or other staff, early childhood education and development**  
38 **experts, and families to develop, within 2.5 years after first** receiving funds under  
39 this section, licensing standards **appropriate** for child care providers and a pathway to  
40 such licensure that is available to and appropriate for child care providers in a variety  
41 of settings, ~~to ensure that will offer~~ providers eligible under the Child Care and  
42 Development Block Grant Act of 1990 (~~42 U.S.C. 9857 et seq.~~), **have a reasonable**  
43 **pathway to become eligible providers under this section, and that will assure an**

1           adequate supply of child care. Such plan shall describe the timeline the State will  
2           use to ensure sufficient time for providers described in subsection (b)(5)(B) to  
3           comply with such licensing standards in order to remain eligible providers after  
4           3.5 years after the State first receives funding under this section.

5  
6           \* 43 (K) Reports.—~~The State plan shall include an agreement to provide to the Secretary such~~  
7 ~~periodic reports, providing a detailed accounting of the uses of such funds received under this~~  
8 ~~section, as the Secretary may require for the administration of this section.~~

9           (g) Payments.—

10           (1) ~~TRANSITION PAYMENTS~~ **PAYMENTS** FOR FISCAL YEARS 2022 THROUGH 2024.—

11           (A) ~~RESERVATIONS AND ALLOTMENTS.~~— **DEFINITIONS.**—**For purposes of this**  
12 **paragraph—**

13           (i) ~~In general.~~—~~For each of fiscal years 2022 through 2024, the Secretary shall,~~  
14 ~~from the amount appropriated under subsection (c)(1)(A) for each such fiscal~~  
15 ~~year—~~**(i) the term “State” means the 50 States, the District of Columbia, and**  
16 **the Commonwealth of Puerto Rico; and**

17           ~~(I) reserve not less than 4 percent for Indian Tribes, Tribal organizations, and~~  
18 ~~Urban Indian organizations for child care assistance;~~

19           ~~(II) reserve not less than 0.5 of 1 percent for~~**(ii) the term “territory” means**  
20 **Guam, American Samoa, the Commonwealth of the Northern Mariana Islands,**  
21 **and the United States Virgin Islands for child care assistance; and.**

22           ~~(III) from the amount so appropriated and not reserved under subclauses (I) and~~  
23 ~~(H)~~**(B) ALLOTMENTS.**—**For each of fiscal years 2022 through 2024, the Secretary**  
24 **shall, from the amount appropriated under subsection (c)(1)(A) for such fiscal**  
25 **year, make allotments to each State with an application approved under subsection**  
26 **(f) in the same manner as the Secretary makes such allotments using the formula under**  
27 **section 6580(b) of the Child Care and Development Block Grant Act of 1990 (42**  
28 **U.S.C. 9858n(b)). 9858m(b)).**

29           ~~(IV) \$9,600,000,000 for each of the fiscal years 2022 through 2027 to carry out the~~  
30 ~~program of grants to localities in subsection (i).~~

31           ~~(ii) Definition.~~—~~For purposes of this paragraph, the term “State” means the 50~~  
32 ~~States, the District of Columbia, and the Commonwealth of Puerto Rico.~~

33           ~~(B)~~**(C) PAYMENTS.**—

34           (i) ~~INDIAN TRIBES, AND TRIBAL ORGANIZATIONS, AND URBAN INDIAN~~  
35 ~~ORGANIZATIONS.~~—

36           (I) ~~IN GENERAL.~~—~~For each of fiscal years 2022 through 2024, from the~~  
37 ~~amount reserved~~ **appropriated** ~~for Indian Tribes, and Tribal organizations,~~  
38 ~~and Urban Indian organizations under subparagraph (A)(i)(I) under~~  
39 **subsection (c)(2)(A), the Secretary shall make payments to Indian Tribes,**  
40 **and Tribal organizations, and Urban Indian organizations with an**

1                    **application approved under subclause (II), and the Tribes; and Tribal**  
2                    **organizations, and Indian organizations shall be entitled to such payments,**  
3                    **for carrying out programs or activities consistent with the objectives of this**  
4                    **section. for the purpose of carrying out the child care program described**  
5                    **in this section, consistent, to the extent practicable as determined by the**  
6                    **Secretary, with the requirements applicable to States.**

7                    (II) APPLICATIONS.—An Indian Tribe, ~~or Tribal organization, or Urban~~  
8                    ~~Indian~~ organization seeking a payment under **this clause (ii)(H)** shall submit  
9                    an application to the Secretary at such time, in such manner, and containing  
10                   such information as the Secretary may specify, including ~~the agreement~~  
11                   ~~described in subsection (f)(4)(K).~~ **an agreement to provide reports under**  
12                   **subsection (j)(7).**

13                   (III) SPECIAL RULE.—**The Secretary shall determine eligibility criteria**  
14                   **for children from Indian tribes who are less than 6 years of age and not**  
15                   **yet in kindergarten, which eligibility criteria shall not be more stringent**  
16                   **than the eligibility criteria under subsection (b)(4)(A).**

17                   (ii) TERRITORIES.—

18                   (I) IN GENERAL.—For each of fiscal years 2022 through 2024, from the  
19                   amount ~~reserved~~ **appropriated** for territories under subsection  
20                   ~~(A)(i)(H)(c)(3)(A),~~ the Secretary shall make payments to the territories  
21                   ~~specified in that paragraph~~ **with an application approved under subclause**  
22                   **(II), and the territories shall be entitled to such payments, for carrying out**  
23                   ~~programs or activities consistent with the objectives of this section.~~ **the**  
24                   **purpose of carrying out the child care program described in this section,**  
25                   **consistent, to the extent practicable as determined by the Secretary, with**  
26                   **the requirements applicable to States.**

27                   (II) APPLICATIONS.—A territory ~~specified in clause (i)(H)~~ seeking a  
28                   payment under this clause shall submit an application to the Secretary at such  
29                   time, in such manner, and containing such information as the Secretary may  
30                   specify, including ~~the~~ **an agreement described in to provide reports under**  
31                   ~~subsection (f)(4)(K).~~ **subsection (j)(7).**

32                   (iii) STATES.—For each of fiscal years 2022 through 2024, each State that has  
33                   an application approved under subsection (f) shall be entitled to a payment under  
34                   this clause in the amount equal to its allotment under subparagraph ~~(A)~~ **(B)** for  
35                   such fiscal year.

36                   (D) AUTHORITIES.—

37                   (i) FISCAL YEARS 2022 THROUGH 2024.—~~Notwithstanding (C)~~  
38                   ~~Authorities.~~ ~~Notwithstanding~~ any other provision of this paragraph, for each of  
39                   fiscal years 2022 through 2024, the Secretary shall have the ~~authority~~ **authority—**

40                   (I) to reallocate funds that were allotted under subparagraph ~~(A)~~ **(B)** from any  
41                   State without an approved application under subsection (f) by the date  
42                   required by the Secretary, to States with **an approved applications**  
43                   **application** under that subsection, ~~to Tribes with; and~~

1                   **(II) to reallocate any amounts available for payments under**  
2                   **subparagraph (C) that the Secretary elected to allot for—**

3                   **(aa) an Indian Tribe or Tribal organization without** an approved  
4                   application under subparagraph ~~(A)(ii)~~, ~~and to territories (C)(i)(II) by~~  
5                   **the date required by the Secretary, to Tribes or Tribal**  
6                   **organizations with such an approved application; and**

7                   **(bb) any territory without an approved application under**  
8                   **subparagraph (C)(ii)(II) by the date required by the Secretary, to**  
9                   **territories with such an approved application.**

10                   **(ii) FISCAL YEAR 2025.—Notwithstanding any other provision of this**  
11                   **section, on October 1, 2024, the Secretary shall have the authority to reallocate**  
12                   **funds from payments made under subparagraph (C) that are unobligated on**  
13                   **such date, to any entity without such unobligated funds that is a State with an**  
14                   **approved application under subsection (f), an Indian Tribe or Tribal**  
15                   **organization with an approved application under subparagraph (C)(i)(II), or**  
16                   **a territory with an approved application under subparagraph (C)(ii)(II), to**  
17                   **carry out the purposes of this section.**

18                   (2) PAYMENTS FOR FISCAL YEARS 2025 THROUGH 2027.—

19                   (A) IN GENERAL.—For each of fiscal years 2025 through 2027:

20                   (i) CHILD CARE ASSISTANCE FOR ELIGIBLE CHILDREN.—

21                   (I) IN GENERAL.—The Secretary shall pay to each State with an approved  
22                   application under subsection (f), and that State shall be entitled to, an amount  
23                   for each quarter equal to ~~90~~ **95.440** percent of expenditures (**which shall be**  
24                   **the Federal share of such expenditures**) in the quarter for **direct** child care  
25                   ~~assistance for eligible children services~~ described under subsection  
26                   ~~(h)(2)(B). The Secretary shall pay to each State with an approved application~~  
27                   ~~under subsection (f), and that State shall be entitled to, an amount for each~~  
28                   ~~quarter equal to 90 percent of expenditures in the quarter for the components~~  
29                   ~~of the child care entitlement program described under subsection (h)(2)(B).~~  
30                   **for eligible children.**

31                   (II) EXCEPTION.—Funds reserved from the ~~amount~~ **total** under subsection  
32                   (h)(2)(C) shall be subject to clause (ii).

33                   **(III) PROHIBITION.—Activities described in clause (ii) and clause (iii)**  
34                   **may not be included in the cost of direct child care services described in**  
35                   **this clause.**

36                   (ii) ACTIVITIES TO IMPROVE THE QUALITY AND SUPPLY OF CHILD CARE  
37                   SERVICES.—The Secretary shall pay to each State with such an approved  
38                   application, and that State shall be entitled to, an amount ~~for each quarter~~ equal to  
39                   the **product of 1.06045 and the FMAP** of expenditures ~~in the quarter to carry out~~  
40                   **(which product shall be the Federal share of such expenditures) to carry out**  
41                   **activities to improve** the quality and supply ~~building activities of child care~~  
42                   **services** under subsection (h)(2)(C) subject to the limit specified in clause (i) of

1 such subsection.

2 (iii) ADMINISTRATION.—The Secretary shall pay to each State with such an  
3 approved application, and that State shall be entitled to, an amount for each  
4 quarter equal to ~~50~~ **53.022** percent of expenditures in the quarter **(which shall be**  
5 **the Federal share of such expenditures)** for the costs of administration incurred  
6 by the State—

7 (I) which shall include ~~reasonable~~ costs incurred by the State in carrying  
8 out the child care program established in this section; and

9 (II) which may include, at the option of the State, costs associated with  
10 carrying out requirements, policies, and procedures described in section  
11 658H of the Child Care and Development Block Grant Act of 1990 (42  
12 U.S.C. 9858f).

13 (B) ADVANCE PAYMENT; RETROSPECTIVE ADJUSTMENT.—For each of fiscal years  
14 2025 through 2027, the Secretary ~~may~~ **shall** make payments under this subsection for  
15 each quarter **paragraph for a period** on the basis of advance estimates of  
16 expenditures submitted by the State and such other investigation as the Secretary may  
17 find necessary, and shall reduce or increase the payments as necessary to adjust for any  
18 overpayment or underpayment for previous ~~quarters.~~ **periods. No interest shall be**  
19 **charged or paid on any amount due because of an overpayment or underpayment**  
20 **for previous periods.**

21 ~~(C) Flexibility in submittal of claims.— Nothing in this subsection shall be construed~~  
22 ~~as preventing a State from claiming as expenditures in a quarter expenditures that were~~  
23 ~~incurred in a previous quarter and not claimed in such previous quarter.~~

24 ~~(D)~~ **(C) TERRITORIES AND TRIBES.—**For each of fiscal years 2025 through 2027,  
25 **from the amounts appropriated under paragraph (2)(B) or (3)(B) of subsection (c)**  
26 **the Secretary shall make payments to territories, and Indian tribes, tribal Tribes and**  
27 **Tribal organizations, and Urban Indian organizations as the case may be, with**  
28 **applications submitted as described in subsection (a) paragraph (1), and approved by**  
29 **the Secretary. The for the purpose of carrying out the child care program**  
30 **described in this section, consistent, to the extent practicable as determined by the**  
31 **Secretary (subject to subsection (d)(2)), with the requirements applicable to**  
32 **States. The Secretary shall make the payments to such territories, Indian tribes,**  
33 **tribal organizations, and Urban Indian organizations Tribes, and Tribal**  
34 **organizations on the basis of their relative need. Each entity that is such a**  
35 **territory, Indian Tribe, or Tribal organization shall be entitled to such payments a**  
36 **payment as may be necessary to carry out the activities described in subsection**  
37 **(h)(2), and to pay for the costs of administration incurred by the entity, which**  
38 **shall include costs incurred by the entity in carrying out the child care program,**  
39 **and which may include, at the option of the entity, costs associated with carrying**  
40 **out requirements, policies, and procedures described in section 658H of the Child**  
41 **Care and Development Block Grant Act of 1990.**

42 (h) Use of Funds.—

43 (1) USE OF FUNDS FOR TRANSITION YEARS.—FOR FISCAL YEARS 2022 THROUGH

1       **2024.—For each of fiscal years 2022 through 2024, a State (as defined in subsection**  
2       **(g)(1) that receives a payment under subsection (g)(1) shall reserve and use— use such**  
3       **payment for—**

4               ~~(A) 50 percent of such payment for activities to—~~ **(A) assistance for direct child**  
5               **care services, which shall consist only of—**

6                       ~~(i) expand access to child care assistance~~ **(i) assistance for direct child care**  
7                       **services for eligible children (with priority for providing access for children in**  
8                       ~~families with incomes less than 85 percent of the State median income); and~~  
9                       **through grants and contracts, and child care certificates;**

10                      ~~(ii) increase~~ **(ii) increasing** child care provider payment rates to support the cost  
11                      of providing high-quality **direct** child care services, including rates sufficient to  
12                      support increased wages for staff of eligible child care providers; **and**

13                      **(iii) waiving or reducing copayments, to ensure that the families of**  
14                      **children receiving assistance under this section do not pay more than 7**  
15                      **percent of family income toward the cost of the child care involved for all**  
16                      **eligible children in the family;**

17               ~~(B) 25 percent of such payment for~~ activities described in subsection ~~(b)(3); and~~  
18               **paragraph (2)(C), without regard to the requirement in clause (i)(I) of such**  
19               **paragraph or to the references to a quality child care amount in such paragraph;**  
20               **and**

21               ~~(C) 25 percent for activities under subparagraph (A) or activities under subparagraph~~  
22               ~~(B), as determined by the State.~~ **(C) costs of administration incurred by the State,**  
23               **which shall include the costs described in subclause (I) of subsection (g)(2)(A)(iii)**  
24               **and may, at the option of the State, include the costs described in subclause (II) of**  
25               **such subsection.**

26       (2) USE OF FUNDS FOR FISCAL YEARS 2025 THROUGH 2027.—

27               (A) IN GENERAL.—Starting on October 1, 2024, a State shall use amounts provided  
28               to the State under subsection (g)(2) for **direct** child care services (provided on a sliding  
29               fee scale basis), activities to improve the quality and supply of child care services  
30               **consistent with paragraph (C), and State administration consistent with subsection**  
31               **(g)(2)(A)(iii).**

32               (B) CHILD CARE ASSISTANCE FOR ELIGIBLE CHILDREN.—

33                       ~~(i) IN GENERAL.—THE GENERAL.—~~ **For each of fiscal years 2025 through**  
34                       **2027, from payments made to the State under subsection (g)(2) for that**  
35                       **particular fiscal year, the State shall ensure that parents of eligible children can**  
36                       **access direct child care services provided by an eligible child care provider**  
37                       **under this section through a grant or contract under as described in clause (ii) or**  
38                       **a certificate under as described in clause (iii).**

39                       (ii) GRANTS AND CONTRACTS.—The State shall award grants or contracts to  
40                       eligible child care providers, consistent with the requirements under this section,  
41                       for the provision of child care services for eligible children **under this section**  
42                       that, at ~~minimum,~~ **a minimum—**



1 (I) support providers' operating expenses to meet and sustain health,  
2 safety, quality, and wage standards required under this section; **and**

3 (II) **address underserved populations described in subsection**  
4 **(f)(4)(H).**

5 (iii) CERTIFICATES.—The State shall issue a child care certificate directly to a  
6 ~~child care provider on behalf of a parent who may~~ **shall** use such certificate only  
7 as payment for **direct** child care services or as a deposit for **direct** child care  
8 services if such a deposit is required of other children being cared for by the  
9 provider, consistent with the requirements under this section.

10 (C) ACTIVITIES TO IMPROVE THE QUALITY AND SUPPLY OF CHILD CARE SERVICES.—

11 (i) QUALITY CHILD CARE ACTIVITIES.—

12 (I) AMOUNT.—For each of fiscal years 2025 through 2027, from the total  
13 of the ~~annual~~ payments made to the State for a particular fiscal year, the  
14 State shall reserve and use a quality child care amount equal to not less than  
15 5 percent and not more than 10 percent of the amount made available to the  
16 State through such payments for ~~that particular fiscal year (and shall reserve~~  
17 ~~and use a proportional amount from each quarterly payment made to the~~  
18 ~~State for that particular fiscal year).~~ **the previous fiscal year.**

19 (II) USE OF QUALITY CHILD CARE AMOUNT.—Each State shall use the  
20 quality child care amount described in subclause (I) to implement activities  
21 described in ~~subparagraphs (B) and (C) that increase~~ **this subparagraph to**  
22 **improve** the quality and supply of **child care services** by eligible child care  
23 providers, and **increase** the number of available slots in the State for child  
24 care services funded under this section, prioritizing assistance for child care  
25 providers who are in underserved communities and who are providing, or are  
26 seeking to provide, child care services for underserved populations identified  
27 in subsection (f)(4)(H).

28 (III) ~~ADMINISTRATION.—ASSISTANCE PROVIDED~~

29 **ADMINISTRATION.—Activities funded** under this subparagraph may be  
30 administered—

31 (aa) directly by the lead agency; or

32 (bb) through other State government agencies, local or regional child  
33 care resource and referral organizations, community development  
34 financial institutions, other intermediaries with experience supporting  
35 child care providers, or other appropriate entities that enter into a  
36 contract with the State to provide such assistance.

37 (ii) ~~ACTIVITIES.—ACTIVITIES QUALITY AND SUPPLY ACTIVITIES.—Activities~~  
38 funded under the quality child care amount described in clause (i) shall include  
39 each of the following:

40 (I) STARTUP GRANTS AND SUPPLY EXPANSION GRANTS.—

41 (aa) IN GENERAL.—From a portion of the quality child care amount, a

1 State shall make startup and supply expansion grants to support child  
2 care providers who are providing, or seeking to provide, child care  
3 services to children receiving assistance under this section, with priority  
4 for providers providing or seeking to provide child care in underserved  
5 communities and for underserved populations identified in subsection  
6 (f)(4)(H), to—

7 (AA) support startup and expansion costs; and

8 (BB) assist such providers in meeting health and safety  
9 requirements ~~and achieving licensure.~~, **achieving licensure, and**  
10 **meeting requirements in the State’s tiered system for measuring**  
11 **the quality of eligible child care providers.**

12 (bb) REQUIREMENT.—As a condition of receiving a startup or supply  
13 expansion grant under this subclause, a child care provider shall commit  
14 to meeting the requirements of an eligible provider under this section,  
15 and providing child care services to children receiving assistance under  
16 this section on an ongoing basis.

17 (II) QUALITY GRANTS.—From a portion of the quality child care amount, a  
18 State shall provide quality grants to **support** eligible child care providers **in**  
19 providing child care services to children receiving assistance under this  
20 section to improve the quality of such providers, including—

21 (aa) supporting such providers in meeting or making progress toward  
22 the requirements for the highest tier of the State’s tiered system for  
23 measuring the quality of **eligible** child care providers under subsection  
24 (f)(4)(B); and

25 (bb) supporting such providers in sustaining child care quality,  
26 **including supporting increased wages for staff and supporting**  
27 **payment of fixed costs.**

28 (III) FACILITIES GRANTS.—

29 (aa) IN GENERAL.—From a portion of the quality child care amount, a  
30 State shall provide support, including through awarding facilities grants,  
31 for remodeling, renovation, or repair of a building or facility to the  
32 extent permitted under section 658F(b) of the Child Care and  
33 Development Block Grant Act of 1990 (42 U.S.C. 9858).

34 (bb) ADDITIONAL USES.—For fiscal years 2022 through 2024, and in  
35 subsequent years with approval from the Secretary, a State may ~~provide~~  
36 **award** such facilities grants for construction, permanent improvement,  
37 or major renovation of a building or facility primarily used for  
38 providing **direct** child care services, in accordance with the following:

39 (AA) Federal interest provisions will not apply to the renovation or  
40 rebuilding of privately-owned family child care homes under this  
41 subclause.

42 (BB) Eligible child care providers may not use funds for buildings

1 or facilities that are used primarily for sectarian instruction or  
2 religious worship.

3 (CC) The Secretary shall develop parameters on the use of funds  
4 under this subclause for family child care homes.

5 (DD) The Secretary shall not retain Federal interest after a period  
6 of 10 years in any facility built, renovated, or repaired with funds  
7 awarded under this subclause.

8 (IV) ~~ADDITIONAL~~ **LIMITATION.—For purposes of subclause (III), the**  
9 **Secretary shall not—**

10 (aa) **enter into any agreement related to funds for activities**  
11 **carried out under subclause (III)—**

12 (AA) **that is for a term extending beyond September 30, 2031;**  
13 **and**

14 (BB) **under which any payment could be outlaid after**  
15 **September 30, 2031; or**

16 (bb) **use any other funds available to the Secretary, other than**  
17 **funds provided under this section, to satisfy obligations initially**  
18 **made for activities carried out under subclause (III).**

19 (V) **STATE ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE**  
20 **SERVICES.—A State shall use a portion of the quality child care amount to**  
21 **improve the quality of child care services available for this program, which**  
22 **shall include—**

23 (aa) **supporting the training and professional development of the early**  
24 **childhood workforce, including supporting degree attainment and**  
25 **credentialing for early childhood educators;**

26 (bb) **developing, implementing, or enhancing the State’s tiered**  
27 **system for measuring the quality of eligible child care providers under**  
28 **subsection (f)(4)(B);**

29 (cc) **improving the supply and quality of developmentally appropriate**  
30 **and inclusive child care programs and services for underserved**  
31 **populations described in subsection (f)(4)(H);**

32 (dd) **improving access to child care services for children experiencing**  
33 **homelessness and children in foster care; and vulnerable children as**  
34 **defined by the lead agency pursuant to subsection (b)(4)(A)(iv)(II);**  
35 **and**

36 (ee) ~~other activities to improve the supply and quality of child care~~  
37 ~~services, including activities described in paragraphs (1) through (10) of~~  
38 ~~section 658G(b) of the Child Care and Development Block Grant Act of~~  
39 ~~1990 (42 U.S.C. 9858e).~~ **(ee) providing outreach and enrollment**  
40 **support for families of eligible children.**

1                   ~~(V)~~**(VI)** TECHNICAL ASSISTANCE.—From a portion of the quality child  
2                   care amount, the State shall provide technical assistance to increase the  
3                   supply and quality of eligible child care providers who are providing, or  
4                   seeking to provide, child care services to children receiving assistance under  
5                   this section, including providing support to enable providers to achieve  
6                   licensure.

7           (i) Grants to ~~Localities~~.— **Localities and Awards to Head Start Programs.**—

8                   ~~(1) Definition of eligible locality.—In this subsection—~~**(1) ELIGIBLE LOCALITY**  
9                   **DEFINED.—In this subsection,** the term “eligible locality” means a city, county, or other  
10                   unit of general local government, ~~or a Head Start grantee.~~

11                   ~~(2)~~**(2) GRANTS TO LOCALITIES.**—

12                   (A) IN GENERAL.—The Secretary shall use funds ~~reserved in~~ **appropriated under**  
13                   subsection ~~(g)(1)(A)(i)(IV))~~**(c)(4)** to award local Birth ~~through~~ **Through** Five Child  
14                   Care and Early Learning Grants, **in accordance with rules established by the**  
15                   **Secretary,** to eligible localities located in States that have ~~made it apparent that they~~  
16                   ~~will not apply for~~ **not received** payments under subsection ~~(f)~~**(g)**. The Secretary shall  
17                   award the grants to eligible localities in **such** a State from the allotment made for that  
18                   State under subparagraph (B).

19                   ~~The Secretary shall specify the requirements for an eligible locality to provide~~  
20                   ~~access to child care to children in families with income that does not exceed 200~~  
21                   ~~percent of the Federal poverty level, which shall, to the greatest extent practicable, be~~  
22                   ~~consistent with the requirements applicable to States under this section.~~**(B)**

23                   **ALLOTMENTS.**—

24                   ~~(B)~~**(i) POVERTY LINE DEFINED.**—**In this subparagraph, the term “poverty**  
25                   **line” means the poverty line defined and revised as described in section 673**  
26                   **of the Community Services Block Grant Act (42 U.S.C. 9902).**

27                   **(ii) GENERAL AUTHORITY.**—**For each State described in subparagraph (A),**  
28                   **the Secretary shall allot for the State for a fiscal year an amount that bears**  
29                   **the same relationship to the funds appropriated under subsection (c)(4) for**  
30                   **the fiscal year as the number of children from families with family incomes**  
31                   **that are below 200 percent of the poverty line, and who are under the age of**  
32                   **6, in the State bears to the total number of all such children in all States**  
33                   **described in subparagraph (A).**

34                   (C) APPLICATION.—To receive a grant from the corresponding State allotment under  
35                   ~~this subsection~~ **subparagraph (B),** an eligible locality shall submit an application to  
36                   the Secretary at such time, in such manner, and containing such information as the  
37                   Secretary may require. The requirements for the application shall, to the greatest extent  
38                   practicable, be consistent with the State plan requirements applicable to States under  
39                   ~~this subsection (f).~~ **subsection (f).**

40                   ~~(C) Priority for localities serving underserved populations.—In awarding a grant~~**(D)**  
41                   **REQUIREMENTS.—The Secretary shall specify the requirements for an eligible**  
42                   **locality to provide access to child care, which child care requirements shall, to the**  
43                   **greatest extent practicable, be consistent with the requirements applicable to**

1 States under this section.

2 (E) RECOUPMENT OF UNUSED FUNDS.—Notwithstanding any other provision of  
3 this section, for each of fiscal years 2023 through 2027, the Secretary shall have  
4 the authority to recoup any unused funds allotted under subparagraph (B) for  
5 awards under paragraph (3)(A) to Head Start agencies in accordance with  
6 paragraph (3).

7 (3) HEAD START EXPANSION IN NONPARTICIPATING STATES.—

8 (A) IN GENERAL.—The Secretary shall use funds appropriated under subsection  
9 (c)(5) or recouped under paragraph (2) to make awards to Head Start agencies in  
10 a State described in paragraph (2)(A) to carry out the purposes of the Head Start  
11 Act in such State.

12 (B) RULE.—For purposes of carrying out the Head Start Act in circumstances  
13 not involving awards under this paragraph, ~~the Secretary,~~ funds awarded under  
14 subparagraph (A) shall not be included in the calculation of a “base grant” as  
15 such term is defined in section 640(a)(7)(A) of the Head Start Act (42 U.S.C.  
16 9835(a)(7)(A)).

17 (C) DEFINITION.—In this paragraph, the term “Head Start agency” means an  
18 entity designated or eligible to be designated as a Head Start agency under section  
19 641(a)(1) of the Head Start Act or as an Early Head Start agency (by receiving a  
20 grant) under section 645A(a) of such Act.

21 (4) PRIORITY FOR SERVING UNDERSERVED POPULATIONS.—In making determinations  
22 to award a grant or make an award under this subsection, the Secretary shall give  
23 priority to ~~eligible localities seeking to serve~~ entities serving a high percentage of  
24 individuals from underserved populations described in subsection (f)(4)(H).

25 (j) Program Requirements.—

26 (1) NONDISCRIMINATION.—The following provisions of law shall apply to any program  
27 or activity that receives funds provided under this section:

28 (A) Title IX of the Education Amendments of 1972(~~20 U.S.C. 1681 et seq.~~).

29 (B) Title VI of the Civil Rights Act of 1964(~~42 U.S.C. 2000d et seq.~~).

30 (C) Section 504 of the Rehabilitation Act of 1973(~~29 U.S.C. 794~~).

31 (D) The Americans with Disabilities Act of 1990(~~42 U.S.C. 12101 et seq.~~).

32 (E) Section 654 of the Head Start Act(~~42 U.S.C. 9849~~).

33 ~~(2) Maintenance of effort.—To be eligible to receive a grant~~(2) PROHIBITION ON  
34 ADDITIONAL ELIGIBILITY REQUIREMENTS.—No individual shall be determined, by the  
35 Secretary, a State, or another recipient of funds under this section, a State shall be  
36 ineligible for child care services provided under this section, except on the basis of  
37 eligibility requirements specified in or under this section.

38 (3) MAINTENANCE OF EFFORT.—

39 (A) IN GENERAL.—A State that receives payments under this section for a fiscal  
40 year, in using the funds made available through the payments, shall maintain ~~child care~~

1 assistance for families at levels not less than the levels provided by the State in fiscal  
2 year 2021. The Secretary shall determine the State expenditures allowable under this  
3 requirement. the expenditures of the State for child care services at the average  
4 level of such expenditures by the State for the 3 preceding fiscal years.

5 (B) COUNTING RULE.—State expenditures counted for purposes of meeting the  
6 requirement in subparagraph (A) may also be counted for purposes of meeting  
7 the requirement to provide a non-Federal share under clause (i), (ii), or (iii), as  
8 appropriate, of subsection (g)(2)(A).

9 (4) SUPPLEMENT NOT SUPPLANT.—Funds received under this section shall be used to  
10 supplement and not supplant other Federal, State, and local public funds expended to  
11 provide child care services in the State on the date of enactment of this Act, calculated  
12 as the average amount of such Federal, State, and local public funds expended for  
13 fiscal years 2019, 2020, and 2021.

14 (5) ALLOWABLE SOURCES OF NON-FEDERAL SHARE.—For purposes of providing the  
15 non-Federal share required under subsection (g)(2), a State's non-Federal share—

16 (A) for direct child care services described in subsection (g)(2)(A)(i)—

17 (i) shall not include contributions being used as a non-Federal share or  
18 match for another Federal award; and

19 (ii) shall be provided from State or local sources, contributions from  
20 philanthropy or other private organizations, or a combination of such  
21 sources and contributions; and

22 (B) for activities to improve the quality and supply of child care services  
23 described in subsection (g)(2)(A)(ii), and administration described in subsection  
24 (g)(2)(A)(iii)—

25 (i) shall not include contributions being used as a non-Federal share or  
26 match for another Federal award;

27 (ii) shall be provided from State or local sources, contributions from  
28 philanthropy or other private organizations, or a combination of such  
29 sources and contributions; and

30 (iii) may be in cash or in kind, fairly evaluated, including facilities or  
31 property, equipment, or services.

32 (6) INFORMATION FOR DETERMINATIONS.—For purposes of determinations of  
33 participation in an eligible activity, the provision of information for such  
34 determinations by Federal agencies other than the Department of Health and Human  
35 Services shall not be required.

36 (7) REPORTS.—A State, Indian Tribe, Tribal organization, or territory receiving  
37 funds under this section shall provide to the Secretary such periodic reports, providing  
38 a detailed accounting of the uses of the funds received under this section, as the  
39 Secretary may require for the administration of this section. The State, Indian Tribe,  
40 Tribal organization, or territory shall begin to provide the reports beginning not later  
41 than 60 days after its initial receipt of a payment under subsection (g)(1).

1 (k) Monitoring and Enforcement.—

2 (1) REVIEW OF COMPLIANCE WITH REQUIREMENTS AND STATE PLAN.—The Secretary shall  
3 review and monitor ~~State compliance~~ **compliance of States, territories, Tribal entities,**  
4 **and local entities** with this section and **State compliance with** the plan described in  
5 subsection (f)(4) ~~of the State~~.

6 (2) ISSUANCE OF RULE.—The Secretary shall establish by rule procedures for—

7 (A) receiving, processing, and determining the validity of complaints or findings  
8 concerning any failure of a State to comply with the State plan or any other  
9 requirement of this section;

10 (B) notifying a State when the Secretary has determined there has been a failure by  
11 the State to comply with a requirement of this section; and

12 (C) imposing sanctions under this subsection for such a failure.

13 (l) **Federal Administration.**—Using funds reserved under subsection ~~(b)(2)(c)(6)~~, the  
14 Secretary shall ~~provide~~ **carry out administration of this section, shall provide (including**  
15 **through the use of grants or cooperative agreements)** technical assistance to States, territories  
16 ~~and, Indian Tribes and,~~ **and Tribal organizations, and shall** carry out research, **and**  
17 ~~evaluations, and administration~~ related to this section.

18 (m) Transition Provisions.—

19 (1) TREATMENT OF CHILD CARE AND DEVELOPMENT BLOCK GRANT FUNDS.—For each of  
20 fiscal years 2025, 2026, and 2027, a State receiving assistance under this section shall not  
21 use more than 10 percent of any funds received under the Child Care and Development  
22 Block Grant Act of 1990 to provide ~~child care~~ **assistance for direct child care services** to  
23 children **who are** under the age of 6, ~~who are not yet in kindergarten,~~ **and** are eligible  
24 under that Act.

25 (2) SPECIAL RULES REGARDING ELIGIBILITY.—Any child who is less than 6 years of age, is  
26 not yet in kindergarten, and is receiving assistance under the Child Care and Development  
27 Block Grant Act of 1990 ~~(42 U.S.C. 9857 et seq.)~~ on the date funding is first allocated to the  
28 lead agency **for the State, territory, Indian Tribe, or Tribal organization involved** under  
29 this section—

30 (A) shall be deemed immediately eligible to receive assistance under this section;  
31 and

32 (B) may continue to use the child care provider of the family's choice.

33 (3) TRANSITION PROCEDURES.—The Secretary is authorized to institute procedures for  
34 implementing this section, including issuing guidance for States receiving funds under  
35 subsection (g)(1).

36 **SEC. 23002. UNIVERSAL PRESCHOOL.**

37 (a) Definitions.—In this section:

38 (1) CHILD EXPERIENCING HOMELESSNESS.—The term “child experiencing homelessness”  
39 means an individual who is a homeless child or youth under section 725 of the

1 McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a).

2 (2) CHILD WITH A DISABILITY.—The term “child with a disability” has the meaning given  
3 the term in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

4 (3) COMPREHENSIVE SERVICES.—The term “comprehensive services” means services that  
5 are provided to low-income children and their families, and that are health, educational,  
6 nutritional, social, and other services that are determined, based on family needs  
7 assessments, to be necessary, within the ~~means~~ **meaning** of section 636 of the Head Start  
8 Act (42 U.S.C. 9831).

9 (4) DUAL LANGUAGE LEARNER.—The term “dual language learner” means ~~an individual~~  
10 ~~who is limited English proficient, as defined in section 637 of the Head Start Act (42 U.S.C.~~  
11 ~~9832);~~ **a child who is learning 2 or more languages at the same time, or a child who is**  
12 **learning a second language while continuing to develop the child’s first language.**

13 (5) ELIGIBLE CHILD.—The term “eligible child” means a child who is age 3 or 4, on the  
14 date established by the applicable local educational agency for kindergarten entry.

15 (6) ELIGIBLE PROVIDER.—The term “eligible provider” means—

16 (A) a local educational agency, acting alone or in a consortium or in collaboration  
17 with an educational service agency (as defined in section 8101 of the Elementary and  
18 Secondary Education Act of 1965 (20 U.S.C. 7801)), that is licensed by the State or  
19 meets comparable health and safety standards;

20 (B) a Head Start agency or delegate agency funded under the Head Start Act~~(42-~~  
21 ~~U.S.C. 9831 et seq.);~~

22 (C) a licensed center-based child care provider, licensed family child care provider,  
23 or community- or neighborhood-based network of licensed family child care  
24 providers; or

25 (D) a consortium of entities described in any of subparagraphs (A), (B), and (C).

26 (7) HEAD START AGENCY.—**The term “Head Start agency”, as used in paragraph**  
27 **(6)(B), or subsection (c)(5)(D) or (f)(1), means an entity designated as a Head Start**  
28 **agency under section 641(a)(1) of the Head Start Act or as an Early Head Start agency**  
29 **(by receiving a grant) under section 645A(a) of such Act.**

30 (8) INDIAN TRIBE.—The term “Indian Tribe” has the meaning given the term in section 4  
31 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. ~~450b~~) **5304**).

32 ~~(8)~~**(9)** LOCAL EDUCATIONAL AGENCY.—The term “local educational agency” has the  
33 meaning given the term in section 8101 of the Elementary and Secondary Education Act of  
34 1965 **(20 U.S.C. 7801)**.

35 **(10) POVERTY LINE.—The term “poverty line” means the poverty line defined and**  
36 **revised as described in-**

37 ~~(9) Poverty guidelines.—The term “poverty guidelines” means the poverty guidelines~~  
38 ~~updated periodically in the Federal Register by the Department of Health and Human~~  
39 ~~Services under the authority of section 673 of the Community Services Block Grant Act (42~~  
40 ~~U.S.C. 9902).~~



1           ~~(10)~~**(11)** SECRETARY.—The term “Secretary” means the Secretary of Health and Human  
2 Services.

3           ~~(11)~~**(12)** STATE.—The term “State” means each of the several States and the District of  
4 Columbia.

5           ~~(12)~~**(13)** TERRITORY.—The term “territory” means each of the Commonwealth of Puerto  
6 Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of  
7 the Northern Mariana Islands.

8           ~~(13)~~**(14)** TRIBAL ORGANIZATION.—The term “Tribal organization” has the meaning given  
9 the term “tribal organization” in section 658P of the Child Care and Development Block  
10 Grant Act of 1990 (42 U.S.C. 9858n).

11           ~~(14) Urban Indian organization.—The term “Urban Indian organization” has the meaning~~  
12 ~~given the term in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1602).~~

13           (b) Universal Preschool.—

14           (1) APPROPRIATION.—~~IN APPROPRIATIONS FOR STATES.—~~

15           (A) **IN GENERAL.—In addition to amounts otherwise available, there is appropriated**  
16 **to the Secretary for each of fiscal years 2022 through 2028 Department of Health and**  
17 **Human Services for fiscal year 2022, out of any money in the Treasury not**  
18 **otherwise appropriated—**

19                   (i) **\$4,000,000,000, to remain available until September 30, 2027, for**  
20 **payments to States, for carrying out this section (except provisions and**  
21 **activities covered by paragraph (2)) in fiscal year 2022;**

22                   (ii) **\$6,000,000,000, to remain available until September 30, 2027, for**  
23 **payments to States, for carrying out this section (except provisions and**  
24 **activities covered by paragraph (2)) in fiscal year 2023; and**

25                   (iii) **\$8,000,000,000, to remain available until September 30, 2027, for**  
26 **payments to States, for carrying out this section (except provisions and**  
27 **activities covered by paragraph (2)) in fiscal year 2024.**

28           (B) **ADDITIONAL APPROPRIATIONS.—In addition to amounts otherwise available,**  
29 **there is appropriated to the Department of Health and Human Services, out of any**  
30 **money in the Treasury not otherwise appropriated, such sums as may be necessary to**  
31 **carry out this section and provide the Federal share of the cost of universal,**  
32 **high-quality, free, inclusive, and mixed-delivery preschool services, on a voluntary**  
33 **basis, to children throughout the States under this section, including providing the**  
34 **Federal share of the cost of State activities described in subsection (c)(4), for each of**  
35 **fiscal years 2025 through 2027, to remain available for 1 additional fiscal year, for**  
36 **payments to States, for carrying out this section (except provisions and activities**  
37 **covered by paragraph (2)).**

38           ~~(2) Secretarial reservations.—The Secretary, in collaboration with the Secretary of~~  
39 ~~Education, shall reserve, from the amount appropriated under this subsection—(2)~~

40 **ADDITIONAL APPROPRIATIONS.—In addition to amounts otherwise available, there is**  
41 **appropriated to the Department of Health and Human Services for fiscal year 2022,**

1 out of any money in the Treasury not otherwise appropriated—

2 ~~(A) not less than 4 percent for~~ **(A) \$2,500,000,000, to remain available until**  
3 **September 30, 2027, for carrying out** payments to Indian Tribes, **and Tribal**  
4 ~~organizations, and Urban Indian organizations for activities described in this section;~~

5 ~~(B) not more than 1/2 of 1 percent for~~ **\$1,000,000,000, to remain available until**  
6 **September 30, 2027, for carrying out payments to** the territories, to be distributed  
7 among the territories on the basis of their relative need, as determined by the Secretary  
8 of ~~Health and Human Services~~ in accordance with the objectives of this section, for  
9 activities described in this section;

10 ~~(C) 1/2 of 1 percent for~~ **\$300,000,000, to remain available until September 30,**  
11 **2027, for carrying out payments to** eligible local entities that serve children in  
12 families who are engaged in migrant or seasonal agricultural labor, for activities  
13 described in this section;

14 ~~(D) for Federal activities~~ **(i) \$165,000,000, to remain available until September 30,**  
15 **2027, for carrying out Federal activities to support the activities funded under**  
16 **this section, including administration, monitoring, technical assistance, and research—**  
17 **research, in fiscal year 2022;**

18 ~~(i) \$165,000,000 for fiscal year 2022 and \$200,000,000 for fiscal year 2023; and~~ **(ii)**  
19 **\$200,000,000 to remain available until September 30, 2027, for carrying out**  
20 **Federal activities to support the activities funded under this section, including**  
21 **administration, monitoring, technical assistance, and research, in fiscal year 2023;**

22 ~~(ii) for each of fiscal years 2025 through 2028, not more than 2 percent;~~ **(iii)**  
23 **\$200,000,000, to remain available until September 30, 2027, for carrying out**  
24 **Federal activities to support the activities funded under this section, including**  
25 **administration, monitoring, technical assistance, and research, in fiscal year 2024;**

26 ~~(E) \$2,500,000,000 for each of fiscal years 2022 through 2027~~ **(iv) \$208,000,000, to**  
27 **remain available until September 30, 2027, for carrying out Federal activities to**  
28 **support the activities funded under this section, including administration,**  
29 **monitoring, technical assistance, and research, in fiscal year 2025;**

30 **(v) \$212,000,000, to remain available until September 30, 2027, for carrying out**  
31 **Federal activities to support the activities funded under this section, including**  
32 **administration, monitoring, technical assistance, and research, in fiscal year 2026;**  
33 **and**

34 **(vi) \$216,000,000, to remain available until September 30, 2027, for carrying**  
35 **out Federal activities to support the activities funded under this section, including**  
36 **administration, monitoring, technical assistance, and research, in fiscal year 2027;**

37 **(E)(i) \$2,500,000,000, to remain available until September 30, 2027, to improve**  
38 **compensation of Head Start staff consistent with subparagraphs (A)(i) and (B)(viii) of**  
39 **section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)), notwithstanding**  
40 **section 653(a) (1) of such Act (43 U.S.C. 9848(a)(1)); and of such Act (42 U.S.C.**  
41 **9848(a)), in fiscal year 2022;**

42 **(F) \$1,250,000,000 annually for each of fiscal years 2023 through 2028(ii)**

1           **\$2,500,000,000, to remain available until September 30, 2027, to improve**  
2           **compensation of Head Start staff consistent with subparagraphs (A)(i) and**  
3           **(B)(viii) of section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)),**  
4           **notwithstanding section 653(a) of such Act (42 U.S.C. 9848(a)), in fiscal year 2023;**

5           **(iii) \$2,500,000,000, to remain available until September 30, 2027, to improve**  
6           **compensation of Head Start staff consistent with subparagraphs (A)(i) and**  
7           **(B)(viii) of section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)),**  
8           **notwithstanding section 653(a) of such Act (42 U.S.C. 9848(a)), in fiscal year 2024;**

9           **(iv) \$2,500,000,000, to remain available until September 30, 2027, to improve**  
10           **compensation of Head Start staff consistent with subparagraphs (A)(i) and**  
11           **(B)(viii) of section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)),**  
12           **notwithstanding section 653(a) of such Act (42 U.S.C. 9848(a)), in fiscal year 2025;**

13           **(v) \$2,500,000,000, to remain available until September 30, 2027, to improve**  
14           **compensation of Head Start staff consistent with subparagraphs (A)(i) and**  
15           **(B)(viii) of section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)),**  
16           **notwithstanding section 653(a) of such Act (42 U.S.C. 9848(a)), in fiscal year 2026;**  
17           **and**

18           **(vi) \$2,500,000,000, to remain available until September 30, 2027, to improve**  
19           **compensation of Head Start staff consistent with subparagraphs (A)(i) and**  
20           **(B)(viii) of section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)),**  
21           **notwithstanding section 653(a) of such Act (42 U.S.C. 9848(a)), in fiscal year 2027;**

22           **(F)(i) \$1,900,000,000, to remain available until September 30, 2027, to carry out**  
23           **the program of grants to localities described in subsection ~~(e)~~(f)(2) in fiscal year**  
24           **2023;**

25           **(ii) \$1,900,000,000, to remain available until September 30, 2027, to carry out**  
26           **the program of grants to localities described in subsection (f)(2) in fiscal year**  
27           **2024;**

28           **(iii) \$1,900,000,000, to remain available until September 30, 2027, to carry out**  
29           **the program of grants to localities described in subsection (f)(2) in fiscal year**  
30           **2025;**

31           **(iv) \$1,900,000,000, to remain available until September 30, 2027, to carry out**  
32           **the program of grants to localities described in subsection (f)(2) in fiscal year**  
33           **2026; and**

34           **(v) \$1,900,000,000, to remain available until September 30, 2027, to carry out**  
35           **the program of grants to localities described in subsection (f)(2) in fiscal year**  
36           **2027; and**

37           **(G)(i) \$1,900,000,000, to remain available until September 30, 2027, to carry**  
38           **out the program of awards to Head Start agencies described in subsection (f)(3) in**  
39           **fiscal year 2023;**

40           **(ii) \$1,900,000,000, to remain available until September 30, 2027, to carry out**  
41           **the program of awards to Head Start agencies described in subsection (f)(3) in**  
42           **fiscal year 2024;**

1           (iii) **\$1,900,000,000, to remain available until September 30, 2027, to carry out**  
2           **the program of awards to Head Start agencies described in subsection (f)(3) in**  
3           **fiscal year 2025;**

4           (iv) **\$1,900,000,000, to remain available until September 30, 2027, to carry out**  
5           **the program of awards to Head Start agencies described in subsection (f)(3) in**  
6           **fiscal year 2026; and**

7           (v) **\$1,900,000,000, to remain available until September 30, 2027, to carry out**  
8           **the program of awards to Head Start agencies described in subsection (f)(3) in**  
9           **fiscal year 2027.**

10       (c) **Payments for State Universal Preschool Services.—**

11           (1) **IN GENERAL.—**A State that has submitted, and had approved by the Secretary, a **the**  
12           **State plan for universal preschool services described in paragraph (5)** is entitled to a  
13           payment under this subsection.

14           (2) **PAYMENTS TO STATES.—**

15           (A) **PRESCHOOL SERVICES.—**~~THE PAYMENTS FOR FISCAL YEARS 2022 THROUGH~~  
16           **2024.—**From amounts made available under subsection (b)(1) for any of fiscal  
17           years 2022 through 2024, the Secretary, in collaboration with the Secretary of  
18           Education, shall allot for the fiscal year, to each State that has a State plan under  
19           paragraph (5) or transitional State plan under paragraph (7) that is approved for  
20           a period including that fiscal year, an amount for the purpose of providing grants  
21           to eligible providers to provide high-quality preschool, using a formula that  
22           considers—

23           (i) **the proportion of the number of children who are below the age of 6**  
24           **and whose families have a family income at or below 200 percent of the**  
25           **poverty line for the most recent year for which satisfactory data are**  
26           **available, residing in the State, as compared to the number of such children,**  
27           **who reside in all States with approved plans for the fiscal year for which the**  
28           **allotment is being made; and**

29           (ii) **the existing Federal preschool investments in the State under the Head**  
30           **Start Act, as of the date of the allotment.**

31           (B) **PAYMENTS FOR FISCAL YEARS 2025 THROUGH 2027.—**

32           (i) **PRESCHOOL SERVICES.—**For each of fiscal years 2025 through 2027, the  
33           Secretary shall pay to each State with an approved State plan under paragraph  
34           ~~(6)~~**(5)**, an amount for ~~each~~ **that** year equal to—

35           ~~(i)~~**(I) 95.440** percent of the State's expenditures in the year for  
36           preschool services **provided under subsection (d)**, ~~described in subsection~~  
37           ~~(d), for each of fiscal years 2022, 2023, and 2024;~~

38           ~~(ii) 90~~ percent of the State's expenditures in the year for such preschool  
39           services, for fiscal year 2025;

1 (iii) ~~80~~ percent of the State's expenditures in the year for such preschool  
2 services, for fiscal year ~~2026~~;

3 (iv) ~~70~~ **(II) 79.534** percent of the State's expenditures in the year for such  
4 preschool services, for fiscal year ~~2027~~; **2026**; and

5 (v) ~~60~~ **(III) 63.627** percent of the State's expenditures in the year for such  
6 preschool services, for fiscal year ~~2028~~; **2027**.

7 ~~(B)~~ **(ii) STATE ACTIVITIES.**—The Secretary shall pay to each State with an  
8 approved State plan under paragraph ~~(6)~~ **(5)** an amount for a fiscal year equal to ~~50~~  
9 **53.022** percent of the amount of the State's expenditures for the activities  
10 described in paragraph ~~(4)~~ **(3)**, except that in no case shall a payment for a fiscal  
11 year under this ~~subparagraph~~ **clause** exceed the amount equal to 10 percent of the  
12 State's expenditures described in ~~subparagraph (A)~~ **clause (i)** for such fiscal year.

13 ~~(C)~~ **(iii) NON-FEDERAL SHARE.**—The remainder of the cost paid by the State for  
14 preschool services, that is not provided under ~~subparagraph (A)~~ **clause (i)**, shall  
15 be considered the non-Federal share of the cost of those services. The remainder  
16 of the cost paid by the State for State activities, that is not provided under  
17 ~~subparagraph (B)~~ **clause (ii)**, shall be considered the non-Federal share of the cost  
18 of those activities.

19 ~~(3)~~ **(iv) ADVANCE PAYMENT; RETROSPECTIVE ADJUSTMENT.**—The Secretary ~~may~~  
20 **shall** make a payment under ~~subparagraph (A) or (B) of paragraph (2)~~ **clause (i)**  
21 **or (ii)** for a year on the basis of advance estimates of expenditures submitted by  
22 the State and such other investigation as the Secretary may find necessary, and  
23 ~~may~~ **shall** reduce or increase the payment as necessary to adjust for any  
24 overpayment or underpayment for a previous year.

25 **(C) AUTHORITIES.**—

26 **(i) FISCAL YEARS 2022 THROUGH 2024.**—Notwithstanding any other  
27 provision of this paragraph, for each of fiscal years 2022 through 2024, the  
28 Secretary shall have the authority to reallocate funds that were allotted under  
29 subparagraph (A) from any State without an approved application under  
30 paragraph (5) by the date required by the Secretary, to States with an  
31 approved application under that subsection.

32 **(ii) FISCAL YEAR 2025.**—Notwithstanding any other provision of this  
33 section, on October 1, 2024, the Secretary shall have the authority to reallocate  
34 funds from payments made from allotments under subparagraph (A) that  
35 are unobligated on such date, to any State without such unobligated funds  
36 that is a State with an approved application under paragraph (5), to carry  
37 out the purposes of this section.

38 ~~(3)~~ **(4) STATE ACTIVITIES.**—A State that receives a payment under paragraph (2) ~~(B)~~ shall  
39 carry out all of the following activities:

40 (A) State administration of the State's ~~State~~ **State** preschool services program described in  
41 this section.

42 (B) Supporting a continuous quality improvement system **for providers of**

1           **preschool services participating, or seeking to participate, in the State preschool**  
2           **program**, through the use of data, researching, monitoring, training, technical  
3           assistance, professional development, and coaching ~~to support providers participating~~  
4           ~~or seeking to participate in the State's preschool services program and to support such~~  
5           ~~providers in meeting the requirements of this section.~~

6           (C) Providing outreach and enrollment support for families of eligible children,  
7           ~~including specific outreach to families of underserved populations.~~

8           (D) Supporting data systems building.

9           (E) Supporting staff of eligible providers in pursuing credentials and degrees,  
10           including baccalaureate degrees.

11           (F) Supporting activities that ensure access to inclusive preschool programs for  
12           children with disabilities, ~~including, as applicable, activities that redesign or restructure~~  
13           ~~existing preschool programs, as of the date of the activity, to improve inclusive~~  
14           ~~services for children with disabilities.~~

15           (G) Providing age-appropriate transportation services for children, which at a  
16           minimum shall include transportation services for children experiencing homelessness  
17           and children in foster care.

18           (H) Conducting or updating ~~the State's a statewide needs assessment used for~~  
19           ~~purposes of paragraph (6)(B)(ii).~~ **of access to high-quality preschool services.**

20           ~~(5)~~**(4) LEAD AGENCY.**—The Governor of a State desiring **for the State** to receive a  
21           payment under this subsection shall designate a ~~State~~ lead agency (such as a State agency or  
22           joint interagency office) for the administration of the ~~universal State's~~ preschool services  
23           program under this section.

24           ~~(6)~~**(5) STATE PLAN.**—In order to be eligible for payments under this section, the Governor  
25           of a State shall submit a State plan ~~for universal, high-quality, free, inclusive, and mixed-~~  
26           ~~delivery preschool services to the Secretary for approval at such time, in such manner, and~~  
27           ~~containing such information as~~ by the Secretary, in collaboration with the Secretary of  
28           Education, ~~may require at such time, in such manner, and containing such information~~  
29           **as the Secretary shall by rule require, that includes a plan for achieving universal,**  
30           **high-quality, free, inclusive, and mixed-delivery preschool services.** Such plan shall  
31           include, **at a minimum**, each of the following:

32           (A) A certification ~~that that~~—

33                   (i) the State has in place developmentally appropriate, evidence-based  
34                   preschool standards that, at a minimum, are as rigorous as the standards specified  
35                   in subparagraph (B) of section 641A(a)(1) of the Head Start Act (42 U.S.C.  
36                   9836a(a)(1)) and include program standards for class sizes and ratios; **and-**

37                   ~~(B) A certification that the State will prioritize the establishment and expansion~~  
38                   ~~of universal, high-quality, free, inclusive, and mixed-delivery~~**(ii) the State will**  
39                   **coordinate such standards with other early learning standards in the State.**

40           (B) **An assurance that the State will ensure—**

41                   (i) **all preschool services in the State funded under this section will—**

1 high-need communities, as identified by the State, including—

2 (i) a description of which high-need communities the State will prioritize for  
3 that establishment and expansion within and across those communities;

4 (ii) a description of how the State determined which communities are high-need  
5 communities, including how the State used a research-based methodology,  
6 approved by the Secretary, to identify and serve such communities, as determined  
7 by—

8 (I) the rate of poverty among eligible children in the community;

9 (II) rates of access to high-quality preschool within the community, including,  
10 as applicable, rates of disparities for underserved or vulnerable populations as  
11 identified through a periodic needs assessment conducted through the preschool-  
12 development grants program under section 9212 of the Every Student Succeeds-  
13 Act (42 U.S.C. 9831 note) as applicable, or through another such statewide needs-  
14 assessment; and

15 (III) other indicators of community need as required by the Secretary; and

16  
17 \* 44 (iii) an assurance that the State will distribute funding for such  
18 preschool services under this section within such a high-need community so  
19 that a majority of children in the community are offered such preschool  
20 services before the State establishes and expands free preschool services in  
21 communities with lower levels of need.

22 (C) As applicable, a description of how the State plans to use funding  
23 provided under this section to ensure that existing (as of the date of  
24 submission of the State plan) publicly funded preschool programs in the  
25 State meet the requirements of this section for a preschool program.

26 (D) A certification that the State will, in establishing and operating the  
27 program of preschool services supported under this section, support a mixed-  
28 delivery preschool system, including a certification that the State will  
29 facilitate the participation in the system of Head Start programs and  
30 programs offered by other eligible providers, including providers of licensed-  
31 family child care).

32 (E) An assurance that the State will use funding provided under this  
33 section to ensure children with disabilities have access to and participate in  
34 inclusive preschool programs consistent with provisions in the Individuals-  
35 with Disabilities Education Act, including an assurance that the State will  
36 offer inclusive programming that supports the least restrictive environment  
37 requirements in Section 619 of the Individuals with Disabilities Act for all  
38 eligible children who are children with disabilities.

39  
40 \* 41 (F) A certification that the State will support the continuous quality  
41 improvement of programs providing preschool services under this section,

1 including support through technical assistance, monitoring, and research.

2  
3 ~~\* 42 (G) A certification that the State will ensure a highly qualified early~~  
4 ~~childhood workforce to support the requirements of this section.~~

5 (H) A description of how the State will coordinate the State's preschool  
6 standards described in subparagraph (A) with other early learning standards  
7 within the State.

8 (I) A description of how the State will—

9 (i) coordinate services and funding provided under this section with  
10 services and funding for other Federal, State, and local child care and early  
11 childhood development programs;

12 (ii) at the option of an Indian Tribe or Tribal organization in the State,  
13 collaborate and coordinate services and funding with such Indian Tribe or  
14 Tribal organization;

15  
16 \* 40 (iii) partner with Head Start agencies to ensure the full utilization of  
17 Head Start programs within the State;

18 (iv) collaborate with entities carrying out programs under section 619 or  
19 part C of the Individuals with Disabilities Education Act, to support inclusive  
20 preschool programs; and

21 (v) improve transitions of children from early childhood education to  
22 elementary school.

23 (J) An assurance that the State will partner with not less than 1 institution  
24 of higher education to facilitate degree attainment for staff of preschool  
25 programs.

26 (K) An assurance that the State will ensure all preschool services in the  
27 State funded under this section will be—

28 (i)(I) be universally available to all children in the State without any  
29 additional eligibility requirements; and

30 (II) be high-quality, free, and inclusive; and

31 (III)(ii) by not later than 1 year after receiving the State receives such  
32 funding, meet the State's preschool education standards described in  
33 subparagraph (A); and

34 (ii) that the local preschool programs in the State funded under this section  
35 will—

36 (I)(iii) offer programming that meets the duration requirements of at least  
37 1,020 annual hours, in the program performance standards applicable to  
38 Head Start programs described in section 641A of the Head Start Act (42-  
39 U.S.C. 9836a);;



1                   (iv)(II) adopt policies and practices to conduct outreach and provide  
2 expedited enrollment, including prioritization, to—

3                   (⊕)(aa) children experiencing homelessness (**which, in the case of a**  
4 **child attending a program provided by an eligible provider**  
5 **described in subsection (a)(6)(A), shall include immediate**  
6 **enrollment for the child**);;

7                   (⊕)(bb) children in foster care or kinship care;

8                   (⊕)(cc) children in families who are engaged in migrant or seasonal  
9 agricultural labor;

10                  (⊕)(dd) children with disabilities, including **eligible children who**  
11 **are served under part C of the Individuals with Disabilities Education**  
12 **Act who are an eligible child under section 101(a)(3) of this Act; and;**  
13 **and**

14                  (⊕)(ee) dual language learners;

15                  (v) ~~provide salaries, and set salary schedules, for staff~~ **(III) provide for**  
16 **salaries, and set schedules for salaries, for staff of providers in the State**  
17 **preschool program** that are equivalent to salaries of elementary school staff  
18 with similar credentials and experience;

19                  (vi)(IV) at a minimum, provide a living wage for all staff of such  
20 providers; and

21                  (vii)(V) require educational qualifications for teachers (~~excluding~~  
22 ~~individuals who were employed by an eligible child care provider or early~~  
23 ~~education program for a cumulative three of the last five years from the date~~  
24 ~~of enactment and have the necessary content knowledge and teaching skills~~  
25 ~~for early childhood educators, as demonstrated through measures determined~~  
26 ~~by the State~~) in the preschool program including, at a minimum, requiring  
27 that lead teachers in the preschool program have a baccalaureate degree in  
28 early childhood education or a related field by not later than 7 6 years after  
29 the date of enactment of this Act (~~The requirements specified in this clause~~  
30 **on which the State first receives funds under this Act, except that—**

31                   **(aa) subject to item (bb), the requirements under this subclause**  
32 **shall not apply to individuals who were employed by an eligible child-**  
33 **care provider or early education program for a cumulative 3 of the last 5**  
34 **years from immediately preceding the date of enactment of this Act**  
35 **and have the necessary content knowledge and teaching skills for early**  
36 **childhood educators, as demonstrated through measures determined by**  
37 **the State. State; and**

38                   **(bb) nothing in this section shall require the State to lessen State**  
39 **requirements for educational qualifications, in existence on the date**  
40 **of enactment of this Act, to serve as a teacher in a State preschool**  
41 **program.**

42                  (C) For States with existing publicly funded State preschool programs (as of the

1           **date of submission of the State plan), a description of how the State plans to use**  
2           **funding provided under this section to ensure that such existing programs in the**  
3           **State meet the requirements of this section for a State preschool program.**

4           **(D) A description of how the State, in establishing and operating the State**  
5           **preschool program supported under this section, will—**

6                   **(i) support a mixed-delivery system for any new slots funded under this**  
7                   **section, including by facilitating the participation of Head Start programs**  
8                   **and programs offered by licensed child care providers;**

9                   **(ii) ensure the State preschool program does not disrupt the stability of**  
10                   **infant and toddler child care throughout the State;**

11                   **(iii) ensure adequate consultation with the State Advisory Council on**  
12                   **Early Childhood Education and Care designated or established in section**  
13                   **642B(b)(1)(A)(i) of the Head Start Act (42 U.S.C. 9837b(b)(1)(A)(i)) in the**  
14                   **development of its plan, including consultation in how the State intends to**  
15                   **distribute slots under clause (v);**

16                   **\*\* 40 ~~(iii)~~(iv) partner with Head Start agencies to ensure the full utilization of**  
17                   **Head Start programs within the State; and**

18                   **(v) distribute new preschool slots equitably among child care (including**  
19                   **family child care) providers, Head Start agencies, and schools within the**  
20                   **State.**

21           **(E) A certification that the State, in operating the program described in this**  
22           **section for a fiscal year—**

23                   **(i) will not reduce the total preschool slots provided in State-funded**  
24                   **preschool programs from the number of such slots in the previous fiscal**  
25                   **year; or**

26                   **(ii) if the number of eligible children identified in the State declines from**  
27                   **the previous fiscal year, will maintain at least the previous year's ratio of the**  
28                   **total preschool slots described in clause (i) to eligible children so identified.**

29           **(F) An assurance that the State will use funding provided under this section to**  
30           **ensure children with disabilities have access to and participate in inclusive**  
31           **preschool programs consistent with provisions in the Individuals with Disabilities**  
32           **Education Act, and a description of how the State will collaborate with entities**  
33           **carrying out programs under section 619 or part C of the Individuals with**  
34           **Disabilities Education Act, to support inclusive preschool programs.**

35                   **\*\* 41 ~~(F)~~(G) A certification that the State will support the continuous quality**  
36                   **improvement of programs providing preschool services under this section, including**  
37                   **support through technical assistance, monitoring, and research.**

38                   **\*\* 42 ~~(G)~~(H) A certification that the State will ensure a highly qualified early**  
39                   **childhood workforce to support the requirements of this section.**

40                   **~~(I)~~(I) An assurance that the State will meet the requirements of clauses (ii) and (iii)**  
41                   **of section 658E(c)(2)(T) of the Child Care and Development Block Grant Act of 1990**

1 (42 U.S.C. 9858c(c)(2)(T)), with respect to funding and assessments under this section.

2 ~~(M)~~**(J)** A certification that subgrant **and contract** amounts **provided as** described  
3 ~~under in~~ subsection (d) **are will be** sufficient to enable the eligible ~~provider~~ **providers**  
4 to meet the requirements of this ~~title~~ **section**, and will provide for increased staff  
5 payment amounts based on the criteria described in **subclauses (III) and (IV) of**  
6 **subparagraph (B)(ii).**~~(K)(v) and (vi).~~

7 ~~(N)~~ A certification that preschool seats will be distributed equitably among child-  
8 care (including family child care), Head Start, and schools within the State.

9 **\*\* 43 (K) Reports.**~~The State plan shall include an~~ **An** agreement to provide to the  
10 Secretary such periodic reports, providing a detailed accounting of the uses of ~~such~~  
11 **funds funding** received under this section, as the Secretary may require for the  
12 administration of this section.

13 ~~(7)~~**(6)** DURATION OF THE PLAN.—Each State plan shall remain in effect for a period of **not**  
14 **more than** 3 years. Amendments to the State plan shall remain in effect for the duration of  
15 the plan.

16 **(7) TRANSITIONAL STATE PLAN.—**

17 **(A) IN GENERAL.—**The Secretary shall develop parameters for, and allow a  
18 State to submit for purposes of this subsection for a period of not more than 3  
19 years, a transitional State plan, at such time, in such manner and containing~~(8)~~  
20 ~~Transitional State Plan—The Secretary shall make available a transitional State plan~~  
21 ~~for a period of one year that contains such information as the Secretary may require, to~~  
22 ~~demonstrate shall require.~~

23 **(B) CONTENTS.—**The transitional plan shall—

24 **(i) demonstrate that** the State will meet the requirements of this title ~~and that~~  
25 ~~includes—~~ **such plan as determined by the Secretary; and**

26 ~~(A)~~**(ii) include, at a minimum—**

27 **(I)** an assurance that the State will submit a State plan under paragraph  
28 ~~(6); and~~**(5);**

29 ~~(B)~~**(II)** a description of how the funds received by the State under this ~~title~~  
30 **section** will be spent to expand access to universal, high-quality, free,  
31 inclusive, and mixed-delivery preschool ~~programs~~ in alignment with the  
32 requirements of this ~~title~~.

33 **section; and**

34 **(III) such data as the Secretary may require on the provision of**  
35 **preschool services in the State.**

36 (d) Subgrants and Contracts for Local Preschool Programs.—

37 **(1) SUBGRANTS AND CONTRACTS.—**

38 **(A) IN GENERAL.—**A State that receives a payment under subsection (c)(2)~~(A)~~ for a  
39 fiscal year shall use amounts provided through the payment to pay ~~the Federal share of~~  
40 the costs of subgrants to, or contracts with, eligible providers to operate universal,

1 high-quality, free, ~~inclusive, and mixed-delivery~~ preschool programs **and inclusive**  
2 **preschool programs (which State-funded programs may be referred to in this**  
3 **section as “local preschool programs”)** through the State preschool program in  
4 accordance with paragraph ~~(2)~~**(3)**. A State shall reduce or increase the amounts  
5 provided under such subgrants or contracts if needed to adjust for any overpayment or  
6 underpayment described in subsection ~~(e)(3)(c)(2)(B)(iv)~~.

7 (B) AMOUNT.—A State shall award a subgrant or contract under this subsection in a  
8 sufficient amount to enable the eligible provider to operate a ~~universal, high-quality,~~  
9 ~~free, and inclusive~~ **local** preschool program that meets the requirements of subsection  
10 ~~(e)(6)(K) and (c)(5)(B)~~, which amount shall reflect variations in the cost of preschool  
11 services by geographic area, type of provider, and age of child, and the additional costs  
12 associated with providing inclusive preschool services for children with disabilities.

13 (C) DURATION.—The State shall award a subgrant or contract under this subsection  
14 for a period of not less than 3 years, unless the subgrant or contract is terminated or  
15 suspended, or the subgrant period is reduced, for cause.

16 (2) ENHANCED PAYMENTS FOR COMPREHENSIVE SERVICES.—In awarding subgrants or  
17 contracts under this subsection and in addition to meeting the requirements of paragraph  
18 (1)(B), the State shall award subgrants or contracts with enhanced payments to eligible  
19 providers that offer **local** preschool programs funded under this subsection to a high  
20 percentage of low-income children to **support comprehensive services.** ~~support—~~

21 ~~(A) comprehensive services, including social, emotional and other services that support~~  
22 ~~child well-being;~~

23 ~~(B) health and developmental screenings; and~~

24 ~~(C) service referral for children and families served by the program involved.~~

25 (3) ESTABLISHING AND EXPANDING UNIVERSAL PRESCHOOL PROGRAMS.—

26 (A) ESTABLISHING AND EXPANDING UNIVERSAL PRESCHOOL PROGRAMS IN HIGH-NEED  
27 COMMUNITIES.—In awarding subgrants or contracts under this subsection, the State  
28 shall first prioritize establishing and expanding universal **local** preschool programs  
29 within and across high-need communities ~~identified under subsection (e)(6)(B)~~ by  
30 awarding subgrants or contracts to eligible providers operating within **and across**, or  
31 with capacity to operate within and across, such high-need communities. ~~Such~~  
32 ~~subgrants or contracts shall be used to enroll and serve children in the preschool~~  
33 ~~program, including—~~ **The State shall—**

34 **(i) use a research-based methodology approved by the Secretary to identify**  
35 **such high-need communities, as determined by—**

36 **(I) the rate of poverty in the community;**

37 **(II) rates of access to high-quality preschool within the community;**  
38 **and**

39 **(III) other indicators of community need as required by the Secretary;**  
40 **and**

41 **\*\* 44** ~~(iii) an assurance that the State will~~**(ii) distribute funding for such**

1 preschool services under this section within such a high-need community so that a  
2 majority of children in the community are offered such preschool services before  
3 the State establishes and expands free preschool services in communities with  
4 lower levels of need.

5 **(B) USE OF FUNDS.—Subgrants or contracts awarded under subparagraph (A)**  
6 **shall be used to enroll and serve children in such a local preschool program**  
7 **involved, including by paying the costs—**

8 **(i) of**~~(i)~~ personnel (including classroom and administrative personnel),  
9 including compensation and benefits;

10 **(ii) costs** associated with implementing the State’s preschool standards,  
11 providing curriculum ~~support~~ **supports**, and meeting early learning and  
12 development standards;

13 **(iii) of** professional development, teacher supports, and training;

14 **(iv) of** implementing **and meeting** developmentally appropriate health and  
15 safety standards (including licensure, where applicable), teacher to child ratios,  
16 and group size maximums;

17 **(v) of** materials, equipment ~~and supplies~~, **and supplies; and**

18 ~~(vi) meeting health and safety standards, including licensure; and~~

19 ~~(vii) rent or~~ **(vi) of rent or a** mortgage, utilities, building security, indoor and  
20 outdoor maintenance, and insurance.

21 (4) ESTABLISHING AND EXPANDING UNIVERSAL PRESCHOOL PROGRAMS IN ADDITIONAL  
22 COMMUNITIES.—Once a State that receives a payment under subsection (c)(2)~~(A)~~ meets the  
23 requirements of paragraph ~~(2)~~**(3)** with respect to establishing and expanding **local** preschool  
24 programs within and across high-need communities, the State shall use ~~any remaining~~ funds  
25 from such payment to enroll and serve children in **local** preschool programs, as described in  
26 such paragraph, ~~to~~ **in** additional communities in accordance with the statewide needs-  
27 assessment used for purposes of paragraph ~~(6)(B)(i)~~ **metrics described in paragraph**  
28 **(3)(A)(i)**. Such funds shall be used for the activities described in ~~(2)(A)(i)(viii)~~ **clauses (i)**  
29 **through (vi) of paragraph (3)(B)**.

30 ~~(e) Grants to Localities.~~ **(e) Payments for Universal Preschool Services Indian Tribes**  
31 **and Territories.—**

32 ~~(1) Definitions.—In this subsection:~~**(1) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—**

33 ~~(A) Eligible locality.—The~~**(A) IN GENERAL.—For each of fiscal years 2022**  
34 **through 2027, from the amount appropriated for Indian Tribes and Tribal**  
35 **organizations under subsection (b)(2)(A), the Secretary shall make payments to**  
36 **Indian Tribes and Tribal organizations with an application approved under**  
37 **subparagraph (B), and the Tribes and Tribal organizations shall be entitled to**  
38 **such payments for the purpose of carrying out the preschool program described**  
39 **in this section, consistent, to the extent practicable as determined by the**  
40 **Secretary, with the requirements applicable to States.**

41 **(B) APPLICATIONS.—An Indian Tribe or Tribal organization seeking a payment**

1 under this paragraph shall submit an application to the Secretary at such time, in  
2 such manner, and containing such information as the Secretary may specify.

3 (2) TERRITORIES.—

4 (A) IN GENERAL.—For each of fiscal years 2022 through 2027, from the amount  
5 appropriated for territories under subsection (b)(2)(B), the Secretary shall make  
6 payments to the territories with an application approved under subparagraph  
7 (B), and the territories shall be entitled to such payments, for the purpose of  
8 carrying out the preschool program described in this section, consistent, to the  
9 extent practicable as determined by the Secretary, with the requirements  
10 applicable to States.

11 (B) APPLICATIONS.—A territory seeking a payment under this paragraph shall  
12 submit an application to the Secretary at such time, in such manner, and  
13 containing such information as the Secretary may specify.

14 (3) LEAD AGENCY.—The head of an Indian tribe or territory desiring for the Indian  
15 tribe or a related tribal organization, or territory, to receive a payment under this  
16 subsection shall designate a lead agency (such as a tribal or territorial agency or joint  
17 interagency office) for the administration of the preschool program of the Indian tribe  
18 or territory, under this section.

19 (f) Grants to Localities and Head Start Expansion in Nonparticipating States.—

20 (1) ELIGIBLE LOCALITY DEFINED.—In this subsection, the term “eligible locality”  
21 means a city, county, or other unit of general local government, a local educational agency,  
22 or a Head Start agency.

23 ~~(B) Low income young child.—The term “low income young child” means a child who~~  
24 ~~is under age 6 and from a family with a family income that is not more than 200 percent of~~  
25 ~~the poverty guidelines.~~(2) GRANTS TO LOCALITIES.—

26 ~~(2)(A) IN GENERAL.—The Secretary, in consultation with the Secretary of~~  
27 ~~Education, shall use funds reserved in subsection (b)(2)(F) to award local universal~~  
28 ~~preschool grants, in accordance with rules established by the Secretary of Health~~  
29 ~~and Human Services, to eligible localities located in States that have made it apparent~~  
30 ~~that they will not apply for not received payments under subsection (c)(2)(A). The~~  
31 ~~Secretary shall award the grants to eligible localities in a State from the allotment made~~  
32 ~~for that State under paragraph (3) subparagraph (B). The Secretary shall specify the~~  
33 ~~requirements for an eligible locality to conduct a preschool services program under this~~  
34 ~~subsection which shall, to the greatest extent practicable, be consistent with the~~  
35 ~~requirements applicable to States under this section, including ensuring a free, for a~~  
36 ~~universal, high-quality, free, and inclusive mixed-delivery preschool system program.~~

37 ~~(3)(B) ALLOTMENTS.—For each State described in paragraph (2) subparagraph~~  
38 ~~(A), the Secretary shall allot for the State for a fiscal year an amount that bears the~~  
39 ~~same relationship to the funds reserved appropriated under subsection (b)(2)(F) as the~~  
40 ~~number of low income young children for the fiscal year as the number of children~~  
41 ~~from families with family incomes at or below 200 percent of the poverty line, and~~  
42 ~~who are under the age of 6, in the State bears to the total number of all such children~~  
43 ~~in all States described in paragraph (2) subparagraph (A).~~

1           (4)(C) APPLICATION.—To receive a grant from the corresponding State allotment  
2           under this subsection, an eligible locality shall submit an application to the Secretary at  
3           such time, in such manner, and containing such information as the Secretary may  
4           require. The requirements for the application shall, to the greatest extent practicable, be  
5           consistent with the State plan requirements applicable to States under this section.

6           (D) RECOUPMENT OF UNUSED FUNDS.—**Notwithstanding any other provision of**  
7           **this section, for each of fiscal years 2023 through 2027, the Secretary shall have**  
8           **the authority to recoup any unused funds allotted under subparagraph (B) for**  
9           **awards under paragraph (3)(A) to Head Start agencies in accordance with**  
10          **paragraph (3).**

11          (3) HEAD START EXPANSION IN NONPARTICIPATING STATES.—

12          (A) IN GENERAL.—**The Secretary shall use funds appropriated under subsection**  
13          **(b)(2)(G) or recouped under paragraph (2) to make awards to Head Start**  
14          **agencies in a State described in paragraph (2)(A) to carry out the purposes of the**  
15          **Head Start Act in such State.**

16          (B) RULE.—**For purposes of carrying out the Head Start Act in circumstances**  
17          **not involving awards under this paragraph, funds awarded under subparagraph**  
18          **(A) shall not be included in the calculation of a “base grant” as such term is**  
19          **defined in section 640(a)(7)(A) of the Head Start Act (42 U.S.C. 9835(a)(7)(A)).**

20          (C) DEFINITION.—**In this paragraph, the term “Head Start agency” means an**  
21          **entity designated or eligible to be designated as a Head Start agency under section**  
22          **641(a)(1) of the Head Start Act or as an Early Head Start agency (by receiving a**  
23          **grant) under section 645A(a) of such Act.**

24          (4) ~~PRIORITY FOR~~~~(5) PRIORITY FOR LOCALITIES SERVING UNDERSERVED~~  
25          COMMUNITIES.—~~In awarding~~ **making determinations to award a grant or make an award**  
26          under this subsection, the Secretary, ~~in collaboration with the Secretary of Education,~~ shall  
27          give priority to ~~eligible localities serving high-need communities, determined in accordance~~  
28          ~~with subsection (d)(2)(B):~~ **entities serving communities with a high percentage of**  
29          **children from families with family incomes at or below 200 percent of the poverty line.**

30          (4)(g) Allowable Sources of Non-Federal Share.—For purposes of calculating the amount of  
31          the non-Federal share, as determined under subsection (c)(2)(B)(iii), relating to a payment under  
32          such subsection (c)(2)(B), a State’s non-Federal share—

33                  (1) may be in cash or in kind, fairly evaluated, including facilities or property, equipment,  
34                  or services;

35                  (2) shall include any increase in amounts spent by the State to expand half-day  
36                  kindergarten programs in the State, as of the day before the date of enactment of this Act,  
37                  into full-day kindergarten programs;

38                  (3) shall not include contributions being used as a non-Federal share or match for another  
39                  Federal award;

40                  (4) shall be provided from State or local sources, contributions from philanthropy or other  
41                  private organizations, or a combination of such sources and contributions; and

1 (5) shall count ~~no~~ **not** more than ~~50~~ **100** percent of the State's current spending on  
2 prekindergarten programs ~~(as of the date of enactment of this Act) toward the State match,~~  
3 **calculated as the average amount of such spending by the State for fiscal years 2019,**  
4 **2020, and 2021, toward the State's non-Federal share.**

5 ~~(g)~~**(h)** Maintenance of Effort.—

6 (1) IN GENERAL.—If a State reduces its combined fiscal effort per child for the State's  
7 **State** preschool program (whether a publicly funded preschool program or a program under  
8 this section) or through State supplemental assistance funds for Head Start programs  
9 assisted under the Head Start Act ~~(42 U.S.C. 9831 et seq.)~~, or through any State spending on  
10 preschool services for any fiscal year that a State receives payments under ~~subparagraphs~~  
11 ~~(A) and (B)~~ of subsection (c)(2) (referred to in this paragraph as the "reduction fiscal year")  
12 relative to the previous fiscal year, the Secretary, in collaboration with the Secretary of  
13 Education, shall reduce support for such State under such subsection by the same amount as  
14 the total reduction in **that** State fiscal effort for such reduction fiscal year.

15 (2) WAIVER.—The Secretary, in collaboration with the Secretary of Education, may  
16 waive the requirements of paragraph (1) if—

17 (A) the Secretaries determine that a waiver would be appropriate due to a  
18 precipitous decline in the financial resources of a State as a result of unforeseen  
19 economic hardship, or a natural disaster, that has necessitated across-the-board  
20 reductions in State services during the 5-year period preceding the date of the  
21 determination, including for early childhood education programs; or

22 (B) due to the circumstance of a State requiring reductions in specific programs,  
23 including early childhood education **programs**, the State presents to the Secretaries a  
24 justification and demonstration why other programs could not be reduced and how  
25 early childhood education programs in the State will not be disproportionately harmed  
26 by such State reductions.

27 ~~(h)~~**(i)** Supplement Not Supplant.—Funds received under this section shall be used to  
28 supplement and not supplant other Federal, State, and local public funds expended on ~~early~~  
29 ~~childhood education~~ **prekindergarten** programs in the State **on the date of enactment of this**  
30 **Act, calculated as the average amount of such Federal, State, and local public funds**  
31 **expended for fiscal years 2019, 2020, and 2021.**

32 **(j)**—

33 ~~(i)~~ Nondiscrimination Provisions.—The following provisions of law shall apply to any  
34 program or activity that receives funds provided under this section:

35 (1) Title IX of the Education Amendments of 1972 ~~(20 U.S.C. 1681 et seq.)~~.

36 (2) Title VI of the Civil Rights Act of 1964 ~~(42 U.S.C. 2000d et seq.)~~.

37 (3) Section 504 of the Rehabilitation Act of 1973 ~~(29 U.S.C. 794)~~.

38 (4) The Americans with Disabilities Act of 1990 ~~(42 U.S.C. 12101 et seq.)~~.

39 (5) Section 654 of the Head Start Act ~~(42 U.S.C. 9849)~~.

40 **(k) Monitoring and Enforcement.**—



1           **(1) REVIEW OF COMPLIANCE WITH REQUIREMENTS AND STATE PLAN.—The Secretary**  
2           **shall review and monitor compliance of States, territories, Tribal entities, and local**  
3           **entities with this section and State compliance with the State plan described in**  
4           **subsection (c)(5).**

5           **(2) ISSUANCE OF RULE.—The Secretary shall establish by rule procedures for—**

6                   **(A) receiving, processing, and determining the validity of complaints or**  
7                   **findings concerning any failure of a State to comply with the State plan or any**  
8                   **other requirement of this section;**

9                   **(B) notifying a State when the Secretary has determined there has been a**  
10                   **failure by the State to comply with a requirement of this section; and**

11                   **(C) imposing sanctions under this subsection for such a failure.**

## 12 Subtitle E—Child Nutrition and Related Programs

### 13 SEC. 24001. EXPANDING COMMUNITY ELIGIBILITY.

14           (a) Multiplier and Threshold Adjusted.—

15                   (1) MULTIPLIER.—Clause (vii) of section 11(a)(1)(F) of the Richard B. Russell National  
16                   School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended to read as follows:

17                           “(vii) MULTIPLIER.—

18                                   “(I) IMPLEMENTATION IN ~~2022~~2030.—~~FOR 2022–2027.~~—**For** each school  
19                                   year beginning on or after July 1, 2022, and ending before July 1, ~~2030~~ **2027**,  
20                                   the Secretary shall use a multiplier of 2.5.

21                                   “(II) IMPLEMENTATION AFTER ~~2030.~~—~~FOR 2027.~~—**For** each school year  
22                                   beginning on or after July 1, ~~2030~~ **2027**, the Secretary shall use a multiplier  
23                                   of 1.6.”.

24                   (2) THRESHOLD.—Clause (viii) of section 11(a)(1)(F) of the Richard B. Russell National  
25                   School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended to read as follows:

26                           “(viii) THRESHOLD.—

27                                   “(I) IMPLEMENTATION IN ~~2022~~2030.—~~FOR 2022–2027.~~—**For** each school  
28                                   year beginning on or after July 1, 2022, and ending before July 1, ~~2030~~ **2027**,  
29                                   the threshold shall be not more than 25 percent.

30                                   “(II) IMPLEMENTATION AFTER ~~2030.~~—~~FOR 2027.~~—**For** each school year  
31                                   beginning on or after July 1, ~~2030~~ **2027**, the threshold shall be not more than  
32                                   40 percent.”.

33           ~~(3) Applicability.—The amendments made by this subsection shall apply to a local~~  
34           ~~educational agency with respect to a school year beginning on or after July 1, 2022, for which~~  
35           ~~such local educational agency elects to receive special assistance payments under subparagraph~~  
36           ~~(F) of section 11(a)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C.~~  
37           ~~1759a(a)(1)).~~

38           (b) Statewide Community Eligibility.—Section 11(a)(1)(F) of the Richard B. Russell National

1 School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended by adding at the end the following:

2 “(xiv) STATEWIDE COMMUNITY ELIGIBILITY.—For each school year beginning  
3 on or after July 1, 2022, and ending before July 1, ~~2030~~ **2027**, the Secretary shall  
4 establish a statewide community eligibility program under which, in the case of a  
5 State agency that agrees to provide funding from sources other than Federal funds  
6 to ensure that local educational agencies in the State receive the free  
7 reimbursement rate for 100 percent of the meals served at applicable schools—

8 “(I) the multiplier described in clause (vii) shall apply;

9 “(II) ~~the threshold described in clause (viii) shall be applied by~~  
10 ~~substituting zero for 25~~ **notwithstanding clause (viii), the threshold shall**  
11 **be zero;** and

12 “(III) the percentage of enrolled students who were identified students  
13 shall be calculated across all applicable schools in the State regardless of  
14 local educational agency.”.

15 ~~SEC. 24002. DIRECT CERTIFICATION FOR CHILDREN~~  
16 ~~RECEIVING MEDICAID BENEFITS.~~

17 ~~(a) In General.—Section 9 of the Richard B. Russell National~~  
18 ~~School Lunch Act (42 U.S.C. 1758(b)) is amended—~~

19 ~~(1) in subsection (b)—~~

20 ~~(A) by amending paragraph (5) to read as follows:~~

21 ~~“(5) Discretionary certification.—~~

22 ~~“(A) Free lunches or breakfasts.—Subject to paragraph (6), any~~  
23 ~~local educational agency may certify any child as eligible for~~  
24 ~~free lunches or breakfasts, without further application, by~~  
25 ~~directly communicating with the appropriate State or local~~  
26 ~~agency to obtain documentation of the status of the child as—~~

27 ~~“(i) a member of a family that is receiving assistance under the~~  
28 ~~temporary assistance for needy families program funded under~~  
29 ~~part A of title IV of the Social Security Act (42 U.S.C. 601 et~~  
30 ~~seq.) that the Secretary determines complies with standards~~  
31 ~~established by the Secretary that ensure that the standards under~~  
32 ~~the State program are comparable to or more restrictive than~~

1 ~~those in effect on June 1, 1995;~~  
2 ~~“(ii) a homeless child or youth (defined as 1 of the individuals-~~  
3 ~~described in section 725(2) of the McKinney-Vento Homeless-~~  
4 ~~Assistance Act (42 U.S.C. 11434a(2));~~  
5 ~~“(iii) served by the runaway and homeless youth grant program-~~  
6 ~~established under the Runaway and Homeless Youth Act (42-~~  
7 ~~U.S.C. 5701 et seq.);~~  
8 ~~“(iv) a migratory child (as defined in section 1309 of the-~~  
9 ~~Elementary and Secondary Education Act of 1965 (20 U.S.C.~~  
10 ~~6399));~~  
11 ~~“(v) an eligible child (as defined in paragraph (15)(A)); or~~  
12 ~~“(vi)(I) a foster child whose care and placement is the-~~  
13 ~~responsibility of an agency that administers a State plan under-~~  
14 ~~part B or E of title IV of the Social Security Act (42 U.S.C. 621-~~  
15 ~~et seq.); or~~  
16 ~~“(II) a foster child who a court has placed with a caretaker-~~  
17 ~~household.~~  
18 ~~“(B) Reduced price lunches or breakfasts. Subject to paragraph~~  
19 ~~(6), any local educational agency may certify any child who is~~  
20 ~~not eligible for free school lunch or breakfast as eligible for~~  
21 ~~reduced price lunches or breakfasts, without further application,~~  
22 ~~by directly communicating with the appropriate State or local~~  
23 ~~agency to obtain documentation of the status of the child as a~~  
24 ~~child eligible for reduced price meals (as defined in paragraph~~  
25 ~~(15)(A)).”;~~  
26 ~~(B) in paragraph (6)(A), by striking “or (5)” both places it~~  
27 ~~appears and inserting “(5), or (15)”;~~ and  
28 ~~(C) in paragraph (15) —~~

1 ~~(i) in subparagraph (A) —~~

2 ~~(I) by amending clause (i) to read as follows:~~

3 ~~“(i) Eligible child. — The term ‘eligible child’ means a child —~~

4 ~~“(I)(aa) who is eligible for and receiving medical assistance~~  
5 ~~under the Medicaid program; and~~

6 ~~“(bb) who is a member of a family with an income as measured~~  
7 ~~by the Medicaid program that does not exceed 133 percent of~~  
8 ~~the poverty line (as determined under the poverty guidelines~~  
9 ~~updated periodically in the Federal Register by the Department~~  
10 ~~of Health and Human Services under the authority of section~~  
11 ~~673(2) of the Community Services Block Grant Act (42 U.S.C.~~  
12 ~~9902(2), including any revision required by such section))~~  
13 ~~applicable to a family of the size used for purposes of~~  
14 ~~determining eligibility for the Medicaid program;~~

15 ~~“(II) who is eligible for the Medicaid program because such~~  
16 ~~child receives supplemental security income benefits under title~~  
17 ~~XVI of the Social Security Act (42 U.S.C. 13811385) or State~~  
18 ~~supplementary benefits of the type referred to in section 1616(a)~~  
19 ~~of such Act (or payments of the type described in section 212(a)~~  
20 ~~of Public Law 9366);~~

21 ~~“(III) who is eligible for the Medicaid program because such~~  
22 ~~child receives an adoption assistance payment made under~~  
23 ~~section 473(a) of the Social Security Act (42 U.S.C. 673(a)) or~~  
24 ~~under a similar State funded or State operated program, as~~  
25 ~~determined by the Secretary;~~

26 ~~“(IV) who is eligible for the Medicaid program because such~~  
27 ~~child receives a kinship guardianship assistance payment made~~  
28 ~~under section 473(d) of the Social Security Act (42 U.S.C.~~  
29 ~~673(d)) or under a similar State funded or State operated~~

1 ~~program, as determined by the Secretary, without regard to~~  
2 ~~whether such child was previously in foster care; or~~  
3 ~~“(V) who is a member of a household (as that term is defined in~~  
4 ~~section 245.2 of title 7, Code of Federal Regulations (or~~  
5 ~~successor regulations)) with a child described in subclause (I),~~  
6 ~~(II), (III), or (IV).”;~~ and  
7 ~~(II) by adding at the end the following:~~  
8 ~~“(iii) Child eligible for reduced price meals.—The term ‘child~~  
9 ~~eligible for reduced price meals’ means a child—~~  
10 ~~“(I)(aa) who is eligible for and receiving medical assistance~~  
11 ~~under the Medicaid program; and~~  
12 ~~“(bb) who is a member of a family with an income as measured~~  
13 ~~by the Medicaid program that does exceed 133 percent but does~~  
14 ~~not exceed 185 percent of the poverty line (as determined under~~  
15 ~~the poverty guidelines updated periodically in the Federal~~  
16 ~~Register by the Department of Health and Human Services~~  
17 ~~under the authority of section 673(2) of the Community Services~~  
18 ~~Block Grant Act (42 U.S.C. 9902(2), including any revision~~  
19 ~~required by such section)) applicable to a family of the size used~~  
20 ~~for purposes of determining eligibility for the Medicaid~~  
21 ~~program; or~~  
22 ~~“(II) who is a member of a household (as that term is defined in~~  
23 ~~section 245.2 of title 7, Code of Federal Regulations (or~~  
24 ~~successor regulations)) with a child described in subclause (I).”;~~  
25 ~~(ii) by striking subparagraphs (B), (C), (D), (E), (G), and (H);~~  
26 ~~(iii) in subparagraph (F)—~~  
27 ~~(I) in the enumerator, by striking “(F)” and inserting “(D)”;~~ and  
28 ~~(II) by striking “conducting the demonstration project under this~~

1 ~~paragraph” and inserting “carrying out this paragraph”;~~  
2 ~~(iv) by inserting after subparagraph (A) the following:~~  
3 ~~“(B) Agreements to carry out certification.—To certify a child-~~  
4 ~~under subparagraph (A)(v) or (B) of paragraph (5), a State-~~  
5 ~~agency shall enter into an agreement with 1 or more State-~~  
6 ~~agencies conducting eligibility determinations for the Medicaid-~~  
7 ~~program.~~  
8 ~~“(C) Procedures.—Subject to paragraph (6), an agreement under-~~  
9 ~~subparagraph (B) shall establish procedures under which—~~  
10 ~~“(i) an eligible child may be certified for free lunches under this-~~  
11 ~~Act and free breakfasts under section 4 of the Child Nutrition-~~  
12 ~~Act of 1966 (42 U.S.C. 1773), without further application (as-~~  
13 ~~defined in paragraph (4)(G)); and~~  
14 ~~“(ii) a child eligible for reduced price meals may be certified for-~~  
15 ~~reduced price lunches under this Act or reduced price breakfasts-~~  
16 ~~under section 4 of the Child Nutrition Act of 1966 (42 U.S.C.~~  
17 ~~1773), without further application (as defined in paragraph-~~  
18 ~~(4)(G)).”;~~ and  
19 ~~(v) by adding at the end the following:~~  
20 ~~“(E) Sunset.—The authority under this paragraph shall terminate~~  
21 ~~on the last day of school year 20302031.”;~~ and  
22 ~~(2) in subsection (d)(2)(G), by inserting “or child eligible for~~  
23 ~~reduced price meals” after “eligible child”.~~  
24 ~~(b) Applicability.—The amendments made by this section shall~~  
25 ~~apply with respect to the period—~~  
26 ~~(1) beginning on July 1, 2022; and~~  
27 ~~(2) ending on the last day of school year 20302031.~~

1 ~~SEC. 24003.~~ **SUMMER ELECTRONIC BENEFITS**  
2 **TRANSFER FOR CHILDREN PROGRAM.**

3 The Richard B. Russell National School Lunch Act is amended by inserting after section 13  
4 (42 U.S.C. 1761) the following:

5 **“SEC. 13A. SUMMER ELECTRONIC BENEFITS**  
6 **TRANSFER FOR CHILDREN PROGRAM.**

7 **“(a) Program Established.—**The Secretary shall establish a program under which States and  
8 covered Indian Tribal organizations participating in such program shall, ~~beginning with summer~~  
9 ~~2023 and annually for each summer before the date described in subsection (g),~~ **for summer**  
10 **2023 and summer 2024** issue to eligible households summer EBT benefits—

11 **“(1) in accordance with this section; and**

12 **“(2) for the purpose of providing nutrition assistance through electronic benefits transfer**  
13 **during the summer months for eligible children, to ensure continued access to food when**  
14 **school is not in session for the summer.**

15 **“(b) Summer EBT Benefits Requirements.—**

16 **“(1) PURCHASE OPTIONS.—**

17 **“(A) BENEFITS ISSUED BY STATES.—**

18 **“(i) WIC PARTICIPATION STATES.—**In the case of a State that participated in a  
19 demonstration program under section 749(g) of the Agriculture, Rural  
20 Development, Food and Drug Administration, and Related Agencies  
21 Appropriations Act, 2010 (Public Law 111–80; 123 Stat. 2132) during calendar  
22 year 2018 using a WIC model, summer EBT benefits issued pursuant to  
23 subsection (a) by such a State may only be used by the eligible household that  
24 receives such summer EBT benefits to purchase—

25 **“(I) supplemental foods from retailers that have been approved for**  
26 **participation in—**

27 **“(aa) the special supplemental nutrition program for women, infants,**  
28 **and children under section 17 of the Child Nutrition Act of 1966 (42**  
29 **U.S.C. 1786); or**

30 **“(bb) the program under this section; or**

31 **“(II) food (as defined in section 3(k) of the Food and Nutrition Act of**  
32 **2008 (7 U.S.C. ~~2011(k))~~ **2012(k))**) from retail food stores that have been  
33 approved for participation in the supplemental nutrition assistance program  
34 established under such Act, in accordance with section ~~7(b)~~ **9** of such Act (7  
35 U.S.C. ~~2016(b)~~ **2018**).**

36 **“(ii) OTHER STATES.—**Summer EBT benefits issued pursuant to subsection (a)  
37 by a State not described in clause (i) may only be used by the eligible household  
38 that receives such summer EBT benefits to purchase food (as defined in section

1 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C. ~~2011(k))~~ **2012(k))**) from  
2 retail food stores that have been approved for participation in the supplemental  
3 nutrition assistance program established under such Act, in accordance with  
4 section ~~7(b)~~ **9(b)** of such Act (7 U.S.C. ~~2016(b)~~. **2018**) **or retail food stores that**  
5 **have been approved for participation in a Department of Agriculture grant**  
6 **funded nutrition assistance program in the Commonwealth of the Northern**  
7 **Mariana Islands, Puerto Rico, or American Samoa.**

8 “(B) BENEFITS ISSUED BY COVERED INDIAN TRIBAL ORGANIZATIONS.—Summer EBT  
9 benefits issued pursuant to subsection (a) by a covered Indian Tribal organization may  
10 only be used by the eligible household that receives such summer EBT benefits to  
11 purchase supplemental foods from retailers that have been approved for participation  
12 in—

13 “(i) the special supplemental nutrition program for women, infants, and  
14 children under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); or

15 “(ii) the program under this section.

16 “(2) AMOUNT.—Summer EBT benefits issued pursuant to subsection (a)—

17 “(A) shall be—

18 “(i) for calendar year 2023, in an amount equal to ~~\$75~~ **\$65** for each child in the  
19 eligible household per month during the summer; and

20 “(ii) for calendar year 2024 ~~and each year thereafter~~, in an amount equal to the  
21 amount described in clause (i), adjusted to the nearest lower dollar increment to  
22 reflect changes to the cost of the thrifty food plan (as defined in section 3(u) of the  
23 Food and Nutrition Act of 2008 (7 U.S.C. 2012(u)) for the 12-month period  
24 ending on November 30 of the preceding calendar year; and

25 “(B) may be issued—

26 “(i) in the form of an EBT card; or

27 “(ii) through electronic delivery.

28 “(c) Enrollment in Program.—

29 “(1) STATE REQUIREMENTS.—States participating in the program under this section  
30 shall—

31 “(A) with respect to a summer, automatically enroll eligible children in the program  
32 under this section without further application; ~~and “(B) establish procedures to carry~~  
33 ~~out the enrollment described in subparagraph (A); and~~

34 ~~“(C) “(B) require local educational agencies to allow eligible households to opt out~~  
35 ~~of participation in the program under this section and establish procedures for opting~~  
36 ~~out of such participation.~~

37 “(2) COVERED INDIAN TRIBAL ORGANIZATION REQUIREMENTS.—Covered Indian Tribal  
38 organizations participating in the program under this section shall, to the maximum extent  
39 practicable, meet the requirements under subparagraphs (A) through (C) of paragraph (1).

40 “(d) Implementation Grants.—On and after ~~October~~ **January 1, 2022**, the Secretary



1 shall carry out a program to make grants to States and covered Indian Tribal organizations to  
2 build capacity for implementing the program under this section.

3 “(e) Alternate Plans in the Case of Continuous School Calendar.—The Secretary shall  
4 establish ~~alternative plans for when~~ **an alternative method for determining the schedule and**  
5 **number of days during which** summer EBT benefits may be issued pursuant to subsection (a)  
6 in the case of children who are under a continuous school calendar.

7 “(f) Funding.—

8 “(1) PROGRAM FUNDING.—In addition to amounts otherwise available, there is  
9 appropriated for each of fiscal years 2022 through ~~2029~~ **2024**, out of any money in the  
10 Treasury not otherwise appropriated, such sums, to remain available for the ~~period-~~  
11 ~~described in paragraph (2)~~ **2-year period following the date such amounts are made**  
12 **available**, as may be necessary to carry out this section, including for administrative  
13 expenses incurred by the Secretary, States, covered Indian Tribal organizations, and local  
14 educational agencies.

15 “~~(2) Period described.—With respect to each fiscal year under paragraph (1), amounts-~~  
16 ~~made available for such a fiscal year under such paragraph shall remain available for the-~~  
17 ~~2-year period following the date such amounts are made available.~~

18 “~~(3) IMPLEMENTATION GRANT FUNDING.—In addition to amounts otherwise available,~~  
19 ~~including under paragraph (1), there is appropriated for fiscal year 2022, out of any money~~  
20 ~~in the Treasury not otherwise appropriated, \$50,000,000, to remain available until~~  
21 ~~expended, to carry out subsection (d).~~

22 “(g) Sunset.—The authority under this section shall terminate on September 30, ~~2029~~ **2024**.

23 “(h) Definitions.—In this section:

24 “(1) COVERED INDIAN TRIBAL ORGANIZATION.—The term ‘covered Indian Tribal  
25 organization’ means an Indian Tribal organization that participates in the special  
26 supplemental nutrition program for women, infants, and children under section 17 of the  
27 Child Nutrition Act of 1966 (42 U.S.C. 1786).

28 “(2) ELIGIBLE CHILD.—The term ‘eligible child’ means, with respect to a summer, a child  
29 who was, during the school year immediately preceding such summer—

30 “(A) certified to receive free or reduced price lunch under the school lunch program  
31 under this Act;

32 “(B) certified to receive free or reduced price breakfast under the school breakfast  
33 program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); or

34 “(C) enrolled in a school described in subparagraph (B), (C), (D), (E), or (F) of  
35 section 11(a)(1).

36 “(3) ELIGIBLE HOUSEHOLD.—The term ‘eligible household’ means a household that  
37 includes at least 1 eligible ~~child~~.

38 “~~(4) Supplemental foods.—The term ‘supplemental foods’—~~

39 “~~(A) means foods—~~

40 “~~(i) containing nutrients determined by nutritional research to be lacking in the diets of~~

1 children; and

2 “(ii) that promote the health of the population served by the program under this section,  
3 as indicated by relevant nutrition science, public health concerns, and cultural eating  
4 patterns, as determined by the Secretary; and

5 “(B) includes foods not described in subparagraph (A) substituted by State agencies, with  
6 the approval of the Secretary, that —

7 “(i) provide the nutritional equivalent of foods described in such subparagraph; and

8 “(ii) allow for different cultural eating patterns than foods described in such  
9 subparagraph.”. child.”.

## 10 **SEC. 24003. HEALTHY FOOD INCENTIVES** 11 **DEMONSTRATION.**

12 (a) **Appropriation.**—In addition to amounts otherwise available, there is appropriated to  
13 the Secretary of Agriculture for fiscal year 2022, out of any money in the Treasury not  
14 otherwise appropriated, \$250,000,000, to remain available until expended, to provide—

15 (1) **technical assistance and evaluation with respect to the activities described in**  
16 **subparagraphs (A) through (D) of paragraph (2); and**

17 (2) **grants and monetary incentives to carry out 1 or more of the following:**

18 (A) **Improving the nutritional quality of meals and snacks served under a child**  
19 **nutrition program.**

20 (B) **Enhancing the nutrition and wellness environment of institutions**  
21 **participating in a child nutrition program, including by reducing the availability**  
22 **of less healthy foods during the school day.**

23 (C) **Increasing the procurement of fresh, local, regional, and culturally**  
24 **appropriate foods and foods produced by underserved or limited resource**  
25 **farmers, as defined by the Secretary of Agriculture, to be served as part of a child**  
26 **nutrition program.**

27 (D) **Funding a statewide nutrition education coordinator—**

28 (i) **to support individual school food authority nutrition education efforts;**  
29 **and**

30 (ii) **to facilitate collaboration with other nutrition education efforts in the**  
31 **State.**

32 **\*\* 45 (e) In (b) State Defined.**—In this section, the term “State” has the meaning given the  
33 term in section 12(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760(d)).

## 34 **SEC. 24004. SCHOOL KITCHEN EQUIPMENT GRANTS.**

35 (a) In addition to amounts otherwise available, there is appropriated to the Secretary of  
36 Agriculture for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
37 \$500,000,000 **\$30,000,000**, to remain available until expended; **through fiscal year 2030, for**  
38 **training and technical assistance to support scratch cooking and to award grants to States (as**

1 defined in section 12(d) of the Richard B. Russell National School Lunch Act (42 U.S.C.  
2 1760(d)) to make competitive subgrants to local educational agencies and schools to purchase  
3 equipment with a value of greater than \$1,000 that, with respect to the school lunch program  
4 established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751–1769j)  
5 and the school breakfast program established under section 4 of the Child Nutrition Act of 1966  
6 (42 U.S.C. 1773), is necessary to serve healthier meals, improve food safety, and increase scratch  
7 cooking.

8 ~~(b) The Secretary may set aside up to 5 percent of the funds~~  
9 ~~made available under subsection (a) for the purpose of training~~  
10 ~~and technical assistance to support scratch cooking, which may~~  
11 ~~be administered by States or other entities.~~

12 ~~SEC. 24005. HEALTHY FOOD INCENTIVES~~  
13 ~~DEMONSTRATION.~~

14 ~~(a) In addition to amounts otherwise available, there is~~  
15 ~~appropriated to the Secretary of Agriculture for fiscal year 2022,~~  
16 ~~out of any money in the Treasury not otherwise appropriated,~~  
17 ~~\$634,000,000, to remain available until expended, to provide~~  
18 ~~competitive grants to States in accordance with this section.~~

19 ~~(b) A State that receives a grant under this section shall use such~~  
20 ~~grant funds to make subgrants to local educational agencies and~~  
21 ~~schools for activities that support—~~

22 ~~(1) serving healthy school meals and afterschool snacks that~~  
23 ~~meet discretionary goals established by the Secretary;~~

24 ~~(2) increasing scratch cooking;~~

25 ~~(3) conducting experiential nutrition education activities,~~  
26 ~~including school garden programs;~~

27 ~~(4) procuring local, regional, and culturally appropriate foods~~  
28 ~~and foods produced by underserved or limited resource farmers,~~  
29 ~~as defined by the Secretary, to serve as part of the child nutrition~~  
30 ~~programs under the Richard B. Russell National School Lunch~~  
31 ~~Act (42 U.S.C. 1751–1769j) or the Child Nutrition Act of 1966~~

1 ~~(42 U.S.C. 17711793);~~

2 ~~(5) reducing the availability of less healthy foods, as defined by~~  
3 ~~the Secretary, during the school day; or~~

4 ~~(6) carrying out additional activities to encourage the~~  
5 ~~development of healthy nutrition and physical activity habits~~  
6 ~~among children.~~

7 ~~(c) A State that receives a grant under this section may use such~~  
8 ~~grant funds to fund a statewide nutrition education coordinator~~  
9 ~~to—~~

10 ~~(1) support individual school food authority nutrition education~~  
11 ~~efforts; and~~

12 ~~(2) facilitate collaboration with other nutrition education efforts~~  
13 ~~in the State.~~

14 ~~(d) A State that receives a grant under this section may not use~~  
15 ~~more than 5 percent of such grant funds to carry out~~  
16 ~~administrative activities.~~

17  
18 ~~\* 45 (e) In this section, the term “State” has the meaning given~~  
19 ~~the term in section 12(d) of the Richard B. Russell National~~  
20 ~~School Lunch Act (42 U.S.C. 1760(d)).~~

21 Subtitle F—Human Services and Community Supports

22 SEC. 25001. ASSISTIVE TECHNOLOGY.

23 In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of  
24 any money in the Treasury not otherwise appropriated, \$10,000,000, to remain available until  
25 expended, **for necessary expenses** to carry out the Assistive Technology Act of 1998 (29 U.S.C.  
26 3001 et seq.) **3003(a)**.

27 SEC. 25002. FAMILY VIOLENCE PREVENTION AND  
28 SERVICES FUNDING.

29 In addition to amounts otherwise available, there is appropriated **to the Secretary of Health**

1 **and Human Services**, for fiscal year 2022, out of any money in the Treasury not otherwise  
2 appropriated, ~~\$27,000,000~~ **\$30,000,000**, to remain available until expended, for necessary  
3 administrative expenses to carry out ~~sections 303, 309, and 313 of the Family Violence~~  
4 ~~Prevention and Services Act (42 U.S.C. 1040110414)~~ and **subsections (c) and (d) of section**  
5 2204 of the American Rescue Plan Act of 2021 (Public Law 117–2).

## 6 **SEC. 25003. PREGNANCY ASSISTANCE FUND.**

7 Section 10214 of the Patient Protection and Affordable Care Act (42 U.S.C. 18204) is  
8 amended by ~~striking the period and inserting “, and \$25,000,000 for each of fiscal years 2022~~  
9 ~~through 2024~~ **adding at the end the following new sentence:**

10 **“In addition, there is appropriated for fiscal year 2022, out of any money in the Treasury**  
11 **not otherwise appropriated—**

12 **“(1) \$25,000,000, to remain available until expended, to carry out this ~~part.~~ part in**  
13 **fiscal year 2022;**

14 **“(2) \$25,000,000, to remain available until expended, to carry out this part in fiscal**  
15 **year 2023; and**

16 **“(3) \$25,000,000, to remain available until expended, to carry out this part in fiscal**  
17 **year 2024.”.**

## 18 **SEC. 25004. FUNDING FOR THE AGING NETWORK AND** 19 **INFRASTRUCTURE.**

20 (a) Appropriation.—In addition to amounts otherwise available, there are appropriated for  
21 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the Department  
22 of Health and Human Services—

23 (1) \$75,000,000 for the Research, Demonstration, and Evaluation Center for the Aging  
24 Network **for necessary expenses** to carry out the activities of the Center under section  
25 201(g) of the Older Americans Act of 1965 (OAA)~~(42 U.S.C. 3011(g))~~;

26 (2) \$655,000,000 **for necessary expenses** to carry out part B of title III of the OAA~~(42-~~  
27 ~~U.S.C. 3030d)~~, including for—

28 (A) supportive services of the type made available for fiscal year 2021 and  
29 authorized under such part;

30 (B) investing in the aging services network for the purposes of improving the  
31 availability of supportive services, including investing in the aging services network  
32 workforce;

33 (C) the acquisition, alteration, or renovation of facilities, including multipurpose  
34 senior centers and mobile units; and

35 (D) construction or modernization of facilities to serve as multipurpose senior  
36 centers;

37 (3) \$140,000,000 **for necessary expenses** to carry out part C of title III of the OAA~~(42-~~  
38 ~~U.S.C. 3030d~~~~213030g23)~~, including to support the modernization of infrastructure and

1 technology, including kitchen equipment and delivery vehicles, to support the provision of  
2 congregate nutrition services and home delivered nutrition services under such part;

3 (4) \$150,000,000 **for necessary expenses** to carry out part E of title III of the OAA(~~42-~~  
4 ~~U.S.C. 3030s3030s-2~~), including section 373(e) of such part(~~42 U.S.C. 3030s1(e)~~);

5 (5) \$50,000,000 **for necessary expenses** to carry out title VI of the OAA(~~42 U.S.C.-~~  
6 ~~30573057e~~), including part C of such title(~~42 U.S.C. 3057k-11~~);

7 (6) \$50,000,000 **for necessary expenses** to carry out the long-term care ombudsman  
8 program under title VII of the OAA(~~42 U.S.C. 30583058ff~~);

9 (7) \$59,000,000 **for necessary expenses** for technical assistance centers or national  
10 resource centers supported under the OAA, including all such centers that received funding  
11 under title IV of the OAA (~~42 U.S.C. 30313033a~~) for fiscal year 2021, in order to support  
12 technical assistance and resource development related to culturally appropriate care  
13 management and services for older individuals with the greatest social need, including  
14 racial and ethnic minority individuals;

15 (8) \$15,000,000 **for necessary expenses** for technical assistance centers or national  
16 resource centers supported under the OAA that are focused on providing services for older  
17 individuals who are underserved due to their sexual orientation or gender identity;

18 (9) \$1,000,000 **for necessary expenses** for efforts of national training and technical  
19 assistance centers supported under the OAA to—

20 (A) support expanding the reach of the aging services network to more effectively  
21 assist older individuals in remaining socially engaged and active;

22 (B) provide additional support in technical assistance and training to the aging  
23 services network to address the social isolation of older individuals;

24 (C) promote best practices and identify innovation in the field; and

25 (D) continue to support a repository for innovations designed to increase the ability  
26 of the aging services network to tailor social engagement activities to meet the needs of  
27 older individuals; and

28 (10) \$5,000,000 **for necessary expenses** to carry out section 417 of the OAA(~~42 U.S.C.-~~  
29 ~~3032f~~).

30 Amounts appropriated by this subsection shall remain available until expended.

31 (b) Nonapplicability of Certain Requirements.—The non-Federal contribution requirements  
32 under sections 304(d)(1)(D) and 431(a) of the Older Americans Act of 1965(~~42 U.S.C.-~~  
33 ~~3024(d)(1)(D), 3033(a)~~), and section 373(h)(2) of such Act(~~42 U.S.C. 3030s1(h)(2)~~), shall not  
34 apply to—

35 (1) any amounts made available under this section; or

36 (2) any amounts made available under section 2921 of the American Rescue Plan Act of  
37 2021 (Public Law 117-2).

~~\* 46 SEC. 25005. OFFICE OF THE INSPECTOR GENERAL OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.~~

~~\* 47 In addition to amounts otherwise available, there is appropriated to the Department of Health and Human Services for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain available until expended, for the Office of Inspector General of the Department of Health and Human Services, for salaries and expenses necessary for oversight, investigations, and audits of programs, grants, and projects funded under subtitles D and F of this title.~~

~~SEC. 25006~~ **25005. TECHNICAL ASSISTANCE CENTER FOR SUPPORTING DIRECT CARE AND CAREGIVING.**

(a) In General.—In addition to amounts otherwise available, there is appropriated to the Secretary of Health and Human Services, acting through the Administrator for the Administration for Community Living, for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$5,000,000~~ **\$20,000,000**, to remain available until September 30, ~~2026,~~ **2031, for necessary expenses** to establish, directly or through grants, contracts, or cooperative agreements, a national technical assistance center (referred to in this section as the “Center”) to—

(1) provide technical assistance for supporting direct care workforce recruitment, education and training, retention, career advancement, and for supporting family caregivers and caregiving activities;

(2) develop and disseminate a set of replicable models or evidence-based or evidence-informed strategies or best practices for—

(A) recruitment, education and training, retention, and career advancement of direct **care support** workers;

(B) reducing barriers to accessing direct care services; and

(C) increasing access to alternatives to direct care services, including assistive technology, that reduce reliance on such services;

(3) provide recommendations for education and training curricula for direct **care support** workers; and

(4) provide recommendations for activities to further support paid and unpaid family caregivers, including expanding respite care.

1 (b) Direct ~~Care~~ **Support Worker** Defined.—The term “direct ~~care~~ **support** worker” has the  
2 meaning given such term in section 22301.

### 3 **SEC. 25006. FUNDING TO SUPPORT UNPAID** 4 **CAREGIVERS.**

5 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the  
6 Secretary of Health and Human Services (referred to in this section as the “Secretary”) for  
7 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$40,000,000,  
8 to remain available until expended, for carrying out the purpose described in subsection  
9 (b).

10 (b) **Use of Funding.**—The Secretary, acting through the Assistant Secretary for Aging,  
11 shall use amounts appropriated by subsection (a) for necessary expenses to make awards,  
12 pursuant to section 373(i) of the Older Americans Act of 1965 (42 U.S.C. 3030s–1(i)), to  
13 States, public agencies, private nonprofit agencies, institutions of higher education, and  
14 organizations, including Tribal organizations, for initiatives to address the behavioral  
15 health needs of family caregivers and older relative caregivers.

16 (c) **Supplement Not Supplant.**—Amounts appropriated by this section shall be used to  
17 supplement and not supplant other Federal, State, or local public funds to support unpaid  
18 caregivers.

### 19 **SEC. 25007. FUNDING TO SUPPORT INDIVIDUALS** 20 **WITH INTELLECTUAL AND DEVELOPMENTAL** 21 **DISABILITIES.**

22 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the  
23 Secretary of Health and Human Services (referred to in this section as the “Secretary”), for  
24 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$25,000,000,  
25 to remain available until expended, for carrying out the purpose described in subsection  
26 (b).

27 (b) **Use of Funding.**—The Secretary, acting through the Administrator of the  
28 Administration for Community Living, shall use amounts appropriated by subsection (a)  
29 for necessary expenses to award grants, contracts, or cooperative agreements to public or  
30 private nonprofit entities pursuant to section 162 of the Developmental Disabilities  
31 Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15082) for initiatives to address the  
32 behavioral health needs of individuals with intellectual and developmental disabilities.

33 (c) **Supplement Not Supplant.**—Amounts appropriated by this section shall be used to  
34 supplement and not supplant other Federal, State, or local public funds to support  
35 individuals with intellectual and developmental disabilities.

### 36 **\*\* 46 SEC. ~~25005~~ 25008. OFFICE OF THE INSPECTOR** 37 **GENERAL OF THE DEPARTMENT OF HEALTH AND** 38 **HUMAN SERVICES.**



1       \*\* 47 In addition to amounts otherwise available, there is appropriated to the Department of  
2 Health and Human Services for fiscal year 2022, out of any money in the Treasury not otherwise  
3 appropriated, \$50,000,000, to remain available until expended, for the Office of Inspector  
4 General of the Department of Health and Human Services, for salaries and expenses necessary  
5 for oversight, investigations, and audits of programs, grants, and projects funded under subtitles  
6 D and F of this title.

## 7       **Subtitle G—National Service and Workforce Development** 8       **in Support of Climate Resilience and Mitigation**

### 9       **SEC. 26001. CORPORATION FOR NATIONAL AND** 10       **COMMUNITY SERVICE AND THE NATIONAL** 11       **SERVICE TRUST.**

#### 12       (a) AmeriCorps State and National.—

13           (1) **IN GENERAL.**—In addition to amounts otherwise available, there is appropriated  
14 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to  
15 the Corporation for National and Community Service, \$3,200,000,000, to remain  
16 available until September 30, 2026, which shall be used to make funding adjustments  
17 to existing (as of the date of enactment of this Act) awards and make new awards to  
18 entities (whether or not such entities are already recipients of a grant or other  
19 agreement on the date of enactment of this Act) to support national service programs  
20 described in paragraphs (1)(A), (2)(A), (3)(A), and (5)(A) of subsection (a), and  
21 subsection (b)(2), of section 122 of the National and Community Service Act of 1990  
22 and national service programs carrying out activities described in clauses (i), (ii), (iii),  
23 (v), (vi), and (vii) of paragraph (4)(B) of subsection (a) of such section, to increase  
24 living allowances and improve benefits of participants in such programs.

#### 25           (2) **REQUIREMENTS.**—For the purposes of carrying out paragraph (1)—

26           (A) the Corporation shall waive the requirements described in section 121(e)(1)  
27 of the National and Community Service Act of 1990, in whole or in part, if a  
28 recipient of a grant or other agreement for such a national service program  
29 demonstrates—

30                   (i) the recipient will serve underserved or low-income communities, and a  
31 significant percentage of participants in such program are low-income  
32 individuals; and

33                   (ii) without such waiver, the recipient cannot meet the requirements of this  
34 section;

35           (B) section 189(a) of such Act shall be applied by substituting “125 percent of  
36 the amount of the minimum living allowance of a full-time participant per  
37 full-time equivalent position” for “\$18,000 per full-time equivalent position”; and

38           (C) section 140(a)(1) of such Act shall be applied by substituting “200 percent  
39 of the poverty line” for “the average annual subsistence allowance provided to  
40 VISTA volunteers under section 105 of the Domestic Volunteer Service Act of

1           **1973 (42 U.S.C. 4955)”.**

2       **(b) State Commissions.—**

3           **(1) IN GENERAL.—**In addition to amounts otherwise available, there is appropriated  
4       for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to  
5       the Corporation for National and Community Service, \$400,000,000, to remain  
6       available until September 30, 2026, which shall be used to make funding adjustments  
7       to existing (as of the date of enactment of this Act) awards and make new awards to  
8       States to establish or operate State Commissions on National and Community Service.

9           **(2) MATCH WAIVER.—**For the purposes of carrying out paragraph (1), the  
10       Corporation shall waive the matching requirement described in section 126(a)(2) of  
11       the National and Community Service Act of 1990, in whole or in part, for a State  
12       Commission, if such State Commission demonstrates need for such waiver.

13       **(c) National Civilian Community Corps.—**In addition to amounts otherwise available,  
14       there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise  
15       appropriated, to the Corporation for National and Community Service, \$80,000,000, to  
16       remain available until September 30, 2029, which shall be used to increase the living  
17       allowance and benefits of participants in the National Civilian Community Corps  
18       authorized under section 152 of the National and Community Service Act of 1990.

19       **(d) AmeriCorps Vista.—**

20           **(1) IN GENERAL.—**In addition to amounts otherwise available, there is appropriated  
21       for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to  
22       the Corporation for National and Community Service, \$600,000,000 to remain  
23       available until September 30, 2029, which shall be used to increase the subsistence  
24       allowances and improve benefits of participants in the Volunteers in Service to  
25       America program authorized under section 102 of the Domestic Volunteer Service Act  
26       of 1973.

27           **(2) REQUIREMENT.—**For purposes of carrying out paragraph (1)—

28               **(A)** section 105(b)(2)(A) of the Domestic Volunteer Service Act of 1973 shall be  
29               applied by substituting “200 percent” for “95 percent”; and

30               **(B)** section 105(b)(2)(B) of the Domestic Volunteer Service Act of 1973 shall be  
31               applied by substituting “210 percent” for “105 percent”.

32       **(e) National Service in Support of Climate Resilience and Mitigation.—**

33           **(1) IN GENERAL.—**In addition to amounts otherwise available, there is appropriated  
34       for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to  
35       the Corporation for National and Community Service, \$6,915,000,000, which shall be  
36       used for the purposes specified in paragraph (3).

37           **(2) AVAILABILITY OF FUNDS.—**Amounts appropriated under paragraph (1) shall—

38               **(A)** be available until September 30, 2026, for national service programs  
39               described in paragraphs (1)(A), (2)(A), (3)(A), and (5)(A) of subsection (a), and  
40               subsection (b)(2), of section 122 of the National and Community Service Act of  
41               1990 and national service programs carrying out activities described in clauses (i),

1 (ii), (iii), (v), (vi), and (vii) of paragraph (4)(B) of subsection (a) of such section;  
2 and

3 (B) be available until September 30, 2029, for National Civilian Community  
4 Corps programs authorized under section 152 of the National and Community  
5 Service Act of 1990 and Volunteers in Service to America programs authorized  
6 under section 102 of the Domestic Volunteer Service Act of 1973.

7 (3) USE OF FUNDS.—

8 (A) IN GENERAL.—The Corporation shall use amounts appropriated under  
9 paragraph (1) to fund programs described in subparagraph (B) to carry out  
10 projects or activities described in section 122(a)(3)(B) of the National and  
11 Community Service Act of 1990.

12 (B) PROGRAMS.—The programs described in subparagraph (A) shall include—

13 (i) national service programs described in paragraphs (1)(A), (2)(A),  
14 (3)(A), and (5)(A) of subsection (a), and subsection (b)(2), of section 122 of  
15 the National and Community Service Act of 1990 and national service  
16 programs carrying out activities described in clauses (i), (ii), (iii), (v), (vi),  
17 and (vii) of paragraph (4)(B) of subsection (a) of such section;

18 (ii) National Civilian Community Corps programs authorized under  
19 section 152 of the National and Community Service Act of 1990; and

20 (iii) Volunteers in Service to America programs authorized under section  
21 102 of the Domestic Volunteer Service Act of 1973.

22 (C) TERMS.—In funding programs described in subparagraph (A), the  
23 Corporation shall ensure—

24 (i) awards are made to entities that serve, and have representation from,  
25 low-income communities or communities experiencing (or at risk of  
26 experiencing) adverse health and environmental conditions;

27 (ii) such programs utilize culturally competent and multilingual strategies;

28 (iii) projects carried out through such programs are planned with  
29 community input, and implemented by diverse participants who are from  
30 communities being served by such programs; and

31 (iv) such programs provide participants with workforce development  
32 opportunities, such as pre-apprenticeships that articulate to registered  
33 apprenticeship programs, and pathways to post-service employment in  
34 high-quality jobs, including registered apprenticeships.

35 (4) REQUIREMENTS.—For the purposes of carrying out paragraph (1)—

36 (A) in implementing national service programs described in paragraph (3)(B)(i)  
37 and funded by the appropriations specified in paragraph (1)—

38 (i) the Corporation shall waive the requirements described in section  
39 121(e)(1) of the National and Community Service Act of 1990, in whole or in  
40 part, if a recipient of a grant or other agreement for the national service

1 program involved demonstrates—

2 (I) the recipient will serve underserved or low-income communities,  
3 and a significant percentage of participants in such program are  
4 low-income individuals; and

5 (II) without such waiver, the recipient cannot meet the requirements  
6 of this section;

7 (ii) section 189(a) of the National and Community Service Act of 1990 shall  
8 be applied by substituting “125 percent of the amount of the minimum living  
9 allowance of a full-time participant per full-time equivalent position” for  
10 “\$18,000 per full-time equivalent position”;

11 (iii) section 140(a)(1) of the National and Community Service Act of 1990  
12 shall be applied by substituting “200 percent of the poverty line” for “the  
13 average annual subsistence allowance provided to VISTA volunteers under  
14 section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955)”;  
15 and

16 (iv) the Corporation shall waive the matching requirement described in  
17 section 126(a)(2) of the National and Community Service Act of 1990, in  
18 whole or in part, for a State Commission, if such State Commission  
19 demonstrates need for such waiver; and

20 (B) in implementing national service programs described in paragraph  
21 (3)(B)(iii) and funded by the appropriations specified in paragraph (1)—

22 (i) section 105(b)(2)(A) of the Domestic Volunteer Service Act of 1973 shall  
23 be applied by substituting “200 percent” for “95 percent”; and

24 (ii) section 105(b)(2)(B) of the Domestic Volunteer Service Act of 1973 shall  
25 be applied by substituting “210 percent” for “105 percent”.

26 (f) Administrative Costs.—

27 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated  
28 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to  
29 the Corporation for National and Community Service, \$1,010,400,000, to remain  
30 available until September 30, 2029, which shall be used for Federal administrative  
31 expenses to carry out programs and activities funded under this section, including—

32 (A) corrective actions to address recommendations arising from audits of the  
33 financial statements of the Corporation and the National Service Trust, and, in  
34 consultation with the Inspector General of the Corporation, the development of  
35 fraud prevention and detection controls and risk-based anti-fraud monitoring for  
36 grants and other financial assistance funded under this section; and

37 (B) coordination of efforts and activities with the Departments of Labor and  
38 Education to support the national service programs funded under subsections (a),  
39 (c), (d), and (e) in improving the readiness of participants to transition to  
40 high-quality jobs or further education.

41 (2) FISCAL YEAR 2030 PROGRAM ADMINISTRATION.—In addition to amounts

1 otherwise available, there is appropriated for fiscal year 2030, out of any money in the  
2 Treasury not otherwise appropriated, to the Corporation for National and  
3 Community Service, \$79,800,000, to remain available until September 30, 2030, which  
4 shall be used, in fiscal year 2030, for Federal administrative expenses to carry out  
5 programs and activities funded under this section.

6 (3) PLAN.—In addition to amounts otherwise available, there is appropriated for  
7 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the  
8 Corporation, \$300,000, to remain available until September 30, 2023, which shall be  
9 used by the Chief Executive Officer of the Corporation to—

10 (A) develop, publish, and implement, not later than 180 days after the date of  
11 enactment of this Act, a project, operations, and management plan for funds  
12 appropriated under this section; and

13 (B) consult with the Secretary of Labor and the Inspector General of the  
14 Corporation in developing the plan under subparagraph (A).

15 (4) OUTREACH.—In addition to amounts otherwise made available, there is  
16 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise  
17 appropriated, to the Corporation for National and Community Service, \$49,500,000,  
18 to remain available until September 30, 2030, for outreach to and recruitment of  
19 members from communities traditionally underrepresented in national service  
20 programs and members of a community experiencing a significant dislocation of  
21 workers, including energy transition communities.

22 ~~\*\* 48 (e)(g)~~ Office of Inspector General.—In addition to amounts otherwise ~~made~~ available,  
23 there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise  
24 appropriated, to ~~the Office of Inspector General of~~ the Corporation for National and Community  
25 Service, \$15,000,000 ~~\$75,000,000~~, to remain available until September 30, 2030, which shall be  
26 used ~~by~~ for the Office of Inspector General of the Corporation for National and Community  
27 Service for salaries and expenses necessary for oversight and audit of programs; ~~and~~ activities  
28 ~~and operations~~ funded under this section.

29 (h) National Service Trust.—

30 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated  
31 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to  
32 the National Service Trust, \$1,150,000,000, to remain available until September 30,  
33 2030, for—

34 (A) administration of the National Service Trust; and

35 (B) payment to the Trust for the provision of national service educational  
36 awards and interest expenses—

37 (i) for participants, for a term of service supported by funds made  
38 available under subsection (e); and

39 (ii) pursuant to section 145(a)(1)(A) of the National and Community  
40 Service Act of 1990.

41 (2) SUPPLEMENTAL EDUCATIONAL AWARDS.—

1           **(A) APPROPRIATION.**—In addition to amounts otherwise available, there is  
2 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise  
3 appropriated, to the National Service Trust, \$1,660,000,000, to remain available  
4 until September 30, 2030, for payment to the National Service Trust for the  
5 purpose of providing a supplemental national service educational award to an  
6 individual eligible to receive a national service educational award pursuant to  
7 section 146(a), and the individual’s transferee pursuant to section 148(f), of the  
8 National and Community Service Act of 1990, for a term of service that began  
9 after the date of enactment of this Act in a national service program (including a  
10 term of service supported by funds made available under subsection (e)).

11           **(B) AWARD AVAILABILITY.**—The supplemental educational award referred to in  
12 subparagraph (A) shall be available to an individual or their transferee described  
13 in subparagraph (A) in accordance with the paragraph (3).

14           **(C) CALCULATION.**—The amount of the supplemental educational award that  
15 shall be available to an individual or their transferee described in subparagraph  
16 (A) shall be calculated as follows:

17                   **(i) AMOUNT FOR FULL-TIME NATIONAL SERVICE.**—For an individual who  
18 completes a required term of full-time national service, or the individual’s  
19 transferee—

20                           **(I)** in a case in which the award year for which the national service  
21 position is approved by the Corporation is award year 2022-2023, 50  
22 percent of the maximum amount of a Federal Pell Grant under section  
23 401 of the Higher Education Act of 1965 that a student eligible for such  
24 Grant may receive in the aggregate for such award year; and

25                           **(II)** in a case in which the award year for which the national service  
26 position is approved by the Corporation is award year 2023-2024 or a  
27 subsequent award year, 50 percent of the total maximum Federal Pell  
28 Grant under section 401 of the Higher Education Act of 1965 that a  
29 student eligible for such Grant may receive in the aggregate for such  
30 award year.

31                   **(ii) AMOUNT FOR PART-TIME NATIONAL SERVICE.**—For an individual who  
32 completes a required term of part-time national service, or the individual’s  
33 transferee, 50 percent of the amount determined under clause (i).

34                   **(iii) AMOUNT FOR PARTIAL COMPLETION OF NATIONAL SERVICE.**—For an  
35 individual released from completing the full-time or part-time term of service  
36 agreed to by the individuals, or the individual’s transferee, the portion of the  
37 amount determined under clause (i) that corresponds to the portion of the  
38 term of service completed by the individual.

39           **(3) PERIOD OF AVAILABILITY FOR NATIONAL SERVICE EDUCATIONAL AWARDS.**—

40                   **(A) IN GENERAL.**—Notwithstanding section 146(d) of the National and  
41 Community Service Act of 1990, relating to a period of time for use of a national  
42 service educational award, or any extensions to such time period granted under  
43 section 146(d)(2) of such Act, an individual eligible to receive a national service

1 educational award for a term of service supported by funds made available under  
2 subsection (e), or the individual's transferee, and an individual eligible to receive  
3 a supplemental educational award described in paragraph (2) for a term of  
4 service, or the individual's transferee, shall not use, after September 30, 2030, the  
5 national service educational award or supplemental educational award for the  
6 term of service involved, and the national service educational award and  
7 supplemental educational award shall be available for the lengths of time  
8 described in subparagraph (B).

9 (B) LENGTHS OF TIME.—The lengths of time described in this subparagraph are  
10 as follows:

11 (i) For an individual who completes the term of service involved by  
12 September 30, 2023 or the individual's transferee, until the end of the 7-year  
13 period beginning on that date.

14 (ii) For an individual who completes such term of service by September 30,  
15 2024 or the individual's transferee, until the end of the 6-year period  
16 beginning on that date.

17 (iii) For an individual who completes such term of service by September  
18 30, 2025 or the individual's transferee, until the end of the 5-year period  
19 beginning on that date.

20 (iv) For an individual who completes such term of service by September  
21 30, 2026 or the individual's transferee, until the end of the 4-year period  
22 beginning on that date.

23 (v) For an individual who completes such term of service by September 30,  
24 2027 or the individual's transferee, until the end of the 3-year period  
25 beginning on that date.

26 (vi) For an individual who completes such term of service by September  
27 30, 2028 or the individual's transferee, until the end of the 2-year period  
28 beginning on that date.

29 (vii) For an individual who completes such term of service by September  
30 30, 2029 or the individual's transferee, until the end of the 1-year period  
31 beginning on that date.

32 (i) Limitation.—The funds made available under this section are subject to the condition  
33 that the Corporation shall not—

34 (1) use such funds to make any transfer to the National Service Trust for any use, or  
35 enter into any agreement involving such funds—

36 (A) that is for a term extending beyond September 30, 2031; or

37 (B) for which or under which any payment could be outlaid after September 30,  
38 2031; and

39 (2) use any other funds available to the Corporation to liquidate obligations made  
40 under this section.

1 (j) **Definition.**—For purposes of this section, the term “registered apprenticeship  
2 program” means an apprenticeship program registered with the Office of Apprenticeship  
3 of the Employment and Training Administration of the Department of Labor, or a State  
4 apprenticeship agency recognized by the Office of Apprenticeship, pursuant to the Act of  
5 August 16, 1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664,  
6 chapter 663).

7 **SEC. 26002. WORKFORCE DEVELOPMENT IN**  
8 **SUPPORT OF CLIMATE RESILIENCE AND**  
9 **MITIGATION.**

10 (a) **YouthBuild.**—In addition to amounts otherwise available, there is appropriated to  
11 the Department of Labor for fiscal year 2022, out of any amounts in the Treasury not  
12 otherwise appropriated, \$450,000,000, to remain available until September 30, 2026, to  
13 support activities aligned with high-quality employment opportunities in industry sectors  
14 or occupations related to climate resilience or mitigation and aligned with the activities  
15 described in subsection (e)(3) of section 26001 by—

16 (1) carrying out activities described in section 171(c)(2) of the Workforce Innovation  
17 and Opportunity Act; and

18 (2) improving and expanding access to services, stipends, wages, and benefits  
19 described in subparagraphs (A)(vii) and (F) of section 171(c)(2) of such Act.

20 (b) **Job Corps.**—

21 (1) **IN GENERAL.**—In addition to amounts otherwise available, there is appropriated  
22 to the Department of Labor for fiscal year 2022, out of any amounts in the Treasury  
23 not otherwise appropriated, \$450,000,000, to remain available until September 30,  
24 2026, to support activities aligned with high-quality employment opportunities in  
25 industry sectors or occupations related to climate resilience or mitigation and aligned  
26 with the activities described in subsection (e)(3) of section 26001 by—

27 (A) providing funds to operators and service providers to—

28 (i) carry out the activities and services described in sections 148 and 149 of  
29 the Workforce Innovation and Opportunity Act; and

30 (ii) improve and expand access to allowances and services described in  
31 section 150 of such Act; and

32 (B) notwithstanding section 158(c) of such Act, constructing, rehabilitating, and  
33 acquiring Job Corps centers to support activities described in subparagraph (A).

34 (2) **ELIGIBILITY.**—For the purposes of carrying out paragraph (1), an entity in a  
35 State or outlying area may be eligible to be selected as an operator or service provider.

36 (c) **Pre-apprenticeship, and Registered Apprenticeship Programs.**—

37 (1) **PRE-APPRENTICESHIP PROGRAMS.**—In addition to amounts otherwise available,  
38 there is appropriated to the Department of Labor for fiscal year 2022, out of any  
39 amounts in the Treasury not otherwise appropriated, \$1,000,000,000, to remain



1 available until September 30, 2026, to carry out activities through grants, cooperative  
2 agreements, contracts, or other arrangements, to create or expand pre-apprenticeship  
3 programs that articulate to registered apprenticeship programs, are aligned with  
4 high-quality employment opportunities in industry sectors or occupations related to  
5 climate resilience or mitigation, and are aligned with the activities described in  
6 subsection (e)(3) of section 26001.

7 (2) PRE-APPRENTICESHIP PARTNERSHIPS.—In addition to amounts otherwise  
8 available, there is appropriated to the Department of Labor for fiscal year 2022, out of  
9 any amounts in the Treasury not otherwise appropriated, \$150,000,000, to remain  
10 available until September 30, 2026, to support partnerships between entities carrying  
11 out pre-apprenticeship programs that articulate to registered apprenticeship  
12 programs and entities funded under subsection (e) of section 26001 to ensure past and  
13 current participants in programs funded under subsection (e)(1) of section 26001 have  
14 access to such pre-apprenticeship programs.

15 (3) REGISTERED APPRENTICESHIP PROGRAMS.—In addition to amounts otherwise  
16 available, there is appropriated to the Department of Labor for fiscal year 2022, out of  
17 any amounts in the Treasury not otherwise appropriated, \$450,000,000, to remain  
18 available until September 30, 2026, to carry out activities through grants, cooperative  
19 agreements, contracts, or other arrangements, to create or expand registered  
20 apprenticeship programs in climate-related nontraditional apprenticeship  
21 occupations.

22 (4) PARTICIPANTS WITH BARRIERS TO EMPLOYMENT AND NONTRADITIONAL  
23 APPRENTICESHIP POPULATIONS.—In addition to amounts otherwise available, there is  
24 appropriated to the Department of Labor for fiscal year 2022, out of any amounts in  
25 the Treasury not otherwise appropriated, \$350,000,000, to remain available until  
26 September 30, 2026, for entities to carry out pre-apprenticeship programs described in  
27 paragraph (1), and registered apprenticeship program described in paragraph (3),  
28 serving a high number or high percentage of individuals with barriers to employment,  
29 including individuals with disabilities, or nontraditional apprenticeship populations.

30 (d) Reentry Employment Opportunities Program.—In addition to amounts otherwise  
31 available, there is appropriated to the Department of Labor for fiscal year 2022, out of any  
32 amounts in the Treasury not otherwise appropriated, \$1,000,000,000, to remain available  
33 until September 30, 2026, for the Reentry Employment Opportunities program, which  
34 amount shall be used to support activities aligned with high-quality employment  
35 opportunities in industry sectors or occupations related to climate resilience or mitigation  
36 and aligned with the activities described in subsection (e)(3) of section 26001.

37 (e) Paid Youth Employment Opportunities.—In addition to amounts otherwise available,  
38 there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise  
39 appropriated, to the Department of Labor, \$350,000,000, to remain available until  
40 September 30, 2026, to carry out activities through grants, contracts, or cooperative  
41 agreements, for the purposes of providing in-school youth and out-of-school youth with  
42 paid work experiences authorized under section 129(c)(2)(C) of the Workforce Innovation  
43 and Opportunity Act, notwithstanding section 194(10) of such Act, that are—

44 (1) carried out by public agencies or private nonprofit entities, including

1 community-based organizations;

2 (2) provided in conjunction with supportive services and other elements described in  
3 section 129(c)(2) of such Act;

4 (3) aligned with the activities described in subsection (e)(3) of section 26001; and

5 (4) designed to prepare participants for—

6 (A) high-quality, unsubsidized employment opportunities in industry sectors or  
7 occupations related to climate resilience or mitigation;

8 (B) enrollment in an institution of higher education (as defined in section 101 or  
9 102(c) of the Higher Education Act of 1965); and

10 (C) registered apprenticeship programs.

11 (f) Department of Labor Inspector General.—In addition to amounts otherwise  
12 available, there is appropriated to the Office of Inspector General of the Department of  
13 Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
14 \$10,000,000, to remain available until expended, for salaries and expenses necessary for  
15 oversight, investigations, and audits of programs, grants, and projects of the Department of  
16 Labor funded under this section.

17 (g) Administration.—

18 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated  
19 to the Department of Labor for fiscal year 2022, out of any money in the Treasury not  
20 otherwise appropriated, \$69,800,000, to remain available until September 30, 2029, for  
21 program administration within the Department of Labor for salaries and expenses  
22 necessary to implement this section.

23 (2) PLAN.—In addition to amounts otherwise available, there is appropriated for  
24 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the  
25 Department of Labor, \$200,000, to remain available until September 30, 2023, which  
26 shall be used by the Secretary to—

27 (A) develop, publish, and implement, not later than 180 days after the date of  
28 enactment of this Act, a project, operations, and management plan for funds  
29 appropriated under this section; and

30 (B) consult with the Chief Executive Officer of the Corporation for National  
31 and Community Service in developing the plan under subparagraph (A).

32 (h) Definition.—For purposes of this section:

33 (1) CLIMATE-RELATED NONTRADITIONAL APPRENTICESHIP OCCUPATION.—The term  
34 “climate-related nontraditional apprenticeship occupation” means an apprenticeable  
35 occupation—

36 (A) that aligns with the activities described in subsection (e)(3) of section 26001;

37 (B) in an industry sector that trains less than 10 percent of all civilian  
38 registered apprentices as of the date of the enactment of this Act; and

39 (C) that is related to climate resilience or mitigation.

1           (2) REGISTERED APPRENTICESHIP PROGRAM.— The term “registered apprenticeship  
2           program” means an apprenticeship program registered with the Office of  
3           Apprenticeship of the Employment and Training Administration of the Department of  
4           Labor, or a State apprenticeship agency recognized by the Office of Apprenticeship,  
5           pursuant to the Act of August 16, 1937 (commonly known as the “National  
6           Apprenticeship Act”; 50 Stat. 664, chapter 663).

7           (3) WIOA DEFINITIONS.—The terms “community-based organization”, “individual  
8           with a barrier to employment”, “in-school youth”, “outlying area”, and “out-of-school  
9           youth” have the meanings given such terms in paragraphs (10), (24), (27), (45), and  
10          (46), respectively, of section 3 of the Workforce Innovation and Opportunity Act.

## 11       **Subtitle H—Prescription Drug Coverage Provisions**

### 12       **SEC. 27001. REQUIREMENTS WITH RESPECT TO** 13       **COST-SHARING FOR CERTAIN INSULIN PRODUCTS.**

14          (a) In General.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement  
15          Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the  
16          following:

#### 17       **“SEC. 726. REQUIREMENTS WITH RESPECT TO** 18       **COST-SHARING FOR CERTAIN INSULIN PRODUCTS.**

19          “(a) In General.—For plan years beginning on or after January 1, 2023, a group health  
20          plan or health insurance issuer offering group health insurance coverage shall provide  
21          coverage of selected insulin products, and with respect to such products, shall not—

22               “(1) apply any deductible; or

23               “(2) impose any cost-sharing in excess of the lesser of, per 30-day supply—

24                       “(A) \$35; or

25                       “(B) the amount equal to 25 percent of the negotiated price of the selected  
26                       insulin product net of all price concessions received by or on behalf of the plan or  
27                       coverage, including price concessions received by or on behalf of third-party  
28                       entities providing services to the plan or coverage, such as pharmacy benefit  
29                       management services.

30          “(b) Definitions.—In this section:

31               “(1) SELECTED INSULIN PRODUCTS.—The term ‘selected insulin products’ means at  
32               least one of each dosage form (such as vial, pump, or inhaler dosage forms) of each  
33               different type (such as rapid-acting, short-acting, intermediate-acting, long-acting,  
34               ultra long-acting, and premixed) of insulin (as defined below), when available, as  
35               selected by the group health plan or health insurance issuer.

36               “(2) INSULIN DEFINED.—The term ‘insulin’ means insulin that is licensed under  
37               subsection (a) or (k) of section 351 of the Public Health Service Act (42 U.S.C. 262) and  
38               continues to be marketed under such section, including any insulin product that has

1       been deemed to be licensed under section 351(a) of such Act pursuant to section  
2       7002(e)(4) of the Biologics Price Competition and Innovation Act of 2009 (Public Law  
3       111–148) and continues to be marketed pursuant to such licensure.

4       “(c) Out-of-network Providers.—Nothing in this section requires a plan or issuer that  
5       has a network of providers to provide benefits for selected insulin products described in  
6       this section that are delivered by an out-of-network provider, or precludes a plan or issuer  
7       that has a network of providers from imposing higher cost-sharing than the levels specified  
8       in subsection (a) for selected insulin products described in this section that are delivered by  
9       an out-of-network provider.

10       “(d) Rule of Construction.—Subsection (a) shall not be construed to require coverage of,  
11       or prevent a group health plan or health insurance coverage from imposing cost-sharing  
12       other than the levels specified in subsection (a) on, insulin products that are not selected  
13       insulin products, to the extent that such coverage is not otherwise required and such  
14       cost-sharing is otherwise permitted under Federal and applicable State law.

15       “(e) Application of Cost-sharing Towards Deductibles and Out-of-pocket  
16       Maximums.—Any cost-sharing payments made pursuant to subsection (a)(2) shall be  
17       counted toward any deductible or out-of-pocket maximum that applies under the plan or  
18       coverage.”.

19       (b) Clerical Amendment.—The table of contents in section 1 of the Employee Retirement  
20       Income Security Act of 1974 (29 U.S.C. 1001 et seq.) is amended by inserting after the item  
21       relating to section 725 the following:

22       “Sec.726.Requirements with respect to cost-sharing for certain insulin products.”.

## 23       **SEC. 27002. OVERSIGHT OF PHARMACY BENEFIT** 24       **MANAGER SERVICES.**

25       (a) In General.—Subtitle B of title I of the Employee Retirement Income Security Act of  
26       1974 (29 U.S.C. 1021 et seq.) is amended—

27               (1) in subpart B of part 7 (29 U.S.C. 1185 et seq.), by adding at the end the  
28               following:

## 29       **“SEC. 727. OVERSIGHT OF PHARMACY BENEFIT** 30       **MANAGER SERVICES.**

31       “(a) In General.—For plan years beginning on or after January 1, 2023, a group health  
32       plan (or health insurance issuer offering group health insurance coverage in connection  
33       with such a plan) or an entity or subsidiary providing pharmacy benefits management  
34       services on behalf of such a plan or issuer shall not enter into a contract with a drug  
35       manufacturer, distributor, wholesaler, subcontractor, rebate aggregator, or any associated  
36       third party that limits the disclosure of information to plan sponsors in such a manner that  
37       prevents the plan or issuer, or an entity or subsidiary providing pharmacy benefits  
38       management services on behalf of a plan or issuer, from making the reports described in  
39       subsection (b).

40       “(b) Reports.—

1           **“(1) IN GENERAL.—For plan years beginning on or after January 1, 2023, not less**  
2 **frequently than once every 6 months, a health insurance issuer offering group health**  
3 **insurance coverage or an entity providing pharmacy benefits management services on**  
4 **behalf of a group health plan or an issuer providing group health insurance coverage**  
5 **shall submit to the plan sponsor (as defined in section 3(16)(B)) of such group health**  
6 **plan or group health insurance coverage a report in accordance with this subsection**  
7 **and make such report available to the plan sponsor in a machine-readable format.**  
8 **Each such report shall include, with respect to the applicable group health plan or**  
9 **health insurance coverage—**

10           **“(A) as applicable, information collected from drug manufacturers by such**  
11 **issuer or entity on the total amount of copayment assistance dollars paid, or**  
12 **copayment cards applied, that were funded by the drug manufacturer with**  
13 **respect to the participants and beneficiaries in such plan or coverage;**

14           **“(B) a list of each drug covered by such plan, issuer, or entity providing**  
15 **pharmacy benefit management services that was dispensed during the reporting**  
16 **period, including, with respect to each such drug during the reporting period—**

17           **“(i) the brand name, chemical entity, and National Drug Code;**

18           **“(ii) the number of participants and beneficiaries for whom the drug was**  
19 **filled during the plan year, the total number of prescription fills for the drug**  
20 **(including original prescriptions and refills), and the total number of dosage**  
21 **units of the drug dispensed across the plan year, including whether the**  
22 **dispensing channel was by retail, mail order, or specialty pharmacy;**

23           **“(iii) the wholesale acquisition cost, listed as cost per days supply and cost**  
24 **per pill, or in the case of a drug in another form, per dose;**

25           **“(iv) the total out-of-pocket spending by participants and beneficiaries on**  
26 **such drug, including participant and beneficiary spending through**  
27 **copayments, coinsurance, and deductibles; and**

28           **“(v) for any drug for which gross spending of the group health plan or**  
29 **health insurance coverage exceeded \$10,000 during the reporting period—**

30           **“(I) a list of all other drugs in the same therapeutic category or class,**  
31 **including brand name drugs and biological products and generic drugs**  
32 **or biosimilar biological products that are in the same therapeutic**  
33 **category or class as such drug; and**

34           **“(II) the rationale for preferred formulary placement of such drug in**  
35 **that therapeutic category or class;**

36           **“(C) a list of each therapeutic category or class of drugs that were dispensed**  
37 **under the health plan or health insurance coverage during the reporting period,**  
38 **and, with respect to each such therapeutic category or class of drugs, during the**  
39 **reporting period—**

40           **“(i) total gross spending by the plan, before manufacturer rebates, fees, or**  
41 **other manufacturer remuneration;**

1                   “(ii) the number of participants and beneficiaries who filled a prescription  
2                   for a drug in that category or class;

3                   “(iii) if applicable to that category or class, a description of the formulary  
4                   tiers and utilization mechanisms (such as prior authorization or step  
5                   therapy) employed for drugs in that category or class;

6                   “(iv) the total out-of-pocket spending by participants and beneficiaries,  
7                   including participant and beneficiary spending through copayments,  
8                   coinsurance, and deductibles; and

9                   “(v) for each therapeutic category or class under which 3 or more drugs  
10                   are included on the formulary of such plan or coverage—

11                    “(I) the amount received, or expected to be received, from drug  
12                    manufacturers in rebates, fees, alternative discounts, or other  
13                    remuneration—

14                      “(aa) to be paid by drug manufacturers for claims incurred  
15                      during the reporting period; or

16                      “(bb) that is related to utilization of drugs, in such therapeutic  
17                      category or class;

18                    “(II) the total net spending, after deducting rebates, price concessions,  
19                    alternative discounts or other remuneration from drug manufacturers,  
20                    by the health plan or health insurance coverage on that category or class  
21                    of drugs; and

22                    “(III) the net price per course of treatment or single fill, such as a  
23                    30-day supply or 90-day supply, incurred by the health plan or health  
24                    insurance coverage and its participants and beneficiaries, after  
25                    manufacturer rebates, fees, and other remuneration for drugs dispensed  
26                    within such therapeutic category or class during the reporting period;

27                   “(D) total gross spending on prescription drugs by the plan or coverage during  
28                   the reporting period, before rebates and other manufacturer fees or  
29                   remuneration;

30                   “(E) total amount received, or expected to be received, by the health plan or  
31                   health insurance coverage in drug manufacturer rebates, fees, alternative  
32                   discounts, and all other remuneration received from the manufacturer or any  
33                   third party, other than the plan sponsor, related to utilization of drug or drug  
34                   spending under that health plan or health insurance coverage during the  
35                   reporting period;

36                   “(F) the total net spending on prescription drugs by the health plan or health  
37                   insurance coverage during the reporting period; and

38                   “(G) amounts paid directly or indirectly in rebates, fees, or any other type of  
39                   remuneration to brokers, consultants, advisors, or any other individual or firm  
40                   who referred the group health plan’s or health insurance issuer’s business to the  
41                   pharmacy benefit manager.

1           **“(2) PRIVACY REQUIREMENTS.—Health insurance issuers offering group health**  
2 **insurance coverage and entities providing pharmacy benefits management services on**  
3 **behalf of a group health plan shall provide information under paragraph (1) in a**  
4 **manner consistent with the privacy, security, and breach notification regulations**  
5 **promulgated under section 264(c) of the Health Insurance Portability and**  
6 **Accountability Act of 1996, and shall restrict the use and disclosure of such**  
7 **information according to such privacy regulations.**

8           **“(3) DISCLOSURE AND REDISCLOSURE.—**

9           **“(A) LIMITATION TO BUSINESS ASSOCIATES.—A group health plan receiving a**  
10 **report under paragraph (1) may disclose such information only to business**  
11 **associates of such plan as defined in section 160.103 of title 45, Code of Federal**  
12 **Regulations (or successor regulations).**

13           **“(B) CLARIFICATION REGARDING PUBLIC DISCLOSURE OF**  
14 **INFORMATION.—Nothing in this section prevents a health insurance issuer**  
15 **offering group health insurance coverage or an entity providing pharmacy**  
16 **benefits management services on behalf of a group health plan from placing**  
17 **reasonable restrictions on the public disclosure of the information contained in a**  
18 **report described in paragraph (1), except that such issuer or entity may not**  
19 **restrict disclosure of such report to the Department of Health and Human**  
20 **Services, the Department of Labor, or the Department of the Treasury.**

21           **“(C) LIMITED FORM OF REPORT.—The Secretary shall define through**  
22 **rulemaking a limited form of the report under paragraph (1) required of plan**  
23 **sponsors who are drug manufacturers, drug wholesalers, or other direct**  
24 **participants in the drug supply chain, in order to prevent anti-competitive**  
25 **behavior.**

26           **“(4) REPORT TO GAO.—A health insurance issuer offering group health insurance**  
27 **coverage or an entity providing pharmacy benefits management services on behalf of a**  
28 **group health plan shall submit to the Comptroller General of the United States each of**  
29 **the first 4 reports submitted to a plan sponsor under paragraph (1) with respect to**  
30 **such coverage or plan, and other such reports as requested, in accordance with the**  
31 **privacy requirements under paragraph (2) and the disclosure and redisclosure**  
32 **standards under paragraph (3), and such other information that the Comptroller**  
33 **General determines necessary to carry out the study under section 30606(b) of the Act**  
34 **entitled ‘An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14’.**

35           **“(c) Enforcement.—**

36           **“(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Health and**  
37 **Human Services and the Secretary of the Treasury, shall enforce this section.**

38           **“(2) FAILURE TO PROVIDE TIMELY INFORMATION.—A health insurance issuer or an**  
39 **entity providing pharmacy benefit management services that violates subsection (a) or**  
40 **fails to provide information required under subsection (b), or a drug manufacturer**  
41 **that fails to provide information under subsection (b)(1)(A) in a timely manner, shall**  
42 **be subject to a civil monetary penalty in the amount of \$10,000 for each day during**  
43 **which such violation continues or such information is not disclosed or reported.**

1           **“(3) FALSE INFORMATION.—A health insurance issuer, entity providing pharmacy**  
2           **benefit management services, or drug manufacturer that knowingly provides false**  
3           **information under this section shall be subject to a civil money penalty in an amount**  
4           **not to exceed \$100,000 for each item of false information. Such civil money penalty**  
5           **shall be in addition to other penalties as may be prescribed by law.**

6           **“(4) PROCEDURE.—The provisions of section 1128A of the Social Security Act, other**  
7           **than subsection (a) and (b) and the first sentence of subsection (c)(1) of such section**  
8           **shall apply to civil monetary penalties under this subsection in the same manner as**  
9           **such provisions apply to a penalty or proceeding under section 1128A of the Social**  
10           **Security Act.**

11           **“(5) WAIVERS.—The Secretary may waive penalties under paragraph (2), or extend**  
12           **the period of time for compliance with a requirement of this section, for an entity in**  
13           **violation of this section that has made a good-faith effort to comply with this section.**

14           **“(d) Rule of Construction.—Nothing in this section shall be construed to permit a health**  
15           **insurance issuer, group health plan, or other entity to restrict disclosure to, or otherwise**  
16           **limit the access of, the Department of Labor to a report described in subsection (b)(1) or**  
17           **information related to compliance with subsection (a) by such issuer, plan, or entity.**

18           **“(e) Definition.—In this section, the term ‘wholesale acquisition cost’ has the meaning**  
19           **given such term in section 1847A(c)(6)(B) of the Social Security Act.”; and**

20           **(2) in section 502(b)(3) (29 U.S.C. 1132(b)(3)), by inserting “(other than section**  
21           **727)” after “part 7”.**

22           **(b) Clerical Amendment.—The table of contents in section 1 of the Employee Retirement**  
23           **Income Security Act of 1974 (29 U.S.C. 1001 et seq.) is amended by inserting after the item**  
24           **relating to section 726 the following new item:**

25           **“Sec.727.Oversight of pharmacy benefit manager services.”.**



**House Office of Legislative Counsel**

**CompareRite of C:\USERS\LMANDERSON\DESKTOP\HR5376-REPORTED BY BUDGET\_SPLIT BY TITLE\ENCOMM\_HR5376\_T3.XML and G:\U\LMANDERSON\TITLE3\_EC.XML**

1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the  
2 differences between -  
3 original document : C:\TEMP\C\USERS\LMANDERSON\DESKTOP\HR5376-REPORTED  
4 BY BUDGET\_SPLIT BY TITLE\ENCOMM\_HR5376\_T3.RTF  
5 and revised document: C:\TEMP\G\U\LMANDERSON\TITLE3\_EC.RTF  
6  
7 CompareRite found 1409 change(s) and 62 move(s) in the text  
8  
9 Deletions appear as Overstrike text  
10 Additions appear as Bold text  
11

1 Title: To-

2

3

4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled,~~

## 6 TITLE III—COMMITTEE ON ENERGY AND COMMERCE

### 7 Subtitle A—Air Pollution

#### 8 SEC. 30101. CLEAN HEAVY-DUTY VEHICLES.

9 (a) Appropriation.—

10 (1) ~~In general.~~—~~In addition to amounts otherwise available, there is appropriated to the~~  
11 ~~Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in~~  
12 ~~the Treasury not otherwise appropriated, \$5,000,000,000, to remain available until expended~~  
13 ~~(except that no funds shall be disbursed after September 30, 2031), to carry out section 132 of~~  
14 ~~the Clean Air Act, as added by subsection (b).~~

15 (2) ~~Reservation.~~—~~Of the funds appropriated by paragraph (1), the Administrator of the~~  
16 ~~Environmental Protection Agency shall reserve 3 percent for administrative costs necessary to~~  
17 ~~carry out section 132 of the Clean Air Act, as added by subsection (b).~~

18 (b) ~~Amendment.~~—~~Part A of title I of the Clean Air Act (42 U.S.C. 7401 et seq.) is amended~~  
19 ~~by adding at the end~~ **The Clean Air Act is amended by inserting after section 131 of such Act**  
20 **(42 U.S.C. 7431) the following:**

#### 21 “SEC. 132. CLEAN HEAVY-DUTY VEHICLES.

22 “(a) **Appropriations.**—

23 “(1) **IN GENERAL.**—**In addition to amounts otherwise available, there is appropriated**  
24 **to the Administrator for fiscal year 2022, out of any money in the Treasury not**  
25 **otherwise appropriated, \$3,000,000,000, to remain available until September 30, 2031,**  
26 **to carry out this section.**

27 “(2) **NONATTAINMENT AREAS.**—**In addition to amounts otherwise available, there is**  
28 **appropriated to the Administrator for fiscal year 2022, out of any money in the**  
29 **Treasury not otherwise appropriated, \$2,000,000,000, to remain available until**  
30 **September 30, 2031, to make awards under this section to eligible recipients and to**  
31 **eligible contractors that propose to replace eligible vehicles to serve 1 or more**  
32 **communities located in an air quality area designated pursuant to section 107 as**  
33 **nonattainment for any air pollutant.**

34 “(3) **RESERVATION.**—**Of the funds appropriated by paragraph (1), the**  
35 **Administrator shall reserve 3 percent for administrative costs necessary to carry out**  
36 **this section.**

37 “(b) **Program.**—**Beginning not later than 180 days after the date of enactment of this section,**  
38 **the Administrator shall implement a program to make awards of grants and rebates to eligible**  
39 **recipients, and to make awards of contracts to eligible contractors for providing rebates, for up to**

1 100 percent of costs for—

2 “(1) replacing eligible vehicles with zero-emission vehicles;

3 “(2) **purchasing, installing, operating, and maintaining** infrastructure needed to  
4 charge, fuel, or maintain zero-emission vehicles;

5 “(3) workforce development and training to support the maintenance, charging, fueling,  
6 and operation of zero-emission vehicles; and

7 “(4) planning and technical activities to support the adoption and deployment of  
8 zero-emission vehicles.

9 ~~“(b)“(c)~~ Applications.—To seek an award under this section, an eligible recipient or eligible  
10 contractor shall submit to the Administrator an application ~~in such form and manner at such~~  
11 **time, in such manner, and containing such information** as the Administrator shall prescribe.

12

13 ~~“(c) Allocation.—Of any amount appropriated to carry out this section, no less than 40 percent~~  
14 ~~shall be used for awards to eligible recipients proposing to replace eligible vehicles to serve one~~  
15 ~~or more communities located in an air quality area designated pursuant to section 107 as~~  
16 ~~nonattainment for any air pollutant.~~

17 “(d) Definitions.—For purposes of this section:

18 “(1) ELIGIBLE CONTRACTOR.—The term ‘eligible contractor’ means a contractor that ~~is a~~  
19 ~~for profit or nonprofit entity that~~ has the capacity—

20 “(A) to sell zero-emission vehicles, or charging or other equipment needed to  
21 charge, fuel, or maintain zero-emission vehicles, to individuals or entities that own an  
22 eligible vehicle; or

23 “(B) to arrange financing for such a sale.

24 “(2) ELIGIBLE RECIPIENT.—The term ‘eligible recipient’ means—

25 “(A) a State ~~or local governmental entity;~~

26 ~~“(B) an Indian Tribe (as defined in section 302);“(B) a municipality;~~

27 ~~“(C)“(C) an Indian tribe; or~~

28 ~~“(D) a nonprofit school transportation association; or~~

29 ~~“(D) an eligible contractor.~~

30 “(3) ELIGIBLE VEHICLE.—The term ‘eligible vehicle’ means a Class 6 or Class 7  
31 heavy-duty vehicle as defined in section 1037.801 of title 40, Code of Federal Regulations  
32 (as in effect on the date of enactment of this section).

33 “(4) ZERO-EMISSION VEHICLE.—The term ‘zero-emission vehicle’ means a vehicle that  
34 has a drivetrain that produces, under any possible operational mode or condition, zero  
35 exhaust ~~emission emissions~~ of—

36 “(A) any air pollutant that is listed pursuant to section 108(a) (or any precursor to  
37 such an air pollutant); and

1 “(B) any greenhouse gas.”

2 **SEC. 30102. GRANTS TO REDUCE AIR POLLUTION AT**  
3 **PORTS.**

4 Part A of title I of the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, is further amended  
5 by adding at the end **The Clean Air Act is amended by inserting after section 132 of such**  
6 **Act, as added by section 30101 of this Act,** the following:

7 **“SEC. 133. GRANTS TO REDUCE AIR POLLUTION AT**  
8 **PORTS.**

9 **“(a) ~~In General.~~—~~In Appropriations.~~—**

10 **“(1) GENERAL ASSISTANCE.—**In addition to amounts otherwise available, there is  
11 appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not  
12 otherwise appropriated, ~~\$3,500,000,000~~ **\$2,625,000,000**, to remain available until ~~expended~~  
13 ~~(except that no funds shall be disbursed after September 30, 2031)~~ **2027**, to award rebates  
14 and grants to eligible recipients on a competitive ~~basis to—~~ **basis—**

15 ~~“(1)“(A) to purchase or install zero-emissions emission port equipment and or~~  
16 ~~technology for use at, or to directly serve, one or more ports;~~

17 ~~“(2)“(B) to conduct any relevant planning or permitting in connection with the~~  
18 ~~**purchase or installation of** such zero-emissions emission port equipment and or~~  
19 ~~technology; and~~

20 ~~“(3)“(C) to develop qualified climate action plans.~~

21 ~~“(b) Reservation.—Of the funds made available by this section, \$875,000,000 shall be~~  
22 ~~reserved for awards”~~**“(2) NONATTAINMENT AREAS.—In addition to amounts otherwise**  
23 **available, there is appropriated to the Administrator for fiscal year 2022, out of any**  
24 **money in the Treasury not otherwise appropriated, \$875,000,000, to remain available**  
25 **until September 30, 2027, to award rebates and grants** to eligible recipients to carry out  
26 activities **described in paragraph (1)** with respect to ports located in **air quality areas**  
27 **designated pursuant to section 107 as nonattainment areas** for ~~any an~~ air pollutant.

28 ~~“(e)“(b) Limitation.—Funds awarded under this section shall not be used used—~~

29 ~~“(1) to purchase fully automated cargo handling equipment or terminal infrastructure that is~~  
30 ~~designed for fully automated cargo handling equipment; or~~

31 ~~“(2) by any recipient or sub-recipient to perform construction, alteration, installation, or repair~~  
32 ~~work that is not located at, or does not~~ **subrecipient to purchase or install zero-emission port**  
33 **equipment or technology that will not be located at,** or directly serve, the one or more ports  
34 involved.

35 ~~“(d)“(c) Administration of Funds.—Of the funds made available by this section, the~~  
36 Administrator shall reserve 2 percent for administrative costs necessary to carry out this section.

37 ~~“(e) Definitions.—For purposes of”~~**“(d) Definitions.—In this section:**

38 **“(1) ELIGIBLE RECIPIENT.—**The term ‘eligible recipient’ means—

- 1           “(A) a port authority;
- 2           “(B) a State, regional, local, or Tribal agency that has jurisdiction over a port  
3 authority or a port;
- 4           “(C) an air pollution control agency; or
- 5           “(D) a private entity (including ~~any~~ a nonprofit organization) that—
- 6                 “(i) applies for a grant under this section in partnership with an entity described  
7 in **any of** subparagraphs (A), ~~(B)~~, ~~or~~ **through** (C); and
- 8                 “(ii) owns, operates, or uses the facilities, cargo-handling equipment,  
9 transportation equipment, or related technology of a port.

10           “(2) QUALIFIED CLIMATE ACTION PLAN.—The term ‘qualified climate action plan’ means  
11 a detailed and strategic plan that—

- 12                 “(A) establishes goals, implementation strategies, and accounting and inventory  
13 practices (including practices used to measure progress ~~towards~~ **toward** stated goals)  
14 to reduce emissions at one or more ports of—
- 15                         “(i) greenhouse gases;
- 16                         “(ii) ~~any~~ **an** air pollutant that is listed pursuant to section 108(a) (or any  
17 precursor to such an air pollutant); and
- 18                         “(iii) hazardous air pollutants; ~~and~~

19

20                 “(B) includes a strategy to collaborate with, communicate with, and address  
21 potential effects on stakeholders that may be affected by implementation of ~~such~~ **the**  
22 plan, including low-income and disadvantaged near-port communities; ~~and-~~

23                 ~~“(3) Zero-emissions port equipment and~~“(C) **describes how an eligible recipient**  
24 **has implemented or will implement measures to increase the resilience of the one**  
25 **or more ports involved, including measures related to withstanding and**  
26 **recovering from extreme weather events.**

27           “(3) ZERO-EMISSION PORT EQUIPMENT OR TECHNOLOGY.—The term ‘~~zero-emissions~~  
28 **emission** port equipment ~~and~~ or technology’ means ~~any~~ **human-operated** equipment or  
29 **human-maintained** technology that—

- 30                 “(A) produces zero emissions of any air pollutant that is listed pursuant to section  
31 108(a) (or any precursor to such an air pollutant) and any greenhouse gas other than  
32 water vapor; or
- 33                 “(B) captures 100 percent of ~~such~~ **the** emissions **described in subparagraph (A)**  
34 **that are** produced by an ocean-going vessel at berth.”.

## 35 SEC. 30103. GREENHOUSE GAS REDUCTION FUND.

36           Part A of title I of the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, is further amended  
37 by adding at the end **The Clean Air Act is amended by inserting after section 133 of such**  
38 **Act, as added by section 30102 of this Act, the following:**

1 “SEC. 134. GREENHOUSE GAS REDUCTION FUND.

2  
3 \* 7 “(a) Appropriation.—~~In addition to amounts otherwise available, there is appropriated for~~  
4 ~~fiscal year 2022, out of any money in the Treasury not otherwise appropriated—~~

5 “(a) Appropriations.—

6 “(1) ZERO-EMISSION TECHNOLOGIES.—~~In addition to amounts otherwise available,~~  
7 ~~there is appropriated~~“(1) \$7,495,000,000 to the Administrator for fiscal year 2022, out of  
8 ~~any money in the Treasury not otherwise appropriated, \$7,000,000,000, to remain~~  
9 ~~available until expended (except that no funds shall be disbursed after September 30, 2026)~~  
10 **2024, to make grants, on a competitive basis and beginning not later than 180 calendar days**  
11 ~~after the date of enactment of this section, to States, units of local government, the District~~  
12 ~~of Columbia, territories of the United States municipalities, Tribal governments, and~~  
13 ~~eligible recipients for the purposes of providing financial and grants, loans, or other forms~~  
14 **of financial assistance, as well as technical assistance, to enable low-income and**  
15 **disadvantaged communities to deploy or benefit from zero-emission technologies,**  
16 **including distributed zero-emission technologies on residential rooftops, and to carry out**  
17 **other greenhouse gas emission reduction activities, as determined appropriate by the**  
18 **Administrator in accordance with this section;**

19 “(2) \$19,995,000,000“(2) ZERO-EMISSION VEHICLE SUPPLY EQUIPMENT.—~~In addition~~  
20 ~~to amounts otherwise available, there is appropriated~~ to the Administrator for fiscal  
21 ~~year 2022, out of any money in the Treasury not otherwise appropriated,~~  
22 **\$2,000,000,000, to remain available until expended (except that no funds shall be disbursed**  
23 ~~after September 30, 2026) 2024, to make grants, on a competitive basis and beginning not~~  
24 ~~later than 180 calendar days after the date of enactment of this section, to States,~~  
25 **municipalities, Tribal governments, and eligible recipients, of which \$8,000,000,000**  
26 ~~shall be used to provide financial assistance to support the purchase, installation, or~~  
27 **operation of publicly available equipment to charge or fuel light-duty zero-emission**  
28 **vehicles, including in low-income and disadvantaged communities; and, through grants,**  
29 **rebates, or other forms of financial assistance, and to carry out related greenhouse gas**  
30 **emission reduction activities, as determined appropriate by the Administrator in**  
31 **accordance with this section.**

32 “(3) \$10,000,000“(3) GENERAL ASSISTANCE.—~~In addition to amounts otherwise~~  
33 ~~available, there is appropriated~~ to the Administrator for fiscal year 2022, out of any  
34 ~~money in the Treasury not otherwise appropriated, \$11,970,000,000, to remain~~  
35 ~~available until expended (except that no funds shall be disbursed after September 30, 2031)~~  
36 **September 30, 2024, to make grants, on a competitive basis and beginning not later**  
37 **than 180 calendar days after the date of enactment of this section, to eligible recipients**  
38 **for the purposes of providing financial assistance and technical assistance in**  
39 **accordance with subsection (b).**

40 “(4) LOW-INCOME AND DISADVANTAGED COMMUNITIES.—~~In addition to amounts~~  
41 ~~otherwise available, there is appropriated~~ to the Administrator for fiscal year 2022,  
42 ~~out of any money in the Treasury not otherwise appropriated, \$8,000,000,000, to~~  
43 ~~remain available until September 30, 2024, to make grants, on a competitive basis and~~

1 **beginning not later than 180 calendar days after the date of enactment of this section,**  
2 **to eligible recipients for the purposes of providing financial assistance and technical**  
3 **assistance in low-income and disadvantaged communities in accordance with**  
4 **subsection (b).**

5 **“(5) ADMINISTRATIVE COSTS.—In addition to amounts otherwise available, there is**  
6 **appropriated to the Administrator for fiscal year 2022, out of any money in the**  
7 **Treasury not otherwise appropriated, \$30,000,000, to remain available until**  
8 **September 30, 2031,** for the administrative costs necessary to carry out activities under this  
9 section.

10 **“(b) Use of Funds.—**An eligible recipient that receives a grant pursuant to subsection (a) shall  
11 **operate use the grant** in accordance with the following:

12 **“(1) DIRECT INVESTMENT.—AN INVESTMENT.—The** eligible recipient shall—

13 **“(A)** use a broad range of finance and investment tools to provide financial  
14 assistance to qualified projects at the national, regional, State, and local levels,  
15 including, as applicable, through both concessionary and market rate financing;

16 **“(B)** prioritize investment in qualified projects that would otherwise lack access to  
17 financing;

18 **“(C)** retain, manage, recycle, and monetize all repayments and other revenue  
19 received from fees, interest, repaid loans, and all other types of financial assistance  
20 provided using grant funds under this section to ensure continued operability; and

21 **“(D)** meet any requirements set forth by the Administrator to ensure accountability  
22 and proper management of funds appropriated by this section.

23 **“(2) INDIRECT INVESTMENT.—AN INVESTMENT.—The** eligible recipient shall provide  
24 **financial funding** and technical assistance to establish new or support existing public,  
25 quasi-public, or nonprofit entities that provide financial assistance to qualified projects at  
26 the State, local, territorial, or Tribal level or in the District of Columbia, including  
27 community- and low-income-focused lenders and capital providers.

28 **“(c) Definitions.—**In this section:

29 **“(1) ELIGIBLE RECIPIENT.—**The term ‘eligible recipient’ means a nonprofit organization  
30 that—

31 **“(A)** is designed to provide capital, including by leveraging private capital, and other  
32 forms of financial assistance for the rapid deployment of low- and zero-emission  
33 products, technologies, and ~~activities~~ **services**;

34 **“(B)** does not take deposits, other than **deposits** from repayments and other revenue  
35 received from financial assistance provided using grant funds under this section;

36 **“(C)** is funded by public or charitable contributions; and

37 **“(D)** invests in or finances projects alone or in conjunction with other investors.

38 **“(2) QUALIFIED PROJECT.—**The term ‘qualified project’ includes any ~~low- or~~  
39 ~~zero-emission~~ project, **activity, or** technology, ~~or activity~~ that—

40 **“(A)** reduces or avoids greenhouse gas emissions and other forms of air pollution in

1 partnership with, and by leveraging investment from, the private sector; or

2 “(B) assists communities in the efforts of those communities to reduce or avoid  
3 greenhouse gas emissions and other forms of air pollution.

4 “(3) **PUBLICLY AVAILABLE EQUIPMENT.**—The term ‘publicly available equipment’  
5 means equipment that—

6 “(A) is located at a multi-unit housing structure;

7 “(B) is located at a workplace and is available to employees of such workplace  
8 or employees of a nearby workplace; or

9 “(C) is at a location that is publicly accessible for a minimum of 12 hours per  
10 day at least 5 days per week and networked or otherwise capable of being  
11 monitored remotely.

12 “(4) **ZERO-EMISSION TECHNOLOGY.**—The term ‘zero-emission technology’ means any  
13 technology that produces zero emissions of—

14 “(A) any air pollutant that is listed pursuant to section 108(a) (or any precursor  
15 to such an air pollutant); and

16 “(B) any greenhouse gas.

17 “(5) **ZERO-EMISSION VEHICLE.**—The term ‘zero-emission vehicle’ means a vehicle  
18 that has a drivetrain that produces, under any possible operational mode or condition,  
19 zero exhaust emissions of—

20 “(A) any air pollutant that is listed pursuant to section 108(a) (or any precursor to  
21 such an air pollutant); and

22 “(B) any greenhouse gas.”.

## 23 SEC. 30104. COLLABORATIVE COMMUNITY WILDFIRE 24 AIR GRANTS.

25 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
26 Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in  
27 the Treasury not otherwise appropriated, \$150,000,000, to remain available until expended  
28 (~~except that no funds shall be disbursed after September 30, 2031~~), for grants authorized under  
29 **subsections (a) through (c) of** section 103 of the Clean Air Act (42 U.S.C. 7403)~~(a)–(c)~~ to  
30 assist eligible entities in developing and implementing collaborative community plans to prepare  
31 for smoke from wildfires, reduce risks of smoke exposure due to wildfires, and mitigate the  
32 health and environmental effects of smoke from wildfires.

33 (b) Technical Assistance.—The Administrator of the Environmental Protection Agency may  
34 use amounts made available under subsection (a) to provide technical assistance to any eligible  
35 entity in—

36 (1) submitting an application for a grant to be made pursuant to this section; or

37 (2) carrying out a project using a grant made pursuant to this section.

38 (c) Administrative Costs.—Of the amounts made available under subsection (a), the



1 Administrator of the Environmental Protection Agency shall reserve ~~7.5~~ **5** percent for  
2 administrative costs to carry out this section.

3 (d) Eligible Entities.—In this section, the term “eligible entity” means a State, a territory, a  
4 unit of local government (including any special district, such as an air quality management  
5 district), or an Indian Tribe.

## 6 SEC. 30105. DIESEL EMISSIONS REDUCTIONS.

7 (a) ~~In General.—~~ **In Goods Movement.**—In addition to amounts otherwise available, there is  
8 appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022,  
9 out of any money in the Treasury not otherwise appropriated, ~~\$170,000,000~~ **\$60,000,000**, to  
10 remain available until **September 30, 2031**, ~~expended (except that no funds shall be disbursed~~  
11 ~~after September 30, 2031), to address diesel emissions, of which—~~

12 ~~(1) \$100,000,000 shall be for grants, rebates, loans, and other Environmental Protection~~  
13 ~~Agency activities under subtitle G of title VII and loans under section 792 of the Energy Policy~~  
14 ~~Act of 2005 (42 U.S.C. 16131 through 16137) **16132**) to identify and reduce diesel emissions~~  
15 ~~resulting from goods movement facilities, and vehicles servicing goods movement facilities, in~~  
16 ~~low-income and disadvantaged communities to address the health impacts of such emissions on~~  
17 ~~such communities;~~

18 ~~(2) \$50,000,000 shall be for grants, rebates, loans, and other Environmental Protection Agency~~  
19 ~~activities under subtitle G of title VII of the Energy Policy Act of 2005; and~~

20 ~~(3) \$20,000,000 shall be for grants, rebates, loans, and other Environmental Protection Agency~~  
21 ~~activities under subtitle G of title VII of the Energy Policy Act of 2005 to identify and reduce~~  
22 ~~diesel emissions in low-income and disadvantaged communities to address the health impacts of~~  
23 ~~such emissions on such communities.~~

24 (b) Administrative Costs.—The Administrator of the Environmental Protection Agency shall  
25 reserve ~~5~~ **2** percent of the amounts made available under ~~subsection (a)~~ **this section** for the  
26 administrative costs necessary to carry out activities pursuant to ~~such subsection~~ **this section**.

## 27 SEC. 30106. FUNDING TO ADDRESS AIR POLLUTION.

28 (a) ~~In General.—~~ **In Appropriations.**—

29 **(1) FENCELINE AIR MONITORING AND SCREENING AIR MONITORING.**—In addition to  
30 amounts otherwise available, there is appropriated to the Administrator of the  
31 Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury  
32 not otherwise appropriated, ~~\$320,000,000~~ **\$117,500,000**, to remain available until  
33 **September 30, 2031**, ~~expended (except that no funds shall be disbursed after September 30,~~  
34 ~~2031), to address air pollution, of which—~~

35 ~~(1) \$265,000,000 shall be for grants and other activities authorized under sections 102,~~  
36 ~~103, and subsections (a) through (c) of section 103 and section 105 of the Clean Air Act~~  
37 ~~(42 U.S.C. 7403(a)–(c), 7405) 7402, 7403, and 7405), of which—~~

38 ~~(A) \$122,000,000 shall be to deploy, integrate, support, and maintain fenceline~~  
39 ~~monitoring and screening air monitoring, including screening air monitoring, national air~~  
40 ~~toxics trend stations, and other air toxics and community monitoring;~~

1           ~~(B) \$75,000,000 shall be~~ **(2) MULTIPOLLUTANT MONITORING STATIONS.—In addition**  
2 **to amounts otherwise available, there is appropriated to the Administrator of the**  
3 **Environmental Protection Agency for fiscal year 2022, out of any money in the**  
4 **Treasury not otherwise appropriated, \$50,000,000, to remain available until**  
5 **September 30, 2031, for grants and other activities authorized under subsections (a)**  
6 **through (c) of section 103 and section 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c),**  
7 **7405)—**

8           **(A) to expand the national ambient air quality monitoring network with new**  
9 **multipollutant monitoring stations; and**

10           **(B) to replace, repair, operate, and maintain existing monitors;.**

11           ~~(C) \$3,000,000 shall be to deploy, integrate, and operate air~~ **(3) AIR QUALITY SENSORS IN**  
12 **LOW-INCOME AND DISADVANTAGED COMMUNITIES; AND COMMUNITIES.—In addition to**  
13 **amounts otherwise available, there is appropriated to the Administrator of the**  
14 **Environmental Protection Agency for fiscal year 2022, out of any money in the**  
15 **Treasury not otherwise appropriated, \$3,000,000, to remain available until September**  
16 **30, 2031, for grants and other activities authorized under subsections (a) through (c) of**  
17 **section 103 and section 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c), 7405) to**  
18 **deploy, integrate, and operate air quality sensors in low-income and disadvantaged**  
19 **communities.**

20           ~~(D) \$15,000,000 shall be~~ **(4) EMISSIONS FROM WOOD HEATERS.—In addition to**  
21 **amounts otherwise available, there is appropriated to the Administrator of the**  
22 **Environmental Protection Agency for fiscal year 2022, out of any money in the**  
23 **Treasury not otherwise appropriated, \$15,000,000, to remain available until**  
24 **September 30, 2031, for grants and other activities authorized under subsections (a)**  
25 **through (c) of section 103 and section 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c),**  
26 **7405) for testing and other agency activities to address emissions from wood heaters; and.**

27           ~~(E) \$50,000,000 shall be~~ **(5) METHANE MONITORING.—In addition to amounts**  
28 **otherwise available, there is appropriated to the Administrator of the Environmental**  
29 **Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise**  
30 **appropriated, \$20,000,000, to remain available until September 30, 2031, for grants**  
31 **and other activities authorized under subsections (a) through (c) of section 103 and**  
32 **section 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c), 7405) for monitoring emissions**  
33 **of methane;.**

34           ~~(2) \$50,000,000 shall be~~ **(6) CLEAN AIR ACT GRANTS.—In addition to amounts**  
35 **otherwise available, there is appropriated to the Administrator of the Environmental**  
36 **Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise**  
37 **appropriated, \$25,000,000, to remain available until September 30, 2031, for grants**  
38 **and other activities authorized under subsections (a) through (c) of section 103 and**  
39 **section 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c), 7405).**

40           **(7) OTHER ACTIVITIES.—In addition to amounts otherwise available, there is**  
41 **appropriated to the Administrator of the Environmental Protection Agency for fiscal**  
42 **year 2022, out of any money in the Treasury not otherwise appropriated, \$45,000,000,**  
43 **to remain available until September 30, 2031, to carry out, with respect to greenhouse**

1 gases, sections 111, 115, ~~169, 165,~~ 177, 202, 211, 213, 231, and 612, ~~and other sections of~~  
2 the Clean Air Act (42 U.S.C. 7411, 7415, ~~7479 7475,~~ 7507, 7521, 7545, 7547, 7571, ~~7671k,~~  
3 ~~and others~~); ~~and~~ **and 7671k**).

4 ~~(3) \$5,000,000 shall be~~ **(8) GREENHOUSE GAS AND ZERO-EMISSION STANDARDS FOR**  
5 **MOBILE SOURCES.—In addition to amounts otherwise available, there is appropriated**  
6 **to the Administrator of the Environmental Protection Agency for fiscal year 2022, out**  
7 **of any money in the Treasury not otherwise appropriated, \$5,000,000, to remain**  
8 **available until September 30, 2031,** to provide grants to States to adopt and implement  
9 greenhouse gas and zero-emission standards for mobile sources pursuant to section 177 of  
10 the Clean Air Act (42 U.S.C. 7507).

11 (b) Administration of Funds.—Of the funds made available pursuant to **paragraphs (1), (2),**  
12 **(5) and (6) of** subsection (a)~~(4)~~, the Administrator of the Environmental Protection Agency shall  
13 reserve 5 percent for activities funded pursuant to such subsection other than grants.

## 14 SEC. 30107. FUNDING TO ADDRESS AIR POLLUTION AT 15 SCHOOLS.

16 **(a) In General.—In addition to amounts otherwise available, there is appropriated to the**  
17 **Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in**  
18 **the Treasury not otherwise appropriated, \$50,000,000 \$37,500,000, to remain available until**  
19 **expended, September 30, 2031,** for grants, ~~rebates, contracts,~~ and other activities to monitor and  
20 reduce air pollution and greenhouse gas emissions at schools in low-income and disadvantaged  
21 communities under subsections (a) through (c) of section 103 of the Clean Air Act (42 U.S.C.  
22 7403)~~(a)–(c)) and section 105 of that Act (42 U.S.C. 7405), of which the Administrator shall~~  
23 ~~reserve not less than 25 percent for.~~

24 **(b) Technical Assistance.—In addition to amounts otherwise available, there is**  
25 **appropriated to the Administrator of the Environmental Protection Agency for fiscal year**  
26 **2022, out of any money in the Treasury not otherwise appropriated, \$12,500,000, to remain**  
27 **available until September 30, 2031, for providing technical assistance to such schools—**  
28 **schools in low-income and disadvantaged communities under subsections (a) through (c) of**  
29 **section 103 of the Clean Air Act (42 U.S.C. 7403(a)–(c)) and section 105 of that Act (42**  
30 **U.S.C. 7405)—**

31 (1) to address environmental issues;

32 (2) to develop school environmental quality plans that include standards for school  
33 building, design, construction, and renovation; and

34 (3) to identify and mitigate ongoing air pollution hazards.

## 35 SEC. 30108. LOW EMISSIONS ELECTRICITY PROGRAM.

36 ~~Part A of title I of the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, is further amended~~  
37 ~~by adding at the end~~ **The Clean Air Act is amended by inserting after section 134 of such**  
38 **Act, as added by section 30103 of this Act, the following:**

39 **“SEC. 135. LOW EMISSIONS ELECTRICITY PROGRAM.**

1 “(a) ~~Appropriations.~~—**In Appropriation.**—In addition to amounts otherwise available, there  
2 is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not  
3 otherwise appropriated, ~~\$100,000,000~~, to remain available until ~~expended (except that no funds~~  
4 ~~shall be disbursed after September 30, 2031)~~, to carry out this section. **September 30, 2031**—

5 “(b) ~~Use of Funds.~~—Of the amounts made available by subsection (a), the Administrator  
6 shall use—

7 “(1) ~~not less than \$10,000,000~~“(1) **\$17,000,000** for consumer-related education and  
8 partnerships with respect to reductions in greenhouse gas emissions that result from  
9 domestic electricity generation and use;

10 “(2) ~~not less than \$10,000,000~~ **\$17,000,000** for education, technical assistance, and  
11 partnerships within low-income and disadvantaged communities with respect to reductions  
12 in greenhouse gas emissions that result from domestic electricity generation and use;

13 “(3) ~~not less than \$10,000,000~~ **\$17,000,000** for industry-related outreach and technical  
14 assistance, including through partnerships, with respect to reductions in greenhouse gas  
15 emissions that result from domestic electricity generation and use;

16 “(4) ~~not less than \$10,000,000~~ **\$17,000,000** for outreach and technical assistance to State  
17 and local governments, including through partnerships, with respect to reductions in  
18 greenhouse gas emissions that result from domestic electricity generation and use;

19 “(5) ~~not less than \$1,000,000~~ to assess, not later than ~~the date that is~~ 1 year after the date  
20 of enactment of this section, the reductions in greenhouse gas emissions that result from  
21 changes in domestic electricity generation and use that are anticipated to occur on an annual  
22 basis through fiscal year 2031; and

23 “(6) ~~not less than \$20,000,000~~ **\$18,000,000** to carry out this section to ensure that ~~the~~  
24 ~~anticipated~~ reductions in greenhouse gas emissions from domestic electricity generation and  
25 use as assessed under paragraph (5) are achieved through use of the authorities of this Act,  
26 including through the establishment of requirements under this Act.”.

27 **Act, incorporating the assessment under paragraph (5) as a baseline.**

28 “(b) **Administration of Funds.**—Of the amounts made available under subsection (a), the  
29 Administrator shall reserve 2 percent for the administrative costs necessary to carry out  
30 activities pursuant to that subsection.”.

## 31 SEC. 30109. FUNDING FOR SECTION 211(O) OF THE 32 CLEAN AIR ACT.

33 ~~“(a) Test and Protocol Development.~~—**In** addition to amounts otherwise available, there is  
34 appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022,  
35 out of any money in the Treasury not otherwise appropriated, ~~\$15,000,000~~ **\$5,000,000**, to remain  
36 available until ~~expended~~ **September 30, 2031**, to carry out section 211(o) of the Clean Air Act  
37 (42 U.S.C. 7545), of which—(o) with respect to—

38 (1) ~~not less than \$5,000,000 shall be for~~(1) the development and establishment of tests  
39 and protocols regarding the environmental and public health effects of a fuel or fuel  
40 additive;

1 (2) internal and extramural data collection and analyses to regularly update applicable  
2 regulations, guidance, and procedures for determining lifecycle greenhouse gas emissions of  
3 a fuel; and

4 (3) the review, analysis and evaluation of the impacts of all transportation fuels, including  
5 fuel lifecycle implications, on the general public and on low-income and disadvantaged  
6 communities; ~~and.~~

7 ~~(2) not less than \$5,000,000 shall be~~ **(b) Investments in Advanced Biofuels.—In addition to**  
8 **amounts otherwise available, there is appropriated to the Administrator of the**  
9 **Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury**  
10 **not otherwise appropriated, \$10,000,000, to remain available until September 30, 2031, for**  
11 **new grants to industry and other related activities under section 211(o) of the Clean Air Act**  
12 **(42 U.S.C. 7545(o)) to support investments in advanced biofuels.**

## 13 SEC. 30110. FUNDING FOR IMPLEMENTATION OF THE 14 AMERICAN INNOVATION AND MANUFACTURING ACT.

15 (a) ~~In General.—In Appropriations.—~~

16 **(1) IN GENERAL.—In** addition to amounts otherwise available, there is appropriated to  
17 the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any  
18 money in the Treasury not otherwise appropriated, ~~\$42,000,000~~ **\$20,000,000**, to remain  
19 available until September 30, 2026, to carry out **subsections (a) through (i) and**  
20 **subsection (k) of section 103 of division S of Public Law 116–260, of which—**

21 ~~(1) \$3,500,000 shall be (42 U.S.C. 7675).~~

22 **(2) IMPLEMENTATION AND COMPLIANCE TOOLS.—In addition to amounts otherwise**  
23 **available, there is appropriated to the Administrator of the Environmental Protection**  
24 **Agency for fiscal year 2022, out of any money in the Treasury not otherwise**  
25 **appropriated, \$3,500,000, to remain available until September 30, 2026, to deploy new**  
26 **implementation and compliance tools ; ~~and~~ to carry out subsections (a) through (i) and**  
27 **subsection (k) of section 103 of division S of Public Law 116–260 (42 U.S.C. 7675).**

28 ~~(2) \$15,000,000 shall be~~ **(3) COMPETITIVE GRANTS.—In addition to amounts otherwise**  
29 **available, there is appropriated to the Administrator of the Environmental Protection**  
30 **Agency for fiscal year 2022, out of any money in the Treasury not otherwise**  
31 **appropriated, \$15,000,000, to remain available until September 30, 2026, for**  
32 **competitive grants for reclaim and innovative destruction technologies under subsections**  
33 **(a) through (i) and subsection (k) of section 103 of division S of Public Law 116–260**  
34 **(42 U.S.C. 7675).**

35 (b) Administration of Funds.—Of the funds made available pursuant to subsection  
36 ~~(a)(2)(a)(3)~~, the Administrator of the Environmental Protection Agency shall reserve 5 percent  
37 for administrative costs ~~of carrying out such section 103.~~ **necessary to carry out activities**  
38 **pursuant to such subsection.**

## 39 SEC. 30111. FUNDING FOR ENFORCEMENT 40 TECHNOLOGY AND PUBLIC INFORMATION.

1 ~~1~~(a) **Compliance Monitoring.**—In addition to amounts otherwise available, there is  
2 appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022,  
3 out of any money in the Treasury not otherwise appropriated, ~~\$50,000,000~~ **\$37,000,000**, to  
4 remain available until **September 30, 2031, to update the** expended ~~(except that no funds shall~~  
5 ~~be disbursed after September 30, 2031)~~, to address air pollution, of which—

6 ~~(1) \$37,000,000 shall be to update~~ Integrated Compliance Information System of the  
7 Environmental Protection Agency and any associated systems, necessary information technology  
8 infrastructure, or public access software tools to ensure access to compliance data and related  
9 information;

10 ~~(2) \$7,000,000 shall be~~(b) **Communications With ICIS.**—In addition to amounts  
11 otherwise available, there is appropriated to the Administrator of the Environmental  
12 Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise  
13 appropriated, **\$7,000,000, to remain available until September 30, 2031**, for grants to States,  
14 Indian Tribes tribes, and air pollution control agencies (as such terms are defined in section 302  
15 of the Clean Air Act (42 U.S.C. 7602)) to update their systems to ensure communication with  
16 such the Integrated Compliance Information System of the Environmental Protection Agency  
17 and any associated systems; and.

18 ~~(3) \$6,000,000 shall be~~(c) **Inspection Software.**—In addition to amounts otherwise  
19 available, there is appropriated to the Administrator of the Environmental Protection  
20 Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
21 **\$6,000,000, to remain available until September 30, 2031—**

22 (1) to acquire or update inspection software for use by the Environmental Protection  
23 Agency, States, Indian Tribes tribes, and air pollution control agencies (as such terms are  
24 defined in section 302 of the Clean Air Act (42 U.S.C. 7602)); or

25 (2) to acquire necessary devices on which to run such inspection software.

## 26 SEC. 30112. GREENHOUSE GAS CORPORATE 27 REPORTING.

28 In addition to amounts otherwise available, there is appropriated to the **Administrator of the**  
29 Environmental Protection Agency ~~Office of Air and Radiation~~ for fiscal year 2022, out of any  
30 money in the Treasury not otherwise appropriated, \$5,000,000, to remain available until  
31 expended ~~(except that no funds shall be disbursed after September 30, 2031)~~, for the  
32 Environmental Protection Agency to support—

33 (1) enhanced standardization and transparency of corporate climate action commitments  
34 and plans to reduce greenhouse gas emissions;

35 (2) enhanced transparency regarding progress toward meeting such commitments and  
36 implementing such plans; and

37 (3) progress toward meeting such commitments and implementing such plans.

## 38 SEC. 30113. ENVIRONMENTAL PRODUCT 39 DECLARATION ASSISTANCE.

1 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
2 Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in  
3 the Treasury not otherwise appropriated, \$250,000,000, to remain available until expended—  
4 ~~(except that no funds shall be disbursed after September 30, 2031)~~, to develop and carry out a  
5 program, ~~to be known as the Environmental Product Declaration Assistance Program~~, to support  
6 the development, and enhanced standardization and transparency, of environmental product  
7 declarations for construction materials and products, including by—

8 (1) providing grants to businesses that manufacture construction materials and products  
9 for developing and verifying environmental product declarations, **and to States, Indian**  
10 **Tribes, and nonprofit organizations that will support such businesses;**

11 (2) providing technical assistance to businesses that manufacture construction materials  
12 and products in developing and verifying environmental product declarations, **and to**  
13 **States, Indian Tribes, and nonprofit organizations that will support such businesses;**  
14 and

15 (3) carrying out other activities that assist in measuring, **reporting**, and steadily reducing  
16 the quantity of embodied carbon of construction materials and products.

17 ~~(b) Administration of Funds.—~~ **Of Administrative Costs.—**Of the amounts made available  
18 under this section, the Administrator of the Environmental Protection Agency shall reserve ~~7.5~~ **5**  
19 percent for administrative costs necessary to carry out this section.

20 (c) Definitions.—In this section:

21 (1) EMBODIED CARBON.—The term “embodied carbon” means the quantity of greenhouse  
22 gas emissions associated with all relevant stages of production of a material or product,  
23 measured in kilograms of carbon dioxide-equivalent per unit of such material or product.

24 (2) ENVIRONMENTAL PRODUCT DECLARATION.—The term “environmental product  
25 declaration” means a document that reports the environmental impact of a material or  
26 product that—

27 (A) includes measurement of the embodied carbon of the material or product;

28 (B) conforms with international standards, such as a Type III environmental product  
29 declaration, as defined by the International Organization for Standardization standard  
30 14025; and

31 (C) is developed in accordance with any standardized reporting criteria specified by  
32 the Administrator of the Environmental Protection Agency.

33 ~~SEC. 30114. ENVIRONMENTAL PROTECTION AGENCY METHANE FEE.~~ **(3)**  
34 **STATE.—The term “State” has the meaning given to that term in section 302(d) of the**  
35 **Clean Air Act (42 U.S.C. 7602(d)).**

36 ~~(a) Appropriation.—~~ **In SEC. 30114. METHANE EMISSIONS**  
37 **REDUCTION PROGRAM.**

38 **The Clean Air Act is amended by inserting after section 135 of such Act, as added by**  
39 **section 30108 of this Act, the following:**

1 **“SEC. 136. METHANE EMISSIONS AND WASTE**  
2 **REDUCTION INCENTIVE PROGRAM FOR**  
3 **PETROLEUM AND NATURAL GAS SYSTEMS.**

4 **“(a) Incentives for Methane Mitigation and Monitoring.**—In addition to amounts  
5 otherwise available, there is appropriated to the Administrator of the Environmental Protection  
6 Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
7 \$75,000,000 **\$775,000,000**, to remain available until **September 30, 2028**— ~~expended (except~~  
8 ~~that no funds shall be disbursed after September 30, 2024), to carry out section 136 of the Clean~~  
9 ~~Air Act, as added by this section.~~

10 (b) Amendment.—Part A of title I of the Clean Air Act (42 U.S.C. 7401 et seq.), as amended,  
11 is further amended by adding at the end the following:

12 ~~“SEC. 136. METHANE FEE FROM PETROLEUM AND NATURAL GAS SYSTEMS.~~

13 ~~“(a) In General.—The Administrator shall impose and collect a fee from the owner or operator~~  
14 ~~of each applicable facility that is required to report methane emissions pursuant to subpart W of~~  
15 ~~part 98 of title 40, Code of Federal Regulations (or any successor regulations).~~

16 ~~\*\* 1 “(B)“(1) for grants, rebates, contracts, **loans**, and other activities of the~~  
17 ~~Environmental Protection Agency for the purposes of providing financial and technical~~  
18 ~~assistance to owners and operators of applicable facilities ~~preparing and submitting to~~~~  
19 ~~**prepare and submit** greenhouse gas reports under subpart W of part 98 of title 40, Code of~~  
20 ~~Federal Regulations (or **any** successor regulations);~~

21 ~~“(2) for grants, rebates, contracts, **loans**, and other activities of the Environmental~~  
22 ~~Protection Agency authorized under subsections (a) through (c) of section 103 for~~  
23 ~~**methane emissions monitoring;**~~

24 ~~\*\* 2 “(D)“(3) for grants, rebates, contracts, **loans**, and other activities of the~~  
25 ~~Environmental Protection Agency for the purposes of providing financial and technical~~  
26 ~~assistance to reduce methane and other greenhouse gas emissions from petroleum and~~  
27 ~~natural gas systems, mitigate legacy air pollution from petroleum and natural gas systems,~~  
28 ~~and provide support for communities, including funding for—~~

29 ~~\*\* 3 “(i)“(A) improving climate resiliency of communities and petroleum and~~  
30 ~~natural gas systems;~~

31 ~~\*\* 4 “(ii)“(B) improving and deploying industrial equipment and processes that~~  
32 ~~reduce methane and other greenhouse gas emissions **and waste;**~~

33 ~~\*\* 5 “(iii)“(C) supporting innovation in reducing methane and other greenhouse gas~~  
34 ~~emissions **and waste** from petroleum and natural gas systems;~~

35 ~~\*\* 6 “(iv)“(D) mitigating health effects of methane and other greenhouse gas~~  
36 ~~emissions, and legacy air pollution from petroleum and natural gas systems in~~  
37 ~~low-income and disadvantaged communities; and~~

38 ~~“(E) supporting environmental restoration; and~~

39 ~~“(4) to cover all direct and indirect costs required to administer this section,~~



1 including the costs of implementing the waste emissions charge under subsection (b),  
2 preparing inventories, gathering empirical data, and tracking emissions.

3 **“(b) Waste Emissions Charge.—The Administrator shall impose and collect a charge on**  
4 **methane emissions that exceed an applicable waste emissions threshold under subsection**  
5 **(e) from an owner or operator of an applicable facility that is required to report methane**  
6 **emissions pursuant to subpart W of part 98 of title 40, Code of Federal Regulations (or any**  
7 **successor regulations).**

8 **“(c)“(b) Applicable Facility.—For purposes of this section, the term ‘applicable facility’**  
9 **means a facility within the following industry segments, as defined in subpart W of part 98 of**  
10 **title 40, Code of Federal Regulations (or any successor regulations):**

11 **“(1) Offshore petroleum and natural gas production.**

12 **“(2) Onshore petroleum and natural gas production.**

13 **“(3) ~~Natural~~ Onshore natural gas processing,**

14 **“(4) ~~Natural~~ Onshore natural gas transmission and compression.**

15 **“(5) Underground natural gas storage.**

16 **“(6) Liquefied natural gas storage.**

17 **“(7) Liquefied natural gas import and export equipment.**

18 **“(8) Onshore petroleum and natural gas gathering and boosting.**

19 **“(9) Onshore natural gas transmission pipeline.**

20 **“(d) Charge“(e) Fee Amount.—The amount of a ~~fee imposed and collected~~ charge under**  
21 **subsection ~~(a)~~(b) for an applicable facility shall be equal to the product obtained by**  
22 **multiplying—**

23 **“(1) ~~subject to subsection (d),~~ the number of tons of methane **emissions** reported for the**  
24 **applicable facility pursuant to subpart W of part 98 of title 40, Code of Federal Regulations**  
25 **(or any successor regulations); **for the applicable facility that exceed the applicable****  
26 **annual waste emissions threshold listed in subsection (e) during the previous reporting**  
27 **period; and**

28 **“(2) ~~\$1500.~~(A) \$900 for emissions reported for calendar year 2023;**

29 **~~“(d) Intensity~~“(B) \$1200 for emissions reported for calendar year 2024; or**

30 **“(C) \$1500 for emissions reported for calendar year 2025 and each year thereafter.**

31 **“(e) Waste Emissions Threshold.—**

32 **“(1) PETROLEUM AND NATURAL GAS PRODUCTION.—With respect to imposing and**  
33 **collecting the **fee charge** under subsection ~~(a)~~(b) for an applicable facility in an industry**  
34 **segment listed in paragraph (1) or (2) of subsection ~~(b)~~(c), the Administrator shall impose**  
35 **and collect the **fee charge** on the reported tons of methane emissions that ~~exceed~~ **exceed—****

36 **“(A) 0.20 percent of the natural gas sent to sale from such facility; or**

37 **“(B) 10 metric tons of methane per million barrels of oil sent to sale from such**  
38 **facility, if such facility sent no natural gas to sale.**

1           “(2) NONPRODUCTION PETROLEUM AND NATURAL GAS SYSTEMS.—With respect to  
2 imposing and collecting the fee **charge** under subsection ~~(a)~~(b) for an applicable facility in  
3 an industry segment listed in paragraph (3), ~~(5)~~;(6), (7), or (8) of subsection ~~(b)~~(c), the  
4 Administrator shall impose and collect the fee **charge** on the reported tons of methane  
5 emissions that exceed 0.05 percent of the natural gas sent to sale from such facility.

6           “(3) NATURAL GAS TRANSMISSION.—With respect to imposing and collecting the fee  
7 **charge** under subsection ~~(a)~~(b) for an applicable facility in an industry segment listed in  
8 paragraph (4), (5), or (9) of subsection ~~(b)~~(c), the Administrator shall impose and collect the  
9 fee **charge** on the reported tons of methane emissions that exceed 0.11 percent of the  
10 natural gas sent to sale from such facility.

11           “(4) EXEMPTION.—Charges shall not be imposed pursuant to paragraph (1) on  
12 emissions that exceed the waste emissions threshold specified in such paragraph if  
13 such emissions are caused by unreasonable delay in environmental permitting of  
14 gathering infrastructure.

15           “(f) Period.—The charge under subsection (b)“~~(e) Period.—The fee under subsection (a)~~  
16 shall be imposed and collected beginning with respect to emissions reported for calendar year  
17 2023 and for each year thereafter.

18           “(f)“(g) Implementation.—In addition to other authorities in this Act addressing air pollution  
19 from the oil and natural gas sectors, the Administrator may issue guidance or regulations as  
20 necessary to carry out this section.

21           “(g)“(h) Reporting.—Not later than 2 years after the date of enactment of this section, and as  
22 necessary thereafter, the Administrator shall revise the requirements of subpart W of part 98 of  
23 title 40, Code of Federal Regulations—

24           “(1) to reduce the facility emissions threshold for reporting under such subpart and for  
25 paying the fee **charge** imposed under this section to 10,000 metric tons of carbon dioxide  
26 equivalent of greenhouse gases emitted per year; and

27           “(2) to ensure the reporting under such subpart, and calculation of fees **charges** under  
28 subsection ~~(e)~~ subsections (d) and (e) of this section, are based on empirical data and  
29 accurately reflect the total methane **emissions and waste** emissions from the applicable  
30 facilities.

31           “(h)“(i) Liability for Fee Charge Payment.—A facility owner or operator’s liability for  
32 payment of the fee **charge** under subsection ~~(a)~~(b) is not affected in any way by emission  
33 standards, permit fees, penalties, or other requirements under this Act or any other legal  
34 authorities.

35           “(i) Use of Proceeds.—

36           “(1) Transfer of funds.—For each applicable fiscal year, the Secretary of the Treasury shall,  
37 without further appropriation, transfer to the Administrator an amount equal to 75 percent of the  
38 amounts received during the preceding fiscal year as a result of the methane fee in subsection (a).

39           “(2) Use of funds.—The Administrator shall, without further appropriation, use the amounts  
40 transferred under paragraph (1) (except that no funds shall be disbursed after September 30,  
41 2028)—

1 ~~“(A) to cover all direct and indirect costs required to develop and administer this section,~~  
2 ~~including the costs of —~~

3 ~~“(i) implementing the fee;~~

4 ~~“(ii) continuous emissions and ambient methane and other greenhouse gas monitoring;~~

5 ~~“(iii) preparing generally applicable regulations, or guidance;~~

6 ~~“(iv) modeling, analyses, and demonstrations; and~~

7 ~~“(v) preparing inventories, gathering empirical data, and tracking emissions; authorities.”.~~

8 **SEC. 30115. FUNDING FOR THE OFFICE OF THE**  
9 **INSPECTOR GENERAL OF THE ENVIRONMENTAL**  
10 **PROTECTION AGENCY.**

11 In addition to amounts otherwise made available, there is appropriated to the Office of  
12 the Inspector General of the Environmental Protection Agency for fiscal year 2022, out of  
13 any money in the Treasury not otherwise appropriated, \$50,000,000, to remain available  
14 until September 30, 2031, for oversight of activities supported with funds appropriated to  
15 the Environmental Protection Agency in this Act.

16 **SEC. 30116. CLIMATE POLLUTION REDUCTION**  
17 **GRANTS.**

18 The Clean Air Act is amended by inserting after section 136 of such Act, as added by  
19 section 30114 of this Act, the following:

20 **“SEC. 137. GREENHOUSE GAS AIR POLLUTION**  
21 **PLANS AND IMPLEMENTATION GRANTS.**

22 **“(a) Appropriations.—**

23 **“(1) GREENHOUSE GAS AIR POLLUTION PLANNING GRANTS.—In addition to amounts**  
24 **otherwise available, there is appropriated to the Administrator for fiscal year 2022,**  
25 **out of any amounts in the Treasury not otherwise appropriated, \$250,000,000, to**  
26 **remain available until September 30, 2031, to carry out subsection (b).**

27 **“(2) GREENHOUSE GAS AIR POLLUTION IMPLEMENTATION GRANTS.—In addition to**  
28 **amounts otherwise available, there is appropriated to the Administrator for fiscal year**  
29 **2022, out of any amounts in the Treasury not otherwise appropriated, \$4,750,000,000,**  
30 **to remain available until September 30, 2026, to carry out subsection (c).**

31 **“(3) ADMINISTRATIVE COSTS.—Of the funds made available under paragraph (2),**  
32 **the Administrator shall reserve 3 percent for administrative costs necessary to carry**  
33 **out this section, including providing technical assistance to eligible entities, developing**  
34 **a plan that could be used as a model by grantees in developing a plan under subsection**  
35 **(b), and modeling the effects of plans described in this section.**

36 **“(b) Greenhouse Gas Air Pollution Planning Grants.—The Administrator shall make a**

1 grant to at least one eligible entity in each State for the costs of developing a plan for the  
2 reduction of greenhouse gas air pollution to be submitted with an application for a grant  
3 under subsection (c). Each such plan shall include programs, policies, measures, and  
4 projects that will achieve or facilitate the reduction of greenhouse gas air pollution. Not  
5 later than 270 days after the date of enactment of this section, the Administrator shall  
6 publish a funding opportunity announcement for grants under this subsection.

7 “(c) Greenhouse Gas Air Pollution Reduction Implementation Grants.—

8 “(1) IN GENERAL.—The Administrator shall competitively award grants to eligible  
9 entities to implement plans developed under subsection (b).

10 “(2) APPLICATION.—To apply for a grant under this subsection, an eligible entity  
11 shall submit to the Administrator an application at such time, in such manner, and  
12 containing such information as the Administrator shall require, which such  
13 application shall include information regarding—

14 “(A) the degree to which greenhouse gas air pollution is projected to be  
15 reduced, including with respect to low-income and disadvantaged communities;  
16 and

17 “(B) the quantifiability, specificity, additionality, permanence, and verifiability  
18 of such projected greenhouse gas air pollution reduction.

19 “(3) TERMS AND CONDITIONS.—The Administrator shall make funds available to a  
20 grantee under this subsection in such amounts, upon such a schedule, and subject to  
21 such conditions based on its performance in implementing its plan submitted under  
22 this section and in achieving projected greenhouse gas air pollution reduction, as  
23 determined by the Administrator.

24 “(d) Eligible Entity Defined.—In this section, the term ‘eligible entity’ means—

25 “(1) a State;

26 “(2) an air pollution control agency;

27 “(3) a municipality;

28 “(4) an Indian tribe; and

29 “(5) a group of one or more entities listed in paragraphs (1) through (4).”.

## 30 **SEC. 30117. ENVIRONMENTAL PROTECTION** 31 **AGENCY EFFICIENT, ACCURATE, AND TIMELY** 32 **REVIEWS.**

33 In addition to amounts otherwise available, there is appropriated to the Environmental  
34 Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise  
35 appropriated, \$20,000,000, to remain available until September 30, 2026, to provide for the  
36 development of efficient, accurate, and timely reviews for permitting and approval  
37 processes through the hiring and training of personnel, the development of programmatic  
38 documents, the procurement of technical or scientific services for reviews, the development  
39 of environmental data or information systems, stakeholder and community engagement,

1 the purchase of new equipment for environmental analysis, and the development of  
2 geographic information systems and other analysis tools, techniques, and guidance to  
3 improve agency transparency, accountability, and public engagement.

## 4 **SEC. 30118. LOW-EMBODIED CARBON LABELING** 5 **FOR CONSTRUCTION MATERIALS FOR** 6 **TRANSPORTATION PROJECTS.**

7 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the  
8 Administrator of the Environmental Protection Agency for fiscal year 2022, out of any  
9 money in the Treasury not otherwise appropriated, \$100,000,000, to remain available until  
10 September 30, 2026, to develop and carry out a program, in consultation with the  
11 Administrator of the Federal Highway Administration, to identify and label, based on  
12 environmental product declarations, low-embodied carbon construction materials and  
13 products used for transportation projects, and for necessary administrative costs of the  
14 Administrator of the Environmental Protection Agency to carry out this section.

15 (b) **Definitions.**—In this section:

16 (1) **EMBODIED CARBON.**—The term “embodied carbon” means the quantity of  
17 greenhouse gas emissions associated with all relevant stages of production of a  
18 material or product, measured in kilograms of carbon dioxide-equivalent per unit of  
19 such material or product.

20 (2) **ENVIRONMENTAL PRODUCT DECLARATION.**—The term “environmental product  
21 declaration” means a document that reports the environmental impact of a material or  
22 product that—

23 (A) includes measurement of the embodied carbon of the material or product;

24 (B) conforms with international standards, such as a Type III environmental  
25 product declaration as defined by the International Organization for  
26 Standardization standard 14025; and

27 (C) is developed in accordance with any standardized reporting criteria  
28 specified by the Administrator of the Environmental Protection Agency.

29 (3) **LOW-EMBODIED CARBON CONSTRUCTION MATERIALS AND PRODUCTS.**—The term  
30 “low-embodied carbon construction materials and products” means construction  
31 materials and products identified by the Administrator of the Environmental  
32 Protection Agency as having substantially lower levels of embodied carbon as  
33 compared to estimated industry averages of similar materials or products.

34  
35 ~~\* 1 “(B) for grants, rebates, contracts and other activities of the~~  
36 ~~Environmental Protection Agency for the purposes of providing~~  
37 ~~financial and technical assistance to owners and operators of~~  
38 ~~applicable facilities preparing and submitting greenhouse gas~~

1 ~~reports under subpart W of part 98 of title 40, Code of Federal~~  
2 ~~Regulations (or successor regulations);~~

3 ~~“(C) for grants, rebates, contracts, and other activities of the~~  
4 ~~Environmental Protection Agency authorized under section 103~~  
5 ~~for methane emissions monitoring; and~~

6  
7 \* 2 ~~“(D) for grants, rebates, contracts, and other activities of the~~  
8 ~~Environmental Protection Agency for the purposes of providing~~  
9 ~~financial and technical assistance to reduce methane and other~~  
10 ~~greenhouse gas emissions from petroleum and natural gas~~  
11 ~~systems, mitigate legacy air pollution from petroleum and~~  
12 ~~natural gas systems, and provide support for communities,~~  
13 ~~including funding for—~~

14  
15 \* 3 ~~“(i) improving climate resiliency of communities and~~  
16 ~~petroleum and natural gas systems;~~

17  
18 \* 4 ~~“(ii) improving and deploying industrial equipment and~~  
19 ~~processes that reduce methane and other greenhouse gas~~  
20 ~~emissions;~~

21  
22 \* 5 ~~“(iii) supporting innovation in reducing methane and other~~  
23 ~~greenhouse gas emissions from petroleum and natural gas~~  
24 ~~systems;~~

25  
26 \* 6 ~~“(iv) mitigating health effects of methane and other~~  
27 ~~greenhouse gas emissions, and legacy air pollution from~~  
28 ~~petroleum and natural gas systems in low income and~~

1 ~~disadvantaged communities; and~~

2 ~~“(v) supporting environmental restoration.”.~~

3 Subtitle B—Hazardous Materials

4 ~~SEC. 30201. SUPERFUND INVESTMENTS.~~

5 ~~In addition to amounts otherwise available, there is appropriated~~  
6 ~~for fiscal year 2022, out of any money in the Treasury not~~  
7 ~~otherwise appropriated, \$10,000,000,000, to remain available~~  
8 ~~until expended, for response actions carried out by Federal~~  
9 ~~agencies, consistent with section 120 of the Comprehensive~~  
10 ~~Environmental Response, Compensation, and Liability Act of~~  
11 ~~1980 (42 U.S.C. 9620) at Federal facilities included on the~~  
12 ~~National Priority List published pursuant to section 105 of such~~  
13 ~~Act (42 U.S.C. 9605), which shall supplement, not supplant,~~  
14 ~~individual agency appropriations for such response actions.~~

15 ~~SEC. 30202. FUNDING TO ADDRESS TOXICS IN~~  
16 ~~SCHOOLS.~~

17 ~~In addition to amounts otherwise available, there is appropriated~~  
18 ~~to the Administrator of the Environmental Protection Agency for~~  
19 ~~fiscal year 2022, out of any money in the Treasury not otherwise~~  
20 ~~appropriated, \$50,000,000, to remain available until expended,~~  
21 ~~for grants, contracts, and other activities to reduce pollution at~~  
22 ~~schools in low income and disadvantaged communities under~~  
23 ~~title V of the Toxic Substances Control Act (15 U.S.C. 2695 et~~  
24 ~~seq.).~~

25 ~~SEC. 30203. GRANTS TO REDUCE WASTE IN~~  
26 ~~COMMUNITIES.~~

27 The Solid Waste Disposal Act is amended by inserting after section 7010 (42 U.S.C.  
28 6979b) the following:

29 **“SEC. 7011. GRANTS TO REDUCE WASTE IN**

# 1 COMMUNITIES.

## 2 “(a) Appropriations.—

3 “(1) **ORGANICS RECYCLING AND FOOD WASTE.**—~~In (a) In General.~~—In addition to  
4 amounts otherwise available, there is appropriated to the Administrator ~~of the~~  
5 ~~Environmental Protection Agency~~ for fiscal year 2022, out of any money in the Treasury  
6 not otherwise appropriated, ~~\$750,000,000~~ **\$95,000,000**, to remain available until expended  
7 ~~(except that no funds shall be disbursed after September 30, 2031)~~, to make grants, on a  
8 competitive basis, to eligible recipients ~~to~~— **for projects in, or directly serving,**  
9 **low-income or disadvantaged communities to—**

10 ~~(1) minimize~~“(A) **construct, expand, or modernize infrastructure for recycling**  
11 **and reuse of organic material, including any facility, machinery, or equipment**  
12 **used to collect and process organic material; or**

13 “(B) **measure, reduce, and prevent food waste.**

14 “(2) **OTHER WASTE REDUCTION ACTIVITIES.**—**In addition to amounts otherwise**  
15 **available, there is appropriated to the Administrator for fiscal year 2022, out of any**  
16 **money in the Treasury not otherwise appropriated, \$95,000,000, to remain available**  
17 **until September 30, 2031, to make grants, on a competitive basis, to eligible recipients**  
18 **for projects in, or directly serving, low-income or disadvantaged communities to—**

19 “(A) **reduce** the amount of waste generated from manufacturing processes or when  
20 consumer products are disposed of, including by encouraging product or  
21 manufacturing redesign or redevelopment that reduces packaging and waste  
22 byproducts;

23 ~~(2) construct, expand, or modernize infrastructure for organics recycling and reuse,~~  
24 ~~including any facility, machinery, or equipment used to collect and process organic~~  
25 ~~material;~~

26 ~~(3)~~“(B) **create market demand or manufacturing capacity for recovered, recyclable,**  
27 **or recycled commodities and products, including compost; or;**

28 ~~(4) support projects and programs that reduce food waste; or~~

29 ~~(5)~~“(C) **support the development and implementation of activities that reduce the**  
30 **amount of waste disposed of in landfills or prevent the disposal of waste in landfills,**  
31 **including—**

32 (A)“(i) **expanding the availability of curbside source-separated organic waste**  
33 **collection;**

34 (B)“(ii) **encouraging diversion of organic waste from landfills; or**

35 (C)“(iii) **increasing fees imposed on the disposal of waste, including organic**  
36 **waste, at landfills.**

37 ~~(b) Reservation.—Of the funds~~“(b) **Administration of Funds.**—**Of the amounts** made  
38 **available under subsection (a), the Administrator shall reserve 5 percent for the this section,**  
39 ~~the Administrator of the Environmental Protection Agency shall reserve \$300,000,000 for grants~~  
40 ~~for projects in low income or disadvantaged communities.~~



1 ~~(c) Administration of Funds.—Of the funds made available under this section, the~~  
2 ~~Administrator of the Environmental Protection Agency shall reserve 2 percent for administrative~~  
3 ~~costs necessary to carry out this section. activities pursuant to that subsection.~~

4 ~~(d)“(c) Definition of Eligible Recipient.—In this section, the term “eligible recipient” ‘eligible~~  
5 ~~recipient’ means—~~

6 ~~(1)“(1) a single unit of State, local, or Tribal government; or(2) a partnership of multiple~~  
7 ~~units of State, local, or Tribal governments;~~

8 ~~(3) a partnership of one or more units of State, local, or Tribal governments and one or~~  
9 ~~more for profit or nonprofit organizations; or“(2) a nonprofit organization.”.~~

10 ~~(4) a nonprofit organization or a partnership of nonprofit~~  
11 ~~organizations.~~

12 ~~SEC. 30204~~ **SEC. 30202. ENVIRONMENTAL AND**  
13 **CLIMATE JUSTICE BLOCK GRANTS.**

14 ~~(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the~~  
15 ~~Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in~~  
16 ~~the Treasury not otherwise appropriated, \$5,000,000,000, to remain available until expended~~  
17 ~~(except that no funds shall be disbursed after September 30, 2031), to carry out this section. The~~  
18 **Clean Air Act is amended by inserting after section 137, as added by subtitle A of this title,**  
19 **the following:**

20 ~~(b) Grants.—“SEC. 138. ENVIRONMENTAL AND~~  
21 **CLIMATE JUSTICE BLOCK GRANTS.**

22 **\*\* 7 “(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to**  
23 **the Administrator** for fiscal year 2022, out of any money in the Treasury not otherwise  
24 appropriated—

25 **“(1) \$2,800,000,000 to remain available until September 30, 2026, to award grants**  
26 **for the activities described in subsection (b); and**

27 **“(2) \$200,000,000 to remain available until September 30, 2026, to provide technical**  
28 **assistance to eligible entities related to grants awarded under this section.**

29 **“(b) Grants.—**

30 **“(1)(1) IN GENERAL.—The Administrator of the Environmental Protection Agency may**  
31 **shall** use amounts made available under subsection (a)(1) to award grants for periods of up  
32 to 3 years to eligible entities to carry out activities described in paragraph (2) that benefit  
33 disadvantaged communities, as defined by the Administrator.

34 **(2)“(2) ELIGIBLE ACTIVITIES.—An eligible entity may use a grant awarded under this**  
35 **subsection for—**

36 **(A) investments in community low emission, zero emission, and emission-reducing**  
37 **infrastructure, including construction of such infrastructure;“(A) community-led air**

1           **and other pollution monitoring, prevention, and remediation, and investments in**  
2           **low- and zero-emission and resilient technologies and related infrastructure and**  
3           **workforce development that help reduce greenhouse gas emissions and other air**  
4           **pollutants;**

5           ~~(B) climate resiliency, mitigation, and adaptation projects, including projects related~~  
6           ~~to~~ **“(B) mitigating climate and health risks from** urban heat islands, extreme heat,  
7           wood heater emissions, and wildfire events;

8           ~~(C) community led pollution monitoring, prevention, and remediation, including any~~  
9           ~~necessary job training programs;~~ **“(C) climate resiliency and adaptation;**

10           ~~(D)~~ **“(D) reducing indoor toxics and indoor air pollution; or**

11           **“(E)(E) facilitating engagement of disadvantaged communities in State and Federal**  
12           **public processes, including facilitating such engagement in advisory groups,**  
13           **workshops, and rulemakings; or.**

14           ~~(F) any other activity the Administrator of the Environmental Protection Agency~~  
15           ~~determines appropriate.~~

16           ~~(3)~~ **“(3) ELIGIBLE ENTITIES.—In this subsection, the term “eligible entity” ‘eligible entity’**  
17           **means—**

18           ~~(A)~~ **“(A) a partnership between between—**

19                   **“(i) an Indian Tribe tribe, a local government, or an institution of higher**  
20                   **education; and**

21                   **“(ii) a community-based nonprofit organization;**

22           ~~(B)~~ **“(B) a community-based nonprofit organization; or**

23           ~~(C)~~ **“(C) a partnership of community-based nonprofit organizations.**

24           ~~(4) Priority.—In awarding grants under this subsection, the Administrator of the~~  
25           ~~Environmental Protection Agency shall give priority to eligible entities described in~~  
26           ~~subparagraph (B) or (C) of paragraph (3).~~

27           ~~(e) Technical Assistance.—The Administrator of the Environmental Protection Agency shall~~  
28           ~~reserve \$500,000,000~~ **“(c) Administrative Costs.—The Administrator shall reserve 7 percent**  
29           **of the amounts made available under subsection (a) for grants or contracts for technical**  
30           ~~assistance throughout the United States related to grants awarded in this section.~~ **administrative**  
31           **costs to carry out this section.”.**

## 32           **SEC. 30203. FUNDING FOR DATA COLLECTION ON** 33           **NATIONAL RECYCLING EFFORTS.**

34           **In addition to amounts otherwise available, there is appropriated to the Administrator of**  
35           **the Environmental Protection Agency for fiscal year 2022, out of any money in the**  
36           **Treasury not otherwise appropriated, \$10,000,000, to remain available until September 30,**  
37           **2031, to support data collection activities with respect to recycling efforts throughout the**  
38           **nation, with a particular focus on recycling efforts in disadvantaged, low-income, and rural**  
39           **communities that lack access to recycling services.**

1 Subtitle C—Drinking Water

2 **SEC. 30301. LEAD ~~SERVICE LINE REPLACEMENT~~**  
3 **REMEDICATION PROJECTS.**

4 (a) In General.—In addition to amounts otherwise available, there is appropriated for fiscal  
5 year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$30,000,000,000, to~~  
6 ~~make capitalization grants under section 1452~~ **\$9,000,000,000, to remain available until**  
7 **September 30, 2026, for—**

8 (1) **grants under the lead reduction grant program under section 1459B(b)** of the  
9 Safe Drinking Water Act (42 U.S.C. 300j12), ~~to remain available until expended, for full~~  
10 ~~lead 300j–19b(b)) to entities eligible for grants under that program that serve~~  
11 **communities determined to be disadvantaged communities pursuant to paragraph**  
12 **(3)(A) of such subsection, for full service line replacement projects and associated**  
13 ~~activities directly connected to the identification, planning, design, and full replacement of~~  
14 ~~lead service lines, of which \$20,000,000,000 shall be for subsidies to disadvantaged~~  
15 ~~communities (as defined in subsection (d)(3) of such section) in the form of loans, with 100~~  
16 ~~percent forgiveness of principal, or grants, notwithstanding subsection (d)(2) of such~~  
17 ~~section. within those disadvantaged communities;~~

18 (b) ~~Prohibition on Partial Line Replacement.—No funds~~ **(2) grants for the installation**  
19 **and maintenance of lead filtration stations at schools and child care programs (as**  
20 **defined in section 1464(d)(1) of that Act (42 U.S.C. 300j–24(d)(1)) that serve**  
21 **disadvantaged communities; and**

22 **(3) grants under subsection (d) of section 1464 of that Act (42 U.S.C. 300j–24)—**

23 **(A) to pay the costs of replacement of drinking water fountains in schools and**  
24 **child care programs that serve disadvantaged communities;**

25 **(B) for lead remediation projects in buildings operated by entities eligible for**  
26 **grants under that subsection that serve disadvantaged communities; and**

27 **(C) for compliance monitoring in disadvantaged communities.**

28 (b) **Cost-share Waiver.—An entity receiving assistance pursuant to this section shall not**  
29 **be required to provide a share of the costs of carrying out the project or activity funded by**  
30 **that assistance.**

31 (c) **Administrative Costs.—Of the amounts made available under subsection (a), the**  
32 **Administrator of the Environmental Protection Agency shall reserve 7 percent for the**  
33 **administrative costs of carrying out this section.** ~~this section may be used for partial~~  
34 ~~replacement of lead service lines.~~

35 (e) ~~No Leveraging.—Funds made available under this section may not be used as a source of~~  
36 ~~payment of, or security for (directly or indirectly), in whole or in part, any obligation the interest~~  
37 ~~on which is exempt from the tax imposed under chapter 1 of the Internal Revenue Code of 1986.~~

38 ~~SEC. 30302. COMMUNITY WATER SYSTEM RISK AND RESILIENCE.~~

1 ~~\* 59 In addition to amounts otherwise available, there is~~  
2 ~~appropriated for fiscal year 2022, out of any money in the~~  
3 ~~Treasury not otherwise appropriated, \$500,000,000, to remain~~  
4 ~~available until expended, for grants under section 1433(g) of the~~  
5 ~~Safe Drinking Water Act (42 U.S.C. 300i2(g)).~~

6 ~~SEC. 30302 30303. GRANTS FOR STATE PROGRAMS.~~

7 ~~In addition to amounts otherwise available, there is appropriated~~  
8 ~~for fiscal year 2022, out of any money in the Treasury not~~  
9 ~~otherwise appropriated, \$100,000,000, to remain available until~~  
10 ~~expended, for grants under section 1443 of the Safe Drinking~~  
11 ~~Water Act (42 U.S.C. 300j2).~~

12 ~~SEC. 30304. ASSISTANCE FOR COLONIAS.~~

13 ~~In addition to amounts otherwise available, there is appropriated~~  
14 ~~for fiscal year 2022, out of any money in the Treasury not~~  
15 ~~otherwise appropriated, \$100,000,000, to remain available until~~  
16 ~~expended, for grants under section 1456 of the Safe Drinking~~  
17 ~~Water Act (42 U.S.C. 300j16).~~

18 ~~SEC. 30305. GRANTS TO REDUCE LEAD IN SCHOOL~~  
19 ~~DRINKING WATER.~~

20 ~~In addition to amounts otherwise available, there is appropriated~~  
21 ~~for fiscal year 2022, out of any money in the Treasury not~~  
22 ~~otherwise appropriated, \$700,000,000, to remain available until~~  
23 ~~expended, for grants under sections 1464 and 1465 of the Safe~~  
24 ~~Drinking Water Act (42 U.S.C. 300j24 and 300j 25), of which~~  
25 ~~(1) \$420,000,000 shall be for grants for the installation and~~  
26 ~~maintenance of lead filtration stations at schools and child care~~  
27 ~~programs;~~

28 ~~(2) \$150,000,000 shall be for grants under section 1464(d); and~~

1 ~~(3) \$50,000,000 shall be for grants under section 1465(b)(1) to~~  
2 ~~pay the costs of replacement of drinking water fountains in~~  
3 ~~schools.~~

4 ~~SEC. 30306. GRANTS FOR INDIAN RESERVATION~~  
5 ~~DRINKING WATER INFRASTRUCTURE.~~

6 ~~In addition to amounts otherwise available, there is appropriated~~  
7 ~~for fiscal year 2022, out of any money in the Treasury not~~  
8 ~~otherwise appropriated, \$100,000,000, to remain available until~~  
9 ~~expended, to implement eligible projects under section 2001 of~~  
10 ~~America's Water Infrastructure Act of 2018 (42 U.S.C. 300j 3c~~  
11 ~~note), notwithstanding the geographic limitations in that section.~~

12 ~~SEC. 30307. ASSISTANCE FOR AREAS AFFECTED BY~~  
13 ~~NATURAL DISASTERS.~~

14 ~~In addition to amounts otherwise available, there is appropriated~~  
15 ~~for fiscal year 2022, out of any money in the Treasury not~~  
16 ~~otherwise appropriated, \$100,000,000, to remain available until~~  
17 ~~expended, for grants under section 2020 of America's Water~~  
18 ~~Infrastructure Act of 2018 (42 U.S.C. 300j 12 note), of which,~~  
19 ~~notwithstanding subsection (a)(2) of such section, \$10,000,000~~  
20 ~~shall be available to make grants to Guam, the Virgin Islands,~~  
21 ~~American Samoa, and the Northern Mariana Islands for the~~  
22 ~~purposes of providing assistance to eligible systems to restore or~~  
23 ~~increase compliance with national primary drinking water~~  
24 ~~regulations in an underserved area.~~

25 ~~SEC. 30308. ASSISTANCE FOR DISADVANTAGED~~  
26 ~~COMMUNITIES.~~

27 ~~In addition to amounts otherwise available, there is appropriated~~  
28 ~~for fiscal year 2022, out of any money in the Treasury not~~  
29 ~~otherwise appropriated, \$200,000,000, to remain available until~~

1 ~~expended, for grants under section 1459A(b) of the Safe~~  
2 ~~Drinking Water Act (42 U.S.C. 300j19a(b)).~~

3 ~~SEC. 30309. GRANTS FOR CONTAMINANT~~  
4 ~~MONITORING.~~

5 ~~In addition to amounts otherwise available, there is appropriated~~  
6 ~~for fiscal year 2022, out of any money in the Treasury not~~  
7 ~~otherwise appropriated, \$100,000,000, to remain available until~~  
8 ~~expended, to make grants to pay for the costs of monitoring~~  
9 ~~required under section 1445(a)(2) of the Safe Drinking Water~~  
10 ~~Act (42 U.S.C. 300j4(a)(2)).~~

11 ~~SEC. 30310. TECHNICAL ASSISTANCE TO SMALL~~  
12 ~~PUBLIC WATER SYSTEMS.~~

13 ~~In addition to amounts otherwise available, there is appropriated~~  
14 ~~for fiscal year 2022, out of any money in the Treasury not~~  
15 ~~otherwise appropriated, \$100,000,000, to remain available until~~  
16 ~~expended, to provide technical assistance under section 1442(e)~~  
17 ~~of the Safe Drinking Water Act (42 U.S.C. 300j1(e)).~~

18 ~~SEC. 30311. FUNDING FOR WATER ASSISTANCE~~  
19 ~~PROGRAM.~~

20 ~~(a) In General.—In Appropriation.—In addition to amounts otherwise available, there is~~  
21 ~~appropriated to the Secretary of Health and Human Services (in this section referred to as the~~  
22 ~~“Secretary”) for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,~~  
23 ~~\$500,000,000 **\$225,000,000**, to remain available until expended, for **to provide** grants to States~~  
24 ~~and, Indian Tribes, and **Tribal organizations** to assist low-income households, particularly~~  
25 ~~those with the lowest incomes, that pay a high proportion of household income for drinking~~  
26 ~~water and wastewater services, by providing funds to owners or operators of public water~~  
27 ~~systems or treatment works to reduce (including stormwater) services, particularly~~  
28 ~~households with an annual income that is less than or equal to 150 percent of the Federal~~  
29 ~~poverty line, by providing amounts to community water systems (as defined in section 1401~~  
30 ~~of the Safe Drinking Water Act (42 U.S.C. 300f)) or publicly owned treatment works (as~~  
31 ~~defined in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292)) to~~  
32 ~~reduce the arrearages of and rates charged to such households for such services. those~~  
33 ~~households for those services by up to 100 percent.~~

34 ~~(b) Allotment.—The Secretary shall—~~

- 1 ~~(1) allot amounts appropriated in this section to a State or Indian Tribe based on—~~  
2 ~~(A) the percentage of households in the State, or under the jurisdiction of the Indian Tribe,~~  
3 ~~with annual income equal to or less than 150 percent of the Federal poverty line; and~~  
4 ~~(B) the percentage of households in the State, or under the jurisdiction of the Indian Tribe, that~~  
5 ~~spend more than 30 percent of monthly income on housing; and~~  
6 ~~(2) reserve up to 3 percent of the amount appropriated in this section for (b)~~  
7 **Requirement.—Of the amounts made available under subsection (a), the Administrator of**  
8 **the Environmental Protection Agency shall reserve not more than 3 percent to provide the**  
9 **assistance described in that subsection to Indian Tribes and Tribal organizations.**
- 10 ~~(c) Definition.—In Cost-share Waiver.—An entity receiving assistance pursuant to this~~  
11 ~~section shall not be required to provide a share of the costs of carrying out the activity~~  
12 ~~funded by that assistance.~~
- 13 ~~(d) Administrative Costs.—Of the amounts made available under subsection (a), the~~  
14 ~~Administrator of the Environmental Protection Agency shall reserve 7 percent for the~~  
15 ~~administrative costs of carrying out this section.~~
- 16 ~~(e) Definition of State.—In this section, the term “State” means means—~~  
17 ~~(1) each of the 50 States of the United States;;~~  
18 ~~(2) the District of Columbia;;~~  
19 ~~(3) the Commonwealth of Puerto Rico;;~~  
20 ~~(4) American Samoa;;~~  
21 ~~(5) Guam;;~~  
22 ~~(6) the United States Virgin Islands;; and~~  
23 ~~(7) the Commonwealth of the Northern Mariana Islands.~~

## 24 Subtitle D—Energy

### 25 ~~PART 1—CLEAN ELECTRICITY PERFORMANCE~~ 26 ~~PROGRAM~~

#### 27 ~~SEC. 30411. CLEAN ELECTRICITY PERFORMANCE~~ 28 ~~PROGRAM.~~

##### 29 ~~(a) Appropriation.—~~

- 30 ~~(1) Administration.—In addition to amounts otherwise available,~~  
31 ~~there is appropriated to the Secretary of Energy for fiscal year~~  
32 ~~2022, out of any money in the Treasury not otherwise~~  
33 ~~appropriated, \$250,000,000, to remain available until September~~

1 ~~30, 2031 (except that no funds shall be disbursed after~~  
2 ~~September 30, 2031), for the administrative expenses of carrying~~  
3 ~~out section 224 of the Federal Power Act (as added by this~~  
4 ~~section).~~

5 ~~(2) Grants.—In addition to amounts otherwise available, there is~~  
6 ~~appropriated to the Secretary of Energy for each of fiscal years~~  
7 ~~2023 through 2031, out of any money in the Treasury not~~  
8 ~~otherwise appropriated, such sums as are necessary to issue~~  
9 ~~grants under section 224 of the Federal Power Act (as added by~~  
10 ~~this section) (except that no funds shall be disbursed after~~  
11 ~~September 30, 2031).~~

12 ~~(b) Program.—Part II of the Federal Power Act is amended by~~  
13 ~~adding after section 223 (16 U.S.C. 824w) the following:~~

14 ~~“SEC. 224. CLEAN ELECTRICITY PERFORMANCE~~  
15 ~~PROGRAM.~~

16 ~~“(a) Establishment of Program.—Not later than 1 year after the~~  
17 ~~date of enactment of this section, the Secretary shall establish a~~  
18 ~~program to—~~

19 ~~“(1) issue grants for each of calendar years 2023 through 2030~~  
20 ~~to eligible electricity suppliers in accordance with this section;~~  
21 ~~and~~

22 ~~“(2) collect payments for each of calendar years 2023 through~~  
23 ~~2030 from eligible electricity suppliers in accordance with this~~  
24 ~~section.~~

25 ~~“(b) Grants to Eligible Electricity Suppliers.—~~

26 ~~“(1) Eligibility for grants.—~~

27 ~~“(A) In general.—Except as provided in subparagraph (B), an~~  
28 ~~eligible electricity supplier shall be eligible for a grant under this~~



1 ~~section for a performance year if the certified clean electricity-~~  
2 ~~percentage of the eligible electricity supplier for that~~  
3 ~~performance year is increased by at least 4 percentage points-~~  
4 ~~from the greater of—~~

5 ~~“(i) the highest certified clean electricity percentage of the~~  
6 ~~eligible electricity supplier for any year prior to that~~  
7 ~~performance year; or~~

8 ~~“(ii) the baseline clean electricity percentage of the eligible~~  
9 ~~electricity supplier.~~

10 ~~“(B) Adjustment.—With respect to a performance year in which~~  
11 ~~an eligible electricity supplier submitted a payment under this~~  
12 ~~section for the year prior to that performance year, the eligible~~  
13 ~~electricity supplier shall be eligible for a grant under this section~~  
14 ~~if the certified clean electricity percentage of the eligible~~  
15 ~~electricity supplier for that performance year is increased by at~~  
16 ~~least—~~

17 ~~“(i) the number of percentage points described in subparagraph~~  
18 ~~(A); plus~~

19 ~~“(ii) the number of percentage points that equals the sum~~  
20 ~~described in subsection (c)(2)(B) for the year for which the~~  
21 ~~payment was submitted.~~

22 ~~“(2) Grant calculation.—Except as provided in subsection (d),~~  
23 ~~the Secretary shall issue to an eligible electricity supplier a grant~~  
24 ~~under this section for a performance year in an amount equal to~~  
25 ~~\$150 for each megawatt hour of qualified clean electricity~~  
26 ~~validly claimed by the eligible electricity supplier under~~  
27 ~~subsection (e)(1)(A)(i) for that performance year that exceeds~~  
28 ~~the sum of—~~

29 ~~“(A) the product obtained by multiplying—~~

1 ~~“(i) the total load of the eligible electricity supplier for that~~  
2 ~~performance year; and~~

3 ~~“(ii) 0.015; and~~

4 ~~“(B) the greater of—~~

5 ~~“(i) the largest quantity of megawatt hours of qualified clean~~  
6 ~~electricity claimed by the eligible electricity supplier under~~  
7 ~~subsection (e)(1)(A)(i) for any year prior to that performance~~  
8 ~~year; or~~

9 ~~“(ii) the quantity of megawatt hours represented by the baseline~~  
10 ~~clean electricity percentage of the eligible electricity supplier.~~

11 ~~“(3) Initial grants.— In calculating a grant for performance year~~  
12 ~~2023, the product described in paragraph (2)(A) shall be~~  
13 ~~obtained by substituting 0.025 for 0.015.~~

14 ~~“(c) Payments.—~~

15 ~~“(1) In general.— Except as provided in paragraph (3) and~~  
16 ~~subsection (d), the Secretary shall collect a payment for a~~  
17 ~~performance year in accordance with this subsection from each~~  
18 ~~eligible electricity supplier that does not have a certified clean~~  
19 ~~electricity percentage for that performance year that is increased~~  
20 ~~by at least 4 percentage points above the greater of—~~

21 ~~“(A) the highest certified clean electricity percentage of the~~  
22 ~~eligible electricity supplier from any year prior to that~~  
23 ~~performance year; or~~

24 ~~“(B) the baseline clean electricity percentage of the eligible~~  
25 ~~electricity supplier.~~

26 ~~“(2) Payment calculation.— For each eligible electricity supplier,~~  
27 ~~the payment described in paragraph (1) shall be equal to the~~  
28 ~~dollar amount that is the product obtained by multiplying—~~

1 ~~“(A) \$40; and~~  
2 ~~“(B) the quantity of megawatt hours that represents the~~  
3 ~~percentage of the total electricity load of the eligible electricity~~  
4 ~~supplier for the performance year that is represented by the~~  
5 ~~number that equals the sum of—~~  
6 ~~“(i) 4; plus~~  
7 ~~“(ii) the number that is equal to—~~  
8 ~~“(I) the greater of—~~  
9 ~~“(aa) the highest certified clean electricity percentage of the~~  
10 ~~eligible electricity supplier for any year prior to that~~  
11 ~~performance year; or~~  
12 ~~“(bb) the baseline clean electricity percentage of the eligible~~  
13 ~~electricity supplier; minus~~  
14 ~~“(II) the certified clean electricity percentage of the eligible~~  
15 ~~electricity supplier for that performance year.~~  
16 ~~“(3) Exception.— The Secretary shall not collect a payment for a~~  
17 ~~performance year from an eligible electricity supplier that has a~~  
18 ~~certified clean electricity percentage for that performance year~~  
19 ~~that is 85 percent or greater, subject to the condition that the~~  
20 ~~certified clean electricity percentage of the eligible electricity~~  
21 ~~supplier for that performance year is not less than the certified~~  
22 ~~clean electricity percentage of the eligible electricity supplier for~~  
23 ~~the year prior to that performance year.~~  
24 ~~“(4) Deadline.— The Secretary shall collect a payment under this~~  
25 ~~section from an eligible electricity supplier not later than 6~~  
26 ~~months after the date on which the eligible electricity supplier~~  
27 ~~submits the applicable certification under subsection~~  
28 ~~(e)(1)(A)(i).~~

1 ~~“(5) Restriction.— An eligible electricity supplier may not~~  
2 ~~recover the cost of a payment submitted under this section from~~  
3 ~~any person other than the shareholders or owners of the eligible~~  
4 ~~electricity supplier.~~

5 ~~“(d) Deferral of Grants and Payments.—~~

6 ~~“(1) In general.— Subject to paragraph (2), with respect to any of~~  
7 ~~calendar years 2023 through 2029, an eligible electricity~~  
8 ~~supplier may elect to defer a grant or a payment for the calendar~~  
9 ~~year, and shall notify the Secretary of such election at such time~~  
10 ~~and in such form as the Secretary requires.~~

11 ~~“(2) Limitation.— An eligible electricity supplier may not make~~  
12 ~~an election described in paragraph (1) for a calendar year if the~~  
13 ~~eligible electricity supplier made that election for the preceding~~  
14 ~~2 calendar years.~~

15 ~~“(3) Grant or payment following deferral.—~~

16 ~~“(A) Eligibility.— An eligible electricity supplier making an~~  
17 ~~election under this subsection shall be eligible for a grant, or~~  
18 ~~shall submit a payment, for a performance year following a~~  
19 ~~deferred year based on whether its certified clean electricity~~  
20 ~~percentage increased, on average, by 4 or more percentage~~  
21 ~~points in that performance year and each consecutive deferred~~  
22 ~~year immediately preceding that performance year.~~

23 ~~“(B) Amounts.— The amount of a grant or payment pursuant to~~  
24 ~~this subsection shall be based on the calculations set forth in~~  
25 ~~subsections (b) and (c), respectively, adjusted to account for the~~  
26 ~~performance year and each deferred year.~~

27 ~~“(e) Requirements.—~~

28 ~~“(1) Conditions.— In each of calendar years 2024 through 2031,~~

1 ~~each eligible electricity supplier—~~  
2 ~~“(A) shall submit to the Secretary, by a date determined by the~~  
3 ~~Secretary (but not later than June 1)—~~  
4 ~~“(i) a performance certification for the preceding calendar year,~~  
5 ~~using such methods and subject to such audit provisions as the~~  
6 ~~Secretary determines appropriate, of—~~  
7 ~~“(I) the total electricity load of the eligible electricity supplier in~~  
8 ~~such preceding calendar year;~~  
9 ~~“(II) the quantity of megawatt hours of qualified clean~~  
10 ~~electricity that the eligible electricity supplier claims for such~~  
11 ~~preceding calendar year for purposes of this section; and~~  
12 ~~“(III) the percentage of the total electricity load certified under~~  
13 ~~subclause (I) that is qualified clean electricity claimed under~~  
14 ~~subclause (II);~~  
15 ~~“(ii) a written assurance that the eligible electricity supplier will~~  
16 ~~promptly report to any applicable commission, board, or~~  
17 ~~governance body that regulates the eligible electricity supplier~~  
18 ~~any grant received or payment submitted by the eligible~~  
19 ~~electricity supplier under this section; and~~  
20 ~~“(iii) a compliance certification that the eligible electricity~~  
21 ~~supplier has complied, with respect to each grant received or~~  
22 ~~payment submitted by the eligible electricity supplier under this~~  
23 ~~section, as applicable, with—~~  
24 ~~“(I) all written assurances submitted under this section;~~  
25 ~~“(II) the requirements of paragraph (3); and~~  
26 ~~“(III) requirements established by the Secretary to ensure the~~  
27 ~~financial integrity of grants issued and payments collected under~~  
28 ~~this section; and~~

1 ~~“(B) may not receive a grant under this section for a~~  
2 ~~performance year unless the eligible electricity supplier—~~

3 ~~“(i) complies with subparagraph (A) with respect to that~~  
4 ~~performance year; and~~

5 ~~“(ii) submits to the Secretary, for that performance year, a~~  
6 ~~written assurance in accordance with section 803(b)(3) of the~~  
7 ~~Energy Independence and Security Act (42 U.S.C. 17282(b)(3))~~  
8 ~~(for purposes of which any reference to a grant under that~~  
9 ~~section shall be considered to be a reference to a grant under this~~  
10 ~~section).~~

11 ~~“(2) Baseline.— Each eligible electricity supplier, including each~~  
12 ~~new eligible electricity supplier, shall provide sufficient~~  
13 ~~information to the Secretary, as determined by the Secretary, to~~  
14 ~~establish its baseline clean electricity percentage.~~

15 ~~“(3) Use of funds.— An eligible electricity supplier shall use a~~  
16 ~~grant received under this section exclusively for the benefit of~~  
17 ~~the ratepayers of the eligible electricity supplier, including direct~~  
18 ~~bill assistance to ratepayers, investments in qualified clean~~  
19 ~~electricity and energy efficiency, and worker retention.~~

20 ~~“(f) Definitions.— In this section:~~

21 ~~“(1) Baseline clean electricity percentage.—~~

22 ~~“(A) In general.— Except as provided in subparagraph (B), the~~  
23 ~~term ‘baseline clean electricity percentage’ means, with respect~~  
24 ~~to an eligible electricity supplier, the average percentage of the~~  
25 ~~total electricity load of the eligible electricity supplier for~~  
26 ~~calendar years 2019 and 2020 that is represented by, as~~  
27 ~~determined by the Secretary—~~

28 ~~“(i) the average clean electricity percentage of the eligible~~

1 ~~electricity supplier for such calendar years; and~~

2 ~~“(ii) a share of any unallocated qualified clean electricity for~~  
3 ~~such calendar years.~~

4 ~~“(B) New eligible electricity suppliers. — With respect to a new~~  
5 ~~eligible electricity supplier, the term ‘baseline clean electricity~~  
6 ~~percentage’ means the prevailing average clean electricity~~  
7 ~~percentage of comparable eligible electricity suppliers in the~~  
8 ~~area in which the new eligible electricity supplier provides~~  
9 ~~end-use electricity customers with electricity, as determined by~~  
10 ~~the Secretary.~~

11 ~~“(2) Carbon dioxide equivalent emissions. — The term ‘carbon~~  
12 ~~dioxide equivalent emissions’ means, with respect to a~~  
13 ~~greenhouse gas, the number of metric tons of carbon dioxide~~  
14 ~~emissions with the same global warming potential over a~~  
15 ~~20-year period as 1 metric ton of emissions of the greenhouse~~  
16 ~~gas, as determined by the Secretary, taking into consideration~~  
17 ~~relevant methods and information described in assessment~~  
18 ~~reports prepared by the Intergovernmental Panel on Climate~~  
19 ~~Change.~~

20 ~~“(3) Carbon intensity. — The term ‘carbon intensity’ means the~~  
21 ~~carbon dioxide equivalent emissions released into the~~  
22 ~~atmosphere from the generation of 1 megawatt-hour of~~  
23 ~~electricity by an electric generating unit, as determined by the~~  
24 ~~Secretary.~~

25 ~~“(4) Certified clean electricity percentage. — The term ‘certified~~  
26 ~~clean electricity percentage’ means, with respect to an eligible~~  
27 ~~electricity supplier, the percentage certified by the eligible~~  
28 ~~electricity supplier under subsection (e)(1)(A)(i)(III), which may~~  
29 ~~only include qualified clean electricity with respect to which the~~

1 ~~eligible electricity supplier holds the exclusive rights to the~~  
2 ~~qualifying attributes.~~

3 ~~“(5) Clean electricity percentage.—The term ‘clean electricity~~  
4 ~~percentage’ means, with respect to an eligible electricity~~  
5 ~~supplier, the percentage of the total electricity load of the~~  
6 ~~eligible electricity supplier that is qualified clean electricity,~~  
7 ~~with respect to which the eligible electricity supplier holds the~~  
8 ~~exclusive rights to the qualifying attributes.~~

9 ~~“(6) Eligible electricity supplier.—The term ‘eligible electricity~~  
10 ~~supplier’ means, notwithstanding section 201(b)(1), any entity~~  
11 ~~within the United States, including an entity described in section~~  
12 ~~201(f), that—~~

13 ~~“(A) provides end use electricity customers with electricity; and~~

14 ~~“(B) is granted the authority or has an obligation pursuant to~~  
15 ~~Federal, State, or local law or regulation to provide electricity to~~  
16 ~~end use electricity customers.~~

17 ~~“(7) New eligible electricity supplier.—The term ‘new eligible~~  
18 ~~electricity supplier’ means an eligible electricity supplier that~~  
19 ~~did not provide electricity to end use electricity customers in~~  
20 ~~both of calendar years 2019 and 2020.~~

21 ~~“(8) Performance year.—The term ‘performance year’ means~~  
22 ~~the calendar year for which a certification was submitted under~~  
23 ~~subsection (e)(1)(A)(i).~~

24 ~~“(9) Qualified clean electricity.—The term ‘qualified clean~~  
25 ~~electricity’ means electricity generated by an electric generating~~  
26 ~~unit, or technology type or class thereof, that has a carbon~~  
27 ~~intensity that is not more than 0.10.~~

28 ~~“(10) Secretary.—The term ‘Secretary’ means the Secretary of~~



1 ~~Energy.~~

2 ~~“(11) Total electricity load. The term ‘total electricity load’~~  
3 ~~means, with respect to an eligible electricity supplier, the total~~  
4 ~~quantity, in megawatt hours, of electricity provided by the~~  
5 ~~eligible electricity supplier to end-use electricity customers in a~~  
6 ~~calendar year.”.~~

7 ~~PART 2 RESIDENTIAL 1—RESIDENTIAL EFFICIENCY~~  
8 ~~AND ELECTRIFICATION REBATES~~

9 ~~SEC. 30421~~ **30411. HOME ENERGY**  
10 **PERFORMANCE-BASED, WHOLE-HOUSE REBATES AND**  
11 **TRAINING GRANTS.**

12 (a) **Home On-line Performance-based Energy Efficiency (HOPE) Contractor Training**  
13 **Grants.—**

14 (1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to  
15 the Secretary of Energy (referred to in this section as the “Secretary”) for fiscal year 2022,  
16 out of any money in the Treasury not otherwise appropriated, ~~\$9,000,000,000~~  
17 **\$360,000,000**, to remain available until September 30, 2031, ~~to institute guidelines for State~~  
18 ~~energy offices to provide rebates to homeowners and aggregators for whole-house energy-~~  
19 ~~saving retrofits as authorized under section 362 2030, to award grants to States to develop~~  
20 **and implement a State program described in section 362(d)(13) of the Energy Policy**  
21 **and Conservation Act (42 U.S.C. 6322(d)(13))**, ~~which shall be made available as follows:~~

22 ~~(1) Home on-line performance-based energy efficiency (hope) contractor training~~  
23 ~~grants.—~~

24 (A) ~~In general.—\$500,000,000 shall be available for the Secretary to award grants to~~  
25 ~~States through the State Energy Program, which shall partner with nonprofit organizations~~  
26 ~~to fund qualifying programs described in subparagraph (B) paragraph (2) that provide~~  
27 ~~training courses and opportunities to support home energy efficiency upgrade construction~~  
28 ~~services to train workers, both on-line and in-person, to support and provide for the home~~  
29 ~~energy efficiency retrofits under paragraph (2). subsection (b), and for administrative~~  
30 **expenses associated with carrying out this subsection.**

31 ~~(B)(2) QUALIFYING PROGRAMS.—For the purposes of this paragraph, qualifying programs~~  
32 ~~are programs that—~~

33 ~~(i)(A) provide the equivalent of at least 30 hours in total course time;~~

34 ~~(ii)(B) are provided by a provider that is accredited by the Interstate Renewable~~  
35 ~~Energy Council or has other accreditation determined to be equivalent by the~~  
36 ~~Secretary;~~

1           ~~(iii)~~(C) are, with respect to a particular job, aligned with the relevant National  
2 Renewable Energy Laboratory Job Task Analysis, or other credentialing program  
3 foundation that helps identify the necessary core knowledge areas, critical work  
4 functions, or skills, as approved by the Secretary;

5           ~~(iv)~~(D) have established learning objectives;

6           ~~(v)~~(E) include, as the Secretary determines appropriate, an appropriate assessment of  
7 such learning objectives that may include a final exam, to be proctored on-site or  
8 through remote proctoring, or an in-person field exam; and

9           ~~(vi)~~(F) include training related to—

10           ~~(i)~~(i) contractor certification;

11           ~~(ii)~~(ii) energy auditing or assessment;

12           ~~(iii)~~(iii) home energy systems (including Energy Star-qualified HVAC systems  
13 and Wi-Fi-enabled home energy communications technology, or any future  
14 technology that achieves the same goals);

15           ~~(iv)~~(iv) insulation installation and air leakage control;

16           ~~(v)~~(v) health and safety regarding the installation of energy efficiency  
17 measures or health and safety impacts associated with energy efficiency retrofits;

18           ~~(vi)~~(vi) indoor air quality;

19           ~~(vii)~~(vii) energy efficiency retrofits in manufactured housing; and

20           ~~(viii)~~(viii) residential electrification training and conversion training.

21           ~~(C)~~(3) STATE ENERGY PROGRAM PROVIDERS.—A State energy office may use not more  
22 than 10 percent of the amounts made available to the State energy office under this  
23 ~~paragraph subsection~~ to administer a qualifying program described in ~~subparagraph (B)~~  
24 **paragraph (2)**, including for the conduct of design and operations activities.

25           ~~(D)~~(4) TERMS AND CONDITIONS.—

26           ~~(A)~~(A) ELIGIBLE USE OF FUNDS.—Of the amounts made available to a State under this  
27 ~~paragraph subsection~~, 85 percent shall be used by the State—

28           ~~(i)~~(i) to support the operations of qualifying programs, including establishing,  
29 modifying, or maintaining the online systems, staff time, and software and online  
30 program management, through a course that meets the applicable criteria;

31           ~~(ii)~~(ii) to reimburse the contractor company for training costs for employees;

32           ~~(iii)~~(iii) to provide any home technology support needed for an employee to  
33 receive training pursuant to this ~~section~~; **subsection**; and

34           ~~(iv)~~(iv) to support wages of employees during training.

35           ~~(B)~~(B) TIMING OF OBLIGATIONS.—Amounts made available under this ~~paragraph~~  
36 **subsection** shall be used, as necessary, to cover or reimburse allowable costs incurred  
37 after the date of enactment of this Act.

38           ~~(C)~~(C) UNOBLIGATED AMOUNTS.—Amounts made available under this ~~paragraph~~

1           **subsection** which are not accepted, are voluntarily returned, or otherwise recaptured  
2           for any reason shall be used to fund grants under ~~paragraph (2)~~: **subsection (b)**.

3           ~~(2) Home owner managing energy savings (homes) rebates.—~~

4           ~~(A) In general.—95 percent of amounts made available under this section shall be available to~~  
5 ~~the Secretary to award grants to State energy offices to establish~~**(b) Home Owner Managing**  
6 ~~Energy Savings (HOMES) Rebate Programs through the State Energy Program under part B of~~  
7 ~~title III of the Energy Policy and Conservation Act (42 U.S.C. 6291 et seq.)~~ **Rebates.—**

8           **(1) APPROPRIATION.—In addition to amounts otherwise available, there is**  
9 **appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury**  
10 **not otherwise appropriated, \$5,890,000,000, to remain available until September 30,**  
11 **2030, to award grants, in accordance with the formula for the State Energy Program under**  
12 **part D of title III of the Energy Policy and Conservation Act in effect on January 1,**  
13 **2021, to State energy offices to establish Home Owner Managing Energy Savings**  
14 **(HOMES) Rebate Programs pursuant to section 362(d)(5) of such Act (42 U.S.C.**  
15 **6322(d)(5)), and for administrative expenses associated with carrying out this**  
16 **subsection.-**

17           ~~(B)~~**(2) COORDINATION.—In carrying out this section subsection,** the Secretary shall  
18 coordinate with State energy offices to ensure that programs that receive awards are  
19 formulated to achieve maximum greenhouse gas emissions reductions and household  
20 energy and costs savings.

21           ~~(C)~~**(3) APPLICATION.—In order to receive a grant under this section subsection,** a State  
22 shall submit to the Secretary an application that includes a plan to implement a qualifying  
23 State program that includes—

24           ~~(i)~~**(A)** a plan to ensure that each home energy efficiency retrofit under the  
25 program—

26           ~~(i)~~**(i)** is completed by a contractor who meets minimum training requirements,  
27 certification requirements, and other requirements established by the Secretary;  
28 and

29           ~~(ii)~~**(ii)** includes installation of 1 or more home energy efficiency retrofit  
30 measures that are modeled to achieve, or are shown to achieve, the minimum  
31 reduction required in home energy use, or with respect to a portfolio of home  
32 energy efficiency retrofits, in aggregated home energy use for such portfolio;

33           ~~(ii)~~**(B)** a plan—

34           ~~(i)~~**(i)** to utilize, for purposes of modeled performance home rebates, modeling  
35 software, methods, and procedures for determining and documenting the  
36 reductions in home energy use resulting from the implementation of a home  
37 energy efficiency retrofit that is calibrated to historical energy usage for a home  
38 consistent with BPI 2400, that are approved by the Secretary, that can provide  
39 evidence for necessary improvements to a State program, and that can help to  
40 calibrate models for accuracy;

41           ~~(ii)~~**(ii)** to utilize, for purposes of measured performance home rebates,  
42 open-source advanced measurement and verification software approved by the

1 Secretary for determining and documenting the monthly and hourly (if available)  
2 weather-normalized baseline energy use of a home, the reductions in monthly and  
3 hourly (if available) weather-normalized energy use of a home resulting from the  
4 implementation of a home energy efficiency retrofit, and open-source advanced  
5 measurement and verification software approved by the Secretary; and

6 ~~(H)~~(iii) to value savings based on time, location, or greenhouse gas emissions;

7 ~~(iii)~~(C) procedures for a homeowner to transfer the right to claim a rebate to the  
8 contractor performing the applicable home energy efficiency retrofit or to an  
9 aggregator, if the State program will utilize aggregators;

10 ~~(iv)~~(D) if the State program will utilize aggregators to facilitate delivery of rebates  
11 to homeowners or contractors, requirements for an entity to be eligible to serve as an  
12 aggregator;

13 ~~(v)~~(E) quality monitoring to ensure that each installation that receives a rebate is  
14 documented in a certificate, provided by the contractor to the homeowner, that details  
15 the work, including information about the characteristics of equipment and materials  
16 installed, as well as projected energy savings or energy generation, in a way that will  
17 enable the homeowner to clearly communicate the value of the high-performing  
18 features funded by the rebate to buyers, real estate agents, appraisers and lenders; and

19 ~~(vi)~~(F) a procedure for providing the contractor performing a home energy  
20 efficiency retrofit or an aggregator who has the right to claim such rebate with \$200 for  
21 each home located in an underserved community that receives a home efficiency  
22 retrofit for which a rebate is provided under the program.

23 ~~(D)~~(4) AMOUNT OF REBATES FOR SINGLE FAMILY AND MULTIFAMILY HOMES.—Of the  
24 amounts provided to a State energy office under this ~~section~~ **subsection**, 85 percent shall be  
25 used to provide Home Owner Managing Energy Savings (HOMES) Rebates to—

26 ~~(i)~~(A) individuals and aggregators for the energy efficiency upgrades of  
27 single-family homes of not more than 4 units—

28 ~~(i)~~(i) \$2,000 for a retrofit that achieves at least 20 percent modeled energy  
29 system savings or 50 percent of the project cost, whichever is lower;

30 ~~(ii)~~(ii) \$4,000 for a retrofit that achieves at least 35 percent modeled energy  
31 system savings or 50 percent of the project cost, whichever is lower; or

32 ~~(iii)~~(iii) for measured energy savings, a payment per kilowatt hour saved, or  
33 kilowatt hour-equivalent saved, equal to \$2,000 for a 20 percent reduction of  
34 energy use for the average home in the State, for homes or portfolios of homes  
35 that achieve at least 15 percent energy savings, or 50 percent of the project cost,  
36 whichever is lower;

37 ~~(ii)~~(B) multifamily building owners and aggregators for the energy efficiency  
38 upgrades of multifamily buildings—

39 ~~(i)~~(i) \$2,000 per dwelling unit for a retrofit that achieves at least 20 percent  
40 modeled energy system savings up a maximum of \$200,000 per multifamily  
41 building;

1           ~~(H)~~**(ii)** \$4,000 per dwelling unit for a retrofit that achieves at least 35 percent  
2 modeled energy system savings up to a maximum of \$400,000 per multifamily  
3 building; or

4           ~~(H)~~**(iii)** for measured energy savings, a payment rate per kilowatt hours saved,  
5 or kilowatt hour-equivalent saves, equal to \$2,000 for a 20 percent reduction of  
6 energy use for the average multifamily building in the State, for multifamily  
7 buildings or portfolios of buildings that achieve at least 15 percent energy  
8 savings, or 50 percent of the project cost, whichever is lower; or

9           ~~(iii)~~**(C)** individuals and aggregators for the energy efficiency upgrades of single  
10 family homes of 4 units or less or multifamily buildings that are occupied by residents  
11 with an annual income of less than 80 percent of the area median income as published  
12 **publicly** by the Department of Housing and Urban Development—

13           ~~(H)~~**(i)** \$4,000 for a retrofit that achieves at least 20 percent modeled energy  
14 system savings or 80 percent of the project cost, whichever is lower;

15           ~~(H)~~**(ii)** \$8,000 for a retrofit that achieves at least 35 percent modeled energy  
16 system savings or 80 percent of the project cost, whichever is lower; or

17           ~~(H)~~**(iii)** for measured energy savings, a payment rate per kilowatt hour saved,  
18 or kilowatt hour-equivalent saved, equal to \$4,000 for a 20 percent reduction of  
19 energy use for the average multifamily building in the State, for multifamily  
20 buildings or portfolios of buildings that achieve at least 15 percent energy  
21 savings, or 80 percent of the project cost, whichever is lower.

22           ~~(E)~~**(5) REQUIREMENT.**—Not less than 25 percent of the funds provided to a State energy  
23 office under this ~~section~~ **subsection** shall be used for the purposes of each of ~~clauses (i), (ii),~~  
24 ~~and (iii) of subparagraph (D).~~ **subparagraphs (A), (B), and (C) of paragraph (4).**

25           ~~(F)~~**(6) ELIGIBILITY OF CERTAIN APPLIANCES.**—In calculating total energy savings for  
26 single family or multifamily homes under this ~~section~~ **subsection**, a program may include  
27 savings from the purchase of high-efficiency natural gas HVAC systems and water heaters  
28 certified under the Energy Star program until the date that is 6 years after the date of  
29 enactment of this Act.

30           ~~(G)~~**(7) PLANNING.**—Not to exceed 20 percent of any grant made with funds made  
31 available under this ~~paragraph~~ **subsection** shall be expended for planning and management  
32 development and administration.

33           ~~(H)~~**(8) TECHNICAL ASSISTANCE.**—Amounts made available under this ~~paragraph~~  
34 **subsection** shall be used for single family, multifamily, and manufactured housing rebates  
35 and the Secretary shall, in consultation with States, contractors, and other **local** technical  
36 experts design support, methodology, and contractor criteria as appropriate for the different  
37 building stock.

38           ~~(I)~~**(9) USE OF FUNDS.**—Rebate amounts made available through the High-Efficiency  
39 Electric Home Rebate Program established under subsection (b)(1) of section 124 of the  
40 Energy Policy Act of 2005 (~~42 U.S.C. 15821~~)(as amended by ~~section 30422~~ of this subtitle)  
41 may be used in conjunction with the funds made available under this ~~section.~~ **subsection.**

42           ~~(b)~~**(c) Definitions.**—In this section:

1 (1) AGGREGATOR.—The term “aggregator” means a gas utility, electric utility, or  
2 commercial **entity**, nonprofit **entity**, or **State or local** government entity that may receive  
3 rebates provided under a State program under this section for 1 or more portfolios  
4 consisting of 1 or more energy efficiency retrofits.

5 (2) CONTRACTOR CERTIFICATION.—The term “contractor certification” means—

6 (A) an industry recognized certification that may be obtained by a residential  
7 contractor to advance the expertise and education of the contractor in energy efficiency  
8 retrofits of residential buildings; and

9 (B) any other certification the Secretary determines appropriate for purposes of the  
10 HOMES Rebate Program established under subsection ~~(a)(2)~~**(b)**.

11 (3) CONTRACTOR COMPANY.—The term “contractor company” means a company—

12 (A) the business of which is to provide services to residential building owners with  
13 respect to HVAC systems, insulation, air sealing, or other services that are approved by  
14 the Secretary;

15 (B) that holds the licenses and insurance required by the State in which the company  
16 provides services; and

17 (C) that provides services for which a rebate may be provided pursuant to the  
18 HOMES Rebate Program established under subsection ~~(a)(2)~~**(b)**.

19 (4) ENERGY STAR PROGRAM.—The term “Energy Star program” means the program  
20 established by section 324A of the Energy Policy and Conservation Act (42 U.S.C. 6294a).

21 (5) HOME.—The term “home” means a building with not more than 4 dwelling units or a  
22 manufactured housing unit (including a unit built before June 15, 1976), that—

23 (A) is located in the United States;

24 (B) was constructed before the date of enactment of this Act; ~~and~~

25  
26 (C) is occupied at least 6 months out of the year; **and**

27 **(D) is not on a military base.**

28  
29 (6) HVAC SYSTEM.—The term “HVAC system” means a system—

30 (A) is certified under the Energy Star program;

31 (B) consisting of a heating component, a ventilation component, and an  
32 air-conditioning component; and

33 (C) the components of which may include central air conditioning, a heat pump, a  
34 furnace, a boiler, a rooftop unit, and a window unit.

35 (7) MULTIFAMILY BUILDING.—The term “multifamily building” means a ~~building~~  
36 **building**—

37 **(A) with 5 or more dwelling units; and-**

1           ~~(8)~~**(B) that is not on a military base.**

2           **(8) SECRETARY.—The term “Secretary” means the Secretary of Energy.**

3           **(9) STATE ENERGY OFFICE.—The term “State energy office” means the State agency**  
4 ~~responsible for developing State energy conservation plans under section 362~~ **has the**  
5 **meaning given the term “State energy agency” in section 391(10) of the Energy Policy**  
6 **and Conservation Act (42 U.S.C. 6322): 6371(10)).**

7           ~~(9)~~**(10) UNDERSERVED COMMUNITY.—The term “underserved community” means—**

8                   (A) a community located in a ZIP Code that includes 1 or more census tracts that are  
9 identified as—

10                           (i) a low-income community; or

11                           (ii) a community of racial or ethnic minority concentration; or

12                   (B) any other community that the Secretary determines is disproportionately  
13 vulnerable to, or bears a disproportionate burden of, any combination of economic,  
14 social, and environmental stressors.

15 **SEC. ~~30422~~ 30412. HIGH-EFFICIENCY ELECTRIC HOME**  
16 **REBATE PROGRAM.**

17           (a) In General.—Section 124 of the Energy Policy Act of 2005 (42 U.S.C. 15821) is amended  
18 to read as follows:

19 **“SEC. 124. HIGH-EFFICIENCY ELECTRIC HOME REBATE**  
20 **PROGRAM.**

21           “(a) Appropriations.—

22                   ~~\*\* 8 (a) Appropriation.—In~~**(1) IN GENERAL.—In** addition to amounts otherwise  
23 available, there is appropriated **to the Secretary** for fiscal year 2022, out of any money in  
24 the Treasury not otherwise appropriated—

25                           ~~“(1) In general.—In addition to amounts otherwise available, there is appropriated to~~  
26 ~~the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise~~  
27 ~~appropriated, \$3,500,000,000“(A) \$2,226,000,000, to remain available until September~~  
28 ~~30, 2031, to carry out this section, including to provide rebates under this section, of~~  
29 ~~which the Secretary—;~~

30                           ~~“(A) may use not more than \$5,000,000“(B) \$4,000,000, to remain available until~~  
31 **September 30, 2031,** for community and consumer education and outreach related to  
32 **carrying out** this section; and

33                           ~~“(B) shall use not more than \$300,000,000—~~

34                           ~~“(i)“(C) \$220,000,000, to remain available until September 30, 2031, to~~  
35 administer this section ; and

36                           ~~“(ii) to provide administrative and technical support to certified contractor~~  
37 companies, qualified providers, States, and Indian Tribes.

1           “(2) ADDITIONAL FUNDING FOR TRIBAL COMMUNITIES AND LOW- OR MODERATE-INCOME  
2 HOUSEHOLDS.—In addition to amounts otherwise available, there is appropriated to the  
3 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
4 ~~\$5,500,000,000~~ **\$3,800,000,000**, to remain available until September 30, 2031, for—

5                   “(A) rebates under this section relating to qualified electrification projects carried  
6 out in Tribal communities or for low- or moderate-income households; and

7                   “(B) any necessary administrative or technical support for those qualified  
8 electrification projects.

9           “(b) High-efficiency Electric Home Rebates for Qualified Electrification Projects.—

10                   “(1) HIGH-EFFICIENCY ELECTRIC HOME REBATES.—The Secretary shall establish a  
11 program within the Department, to be known as the ‘High-Efficiency Electric Home Rebate  
12 Program’, under which the Secretary shall provide to homeowners and owners of  
13 multifamily buildings high-efficiency electric home rebates, in accordance with this  
14 subsection, for qualified electrification projects carried out at, or relating to, the homes or  
15 multifamily buildings, as applicable.

16                   “(2) AMOUNT OF REBATE.—

17                           “(A) IN GENERAL.—Subject to subsection (c)(1)(A), a high-efficiency electric home  
18 rebate under paragraph (1) shall be equal to—

19                                   “(i) in the case of a qualified electrification project described in subsection  
20 (d)(11)(A)(i)(II) that installs a heat pump used for water heating, not more than  
21 \$1,250;

22                                   “(ii) in the case of a qualified electrification project described in subsection  
23 (d)(11)(A)(i)(II) that installs a heat pump HVAC system—

24   “(I)(aa) not more than \$3,000 if the heat pump HVAC system has a  
25 heating capacity of not less than 27,500 Btu per hour; or

26   “(bb) not more than \$4,000 if the heat pump HVAC system meets Energy  
27 Star program cold climate criteria and is installed in a cold climate, as  
28 determined by the Secretary;

29   “(II)(aa) not more than \$1,500 if the heat pump HVAC system has a  
30 heating capacity of less than 27,500 Btu per hour; or

31   “(bb) not more than \$2,000 if the heat pump HVAC system meets Energy  
32 Star program cold climate criteria and is installed in a cold climate, as  
33 determined by the Secretary; and

34   “(III) \$250, in addition to the amount described in subclause (I) or (II), if a  
35 qualified electrification project described in subsection (d)(11)(A)(i)(V) that  
36 installs insulation, air sealing, and ventilation in accordance with clause (v)  
37 is completed within 6 months before or after the qualified electrification  
38 project described in that subclause;

39                                   “(iii) in the case of a qualified electrification project described in subclause (III)  
40 or (IV) of subsection (d)(11)(A)(i), not more than \$600;



1           “(iv) in the case of a qualified electrification project described in subsection  
2 (d)(11)(A)(i)(I) that installs an electric load or service center panel that enables  
3 the installation and use of any upgrade, appliance, system, equipment,  
4 infrastructure, component, or other item installed pursuant to any other qualified  
5 electrification project, not more than \$3,000;

6           “(v) in the case of a qualified electrification project described in subsection  
7 (d)(11)(A)(i)(V) that installs insulation and air sealing, not more than \$800; and

8           “(vi) in the case of any other qualified electrification project, including a  
9 qualified electrification project described in any of subclauses (I) through (III) of  
10 subsection (d)(11)(A)(ii), for which the Secretary provides a high-efficiency  
11 electric home rebate, not more than an amount determined by the Secretary for  
12 that qualified electrification project, subject to subparagraph (B).

13       “(B) LIMITATIONS ON AMOUNT OF REBATE.—

14           “(i) MAXIMUM TOTAL AMOUNT.—Subject to subsection (c)(1)(B), the  
15 maximum total amount that may be awarded as high-efficiency electric home  
16 rebates under this subsection shall be \$10,000 with respect to each home for  
17 which a high-efficiency electric home rebate is provided.

18           “(ii) COSTS.—

19           “(I) IN GENERAL.—Subject to subsection (c)(1)(C), the amount of a  
20 high-efficiency electric home rebate provided to a homeowner under this  
21 subsection shall not exceed 50 percent of the total cost of the applicable  
22 qualified electrification project.

23           “(II) LABOR COSTS.—Subject to subsection (c)(1)(C), not more than 50  
24 percent of the labor costs associated with a qualified electrification project  
25 may be included in the 50 percent of total costs for which a high-efficiency  
26 electric home rebate is provided under this subsection, as described in  
27 subclause (I), subject to the condition that labor costs account for not more  
28 than 50 percent of the amount of the high-efficiency electric home rebate.

29       “(3) LIMITATIONS ON QEPS.—

30           “(A) CONTRACTORS.—A high-efficiency electric home rebate may be provided for a  
31 qualified electrification project carried out by a contractor company only if that  
32 contractor company is a certified contractor company.

33           “(B) HEAT PUMP HVAC SYSTEMS.—A high-efficiency electric home rebate may be  
34 provided for a qualified electrification project that installs or enables the installation of  
35 a heat pump HVAC system only if the heat pump HVAC system—

36           “(i) replaces—

37           “(I) a nonelectric HVAC system;

38           “(II) an electric resistance HVAC system; or

39           “(III) an air conditioning unit that—

40           “(aa) does not have a reversing valve; and

1                                   “(bb) has a lower seasonal energy-efficiency ratio than the heat pump  
2                                   HVAC system; or

3                                   “(ii) is part of new construction, as determined by the Secretary.

4                                   “(C) HEAT PUMPS FOR WATER HEATING.—A high-efficiency electric home rebate  
5                                   may be provided for a qualified electrification project that installs or enables the  
6                                   installation of a heat pump used for water heating only if the heat pump—

7                                   “(i) replaces—

8                                   “(I) a nonelectric heat pump water heater;

9                                   “(II) a nonelectric water heater; or

10                                   “(III) an electric resistance water heater; or

11                                   “(ii) is part of new construction, as determined by the Secretary.

12                                   “(D) ELECTRIC STOVES, COOKTOPS, RANGES, AND OVENS.—A high-efficiency electric  
13                                   home rebate may be provided for a qualified electrification project described in  
14                                   subsection (d)(11)(A)(i)(III) only if the applicable electric stove, cooktop, range, or  
15                                   oven—

16                                   “(i) replaces a nonelectric stove, cooktop, range, or oven; or

17                                   “(ii) is part of new construction, as determined by the Secretary.

18                                   “(E) ELECTRIC HEAT PUMP CLOTHES DRYERS.—A high-efficiency electric home  
19                                   rebate may be provided for a qualified electrification project described in subsection  
20                                   (d)(11)(A)(i)(IV) only if the applicable electric heat pump clothes dryer—

21                                   “(i) replaces a nonelectric clothes dryer; or

22                                   “(ii) is part of new construction.

23                                   “(4) ADDITIONAL INCENTIVES FOR CONTRACTORS AND QUALIFIED PROVIDERS.—

24                                   “(A) GENERAL INCENTIVE.—

25                                   “(i) IN GENERAL.—With respect to each qualified electrification project  
26                                   described in clause (ii), the Secretary shall provide a payment of \$100 to the  
27                                   certified contractor company or qualified provider carrying out the qualified  
28                                   electrification project.

29                                   “(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified  
30                                   electrification project referred to in clause (i) is a qualified electrification  
31                                   project—

32                                   “(I) that is carried out at a home or multifamily building;

33                                   “(II) for which a rebate is provided under this subsection; and

34                                   “(III) with respect to which the certified contractor company or qualified  
35                                   provider is not eligible for a higher payment under any of subparagraphs (B)  
36                                   through (D).

37                                   “(B) INCENTIVE FOR QEPS IN CERTAIN COMMUNITIES AND HOUSEHOLDS.—

1           “(i) IN GENERAL.—With respect to each qualified electrification project  
2 described in clause (ii), the Secretary shall provide a payment of \$200 to the  
3 certified contractor company or qualified provider carrying out the qualified  
4 electrification project.

5           “(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified  
6 electrification project referred to in clause (i) is a qualified electrification  
7 project—

8           “(I) that is carried out at a home or multifamily building that—

9           “(aa) is located in an underserved community or a Tribal community;

10           or

11           “(bb) is certified, or the household of the homeowner of which is  
12 certified, as applicable, as low- or moderate-income;

13           “(II) for which a rebate is provided under this subsection; and

14           “(III) with respect to which the certified contractor company or qualified  
15 provider is not eligible for a higher payment under subparagraph (C) or (D).

16           “(C) INCENTIVE FOR CERTAIN LABOR PRACTICES.—

17           “(i) IN GENERAL.—With respect to each qualified electrification project  
18 described in clause (ii), the Secretary shall provide a payment of \$250 to the  
19 certified contractor company or qualified provider carrying out the qualified  
20 electrification project.

21           “(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified  
22 electrification project referred to in clause (i) is a qualified electrification  
23 project—

24           “(I) that is carried out—

25           “(aa) at a home or multifamily building; and

26           “(bb) by a certified contractor company or qualified provider that  
27 allows for the use of collective bargaining agreements;

28           “(II) for which a rebate is provided under this subsection; and

29           “(III) with respect to which—

30           “(aa) all laborers and mechanics employed on the qualified  
31 electrification project are paid wages at rates not less than those  
32 prevailing on projects of a character similar in the locality; and

33           “(bb) the certified contractor company or qualified provider is not  
34 eligible for a higher payment under subparagraph (D).

35           “(D) MAXIMUM INCENTIVE.—

36           “(i) IN GENERAL.—With respect to each qualified electrification project  
37 described in clause (ii), the Secretary shall provide a payment of \$500 to the  
38 certified contractor company or qualified provider carrying out the qualified  
39 electrification project.

1                   “(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified  
2                   electrification project referred to in clause (i) is a qualified electrification  
3                   project—

4                   “(I) that is carried out—

5                   “(aa) at a home or multifamily building that—

6                   “(AA) is located in an underserved community or a Tribal  
7                   community; or

8                   “(BB) is certified, or the household of the homeowner of which is  
9                   certified, as applicable, as low- or moderate-income; and

10                   “(bb) by a certified contractor company or qualified provider that  
11                   allows for the use of collective bargaining agreements;

12                   “(II) for which a rebate is provided under this subsection; and

13                   “(III) with respect to which all laborers and mechanics employed on the  
14                   qualified electrification project are paid wages at rates not less than those  
15                   prevailing on projects of a character similar in the locality.

16                   “(E) CLARIFICATION.—An amount provided to a certified contractor company or  
17                   qualified provider under any of subparagraphs (A) through (D) shall be in addition to  
18                   the amount of any high-efficiency electric home rebate received by the certified  
19                   contractor company or qualified provider.

20                   “(5) CLAIM.—

21                   “(A) IN GENERAL.—Subject to paragraph (2)(B), a homeowner, a certified contractor  
22                   company, or a qualified provider may claim a separate high-efficiency electric home  
23                   rebate under this subsection for each qualified electrification project carried out at a  
24                   home.

25                   “(B) TRANSFER.—The Secretary shall establish and publish procedures pursuant to  
26                   which a homeowner or owner of a multifamily building may transfer the right to claim  
27                   a rebate under this subsection to the certified contractor company or qualified provider  
28                   carrying out the applicable qualified electrification project.

29                   “(6) MULTIFAMILY BUILDINGS.—

30                   “(A) IN GENERAL.—Subject to subparagraph (B), the owner of a multifamily  
31                   building may combine the amounts of high-efficiency electric home rebates for each  
32                   dwelling unit in the multifamily building into a single rebate, subject to—

33                   “(i) the condition that the applicable qualified electrification projects benefit  
34                   each dwelling unit with respect to which the rebate is claimed; and

35                   “(ii) any maximum per-dwelling unit rate established by the Secretary.

36                   “(B) COSTS.—

37                   “(i) IN GENERAL.—Subject to clause (ii), the amount of a rebate under  
38                   subparagraph (A) shall not exceed 50 percent of the total cost, including labor  
39                   costs, of the applicable qualified electrification projects.

1                   “(ii) LOW- OR MODERATE-INCOME BUILDINGS.—In the case of a multifamily  
2 building that is certified by the Secretary as low- or moderate-income, the amount  
3 of a rebate under subparagraph (A) shall not exceed 100 percent of the total cost  
4 of the applicable qualified electrification projects.

5                   “(C) PROCEDURES.—The Secretary shall establish and publish procedures—

6                   “(i) pursuant to which the owner of a multifamily building may combine rebate  
7 amounts in accordance with this subsection; and

8                   “(ii) for the enforcement of any limitations under this subsection.

9                   “(7) PROCESS.—

10                   “(A) REBATE PROCESS.—Not later than July 1, 2022, the Secretary shall establish a  
11 rebate processing system that provides immediate price relief for consumers who  
12 purchase and have installed qualified electrification projects, in accordance with this  
13 section.

14                   “(B) QUALIFIED ELECTRIFICATION PROJECT LIST.—

15                   “(i) IN GENERAL.—Not later than July 1, 2022, the Secretary shall publish a list  
16 of qualified electrification projects for which a high-efficiency electric home  
17 rebate may be provided under this subsection that includes, at a minimum, the  
18 qualified electrification projects described in subsection (d)(11)(A).

19                   “(ii) REQUIREMENTS.—The list published under clause (i) shall include  
20 specifications for each qualified electrification project included on the list,  
21 including—

22                   “(I) appropriate certifications under the Energy Star program; and

23                   “(II) other applicable requirements, such as requirements relating to  
24 grid-interactive capability.

25                   “(iii) UPDATES.—

26                   “(I) IN GENERAL.—Not less frequently than once every 3 years and subject  
27 to subclause (II), the Secretary shall publish an updated list of qualified  
28 electrification projects for which a high-efficiency electric home rebate may  
29 be provided under this subsection.

30                   “(II) LIMITATION.—An updated list under subclause (I) shall not allow for  
31 any reductions in efficiency levels for qualified electrification projects  
32 included on the updated list that are below an efficiency level provided in a  
33 previously published version of the list.

34                   “(c) Special Provisions for Low- and Moderate-income Households and Multifamily  
35 Buildings.—

36                   “(1) MAXIMUM AMOUNTS.—With respect to a qualified electrification project carried out  
37 at a location described in paragraph (2)—

38                   “(A) a high-efficiency electric home rebate shall be equal to—

39                   “(i) in the case of a qualified electrification project described in subsection

1 (b)(2)(A)(i), not more than \$1,750;

2 “(ii) in the case of a qualified electrification project described in subsection

3 (b)(2)(A)(ii)—

4 “(I)(aa) not more than \$6,000 if the applicable heat pump HVAC system

5 has a heating capacity of not less than 27,500 Btu per hour; or

6 “(bb) not more than \$7,000 if the applicable heat pump HVAC system

7 meets Energy Star program cold climate criteria and is installed in a cold

8 climate, as determined by the Secretary; and

9 “(II)(aa) not more than \$3,000 if the applicable heat pump HVAC system

10 has a heating capacity of less than 27,500 Btu per hour; or

11 “(bb) not more than \$3,500 if the applicable heat pump HVAC system

12 meets Energy Star program cold climate criteria and is installed in a cold

13 climate, as determined by the Secretary;

14 “(iii) in the case of a qualified electrification project described in subsection

15 (b)(2)(A)(iii), not more than \$840;

16 “(iv) in the case of a qualified electrification project described in subsection

17 (b)(2)(A)(iv), not more than \$4,000;

18 “(v) in the case of a qualified electrification project described in subsection

19 (b)(2)(A)(v) that installs insulation and air sealing, not more than \$1,600; and

20 “(vi) in the case of a qualified electrification project described in subsection

21 (b)(2)(A)(vi), not more than an amount determined by the Secretary for that

22 qualified electrification project, subject to subparagraph (B);

23 “(B) the maximum total amount of high-efficiency electric home rebates that may be

24 awarded with respect to each home of a homeowner shall be \$14,000; and

25 “(C) the amount of a high-efficiency electric home rebate may be used to cover not

26 more than 100 percent of the costs, including labor costs, of the applicable qualified

27 electrification project.

28 “(2) LOCATION DESCRIBED.—The maximum amounts described in paragraph (1) shall

29 apply to—

30 “(A) a home—

31 “(i) with respect to which the household of the homeowner is certified as low-

32 or moderate-income;

33 “(ii) that is located in a Tribal community; or

34 “(iii) in the case of a home that is rented, with respect to which the household

35 of the renter is certified as low- or moderate-income; or

36 “(B) a multifamily building—

37 “(i) that—

38 “(I) is certified as low- or moderate-income; or

1                   “(II) is located in a Tribal community; and  
2                   “(ii) with respect to which more than more than  $\frac{1}{2}$  of the dwelling units in  
3                   the multifamily building—  
4                   “(I) are occupied by households the annual household incomes of which  
5                   do not exceed 80 percent of the median annual household income for the  
6                   area in which the multifamily building is located; and  
7                   “(II) have average monthly rental prices that are equal to, or less than, an  
8                   amount that is equal to 30 percent of the average monthly household income  
9                   for the area in which the multifamily building is located.

10                   “(3) REQUIREMENT.—The Secretary may provide a rebate in an amount described in  
11                   paragraph (1) to the owner of a multifamily building or home (in the case of a home that is  
12                   rented) that meets the requirements of this section if the owner agrees in writing to provide  
13                   commensurate benefits of future savings to renters in the multifamily building or home.

14                   “(d) Definitions.—In this section:

15                   “(1) CERTIFIED CONTRACTOR.—The term ‘certified contractor’ means a contractor with a  
16                   certification reflecting training, education, or other technical expertise relating to qualified  
17                   electrification projects for residential buildings, as identified by the Secretary.

18                   “(2) CERTIFIED CONTRACTOR COMPANY.—The term ‘certified contractor company’ means  
19                   a company—

20                   “(A) the business of which is to provide services—

21                   “(i) to residential building owners; and

22                   “(ii) for which a rebate may be provided pursuant to this section;

23                   “(B) that holds the licenses and insurance required by the State in which the  
24                   company provides services; and

25                   “(C) that employs 1 or more certified contractors that perform the services for which  
26                   a rebate may be provided under this section.

27                   “(3) ELECTRIC LOAD OR SERVICE CENTER UPGRADE.—The term ‘electric load or service  
28                   center upgrade’ means an improvement to a circuit breaker panel that enables the  
29                   installation and use of—

30                   “(A) a QEP described in any of subclauses (II) through (IV) of paragraph (9)(A)(i);  
31                   or

32                   “(B) a QEP described in any of subclauses (I) through (III) of paragraph (9)(A)(ii).

33                   “(4) ENERGY STAR PROGRAM.—The term ‘Energy Star program’ means the program  
34                   established by section 324A of the Energy Policy and Conservation Act (42 U.S.C. 6294a).

35                   “(5) HEAT PUMP.—The term ‘heat pump’ means a heat pump used for water heating,  
36                   space heating, or space cooling that—

37                   “(A) relies solely on electricity for its source of power; and

38                   “(B) is air-sourced, geothermal- or ground-sourced, or water-sourced.

1           “(6) HIGH-EFFICIENCY ELECTRIC HOME REBATE.—The term ‘high-efficiency electric home  
2 rebate’ means a rebate provided in accordance with subsection (b).

3           “(7) HOME.—The term ‘home’ means each of—

4               “(A) a building with not more than 4 dwelling units, individual condominium units,  
5 or manufactured housing units, that—

6                   “(i) is located in a State; and

7                   “(ii)(I) is the primary residence of—

8                           “(aa) the owner of that building, condominium unit, or manufactured  
9 housing unit, as applicable; or

10                           “(bb) a renter; or

11                   “(II) is a new-construction single-family residential home; and

12               “(B) a unit of a multifamily building that—

13                   “(i) is owned by an individual who is not the owner of the multifamily building;

14                   “(ii) is located in a State, ~~the District of Columbia, or a territory of the United~~  
15 ~~States~~; and

16                   “(iii) is the primary residence of—

17                           “(I) the owner of that unit; or

18                           “(II) a renter.

19           “(8) HVAC.—The term ‘HVAC’ means heating, ventilation, and air conditioning.

20           “(9) LOW- OR MODERATE-INCOME.—The term ‘low - or moderate -income’, with respect  
21 to a household, means a household—

22               “(A) with an annual income that is less than 80 percent of the annual median income  
23 of the area in which the household is located, **which such annual median income of**  
24 **the area is determined according to publicly available data**; or

25               “(B) that is low-income ~~(as defined in section 412 of the Energy Conservation and~~  
26 ~~Production Act (42 U.S.C. 6862))~~; **as determined by the Secretary**.

27           “(10) MULTIFAMILY BUILDING.—The term ‘multifamily building’ means any building—

28               “(A) with 5 or more dwelling units that—

29                   “(i) are built on top of one another or side-by-side; and

30                   “(ii) may share common facilities; and

31               “(B) that is not a home.

32           “(11) QUALIFIED ELECTRIFICATION PROJECT; QEP.—

33               “(A) IN GENERAL.—The terms ‘qualified electrification project’ and ‘QEP’ mean a  
34 project that, as applicable—

35                   “(i) installs, or enables the installation and use of, in a home or multifamily  
36 building—



- 1                   “(I) an electric load or service center upgrade;
- 2                   “(II) an electric heat pump;
- 3                   “(III) an induction or noninduction electric stove, cooktop, range, or oven;
- 4                   “(IV) an electric heat pump clothes dryer; or
- 5                   “(V) insulation, air sealing, and ventilation, in accordance with
- 6                   requirements established by the Secretary; or

7                   “(ii) installs, or enables the installation and use of, in a home or multifamily

8                   building described in subparagraph (B)—

9                   “(I) a solar photovoltaic system, including any electrical equipment,

10                   wiring, or other components necessary for the installation and use of the

11                   solar photovoltaic system, including a battery storage system;

12                   “(II) electric vehicle charging infrastructure or electric vehicle support

13                   equipment necessary to recharge an electric vehicle on-site; or

14                   “(III) electrical rewiring, power sharing plugs, or other installation tasks

15                   directly related to and necessary for the safe and effective functioning of a

16                   QEP in a home or multifamily building.

17                   “(B) HOME OR MULTIFAMILY BUILDING DESCRIBED.—A home or multifamily

18                   building referred to in subparagraph (A)(ii) is a home or multifamily building that is

19                   certified, or the household of the homeowner of which is certified, as applicable, as

20                   low- or moderate-income.

21                   “(C) EXCLUSIONS.—The terms ‘qualified electrification project’ and ‘QEP’ do not

22                   include any project with respect to which the appliance, system, equipment,

23                   infrastructure, component, or other item described in clause (i) or (ii) of subparagraph

24                   (A) is not certified under the Energy Star program if, as of the date on which the

25                   project is carried out, the item is of a category for which a certification is provided

26                   under that program.

27                   “(12) QUALIFIED PROVIDER.—The term ‘qualified provider’ means an electric utility,

28                   Tribal-owned entity or Tribally Designated Housing Entity (TDHE), or commercial,

29                   nonprofit, or government entity, including a retailer and a certified contractor company, that

30                   provides services for which a rebate may be provided pursuant to this section for 1 or more

31                   portfolios that consist of 1 or more qualified electrification projects.

32                   “(13) SOLAR PHOTOVOLTAIC SYSTEM.—The term ‘solar photovoltaic system’ means a

33                   system—

34                   “(A) placed on-site at a home or multifamily building, or as part of the community

35                   of the home or multifamily building; and

36                   “(B) that generates electricity from the sun specifically for the home, multifamily

37                   building, or community.

38                   “(14) STATE.—The term ‘State’ means a State, the District of Columbia, or any

39                   territory or possession of the United States.

40                   “(15) TRIBAL COMMUNITY.—The term ‘Tribal community’ means a Tribal tract or Tribal

1 block group.

2 “(15)“(16) UNDERSERVED COMMUNITY.—The term ‘underserved community’ means a  
3 community located in a census tract that is identified by the Secretary as—

4 “(A) a low- or moderate-income community; or

5 “(B) a community of racial or ethnic minority concentration.”.

6 (b) Conforming Amendments.—

7 (1) The table of contents for the Energy Policy Act of 2005 (Public Law 109–58; 119  
8 Stat. 594) is amended by striking the item relating to section 124 and inserting the  
9 following:

10 “Sec.124.High-Efficiency Electric Home Rebate Program.”.

11 (2) Section 3201(c)(2)(A)(i) of the Energy Act of 2020 (42 U.S.C. 17232(c)(2)(A)(i)) is  
12 amended by striking “(a)” each place it appears.

## 13 ~~PART 3—BUILDING 2—BUILDING EFFICIENCY AND~~ 14 ~~RESILIENCE~~

### 15 ~~SEC. 30421 30431. WEATHERIZATION ASSISTANCE~~ 16 ~~PROGRAM.~~

17 ~~(a) In General.— In addition to amounts otherwise available,~~  
18 ~~there is appropriated to the Secretary of Energy for fiscal year~~  
19 ~~2022, out of any money in the Treasury not otherwise~~  
20 ~~appropriated, \$3,500,000,000, to remain available until~~  
21 ~~September 30, 2031, to carry out activities under part A of title~~  
22 ~~IV of the Energy Conservation and Production Act (42 U.S.C.~~  
23 ~~6861 through 6872).~~

24 ~~(b) Financial Assistance for WAP Enhancement and~~  
25 ~~Innovation.— Notwithstanding subsections (j) and (k) of section~~  
26 ~~414D of the Energy Conservation and Production Act (42~~  
27 ~~U.S.C. 6864d(j) and (k)), the Secretary shall use \$850,000,000~~  
28 ~~of the amount made available under subsection (a) of this~~  
29 ~~section to award financial assistance under such section 414D,~~  
30 ~~including financial assistance to implement measures to make~~  
31 ~~dwelling units that are occupied by low income persons~~  
32 ~~weatherization ready.~~

1 ~~(c) Average Cost Per Dwelling Unit.—Section 415(c) of the~~  
2 ~~Energy Conservation and Production Act (42 U.S.C. 6865(c)) is~~  
3 ~~amended—~~

4 ~~(1) in paragraph (1), by striking “\$6,500” and inserting~~  
5 ~~“\$12,000”; and~~

6 ~~(2) in paragraph (4), by striking “\$3,000” and inserting~~  
7 ~~“\$6,000”.~~

## 8 ~~SEC. 30432. CRITICAL FACILITY MODERNIZATION.~~

9 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
10 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise  
11 appropriated, ~~\$3,200,000,000~~ **\$500,000,000**, to remain available ~~until~~ **through** September 30,  
12 2031, to **provide financial assistance to States to develop and implement State programs**  
13 **described in subsection (d)(5) of section 362 of the Energy Policy and Conservation Act (42**  
14 **U.S.C. 6322), as part of an approved State energy conservation plan under that section, to**  
15 **be distributed** ~~carry out a program under which the Secretary of Energy provides funds to States~~  
16 ~~to be used in accordance with subsection (c).~~

17 (b) Allocation of Funds.—~~The Secretary of Energy shall allocate funds made available under~~  
18 ~~subsection (a) to States in accordance with the formula used to allocate Federal financial~~  
19 ~~assistance granted pursuant to section 363 of the Energy Policy and Conservation Act (42 U.S.C.~~  
20 ~~6323) (as of January 1, 2021), except that no matching requirement shall apply. **for the State**~~  
21 **Energy Program established in part 420 of title 10, Code of Federal Regulations (as in**  
22 **effect on January 1, 2021), to carry out projects to improve the energy resilience of public**  
23 **or nonprofit buildings, including projects to increase the energy efficiency and grid**  
24 **integration of public or nonprofit buildings or the renewable energy used at public or**  
25 **nonprofit buildings.**

26 ~~(c) Use of Funds.—~~**(b) Use of Funds.—**

27 ~~(1) In general.—A State that receives funds~~**(1) GUIDELINES.—Not later than 180 days**  
28 **after the date of enactment of this Act, the Secretary shall issue guidelines for**  
29 **measures for States to include in any program with respect to which a State receives**  
30 **financial assistance under this section.**

31 ~~(2) ADMINISTRATIVE EXPENSES.—A State receiving financial assistance under this~~  
32 ~~section shall use such funds to—~~ **not more than 10 percent for administrative purposes.**

33 ~~(A) provide technical assistance for carrying out a covered project;~~

34 ~~(B) facilitate carrying out a covered project, including by providing a grant, loan, or~~  
35 ~~other~~**(3) NO MATCHING FUNDS REQUIREMENT.—The Secretary may not require a State**  
36 **receiving financial assistance to another entity; under this section to provide matching**  
37 **funds.**

38 ~~(C) carry out a covered project; or~~**(4) EXEMPTION.—Activities carried out using funds**

1        **appropriated under subsection (a) shall not be subject to the expenditure prohibitions**  
2        **and limitations of the State Energy Program under section 420.18 of title 10, Code of**  
3        **Federal Regulations.**

4        ~~(D) pay for any administrative expenses related to any activity described in subparagraphs (A)~~  
5        ~~through (C).~~

6        ~~(2) Limit on technical assistance.—A State that receives funds under this section may not use~~  
7        ~~more than 10 percent of such funds to provide technical assistance under paragraph (1)(A)~~  
8        ~~related to the development, facilitation, management, oversight, or measurement of results of~~  
9        ~~covered projects.~~

10       ~~(d)(c) Definitions.—In this section:~~

11           ~~(1) COVERED PROJECT.—THE TERM “COVERED PROJECT” MEANS A BUILDING PROJECT AT~~  
12           ~~AN ELIGIBLE FACILITY THAT—~~ **ENERGY RESILIENCE.—The term “energy resilience”**  
13           **means the ability to withstand and quickly recover from an energy supply disruption.**

14           ~~(A) increases—~~

15           ~~(i) the resiliency of an eligible facility, which includes—~~

16           ~~(I) making improvements to public health and safety;~~

17           ~~(II) mitigating power outages;~~

18           ~~(III) hardening against natural disasters;~~

19           ~~(IV) improving indoor air quality; and~~

20           ~~(V) making any modifications necessitated by the COVID19 pandemic;~~

21           ~~(ii) energy efficiency;~~

22           ~~(iii) the use of renewable energy; or~~

23           ~~(iv) grid integration; and~~

24           ~~(B) may include a combined heat and power, microgrid, or energy storage component.~~

25           ~~(2) Eligible facility.—The term “eligible facility” means any public or nonprofit building,~~  
26           ~~as determined by the Secretary, including—~~

27           ~~(A) a public school, including an elementary school and a secondary school;~~

28           ~~(B) a facility used to operate an early childhood education program;~~

29           ~~(C) the facilities of a local educational agency;~~

30           ~~(D) a medical facility;~~

31           ~~(E) a local or State government building;~~

32           ~~(F) a community facility;~~

33           ~~(G) a public safety facility;~~

34           ~~(H) a day care center;~~

35           ~~(I) an institution of higher education;~~

1 ~~(J)~~ a public library; and

2 ~~(K)~~ a wastewater treatment facility.

3 ~~(3)~~**(2)** PUBLIC OR NONPROFIT BUILDING.—The term “public or nonprofit building” means  
4 a public or nonprofit building described in section 362(d)(5)(B) of the Energy Policy and  
5 Conservation Act (42 U.S.C. 6322(d)(5)(B)).

6 ~~(4)~~**(3)** STATE.—The term “State” has the meaning given the term in section 3 of the  
7 Energy Policy and Conservation Act (42 U.S.C. 6202).

## 8 ~~SEC. 30433~~ **30422. ASSISTANCE FOR LATEST AND ZERO** 9 **BUILDING ENERGY CODE ADOPTION.**

10 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
11 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise  
12 appropriated, ~~\$300,000,000~~ **appropriated—**

13 **(1) \$100,000,000**, to remain available until September 30, 2031, to carry out activities  
14 under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 through  
15 6326), ~~of which—~~

16 ~~(1)~~ **\$100,000,000, shall be in accordance with subsection (b); and**

17 **(2) \$200,000,000, to remain available until September 30, 2031, to carry out**  
18 **activities under part D of title III of the Energy Policy and Conservation Act (42**  
19 **U.S.C. 6321 through 6326) in accordance with subsection (c).**

20 **(b) Latest Building Energy Code.—The Secretary of Energy shall use funds made**  
21 **available under subsection (a)(1)** for grants to assist States, and units of local government that  
22 have authority to adopt building codes, to—

23 ~~(A)~~**(1)** adopt—

24 ~~(i)~~**(A)** a building energy code (or codes) for residential buildings that meets or  
25 exceeds the 2021 International Energy Conservation Code, or achieves equivalent or  
26 greater energy savings;

27 ~~(ii)~~**(B)** a building energy code (or codes) for commercial buildings that meets or  
28 exceeds the ANSI/ASHRAE/IES Standard 90.1–2019, or achieves equivalent or  
29 greater energy savings; or

30 ~~(iii)~~**(C)** any combination of building energy codes described in ~~clause (i) or (ii); and~~  
31 **subparagraph (A) or (B); and**

32 ~~(B)~~**(2)** implement a plan for the jurisdiction to achieve full compliance with any building  
33 energy code adopted under ~~subparagraph (A)~~ **paragraph (1)** in new and renovated  
34 residential or commercial buildings, as applicable, which plan shall include active training  
35 and enforcement programs and measurement of the rate of compliance each year; ~~and.~~

36 ~~(2)~~ **\$200,000,000, shall be (c) Zero Energy Code.—The Secretary of Energy shall use funds**  
37 **made available under subsection (a)(2)** for grants to assist States, and units of local  
38 government that have authority to adopt building codes, to—

39 ~~(A)~~**(1)** adopt a building energy code (or codes) for residential and commercial buildings

1 that meets or exceeds the zero energy provisions in the 2021 International Energy  
2 Conservation Code or an equivalent stretch code; and

3 ~~(B)~~**(2)** implement a plan for the jurisdiction to achieve full compliance with any building  
4 energy code adopted under ~~subparagraph (A)~~ **paragraph (1)** in new and renovated  
5 residential and commercial buildings, which plan shall include active training and  
6 enforcement programs and measurement of the rate of compliance each year.

7 ~~(b)~~**(d)** State Match.—The State cost share requirement under the item relating to “Department  
8 of Energy—Energy Conservation” in title II of the Department of the Interior and Related  
9 Agencies Appropriations Act, 1985 (42 U.S.C. 6323a; 98 Stat. 1861) shall not apply to  
10 assistance provided under this section.

11 **(e) State Defined.—In this section, the term “State” has the meaning given that term in**  
12 **section 3 of the Energy Policy and Conservation Act (42 U.S.C. 6202).**

13 ~~(f)~~**(e)** Administrative Costs.—Of the amounts made available under this section, the Secretary  
14 shall reserve 5 percent for administrative costs necessary to carry out this section.

15 ~~PART 4—ZERO~~ **3—ZERO-EMISSIONS VEHICLE**  
16 **INFRASTRUCTURE**

17 **BUILDOUT**

18 ~~SEC. 30441. DEFINITIONS.~~

19 ~~In this part:~~

20 ~~(1) Electric vehicle.—The term “electric vehicle” means a~~  
21 ~~vehicle that derives all or part of its power from electricity.~~

22 ~~(2)~~ **SEC. 30431. ZERO-EMISSIONS VEHICLE**  
23 **INFRASTRUCTURE GRANTS.**

24 **(a) Appropriations.—In addition to amounts otherwise available, there is appropriated**  
25 **to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise**  
26 **appropriated, to remain available through September 30, 2028, to be distributed to States**  
27 **in accordance with the formula for the State Energy Program established in part 420 of**  
28 **title 10, Code of Federal Regulations (as in effect on January 1, 2021)—**

29 **(1) \$600,000,000 to carry out a program to provide financial assistance to States to**  
30 **develop and implement State programs described in subsection (d)(5) of section 362 of**  
31 **the Energy Policy and Conservation Act (42 U.S.C. 6322), as part of an approved State**  
32 **energy conservation plan under that section, to carry out projects to build out publicly**  
33 **accessible level 2 electric vehicle supply equipment in rural communities or**  
34 **underserved or disadvantaged communities;**

35 **(2) \$200,000,000 to carry out a program to provide financial assistance to States to**  
36 **develop and implement State programs described in subsection (d)(5) of section 362 of**

1 the Energy Policy and Conservation Act (42 U.S.C. 6322), as part of an approved State  
2 energy conservation plan under that section, to carry out projects to build out publicly  
3 accessible networked direct current fast charge electric vehicle supply equipment in  
4 rural communities or underserved or disadvantaged communities; and

5 (3) \$200,000,000 to carry out a program to provide financial assistance to States to  
6 develop and implement State programs described in subsection (d)(5) of section 362 of  
7 the Energy Policy and Conservation Act (42 U.S.C. 6322), as part of an approved State  
8 energy conservation plan under that section, to carry out projects to build out  
9 hydrogen fueling stations in rural communities or underserved or disadvantaged  
10 communities.

11 **(b) Requirements.—**

12 (1) MEASURES.—Not later than 180 days after the date of enactment of this Act, the  
13 Secretary shall establish requirements for measures to be included in any program  
14 with respect to which a State receives financial assistance under this section.

15 (2) ADMINISTRATIVE EXPENSES.—A State receiving financial assistance under this  
16 section shall use not more than 5 percent for administrative purposes.

17 (3) NO MATCHING FUNDS REQUIREMENT.—The Secretary may not require a State  
18 receiving financial assistance under this section to provide matching funds.

19 (4) ELIGIBLE ENTITIES.—Financial assistance provided by a State using funds made  
20 available under this section shall only be available to eligible entities.

21 (5) THIRD-PARTY CONTRACTS.—A State or eligible entity may enter into a contract  
22 with a private third-party entity for the build out of electric vehicle supply equipment  
23 or hydrogen fueling stations under subsection (a).

24 (6) USE OF PRIVATE PROPERTY.—A State or eligible entity may enter into an  
25 agreement for the use of publicly accessible private property.

26 (7) LIMITATION.—The Secretary shall ensure that no entity receives a profit for  
27 access to or hosting of electric vehicle supply equipment or hydrogen fueling stations  
28 built out under a contract entered into under paragraph (5) or pursuant to an  
29 agreement entered into under paragraph (6), except that the Secretary shall determine  
30 an appropriate amount of profit that an entity may receive for the sale of electricity or  
31 hydrogen and the operation and maintenance of such electric vehicle supply  
32 equipment or hydrogen fueling stations.

33 (8) REALLOCATION OF FUNDS.—A State shall return to the Secretary any funds  
34 received under subsection (a) that the State does not award within 3 years of receiving  
35 such funds, and the Secretary shall reallocate such funds to other States.

36 **(c) Definitions.—In this section:**

37 (1) ELECTRIC VEHICLE SUPPLY EQUIPMENT.—The term “electric vehicle supply  
38 equipment” means any conductors, including ungrounded, grounded, and equipment  
39 grounding conductors, electric vehicle connectors, attachment plugs, and all other fittings,  
40 devices, power outlets, electrical equipment, **stationary energy storage systems**, off-grid  
41 charging installations, or apparatuses installed specifically for the purpose of delivering

1 energy to an electric vehicle or to a battery intended to be used in an electric vehicle.

2 (3) Secretary.—The term “Secretary” means the Secretary of Energy.

3 ~~SEC. 30442. ELECTRIC VEHICLE SUPPLY EQUIPMENT REBATE PROGRAM.~~

4 ~~(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to~~  
5 ~~the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise~~  
6 ~~appropriated, \$2,000,000,000, to remain available until expended (except that no funds shall~~  
7 ~~be disbursed after September 30, 2031), to establish and carry out a rebate program to~~  
8 ~~provide rebates to eligible entities for covered expenses associated with electric vehicle~~  
9 ~~supply equipment located at workplaces, multi-unit housing structures, and publicly~~  
10 ~~accessible locations.~~

11 ~~(b) Rebate Program Requirements.—~~

12 ~~(1) Eligible equipment and locations.—~~

13 ~~(A) In general.—Not later than 180 days after the date of the enactment of this Act, the~~  
14 ~~Secretary shall publish and maintain on the Department of Energy internet website a list of~~  
15 ~~electric vehicle supply equipment that is eligible for the rebate program. Such list may~~  
16 ~~include technical specifications and requirements for such electric vehicle supply equipment~~  
17 ~~to enhance safety, cybersecurity, performance, accessibility, and alignment with relevant~~  
18 ~~codes and standards, as determined appropriate by the Secretary.~~

19 ~~(B) Location requirement.—An eligible entity may receive a rebate under the rebate~~  
20 ~~program only if the electric vehicle supply equipment included on the list published under~~  
21 ~~subparagraph (A) is installed—~~

22 ~~(i) in the United States;~~

23 ~~(ii) on property—~~

24 ~~(I) owned by the eligible entity; or~~

25 ~~(II) on which the eligible entity has authority to install electric vehicle supply equipment;~~  
26 ~~and~~

27 ~~(iii) at a location that is—~~

28 ~~(I) a multi-unit housing structure;~~

29 ~~(II) a workplace, and available to employees of such workplace or employees of a nearby~~  
30 ~~workplace; or~~

31 ~~(III) publicly accessible, including a publicly accessible commercial location.~~

32 ~~(C) Public accessibility.—For electric vehicle supply equipment not located at a~~  
33 ~~multi-unit housing structure or a workplace, an eligible entity may receive a rebate under~~  
34 ~~the rebate program only if the installed electric vehicle supply equipment is—~~

35 ~~(i) publicly accessible for a minimum of 12 hours per day at least 5 days per week; and~~

36 ~~(ii) networked or otherwise capable of being monitored remotely.~~

37 ~~(2) Application.—In order to receive a rebate under the rebate program, an eligible entity~~  
38 ~~shall submit to the Secretary an application. Such application shall include—~~



1           ~~(A) the estimated cost of covered expenses to be expended on the electric vehicle supply-~~  
2           ~~equipment that is eligible under paragraph (1);~~

3           ~~(B) the estimated installation cost of the electric vehicle supply equipment that is eligible-~~  
4           ~~under paragraph (1);~~

5           ~~(C) the global positioning system location, including the integer number of degrees,-~~  
6           ~~minutes, and seconds, of where such electric vehicle supply equipment is to be installed,-~~  
7           ~~and identification of whether such location is—~~

8           ~~(i) a multi-unit housing structure;~~

9           ~~(ii) a workplace; or~~

10          ~~(iii) publicly accessible, including a publicly accessible commercial location, in-~~  
11          ~~accordance with paragraph (1)(C);~~

12          ~~(D) the technical specifications of such electric vehicle supply equipment, including the~~  
13          ~~maximum power voltage and amperage of such equipment;~~

14          ~~(E) an assessment of the electrical capacity at the location where such electric vehicle-~~  
15          ~~supply equipment is to be installed, and, as necessary, proof of communication with the~~  
16          ~~electric utility that will serve the electric vehicle supply equipment to be installed; and~~

17          ~~(F) any other information determined by the Secretary to be necessary for a complete-~~  
18          ~~application.~~

19          ~~(3) Funding set asides.— Each fiscal year, the Secretary may set aside an amount of~~  
20          ~~funding under the rebate program to ensure, to the extent possible given the applications-~~  
21          ~~meeting the requirements of the rebate program submitted, rebates are distributed—~~

22          ~~(A) to individuals and small businesses, as determined by the Secretary; and~~

23          ~~(B) for electric vehicle supply equipment—~~

24          ~~(i) located in rural communities, as determined by the Secretary; and~~

25          ~~(ii) located in low income and disadvantaged communities, as determined by the~~  
26          ~~Secretary.~~

27          ~~(4) Rebate amount.—~~

28          ~~(A) In general.— Except as provided in subparagraph (B), the amount of a rebate made-~~  
29          ~~under the rebate program for new electric vehicle supply equipment at a location shall be-~~  
30          ~~the lesser of—~~

31          ~~(i) 75 percent of the applicable covered expenses;~~

32          ~~(ii) \$1,000 for covered expenses associated with the purchase and installation of~~  
33          ~~non-networked level 2 charging equipment;~~

34          ~~(iii) \$4,000 for covered expenses associated with the purchase and installation of~~  
35          ~~networked level 2 charging equipment; or~~

36          ~~(iv) \$100,000 for covered expenses associated with the purchase and installation of~~  
37          ~~networked direct current fast charging equipment.~~

38          ~~(B) Rebate amount for replacement equipment.— The amount of a rebate made under the-~~

1 ~~rebate program for replacement of pre-existing electric vehicle supply equipment of similar~~  
2 ~~specifications at a location shall be the lesser of—~~

3 ~~(i) 75 percent of the applicable covered expenses;~~

4 ~~(ii) \$500 for covered expenses associated with the purchase and installation of~~  
5 ~~non-networked level 2 charging equipment;~~

6 ~~(iii) \$2,000 for covered expenses associated with the purchase and installation of~~  
7 ~~networked level 2 charging equipment; or~~

8 ~~(iv) \$35,000 for covered expenses associated with the purchase and installation of~~  
9 ~~networked direct current fast charging equipment.~~

10 ~~(5) Disbursement of rebate.—~~

11 ~~(A) Materials required for disbursement of rebate.—Before a rebate may be disbursed to~~  
12 ~~an eligible entity, such eligible entity shall submit to the Secretary—~~

13 ~~(i) a record of payment for covered expenses expended on the installation of the electric~~  
14 ~~vehicle supply equipment that is eligible under paragraph (1);~~

15 ~~(ii) a record of payment for the electric vehicle supply equipment that is eligible under~~  
16 ~~paragraph (1);~~

17 ~~(iii) the global positioning system location, including the integer number of degrees,~~  
18 ~~minutes, and seconds, of where such electric vehicle supply equipment was installed and~~  
19 ~~identification of whether such location is—~~

20 ~~(I) a multi-unit housing structure;~~

21 ~~(H) a workplace; or~~

22 ~~(III) publicly accessible, including a publicly accessible commercial location, in~~  
23 ~~accordance with paragraph (1)(C);~~

24 ~~(iv) the technical specifications of the electric vehicle supply equipment that is eligible~~  
25 ~~under paragraph (1), including the maximum power voltage and amperage of such~~  
26 ~~equipment; and~~

27 ~~(v) any other information determined by the Secretary to be necessary.~~

28 ~~(B) Agreement to maintain.—To be eligible for a rebate under the rebate program, an~~  
29 ~~eligible entity shall enter into an agreement with the Secretary to maintain the electric~~  
30 ~~vehicle supply equipment that is eligible under paragraph (1) in a satisfactory manner, and~~  
31 ~~at the location stated in the application or in the materials submitted under subparagraph~~  
32 ~~(A), as applicable, for not fewer than 5 years after the date on which the eligible entity~~  
33 ~~receives the rebate under the rebate program.~~

34 ~~(C) Exception.—The Secretary may decline to disburse a rebate under the rebate program~~  
35 ~~if materials submitted under subparagraph (A) vary significantly, as determined by the~~  
36 ~~Secretary, from the global positioning system location and technical specifications for the~~  
37 ~~electric vehicle supply equipment that is eligible under paragraph (1) provided in an~~  
38 ~~application under paragraph (2).~~

39 ~~(6) Multi-port chargers.—An eligible entity shall be awarded a rebate under the rebate~~

1 program for covered expenses relating to the purchase and installation of a multi-port  
2 charger based on the number of publicly accessible charging ports, with each subsequent  
3 port after the first port being eligible for 75 percent of the full rebate amount.

4 (7) Hydrogen fuel cell refueling equipment.—Hydrogen fuel cell refueling equipment  
5 shall be eligible for a rebate under the rebate program as though it were networked direct  
6 current fast charging equipment, and all applicable requirements related to such equipment  
7 shall apply.

8 (8) Networked direct current fast charging.—Of amounts appropriated to carry out the  
9 rebate program, not more than 40 percent may be used for rebates of networked direct  
10 current fast charging equipment or hydrogen fuel cell refueling equipment.

11 (e) Definitions.—In this section:

12 (1) Covered expenses.—The term “covered expenses” means an expense that is  
13 associated with the purchase and installation of electric vehicle supply equipment,  
14 including—

15 (A) the cost of electric vehicle supply equipment;

16 (B) labor costs associated with the installation of such electric vehicle supply equipment;

17 (C) material costs associated with the installation of such electric vehicle supply  
18 equipment, including expenses borne by rebate recipients for electrical equipment and  
19 necessary upgrades or modifications to the electrical grid and associated infrastructure  
20 required for the installation of such electric vehicle supply equipment;

21 (D) permit costs associated with the installation of such electric vehicle supply  
22 equipment; and

23 (E) the cost of an on-site energy storage system that supports electrical load balancing or  
24 otherwise improves the performance of such electric vehicle supply equipment.

25 (2) Eligible entity.—The term “eligible entity” means an individual, a State, local, Tribal,  
26 or Territorial government, a private entity, (2) **ELIGIBLE ENTITY.**—The term “**eligible  
27 entity**” means a local, Tribal, or territorial government, a not-for-profit entity, a  
28 nonprofit entity, or a metropolitan planning organization, or an entity with fewer than 50  
29 employees, as determined by the Secretary.-

30 (3) Level 2 charging (3) **LEVEL 2 ELECTRIC VEHICLE SUPPLY EQUIPMENT.**—The term  
31 “level 2 charging **electric vehicle supply** equipment” means electric vehicle supply  
32 equipment that provides an alternating current power source at a minimum of 208 volts.

33 (4) Multi-port charger.—The term “multi-port charger” means electric vehicle charging  
34 unit capable of charging more than one electric vehicle simultaneously.

35 (5) **NETWORKED DIRECT CURRENT FAST CHARGING CHARGE ELECTRIC VEHICLE SUPPLY**  
36 **EQUIPMENT.**—The term “networked direct current fast charging **charge electric vehicle**  
37 **supply** equipment” means electric vehicle supply equipment that is capable of providing a  
38 direct current power source at a minimum of 50 kilowatts and is enabled to connect to a  
39 network to facilitate **at least** data collection and access.

40 (6) Rebate program.—The term “rebate program” means the rebate program established

1 under subsection (a).

2 ~~SEC. 30443. ELECTRIC VEHICLE CHARGING EQUITY PROGRAM.~~

3 (a) ~~Appropriation.~~—In addition to amounts otherwise available, there is appropriated to  
4 the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise  
5 appropriated, \$1,000,000,000, to remain available until September 30, 2031 (except that no  
6 funds shall be disbursed after September 30, 2031), to carry out this section.

7 (b) ~~Program.~~—The Secretary shall use amounts made available under subsection (a) to  
8 establish and carry out a program, to be known as the EV Charging Equity Program, to—

9 (1) ~~provide technical assistance to eligible entities described in subsection (f);~~

10 (2) ~~award grants on a competitive basis to eligible entities described in subsection (f) for~~  
11 ~~projects that increase deployment and accessibility of~~(5) **PRIVATE THIRD-PARTY**  
12 **ENTITY.—The term “private third-party entity” means a non-governmental entity,**  
13 **including a private business, that is able to contract with the State or an eligible entity**  
14 **to carry out projects to build out electric vehicle supply equipment in underserved or**  
15 **disadvantaged communities, including projects that are— or hydrogen fueling stations.**

16 (A) ~~publicly accessible;~~

17 (B) ~~located within or are easily accessible to residents of—~~

18 (i) ~~public or affordable housing;~~

19 (ii) ~~multi-unit dwellings; or~~

20 (iii) ~~single-family homes; and~~

21 (C) ~~located within or easily accessible to places of work, provided that such electric-~~  
22 ~~vehicle supply equipment is accessible no fewer than 5 days per week; and~~

23 (3) ~~provide education and outreach regarding the EV Charging Equity Program and the~~  
24 ~~benefits and opportunities for electric vehicle charging to individuals and relevant entities~~  
25 ~~that live within or serve underserved or disadvantaged communities, including by~~  
26 ~~providing—~~

27 (A) ~~an electric vehicle charging resource guide that is maintained electronically on a~~  
28 ~~website, is public, and is directed towards individuals and relevant entities that live within~~  
29 ~~or serve underserved or disadvantaged communities;~~

30 (B) ~~targeted outreach towards, and coordinated public outreach with, relevant local, State,~~  
31 ~~and Tribal entities, nonprofit organizations, and institutions of higher education, that are~~  
32 ~~located within or serve underserved or disadvantaged communities; and~~

33 (C) ~~any other form of education or outreach as the Secretary determines appropriate.~~

34 (c) ~~Cost Share.—~~

35 (1) ~~In general.~~—Except as provided in paragraph (2), the amount of a grant awarded  
36 under this section for a project shall not exceed 80 percent of project costs.

37 (2) ~~Single-family homes.~~—The amount of a grant awarded under this section for a project  
38 that involves, as a primary focus, single-family homes shall not exceed 60 percent of project  
39 costs.

1           ~~(d) Priority. — In awarding grants and providing technical assistance under this section,~~  
2           ~~the Secretary shall give priority to projects that —~~

3           ~~(1) provide the greatest benefit to the greatest number of people within an underserved or~~  
4           ~~disadvantaged community;~~

5           ~~(2) incorporate renewable energy resources;~~

6           ~~(3) maximize local job creation, particularly among low-income, women, and minority~~  
7           ~~workers; or~~

8           ~~(4) utilize or involve locally owned small and disadvantaged businesses, including~~  
9           ~~women and minority owned businesses.~~

10          ~~(e) Limitation. — Not more than 15 percent of the amount awarded for grants under this~~  
11          ~~section in a fiscal year shall be awarded for projects that involve, as a primary focus,~~  
12          ~~single family homes.~~

13          ~~(f) Eligible Entities. —~~

14          ~~(1) In general. — To be eligible for a grant or technical assistance under the EV Charging~~  
15          ~~Equity Program, an entity shall be —~~

16          ~~(A) an individual or household that is the owner of where a project will be carried out;~~

17          ~~(B) a State, local, Tribal, or Territorial government, or an agency or department thereof;~~

18          ~~(C) an electric utility, including —~~

19          ~~(i) a municipally owned electric utility;~~

20          ~~(ii) a publicly owned electric utility;~~

21          ~~(iii) an investor owned utility; and~~

22          ~~(iv) a rural electric cooperative;~~

23          ~~(D) a nonprofit organization or institution;~~

24          ~~(E) a public housing authority;~~

25          ~~(F) an institution of higher education, as determined by the Secretary;~~

26          ~~(G) an entity that utilizes or involves locally owned small and disadvantaged businesses,~~  
27          ~~including women and minority owned businesses; or~~

28          ~~(H) a partnership between any number of eligible entities described in subparagraphs (A)~~  
29          ~~through (G).~~

30          ~~(2) Updates. — The Secretary may add to or otherwise revise the list of eligible entities as~~  
31          ~~the Secretary determines necessary.~~

32          ~~(g) Definitions. — In this section:~~

33          ~~(1)(6) PUBLICLY ACCESSIBLE. — The term “publicly accessible” means, with respect to~~  
34          ~~electric vehicle supply equipment, electric vehicle supply equipment that is available, at~~  
35          ~~zero or reasonable cost, available to members of the public for the purpose of charging a~~  
36          ~~privately owned or leased electric vehicle, or electric vehicle that is available for use by~~  
37          ~~members of the general public as part of a ride service or vehicle sharing service or~~

1 program, including within or around—

2 (A) ~~public sidewalks and streets;~~

3 ~~(B) public parks;~~

4 ~~(C) public buildings, including—~~

5 ~~(i) libraries;~~

6 ~~(ii) schools; and~~

7 ~~(iii) government offices;~~

8 ~~(D) public parking;~~

9 ~~(E) shopping centers; and~~

10 ~~(F) commuter transit hubs.~~

11 ~~(2) multiunit housing structures;~~

12 **(B) workplaces;**

13 **(C) commercial locations that are accessible for a minimum of 12 hours per day**  
14 **at least 5 days a week, and capable of being monitored remotely; or**

15 **(D) other locations that are accessible for a minimum of 12 hours per day at**  
16 **least 5 days a week, and capable of being monitored remotely.**

17 **(7) SECRETARY.—The term “Secretary” means the Secretary of Energy.**

18 **(8) UNDERSERVED OR DISADVANTAGED COMMUNITY.—The term “underserved or**  
19 **disadvantaged community” means a community or geographic area that is identified by the**  
20 **Secretary as—**

21 (A) a low-income community;

22 (B) a Tribal community;

23 (C) having a disproportionately low number of electric vehicle charging stations per  
24 capita, compared to similar areas; or

25 ~~(D) any other community that the Secretary determines is disproportionately~~  
26 ~~vulnerable to, or bears **bearing** a disproportionate burden of, any combination of~~  
27 ~~economic, social, environmental, and climate stressors.~~

28 ~~SEC. 30444. STATE ENERGY PLANS.~~

29 ~~(a) Appropriation.—Section 365(f) of the Energy Policy and Conservation Act (42-~~  
30 ~~U.S.C. 6325(f)) is amended to read as follows:~~

31 ~~“(f) Appropriation.—In addition to amounts otherwise available, there is~~  
32 ~~appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not~~  
33 ~~otherwise appropriated, \$500,000,000, to remain available until September 30, 2031—~~  
34 ~~(except that no funds shall be disbursed after September 30, 2031), to carry out section-~~  
35 ~~367.”.~~

36 ~~(b) State Energy Transportation Plans.—~~

1           ~~(1) In general.—The Energy Policy and Conservation Act is amended by adding~~  
2           ~~after section 366 (42 U.S.C. 6326) the following:~~

3           ~~“SEC. 367. STATE ENERGY TRANSPORTATION PLANS.~~

4           ~~“(a) In General.—The Secretary may provide financial assistance and technical~~  
5           ~~assistance to a State to develop a State energy transportation plan, for inclusion in a~~  
6           ~~State energy conservation plan under section 362(d), to promote the electrification of~~  
7           ~~the transportation system, reduced consumption of fossil fuels, and reduced energy~~  
8           ~~demand.~~

9           ~~“(b) Development.—A State developing a State energy transportation plan under~~  
10           ~~this section shall carry out this activity through the State energy office that is~~  
11           ~~responsible for developing the State energy conservation plan under section 362.~~

12           ~~“(c) Contents.—A State developing a State energy transportation plan under this~~  
13           ~~section shall include in such plan a plan to—~~

14           ~~“(1) deploy a network of electric vehicle supply equipment to ensure access to~~  
15           ~~electricity for electric vehicles, including commercial vehicles, to an extent that such~~  
16           ~~electric vehicles can travel throughout the State without running out of a charge; and~~

17           ~~“(2) promote modernization of the electric grid, including through the use of~~  
18           ~~renewable energy sources to power the electric grid, to accommodate demand for~~  
19           ~~power to operate electric vehicle supply equipment and to utilize energy storage~~  
20           ~~capacity provided by electric vehicles, including commercial vehicles.~~

21           ~~“(d) Technical Assistance.—Upon request of the Governor of a State, the Secretary~~  
22           ~~shall provide information and technical assistance in the development, implementation,~~  
23           ~~or revision of a State energy transportation plan.~~

24           ~~“(e) Electric Vehicle Supply Equipment Defined.—For purposes of this section, the~~  
25           ~~term ‘electric vehicle supply equipment’ means any conductors, including ungrounded,~~  
26           ~~grounded, and equipment grounding conductors, electric vehicle connectors,~~  
27           ~~attachment plugs, and all other fittings, devices, power outlets, electrical equipment,~~  
28           ~~off-grid charging installations, or apparatuses installed specifically for the purpose of~~  
29           ~~delivering energy to an electric vehicle or to a battery intended to be used in an electric~~  
30           ~~vehicle.”.~~

31           ~~(2) Conforming amendment.—The table of contents for part D of title III of the~~  
32           ~~Energy Policy and Conservation Act is amended by adding at the end the following:~~

33           ~~“Sec.367.State energy transportation plans.”.~~

34           ~~(c) State Energy Conservation Plans.—Section 362(d) of the Energy Policy and~~  
35           ~~Conservation Act (42 U.S.C. 6322(d)) is amended—~~

36           ~~(1) in paragraph (16), by striking “; and” and inserting a semicolon;~~

37           ~~(2) by redesignating paragraph (17) as paragraph (18); and~~

38           ~~(3) by inserting after paragraph (16) the following:~~

39           ~~“(17) a State energy transportation plan developed in accordance with section 367;~~  
40           ~~and”.~~

1           ~~SEC. 30445. TRANSPORTATION ELECTRIFICATION.~~

2           ~~(a) Appropriation.— In addition to amounts otherwise available, there is~~  
3 ~~appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not~~  
4 ~~otherwise appropriated, to remain available until September 30, 2031 (except that no~~  
5 ~~funds shall be disbursed after September 30, 2031) —~~

6           ~~(1) \$4,000,000,000 for grants under section 131(b) of the Energy Independence and~~  
7 ~~Security Act of 2007 (42 U.S.C. 17011(b)); and~~

8           ~~(2) \$6,000,000,000 for grants under subsection (b) of this section.~~

9           ~~(b) Use of Funds.— The Secretary may use amounts made available under~~  
10 ~~subsection (a)(2) of this section to —~~

11           ~~(1) provide grants under subsection (c) of section 131 of the Energy Independence~~  
12 ~~and Security Act of 2007 (42 U.S.C. 17011) for the conduct of qualified electric~~  
13 ~~transportation projects (as defined in such section 131); and~~

14           ~~(2) provide grants in accordance with section 131(e) of such Act for the conduct of~~  
15 ~~any of the following projects:~~

16           ~~(A) Installation of electric vehicle supply equipment for recharging plug-in electric~~  
17 ~~drive vehicles, including such equipment that is accessible in rural and urban areas and~~  
18 ~~in underserved or disadvantaged communities and such equipment for medium and~~  
19 ~~heavy duty vehicles, including at depots and in route locations.~~

20           ~~(B) Multi-use charging hubs used for multiple forms of transportation.~~

21           ~~(C) Medium and heavy-duty vehicle smart charging management and refueling.~~

22           ~~(D) Battery recycling and secondary use, including for medium and heavy-duty~~  
23 ~~vehicles.~~

24           ~~(E) Shoreside electrification for ground support equipment at ports.~~

25           ~~(F) Electric airport ground support vehicles.~~

26           ~~(G) Sharing of best practices, and technical assistance provided by the Department~~  
27 ~~of Energy to public utilities commissions and utilities, for medium and heavy-duty~~  
28 ~~vehicle electrification.~~

29           ~~(c) Priority.— In making grants under section 131(b) of the Energy Independence~~  
30 ~~and Security Act of 2007 (42 U.S.C. 17011(b)) using amounts made available under~~  
31 ~~subsection (a)(1) of this section, in addition to the priority considerations described in~~  
32 ~~paragraph (3) of such section 131(b), the Secretary shall give priority consideration to~~  
33 ~~applications that are likely to make a significant contribution to the advancement of the~~  
34 ~~production of the components and charging equipment for the vehicles described in~~  
35 ~~paragraph (1) of such section 131(b) in the United States.~~

36           ~~PART 5—DOE or climate stressors.~~

37 **PART 4—DOE LOAN AND GRANT PROGRAMS**

38 **SEC. ~~30451~~ 30441. FUNDING FOR DEPARTMENT OF**



## 1 ENERGY LOAN PROGRAMS OFFICE.

2 (a) Commitment Authority.—In addition to commitment authority otherwise available and  
3 previously provided, the Secretary of Energy may make commitments to guarantee loans for  
4 eligible projects under section 1703 of the Energy Policy Act of 2005 up to a total principal  
5 amount of ~~\$30,000,000,000~~ **\$40,000,000,000**, to remain available until September 30, ~~2031,~~  
6 ~~except that no commitments shall be made using the authority provided by this section after~~  
7 ~~September 30, 2031:~~ **2026:** Provided, That for amounts collected pursuant to section 1702(b)(2)  
8 of the Energy Policy Act of 2005, the source of such payment received from borrowers may not  
9 be a loan or other debt obligation that is guaranteed by the Federal Government: Provided  
10 further, That none of the loan guarantee authority made available by this section shall be  
11 available for any project unless the ~~Director of the Office of Management and Budget~~ **President**  
12 has certified in advance in writing that the loan guarantee and the project comply with the  
13 provisions under this section: Provided further, That none of such loan guarantee authority made  
14 available by this section shall be available for commitments to guarantee loans for any projects  
15 where funds, personnel, or property (tangible or intangible) of any Federal agency,  
16 instrumentality, personnel, or affiliated entity are expected to be used (directly or indirectly)  
17 through acquisitions, contracts, demonstrations, exchanges, grants, incentives, leases,  
18 procurements, sales, other transaction authority, or other arrangements, to support the project or  
19 to obtain goods or services from the project: Provided further, That the previous proviso shall not  
20 be interpreted as precluding the use of the loan guarantee authority provided by this section for  
21 commitments to guarantee loans for—

22 (1) projects as a result of such projects benefitting from otherwise allowable Federal tax  
23 benefits;

24 (2) projects as a result of such projects benefitting from being located on Federal land  
25 pursuant to a lease or right-of-way agreement for which all consideration for all uses is—

26 (A) paid exclusively in cash;

27 (B) deposited in the Treasury as offsetting receipts; and

28 (C) equal to the fair market value ~~as determined by the head of the relevant Federal~~  
29 ~~agency;~~

30 (3) projects as a result of such projects benefitting from ~~Federal insurance programs;~~ **the**  
31 **Federal insurance program under section 170 of the Atomic Energy Act of 1954 (42**  
32 **U.S.C. 2210);** or

33 (4) electric generation projects using transmission facilities owned or operated by a  
34 Federal Power Marketing Administration or the Tennessee Valley Authority that have been  
35 authorized, approved, and financed independent of the project receiving the guarantee.

36 (b) Appropriation.—In addition to amounts otherwise available and previously provided, there  
37 is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury  
38 not otherwise appropriated, ~~\$700,000,000~~ **\$3,600,000,000**, to remain available until ~~expended~~  
39 ~~(except that no funds shall be disbursed after September 30, 2031)~~ **2026**, for the costs of  
40 guarantees made under section 1703 of the Energy Policy Act of 2005, using the loan guarantee  
41 authority provided under subsection (a) of this section, ~~for renewable or energy efficient systems~~  
42 ~~and manufacturing, and distributed energy generation, transmission, and distribution.~~

1 (c) Administrative Expenses.—Of the amount made available under subsection (b), the  
2 Secretary of Energy shall reserve 3 percent for administrative expenses to carry out title XVII of  
3 the Energy Policy Act of 2005 and for carrying out section 1702(h)(3) of such Act.

## 4 **SEC. ~~30452~~ 30442. ADVANCED TECHNOLOGY VEHICLE** 5 **MANUFACTURING.**

6 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
7 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise  
8 appropriated, \$3,000,000,000, to remain available until ~~expended (except that no funds shall be~~  
9 ~~disbursed after September 30, 2031)~~ **2028**, for the costs of—

10 (1) providing direct loans under ~~subsection (d) of section 136(d)~~ of section 136(**d**) of the Energy  
11 Independence and Security Act of 2007 (42 U.S.C. 17013);(**d**); and

12 (2) providing direct loans, in accordance with ~~such~~ section 136 **of such Act**, for  
13 reequipping, expanding, or establishing a manufacturing facility in the United States to  
14 produce, or for engineering integration performed in the United States ~~of, any of the~~  
15 ~~following that emit, under any possible operational mode or condition, zero exhaust~~  
16 ~~emissions of any greenhouse gas: of—~~

17 ~~(A)~~**(A)** a medium duty vehicle or a heavy duty vehicle; **or-**

18 ~~(B)~~**(B) any of the following that emit, under any possible operational mode or**  
19 **condition, zero exhaust emissions of any greenhouse gas:**

20 **(i)** A train or locomotive.

21 ~~(C)~~**(ii)** A maritime vessel.

22 ~~(D)~~**(iii)** An aircraft.

23 ~~(E)~~**(iv)** Hyperloop technology.

24 (b) Administrative Costs.—The Secretary shall reserve ~~\$12,000,000~~ **\$25,000,000** of amounts  
25 made available under subsection (a) for administrative costs of providing loans as described in  
26 subsection (a).

27 (c) Elimination of Loan Program Cap.—Section 136(d)(1) of the Energy Independence and  
28 Security Act of 2007 (42 U.S.C. 17013(d)(1)) is amended by striking “a total of not more than  
29 \$25,000,000,000 in”.

## 30 **SEC. ~~30453~~ 30443. DOMESTIC MANUFACTURING** 31 **CONVERSION GRANTS.**

32 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
33 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise  
34 appropriated, ~~\$1,000,000,000~~ **\$3,500,000,000**, to remain available until ~~expended (except that no~~  
35 ~~funds shall be disbursed after September 30, 2031)~~, for grants relating to domestic production of  
36 ~~zero-emission vehicles under~~ **plug-in electric hybrid, plug-in electric drive, and hydrogen**  
37 **fuel cell electric vehicles, in accordance with** section 712 of the Energy Policy Act of 2005 (42  
38 U.S.C. 16062).

1 (b) Administrative Costs.—The Secretary shall reserve ~~2~~ **3** percent of amounts made available  
2 under subsection (a) for administrative costs of making grants described in such subsection (a)  
3 pursuant to section 712 of the Energy Policy Act of 2005 (42 U.S.C. 16062).

4 **SEC. ~~30454~~ 30444. ENERGY COMMUNITY**  
5 **REINVESTMENT FINANCING.**

6 ~~(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the~~  
7 ~~Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,~~  
8 ~~\$2,000,000,000, to remain available until expended (except that no funds shall be disbursed after~~  
9 ~~September 30, 2031), for the cost of providing financial support under section 1706 Title XVII~~  
10 ~~of the Energy Policy Act of 2005 is amended by inserting after section 1705 (42 U.S.C.~~  
11 ~~16516):~~

12 ~~(b) Amendment.—Title XVII of the Energy Policy Act of 2005 (42 U.S.C. 16511 et seq.) is~~  
13 ~~amended by adding at the end the following:~~

14 **“SEC. 1706. ENERGY COMMUNITY REINVESTMENT**  
15 **FINANCING PROGRAM.**

16 **“(a) Appropriation.—In addition to amounts otherwise available, there is appropriated**  
17 **to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise**  
18 **appropriated, \$5,000,000,000, to remain available until September 30, 2026, for the cost of**  
19 **providing financial support under this section, the gross principal amount of which shall**  
20 **not exceed \$250,000,000,000.**

21 **“(b) Establishment.—Notwithstanding section 1702(f) and section 1703, and not later than**  
22 **180 days after the date of enactment of this section, the Secretary shall establish a program to**  
23 **provide financial support, in such form and on such terms and conditions as the Secretary**  
24 **determines appropriate, to eligible entities for the purpose of **making or** enabling low-carbon**  
25 **reinvestments in energy communities, which such reinvestments may include—**

26 **“(1) supporting workers who are or have been engaged in providing, or have been**  
27 **affected by the provision of, energy-intensive goods or services by helping such workers**  
28 **find employment opportunities, including by providing training and education;**

29 **“(2) redeveloping a community that is or was engaged in providing, or has been affected**  
30 **by the provision of, energy-intensive goods or services;**

31 **“(3) accelerating remediation of environmental damage caused by the provision of**  
32 **energy-intensive goods or services; and**

33 **“(4) mitigating the effects on customers of any significant reduction in the carbon**  
34 **intensity of goods or services provided by the eligible entity, including by the cost-effective**  
35 **abatement of greenhouse gas emissions from continuing operations and the repowering,**  
36 **retooling, repurposing, redeveloping, or remediating of any long-lived assets, lands, or**  
37 **infrastructure currently or previously used by the eligible entity primarily to support the**  
38 **provision of energy-intensive goods or services.**

39 **“(b)“(c) Application Requirement.—To apply for financial support provided under this**  
40 **section, an eligible entity shall submit to the Secretary an application at such time, in such**

1 manner, and containing such information as the Secretary may require, which such application  
2 shall include—

3 “(1) a detailed plan describing the activities to be carried out in accordance with  
4 subsection ~~(a)~~(b), including activities for the measurement, monitoring, and verification of  
5 emissions of greenhouse gases; and

6 “(2) if the eligible entity is a utility subject to regulation by a State commission or other  
7 State regulatory authority, assurances, as determined appropriate by the Secretary, that such  
8 eligible entity shall pass through any financial benefit from the provision of any financial  
9 support under this section to its customers or energy communities.

10 ~~“(e)”~~“(d) Other Requirements.—

11 “(1) FEES.—Notwithstanding section 1702(h)(1), the Secretary shall charge and collect a  
12 fee from each eligible entity that received financial support provided under this section in an  
13 amount the Secretary determines sufficient to cover applicable administrative expenses  
14 (including any costs associated with third party consultants engaged by the Secretary).

15 “(2) ~~USE OF APPROPRIATED FUNDS.—~~ANY SPECIFIC APPROPRIATION OR  
16 CONTRIBUTION.—Any cost for any financial support provided under this section shall be  
17 paid ~~by the Secretary using appropriated funds.~~ in accordance with subsection (b) of  
18 section 1702 (for purposes of which any reference in such subsection to a guarantee  
19 shall be considered to be a reference to financial support).

20 ~~“(3) Application of other law.—Section 20320(a) of division B of Public Law 109-289 (42-~~  
21 ~~U.S.C. 16515(a)) shall not apply to this section.~~

22 ~~“(d)”~~“(e) Definitions.—In this section:

23 “(1) ~~COST; DIRECT LOAN.—THE TERMS ‘COST’ AND ‘DIRECT LOAN’ HAVE THE MEANINGS-~~  
24 ~~GIVEN SUCH TERMS~~ COST.—Notwithstanding section 1701, the term ‘cost’ has the  
25 meaning given such term in section 502 of the Federal Credit Reform Act of 1990 (2  
26 U.S.C. 661a).

27 “(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means any entity that is directly  
28 affiliated with the provision of energy-intensive goods or services.

29 “(3) ENERGY COMMUNITY.—The term ‘energy community’ means a community whose  
30 members are or were engaged in providing, or have been affected by the provision of,  
31 energy-intensive goods and services.

32 “(4) FINANCIAL SUPPORT.—The term ‘financial support’ means any credit product or  
33 support the Secretary determines appropriate to implement this section, including—

34 “(A) ~~a direct loan;~~

35 “(B) a line of credit; and

36 ~~“(C)”~~“(B) a guarantee, including of a letter of credit for the purposes of subsection  
37 ~~(a)(3)-(b)(3).”.~~

38 ~~“(5) Guarantee.—The term ‘guarantee’ has the meaning given-~~  
39 ~~such term in section 1701.”.~~ SEC. 30445. TRIBAL ENERGY

## 1 LOAN GUARANTEE PROGRAM.

2 ~~PART 6—ELECTRIC TRANSMISSION~~(a) Appropriation.—In addition to amounts  
3 otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022,  
4 out of any money in the Treasury not otherwise appropriated, \$200,000,000, to remain  
5 available until September 30, 2028, to carry out section 2602(c) of the Energy Policy Act of  
6 1992 (25 U.S.C. 3502(c)).

7 ~~SEC. 30461~~(b) Inclusions in Title XVII Definition of Guarantee.—Section 1701(4)(B) of  
8 the Energy Policy Act of 2005 (42 U.S.C. 16511(4)(B)) is amended by striking the period at  
9 the end and inserting “and, for purposes of minimizing financing costs, includes a  
10 guarantee by the Secretary of 100 percent of the unpaid principal and interest due on any  
11 obligation to the Federal Financing Bank.”.

12 (c) Department of Energy Tribal Energy Loan Guarantee Program.— Section 2602(c) of  
13 the Energy Policy Act of 1992 (25 U.S.C. 3502(c)) is amended—

14 (1) in paragraph (1), by striking “(as defined in section 502 of the Federal Credit  
15 Reform Act of 1990 (2 U.S.C. 661a)) for an amount equal to not more than 90 percent  
16 of” and inserting “(as defined in section 1701 of the Energy Policy Act of 2005 (42  
17 U.S.C. 16511)) for”; and

18 (2) in paragraph (4), by striking “\$2,000,000,000” and inserting “\$20,000,000,000”.

## 19 PART 5—ELECTRIC TRANSMISSION

### 20 SEC. 30451. TRANSMISSION LINE AND INTERTIE 21 ~~GRANTS AND LOANS. INCENTIVES.~~

22 (a) ~~Appropriation.—~~

23 (1) ~~In general.—~~In(a) Appropriation.—In addition to amounts otherwise available, there is  
24 appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury  
25 not otherwise appropriated, ~~\$8,000,000,000~~, to remain available until September 30, 2031—  
26 ~~(except that no funds shall be disbursed after September 30, 2031)~~, **2030, \$1,500,000,000** for  
27 purposes of providing grants ~~and direct loans~~ under subsection (b); and for administrative  
28 expenses associated with carrying out this section: ~~Provided,~~ **and \$500,000,000 for the costs of**  
29 **providing direct loans under subsection (b): Provided, That the Secretary shall not enter**  
30 **into any loan agreement pursuant to this section that could result in disbursements after**  
31 **September 30, 2031, or any grant agreement pursuant to this section that could result in**  
32 **any outlays after September 30, 2031: Provided further,** That none of such loan authority  
33 made available by this section shall be available for loans for any projects where funds,  
34 personnel, or property (tangible or intangible) of any Federal agency, instrumentality, personnel,  
35 or affiliated entity are expected to be used (directly or indirectly) through acquisitions, contracts,  
36 demonstrations, exchanges, grants, incentives, leases, procurements, sales, other transaction  
37 authority, or other arrangements to support the project or to obtain goods or services from the  
38 project: Provided further, That the previous proviso shall not be interpreted as precluding the use  
39 of the loan authority provided by this section for commitments to loans for: (1) projects  
40 benefitting from otherwise allowable Federal tax benefits; (2) projects benefitting from being  
41 located on Federal land pursuant to a lease or right-of-way agreement for which all consideration

1 for all uses is: (A) paid exclusively in cash; (B) deposited in the Treasury as offsetting receipts;  
2 and (C) equal to the fair market value ~~as determined by the head of the relevant Federal agency;~~  
3 (3) projects benefitting from **the** Federal insurance ~~programs~~ **program under section 170 of the**  
4 **Atomic Energy Act of 1954 (42 U.S.C. 2210)**; or (4) electric generation projects using  
5 transmission facilities owned or operated by a Federal Power Marketing Administration or the  
6 Tennessee Valley Authority that have been authorized, approved, and financed independent of  
7 the project receiving the guarantee: Provided further, That none of the loan authority made  
8 available by this section shall be available for any project unless the ~~Director of the Office of~~  
9 **Management and Budget President** has certified in advance in writing that the loan and the  
10 project comply with the provisions under this section.

11 ~~(2) Limit.—Not more than \$1,000,000,000 of the amount appropriated under paragraph (1)~~  
12 ~~may be used to pay for the costs of providing direct loans under subsection (b).~~

13 (b) In General.—Except as provided in subsection (c), the Secretary of Energy may provide  
14 grants and direct loans to eligible entities to construct new, or make upgrades to existing, eligible  
15 transmission lines or eligible interties, including the related facilities thereof, if the Secretary of  
16 Energy determines that such construction or upgrade would support—

17 (1) a more robust and resilient electric grid; and

18 (2) the integration of electricity from a clean energy facility into the electric grid.

19 (c) Other Requirements.—

20 (1) INTEREST RATES.—The Secretary of Energy shall determine the rate of interest to  
21 charge on direct loans provided under subsection (b) by taking into consideration market  
22 yields on outstanding marketable obligations of the United States of comparable maturities  
23 as of the date the loan is disbursed.

24 ~~(2) TERMS AND CONDITIONS.—IN PROVIDING DIRECT LOANS UNDER SUBSECTION (B), THE~~  
25 ~~SECRETARY MAY REQUIRE SUCH TERMS AND CONDITIONS THE SECRETARY DETERMINES~~  
26 ~~APPROPRIATE.~~

27 ~~(3) RECOVERY OF COSTS FOR GRANTS.—A grant provided under this section may not be~~  
28 ~~used to construct new, or make~~ **cover the portion of costs for the construction of new, or**  
29 **for making** upgrades to existing, eligible transmission lines or eligible interties ~~if the costs~~  
30 ~~for such construction or upgrade, including the related facilities thereof, that~~ are  
31 approved for recovery through a Transmission Organization ~~(as defined in section 3 of the~~  
32 ~~Federal Power Act (16 U.S.C. 796)),~~ **regional planning authority, governing or**  
33 **ratemaking body of an electric cooperative, State commission, or another similar**  
34 **body.**

35 (3) NO DUPLICATE ASSISTANCE.—**No eligible entity may receive both a grant and a**  
36 **direct loan for the same construction of, or upgrade to, an eligible transmission line or**  
37 **eligible intertie under this section.**

38 (d) Definitions.—In this section:

39 (1) CLEAN ENERGY FACILITY.—The term “clean energy facility” means any electric  
40 generating unit that does not emit carbon dioxide.

41 (2) DIRECT LOAN.—The term “direct loan” means a disbursement of funds by the

1 Government to a non-Federal borrower under a contract that requires the repayment of such  
2 funds with or without interest. The term includes the purchase of, or participation in, a loan  
3 made by another lender and financing arrangements that defer payment for more than 90  
4 days, including the sale of a government asset on credit terms.

5 (3) ELIGIBLE ENTITY.—The term “eligible entity” means a non-Federal entity.

6 (4) ELIGIBLE INTERTIE.—The term “eligible intertie” means—

7 (A) any interties across the seam between the Western Interconnection and the  
8 Eastern Interconnection;

9 (B) the Pacific Northwest-Pacific Southwest Intertie;

10 (C) any interties between the Electric Reliability Council of Texas and the Western  
11 Interconnection or the Eastern Interconnection; or

12 (D) such other interties that the Secretary determines contribute to—

13 (i) a more robust and resilient electric grid; and

14 (ii) the integration of electricity from a clean energy facility into the electric  
15 grid.

16 (5) ELIGIBLE TRANSMISSION LINE.—The term “eligible transmission line” means an  
17 electric power transmission line that—

18 (A) in the case of new construction under subsection (b), has a transmitting capacity  
19 of not less than 1,000 megawatts;

20 (B) in the case of an upgrade made under subsection (b), the upgrade to which will  
21 increase its transmitting capacity by not less than 500 megawatts; and

22 (C) is capable of transmitting electricity—

23 (i) across any eligible intertie;

24 (ii) from an offshore wind generating facility; or

25 (iii) along a route, or in a corridor, determined by the Secretary of Energy to be  
26 necessary to meet interregional or national electricity transmission needs.

27 (6) STATE COMMISSION; TRANSMISSION ORGANIZATION.—The terms “State  
28 commission” and “Transmission Organization” have the meanings given such terms in  
29 section 3 of the Federal Power Act (16 U.S.C. 796).

30 **SEC. 30452 SEC. 30462. GRANTS TO FACILITATE THE**  
31 **SITING OF INTERSTATE ELECTRICITY TRANSMISSION**  
32 **LINES.**

33 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
34 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise  
35 appropriated, \$800,000,000, to remain available until September 30, 2031 (~~provided no funds~~  
36 ~~shall be disbursed after such date~~) 2029, for making grants in accordance with this section and  
37 for administrative expenses associated with carrying out this section.

1 (b) Use of Funds.—

2 (1) IN GENERAL.—The Secretary may make a grant under this section to a siting authority  
3 for, with respect to a covered transmission project, any of the following activities:

4 (A) Studies and analyses of the impacts of the covered transmission project,  
5 ~~including the environmental, reliability, wildlife, cultural, historical, water, land use,~~  
6 ~~public health, employment, tax revenue, market, cost, and rate regulation impacts.~~

7 (B) Examination of up to 3 alternate siting corridors within which the covered  
8 transmission project feasibly could be sited.

9 (C) Hosting and facilitation of negotiations in settlement meetings involving the  
10 siting authority, the covered transmission project applicant, and opponents of the  
11 covered transmission project, for the purpose of identifying and addressing issues that  
12 are preventing approval of the application relating to the siting or permitting of the  
13 covered transmission project.

14 (D) Participation by the siting authority in regulatory proceedings or negotiations in  
15 another jurisdiction, or under the auspices of a Transmission Organization (as defined  
16 in section 3 of the Federal Power Act (16 U.S.C. 796)) that is also considering the  
17 siting or permitting of the covered transmission project.

18 (E) Participation by the siting authority in regulatory proceedings at the Federal  
19 Energy Regulatory Commission or a State regulatory commission for determining  
20 applicable rates and cost allocation for the covered transmission project.

21 (F) Other measures and actions that may improve the chances of, and shorten the  
22 time required for, approval by the siting authority of the application relating to the  
23 siting or permitting of the covered transmission project, as the Secretary determines  
24 appropriate.

25 (2) ECONOMIC DEVELOPMENT.—The Secretary may make a grant under this section to a  
26 siting authority, or other State, local, or Tribal governmental entity, for economic  
27 development activities for communities that may be affected by the construction and  
28 operation of a covered transmission project, **provided that the Secretary shall not enter**  
29 **into any grant agreement pursuant to this section that could result in any outlays after**  
30 **September 30, 2031.**

31 (c) Conditions.—

32 (1) FINAL DECISION ON APPLICATION.—In order to receive a grant for an activity  
33 described in subsection (b)(1), the Secretary shall require a siting authority to agree, in  
34 writing, to reach a final decision on the application relating to the siting or permitting of the  
35 applicable covered transmission project not later than 2 years after the date on which such  
36 grant is provided, unless the Secretary authorizes an extension for good cause.

37 (2) FEDERAL SHARE.—The Federal share of the cost of an activity described in  
38 subparagraph (D) or (E) of subsection (b)(1) shall not exceed 50 percent.

39 (3) ECONOMIC DEVELOPMENT.—The Secretary may only disburse grant funds for  
40 economic development activities under subsection (b)(2)—

41 (A) to a siting authority upon approval by the siting authority of the applicable



1 covered transmission project; and

2 (B) to any other State, local, or Tribal governmental entity upon commencement of  
3 construction of the applicable covered transmission project in the area under the  
4 jurisdiction of the entity.

5 (d) Returning Funds.—If a siting authority that receives a grant for an activity described in  
6 subsection (b)(1) fails to use all grant funds within 2 years of receipt, the siting authority shall  
7 return to the Secretary any such unused funds.

8 (e) Definitions.—In this section:

9 (1) COVERED TRANSMISSION PROJECT.—The term “covered transmission project” means a  
10 high-voltage interstate **or offshore** electricity transmission line—

11 (A) that is proposed to be constructed and to operate at a minimum of 275 kilovolts  
12 of either alternating-current or direct-current electric energy by an entity; and

13 (B) for which such entity has applied, or informed a siting authority of such entity’s  
14 intent to apply, for regulatory approval.

15 (2) SITING AUTHORITY.—The term “siting authority” means a State, local, or Tribal  
16 governmental entity with authority to make a final determination regarding the siting,  
17 permitting, or regulatory status of a covered transmission project that is proposed to be  
18 located in an area under the jurisdiction of the entity.

19 (3) STATE.—The term “State” means a State, the District of Columbia, or any  
20 territory or possession of the United States.

21 **SEC. 30453 ~~SEC. 30463~~. ORGANIZED WHOLESALE**  
22 **ELECTRICITY MARKET TECHNICAL ASSISTANCE**  
23 **GRANTS.**

24 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
25 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
26 \$100,000,000 **\$40,000,000**, to remain available until fiscal year 2031 (~~except that no funds shall~~  
27 ~~be disbursed after September 30, 2031~~), **for purposes of providing, for purposes of carrying out**  
28 **a program to provide—**

29 **(1) technical assistance and grants ~~under subsection (b)~~. to States to evaluate forming,**  
30 **participating in, expanding, or improving organized wholesale electricity markets; and**

31 ~~(b) Technical Assistance and Grants.—The Secretary shall use amounts made available~~  
32 ~~under subsection (a) to—~~

33 ~~(1) provide~~**(2) grants to States to procure pay for—**

34 ~~(A) technical assistance for any of the activities described in subsection (c); or~~

35 ~~(B) the procurement of data or technology systems related to~~ **forming, participating in**  
36 ~~any of the activities described in subsection (c); and~~

37 ~~(2) provide technical assistance for the activities described in subsection (c).~~

38 ~~(c) Activities.—The activities described in this subsection are—~~

1 ~~(1) forming, expanding, or improving an organized wholesale electricity market,~~  
2 ~~including with respect to—~~

3 ~~(A) market governance assistance;~~

4 ~~(B) planning and policy assistance; and~~

5 ~~(C) regulatory development assistance;~~

6 ~~(2) aligning the policies of an organized wholesale electricity market with relevant State~~  
7 ~~policies; and~~

8 ~~(3) evaluating the economic, operational, reliability, environmental, and other benefits of~~  
9 ~~organized wholesale electricity markets.~~

10  
11 ~~(d) Applications.—~~

12 ~~(1) In general.—~~ **(b) Applications.—** **To** apply for technical assistance or a grant provided  
13 under this section, a State shall submit to the Secretary an application at such time, in such  
14 manner, and containing such information as the Secretary may require.

15 ~~(2) Grants.— An application for a grant submitted under paragraph (1) shall certify how the~~  
16 ~~State will use the grant in accordance with subsection (b).~~

17 ~~(e) Priority.— In evaluating applications submitted under subsection (c), the Secretary shall~~  
18 ~~give priority to applications that are submitted by more than one State.~~

19 ~~(f)(c) Definitions.—~~ In this section:

20 (1) INDEPENDENT SYSTEM OPERATOR; REGIONAL TRANSMISSION ORGANIZATION.—The  
21 terms “Independent System Operator” and “Regional Transmission Organization” have the  
22 meanings given such terms in section 3 of the Federal Power Act (16 U.S.C. 796).

23 (2) ORGANIZED WHOLESALE ELECTRICITY MARKET.—The term “organized wholesale  
24 electricity market” means an Independent System Operator or a Regional Transmission  
25 Organization.

26 (3) SECRETARY.—The term “Secretary” means the Secretary of Energy.

27 (4) STATE.—The term “State” means ~~any a State of the United States, or~~ the District of  
28 Columbia, ~~the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the~~  
29 ~~Commonwealth of the Northern Mariana Islands, and Guam.~~

30 ~~SEC. 30464~~ **SEC. 30454. INTERREGIONAL AND**  
31 **OFFSHORE WIND ELECTRICITY TRANSMISSION**  
32 **PLANNING, MODELING, AND ANALYSIS.**

33 **\*\* 9** (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to  
34 the ~~Federal Trade Commission~~ **Secretary of Energy** for fiscal year 2022, out of any money in  
35 the Treasury not otherwise appropriated, ~~\$1,000,000,000~~ **\$100,000,000**, to remain available until  
36 September 30, 2031, ~~for carrying to carry~~ **to carry** out this section.

1       ~~(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the~~  
2 ~~Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise~~  
3 ~~appropriated, \$100,000,000, to remain available until September 30, 2031 (except that no funds~~  
4 ~~shall be disbursed after such date), to carry out this section.~~(b) Use of Funds.—The Secretary of  
5 Energy shall use amounts made available under subsection (a) to—

6           (1) pay expenses associated with convening relevant stakeholders, including States,  
7 generation and transmission developers, regional transmission organizations, independent  
8 system operators, environmental organizations, ~~Indian Tribes~~ **electric utilities**, and other  
9 stakeholders the Secretary determines appropriate, to address the development of  
10 interregional electricity transmission and transmission of electricity that is generated by  
11 offshore wind; and

12           (2) conduct planning, modeling, and analysis regarding interregional electricity  
13 transmission and transmission of electricity that is generated by offshore wind, taking into  
14 account the local, regional, and national economic, reliability, resilience, security, public  
15 policy, and environmental benefits of interregional electricity transmission and transmission  
16 of electricity that is generated by offshore wind, including planning, modeling, and analysis,  
17 as the Secretary determines appropriate, pertaining to—

18                   (A) clean energy integration into the electric grid, including the identification of  
19 renewable energy zones;

20                   (B) the effects of changes in weather due to climate change on the reliability and  
21 resilience of the electric grid;

22                   (C) cost allocation methodologies that facilitate the expansion of the bulk power  
23 system;

24                   (D) the benefits of coordination between generator interconnection processes and  
25 transmission planning processes;

26                   (E) the effect of increased electrification on the electric grid;

27                   (F) power flow modeling;

28                   (G) the benefits of increased interconnections or interties between or among the  
29 Western Interconnection, the Eastern Interconnection, the Electric Reliability Council  
30 of Texas, and other interconnections, as applicable;

31                   (H) the cooptimization of transmission and generation, including variable energy  
32 resources, energy storage, and demand-side management;

33                   (I) the opportunities for use of nontransmission alternatives, **energy storage**, and  
34 grid-enhancing technologies;

35                   (J) economic development opportunities for communities arising from development  
36 of interregional electricity transmission and transmission of electricity that is generated  
37 by offshore wind; ~~and~~

38  
39                   (K) evaluation of existing rights-of-way and the need for additional transmission  
40 corridors; ~~and~~

1           ~~PART 7—ENVIRONMENTAL REVIEWS(L)~~ a planned national transmission  
2           grid, which would include a networked transmission system to optimize the  
3           existing grid for interconnection of offshore wind farms.

## 4   ~~SEC. 30471~~ PART 6—ENVIRONMENTAL REVIEWS

### 5   SEC. 30461. DEPARTMENT OF ENERGY.

6           In addition to amounts otherwise available, there is appropriated to the Department of Energy  
7           for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$200,000,000  
8           **\$125,000,000**, to remain available until September 30, 2031 ~~(except that no amounts may be~~  
9           ~~disbursed after September 30, 2031), to provide for more efficient and more effective~~  
10          ~~environmental reviews under the National Environmental Policy Act of 1969, to provide for the~~  
11          **development of more efficient, accurate, and timely reviews for planning, permitting, and**  
12          **approval processes** through the hiring and training of ~~additional~~ personnel, the development of  
13          ~~programmatic assessments or templates~~ **documents**, the procurement of technical or scientific  
14          services **for reviews**, the development of data or ~~technology~~ **information** systems, stakeholder  
15          and community engagement, ~~and~~ the purchase of new equipment **for analysis, and the**  
16          **development of geographic information systems and other analysis tools, techniques, and**  
17          **guidance to improve agency transparency, accountability, and public engagement.**

### 18   ~~SEC. 30462.~~

## 19   ~~SEC. 30472.~~ FEDERAL ENERGY REGULATORY 20   COMMISSION.

21          **(a) In General.**—In addition to amounts otherwise available, there is appropriated to the  
22          Federal Energy Regulatory Commission for fiscal year 2022, out of any money in the Treasury  
23          not otherwise appropriated, \$100,000,000 **\$75,000,000**, to remain available until September 30,  
24          2031 ~~(except that no amounts may be disbursed after September 30, 2031), to provide for more~~  
25          ~~efficient and more effective environmental reviews under the National Environmental Policy Act~~  
26          ~~of 1969, to provide for the development of more efficient, accurate, and timely reviews for~~  
27          **planning, permitting, and approval processes** through the hiring and training of ~~additional~~  
28          personnel, the development of ~~programmatic assessments or templates~~ **documents**, the  
29          procurement of technical or scientific services **for reviews**, the development of data or  
30          ~~technology~~ **information** systems, stakeholder and community engagement, ~~and~~ the purchase of  
31          new equipment **for analysis, and the development of geographic information systems and**  
32          **other analysis tools, techniques, and guidance to improve agency transparency,**  
33          **accountability, and public engagement.**

34          **(b) Fees and Charges.**—Section 3401(a) of the Omnibus Budget Reconciliation Act of  
35          1986 (42 U.S.C. 7178(a)) shall not apply to the costs incurred by the Federal Energy  
36          Regulatory Commission in carrying out this section.

## 37   PART 7—INDUSTRIAL

### 38   SEC. 30471. ADVANCED INDUSTRIAL FACILITIES 39   DEPLOYMENT PROGRAM.

~~PART 8 — OTHER ENERGY MATTERS~~

~~SEC. 30481. FEDERAL ENERGY EFFICIENCY FUND.~~

~~(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$4,000,000,000 \$17,500,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), to provide grants to agencies to assist them in meeting the requirements of section 543 of the National Energy Conservation Policy Act (42 U.S.C. 8253) or to assist agencies in reducing the carbon emissions of new or existing Federal buildings and Federal fleets.~~

~~(b) Use of Funds.—The Secretary shall use the funds made available pursuant to subsection (a) to provide grants to agencies pursuant to section 546(b) of the National Energy Conservation Policy Act (42 U.S.C. 8256(b)), and to establish a program to provide competitive grants to agencies, to carry out projects for onsite or offsite measures that —~~

~~(1) are applied to or serve a Federal building or Federal fleet; and~~

~~(2) involve energy conservation, cogeneration facilities, renewable energy sources, low carbon materials, improvements in operations and maintenance efficiencies, retrofit activities, automotive supply equipment, building electrification, energy storage devices, energy consuming devices and required support structures, or carbon pollution free electricity.~~

~~(c) Considerations.—In providing grants under subsection (b), the Secretary may consider —~~

~~(1) the cost effectiveness of the project;~~

~~(2) the extent to which a project promotes the integration of clean energy, carbon pollution free electricity, low carbon materials, automotive supply equipment, and such other onsite or offsite measures as the Secretary determines to be appropriate;~~

~~(3) the amount of energy and cost savings anticipated to the Federal Government;~~

~~(4) the amount of funding committed to the project by the agency requesting the grant;~~

~~(5) the extent that a proposal leverages financing from other non-Federal sources; and~~

~~(6) any other factor which the Secretary determines is in furtherance of this section.~~

~~(d) Definitions.—In this section:~~

~~(1) Automotive supply equipment.—The term “automotive supply equipment” means any conductors, including ungrounded, grounded, and equipment grounding conductors, electric vehicle connectors, attachment plugs, and all other fittings, devices, power outlets, electrical equipment, or apparatuses installed specifically for the purpose of delivering energy to an electric vehicle or to a battery intended to be used in an electric vehicle.~~

~~(2) Low carbon material.—The term “low carbon material” means any material for which the quantity of greenhouse gases (measured in kilograms of carbon dioxide equivalent) emitted to the atmosphere by the manufacture, transportation, installation, maintenance, and disposal of the material is significantly lower than such quantity for another, similar material, as measured and reported in an environmental product declaration.~~

~~SEC. 30482. ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANTS.~~

1       ~~(a) In General.— In addition to amounts otherwise available, there is appropriated to the~~  
2 ~~Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise~~  
3 ~~appropriated, \$5,000,000,000, to remain available until September 30, 2026, 2031 (except that~~  
4 ~~no funds shall be disbursed after September 30, 2031), to carry out the Energy Efficiency and~~  
5 ~~Conservation Block Grant Program established under section 542(a) of the Energy Independence~~  
6 ~~and Security Act of 2007 (42 U.S.C. 17152(a)), of which—~~

7       ~~(1) \$2,500,000,000 shall be distributed in accordance with section 543 of such Act (42 U.S.C.~~  
8 ~~17153); and~~

9       ~~(2) \$2,500,000,000 shall be awarded to eligible entities on a competitive basis.~~

10       ~~(b) Program.— In carrying out subsection (a), in addition to providing assistance described in~~  
11 ~~section 542(b)(1) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17152(b)(1)),~~  
12 ~~the Secretary may also provide assistance to eligible entities for implementing strategies to~~  
13 ~~reduce fossil fuel emissions created as a result of activities within the jurisdictions of eligible~~  
14 ~~entities in a manner that diversifies energy supplies, including by facilitating and promoting the~~  
15 ~~use of alternative fuels.~~

16       ~~(c) Use of Funds.— In carrying out subsection (a), for purposes of section 544 of the Energy~~  
17 ~~Independence and Security Act of 2007 (42 U.S.C. 17154), the Secretary may also consider to be~~  
18 ~~activities that achieve the purposes of the Energy Efficiency and Conservation Block Grant~~  
19 ~~Program—~~

20       ~~(1) the deployment of energy distribution technologies that significantly increase energy~~  
21 ~~efficiency or expand access to alternative fuels, including distributed resources, district heating~~  
22 ~~and cooling systems, and infrastructure for delivering alternative fuels; and~~

23       ~~(2) programs for financing energy efficiency, renewable energy, and zero-emission~~  
24 ~~transportation (and associated infrastructure) capital investments, projects, and programs—~~

25       ~~(A) which may include loan programs and performance contracting programs for leveraging of~~  
26 ~~additional public and private sector funds, and programs that allow rebates, grants, or other~~  
27 ~~incentives for the purchase and installation of energy efficiency, renewable energy, and~~  
28 ~~zero-emission transportation (and associated infrastructure) measures; or~~

29       ~~(B) which may be used or implemented in connection with buildings owned and operated by a~~  
30 ~~State, a political subdivision of a State, an agency or instrumentality of a State, or an~~  
31 ~~organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986~~  
32 ~~(26 U.S.C. 501(c)(3)).~~

33       ~~(d) Competitive Grants.— In carrying out subsection (a), for purposes of section 546(c)(2) of~~  
34 ~~the Energy Independence and Security Act of 2007 (42 U.S.C. 17156(c)(2)), the Secretary may~~  
35 ~~give priority to units of local government that plan to carry out projects to expand the use of~~  
36 ~~alternative fuels that would result in significant energy efficiency improvements or reductions in~~  
37 ~~fossil fuel use.~~

38       ~~(e) Administrative Expenses.— Of the amount made available under subsection (a), the~~  
39 ~~Secretary shall reserve 10 percent for administrative expenses to carry out this section.~~

40       ~~(f) Technical Amendments.— Section 543 of the Energy Independence and Security Act of~~  
41 ~~2007 (42 U.S.C. 17153) is amended—~~

1 (1) in subsection (e), by striking “subsection (a)(2)” and inserting “subsection (a)(3)”; and  
2 (2) in subsection (d), by striking “subsection (a)(3)” and inserting “subsection (a)(4)”.

3 ~~SEC. 30483. LOW INCOME SOLAR.~~

4 (a) ~~Appropriation.~~—~~In addition to amounts otherwise available, there is appropriated to the~~  
5 ~~Department of Energy for fiscal year 2022, out of any amounts in the Treasury not otherwise~~  
6 ~~appropriated, \$2,500,000,000, to remain available until expended (except that no funds shall be~~  
7 ~~disbursed after September 30, 2031), to carry out this section.~~

8 (b) ~~In General.~~—~~The~~**(b) Program.**—~~The~~ Secretary shall use funds appropriated by subsection  
9 (a) to **establish a program to provide financial assistance, on a competitive basis,** to eligible  
10 entities to—

11 (1) ~~carry out eligible planning projects; or~~

12 (2) ~~carry out eligible installation projects.~~

13 (c) ~~Applications.~~—

14 (1) ~~In general.~~—~~To to carry out projects for—~~

15 (1) **the purchase and installation, or implementation, of advanced industrial**  
16 **technology at an eligible facility;**

17 (2) **retrofits, upgrades to, or operational improvements at an eligible facility to**  
18 **install or implement advanced industrial technology; or**

19 (3) **engineering studies and other work needed to prepare an eligible facility for**  
20 **activities described in paragraph (1) or (2).**

21 (c) ~~Application.~~—~~To be eligible to receive financial assistance under this section the~~  
22 **program established under subsection (b),** an eligible entity shall submit to the Secretary an  
23 application at such time, in such manner, and containing such information as the Secretary may  
24 require, **including the expected greenhouse gas emissions reductions to be achieved by**  
25 **carrying out the project.**

26 (2) ~~Inclusion for installation assistance.~~—~~For an eligible entity to receive assistance for an~~  
27 ~~eligible installation project~~**(d) Priority.**—~~In providing financial assistance under the~~  
28 **program established under subsection (b),** the Secretary shall ~~require~~ **give priority**  
29 **consideration to projects on the basis of, as determined by the Secretary—**

30 (1) **the expected greenhouse gas emissions reductions to be achieved by carrying out**  
31 **the project;**

32 (2) **the extent to which the project would provide the greatest benefit for the greatest**  
33 **number of people within the area in which the eligible facility is located; and**

34 (3) **whether** the eligible entity ~~to include in an application under paragraph (1)—~~

35 (A) ~~information that demonstrates that the eligible entity has obtained, or has the capacity~~  
36 ~~to obtain, necessary permits, subscribers, access to an installation site, and any other items-~~  
37 ~~or agreements necessary to complete the installation of the applicable covered facility;~~

38 (B) ~~information that demonstrates that the covered facility installed using such assistance-~~  
39 ~~will comply with local building and safety codes and standards;~~

1           ~~(C) a description of the mechanism through which financial benefits will be distributed to~~  
2           ~~beneficiaries or subscribers; and~~

3           ~~(D) an estimate of the anticipated financial benefit for beneficiaries or subscribers.~~

4           ~~(3) Consideration of planning projects.—The Secretary may consider the completion of~~  
5           ~~an eligible planning project pursuant to subsection (b)(1) by the eligible entity to be~~  
6           ~~sufficient to demonstrate the ability of the eligible entity to meet the requirements of~~  
7           ~~paragraph (2)(A).~~

8           ~~(d) Selection.—~~

9           ~~(1) In general.—In selecting eligible projects to receive assistance under this section, the~~  
10           ~~Secretary shall—~~

11           ~~(A) prioritize—~~

12           ~~(i) eligible installation projects that will result in the most financial benefit for~~  
13           ~~beneficiaries **participates or would participate in a partnership with purchasers of the**~~  
14           ~~**output of the eligible facility.**~~

15           **(e) Cost Share.—The Secretary may require an eligible entity to provide not more than**  
16           **50 percent of the cost of a project carried out pursuant to this section.**

17           **(f) Administrative Costs.—The Secretary shall reserve \$200,000,000 of amounts made**  
18           **available under subsection (a) for administrative costs of carrying out this section.**

19           **(g) Definitions.—**

20           **(1) ADVANCED INDUSTRIAL TECHNOLOGY.—The term “advanced industrial**  
21           **technology” means technology or processes designed to accelerate greenhouse gas**  
22           **emissions reduction progress to net-zero at an eligible facility, as determined by the**  
23           **Secretary, including—**

24                   **(A) industrial energy efficiency technologies;**

25                   **(B) equipment to electrify industrial processes;**

26                   **(C) equipment to utilize low- or zero-carbon fuels, feedstocks, and energy**  
27                   **sources;**

28                   **(D) low- or zero-carbon process heat systems; and**

29                   **(E) carbon capture, transport, utilization, and storage systems.**

30           **(2);**

31           ~~(ii) eligible installation projects that will result in development of covered facilities in~~  
32           ~~underserved areas; and~~

33           ~~(iii) eligible projects that include apprenticeship, job training, or community participation~~  
34           ~~as part of their application; and~~

35           ~~(B) ensure that such assistance is provided in a manner that results in eligible projects~~  
36           ~~being carried out on a geographically diverse basis within and among States.~~

37           ~~(2) Determination of financial benefit.—In determining the amount of financial benefit~~  
38           ~~for low-income households of an eligible installation project, the Secretary shall ensure that~~



1 all calculations for estimated household energy savings are based solely on electricity-  
2 offsets from the applicable covered facility and use formulas established by the State or  
3 local government with jurisdiction over the applicable covered facility for verifiable  
4 household energy savings estimates that accrue to low income households.

5 (e) Assistance.—

6 (1) Form.— The Secretary may provide assistance under this section in the form of a  
7 grant, rebate, or low interest loan.

8 (2) Multiple projects for same facility.—

9 (A) In general.— An eligible entity may apply for assistance under this section for an  
10 eligible planning project and an eligible installation project for the same covered facility.

11 (B) Separate selections.— Selection by the Secretary for assistance under this section of  
12 an eligible planning project does not require the Secretary to select for assistance under this  
13 section an eligible installation project for the same covered facility.

14 (f) Use of Assistance.—

15 (1) Eligible planning projects.— An eligible entity receiving assistance for an eligible  
16 planning project under this section may use such assistance to pay the costs of  
17 pre-installation activities associated with an applicable covered facility, including —

18 (A) feasibility studies;

19 (B) permitting;

20 (C) site assessment;

21 (D) identification of beneficiaries or subscribers; or

22 (E) such other costs determined by the Secretary to be appropriate.

23 (2) Eligible installation projects.— An eligible entity receiving assistance for an eligible  
24 installation project under this section may use such assistance to pay the costs of —

25 (A) installation and operation of a covered facility, including costs associated with  
26 materials, permitting, labor, or site preparation;

27 (B) storage technology sited at a covered facility;

28 (C) interconnection service expenses;

29 (D) offsetting the cost of a subscription for a covered facility described in subsection  
30 (h)(4)(A) for subscribers that are members of a low income household; or

31 (E) such other costs determined by the Secretary to be appropriate.

32 (g) Use of Funds.— Of the funds appropriated by this section, the Secretary shall use not  
33 less than 85 percent to provide assistance for eligible installation projects.

34 (h) Definitions.— In this section:

35 (1) Beneficiary.— The term “beneficiary” means a low income household that receives a  
36 financial benefit from the installation and operation of a covered facility.

37 (2) Community solar facility.— The term “community solar facility” means a solar

1 generating facility that—

2 (A) has multiple subscribers that receive financial benefits that are directly attributable to  
3 the facility; and

4 (B) has a nameplate rating of 5 megawatts AC or less.

5 (3) Community solar subscription.—The term “community solar subscription” means a  
6 share in the capacity, or a proportional interest in the electricity generation, of a community  
7 solar facility.

8 (4) Covered facility.—The term “covered facility” means—

9 (A) a community solar facility at least 50 percent of the capacity of which is reserved for  
10 low-income households;

11 (B) a solar generating facility located at a residence of a low-income household; or

12 (C) a solar generating facility located at a multi-family affordable housing complex.

13 (5) ELIGIBLE ENTITY.—The term “eligible entity” means— **means the owner or**  
14 **operator of an eligible facility.**

15 (A) a nonprofit organization that provides services to low-income households or  
16 multi-family affordable housing complexes;(3) **ELIGIBLE FACILITY.—The term “eligible**  
17 **facility” means a domestic, non-Federal, nonpower industrial or manufacturing**  
18 **facility engaged in energy-intensive industrial processes, including production**  
19 **processes for iron, steel, steel mill products, aluminum, cement, concrete, glass, pulp,**  
20 **paper, and industrial ceramics.**

21 (B) a developer, owner, or operator of a covered facility;(4) **FINANCIAL**  
22 **ASSISTANCE.—The term “financial assistance” means a grant, rebate, or cooperative**  
23 **agreement.**

24 (C) a State, or political subdivision thereof;

25 (D) an Indian Tribe, tribally owned electric utility, or tribal energy development  
26 organization;

27 (E) a Native Hawaiian community-based organization;

28 (F) any other national or regional entity that has experience developing or installing solar  
29 generating facilities for low-income households that maximize financial benefits to those  
30 households; and

31 (G) an electric cooperative or a municipality that is an electric utility (as such terms are  
32 defined in section 3 of the Federal Power Act).

33 (6) Eligible installation project.—The term “eligible installation project” means a project  
34 to install and operate a covered facility.

35 (7) Eligible planning project.—The term “eligible planning project” means a project to  
36 carry out pre-installation activities for the development of a covered facility.

37 (8) Eligible project.—The term “eligible project” means—

38 (A) an eligible planning project; or

1           ~~(B) an eligible installation project.~~

2           ~~(9) Feasibility study.— The term “feasibility study” means a study or assessment that~~  
3 ~~determines the feasibility of a specific solar generating facility, including a customer-~~  
4 ~~interest assessment and a siting assessment, as determined by the Secretary.~~

5           ~~(10) Indian tribe.— The term “Indian Tribe” means any Indian Tribe, band, nation, Tribal~~  
6 ~~Organization, or other organized group or community, including any Alaska Native village,~~  
7 ~~Regional Corporation, or Village Corporation, that is recognized as eligible for the special-~~  
8 ~~programs and services provided by the United States to Indians because of their status as~~  
9 ~~Indians.~~

10          ~~(11) Interconnection service.— The term “interconnection service” has the meaning given~~  
11 ~~such term in section 111(d)(15) of the Public Utility Regulatory Policies Act of 1978 (16~~  
12 ~~U.S.C. 2621(d)(15)).~~

13          ~~(12) Low income household.— The term “low income household” means a household~~  
14 ~~with an income that—~~

15           ~~(A) is at or below 80 percent of the area median income, or 200 percent of the Federal~~  
16 ~~poverty level, whichever is higher, except that the Secretary may establish a higher level if~~  
17 ~~the Secretary determines that such a higher level is necessary to carry out the purposes of~~  
18 ~~this section; or~~

19           ~~(B) if the State in which the household is located elects, is the basis for eligibility for~~  
20 ~~assistance under the Low Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et~~  
21 ~~seq.), provided that such basis is at least 200 percent of the Federal poverty level.~~

22          ~~(13) Multi-family affordable housing complex.— The term “multi-family affordable~~  
23 ~~housing complex” means any federally subsidized affordable housing complex in which at~~  
24 ~~least 50 percent of the units are reserved for low income households.~~

25          ~~(14) Native hawaiian community based organization.— The term “Native Hawaiian~~  
26 ~~community based organization” means any organization that is composed primarily of~~  
27 ~~Native Hawaiians from a specific community and that assists in the social, cultural, and~~  
28 ~~educational development of Native Hawaiians in that community.~~

29          ~~(15)(5) SECRETARY.— The term “Secretary” means the Secretary of Energy.~~

30 ~~(16) Solar generating facility.— The term “solar generating~~  
31 ~~facility” means—~~ **PART 8—OTHER ENERGY MATTERS**

32 ~~(A) a generator that creates electricity from photons; and~~

33 ~~(B) the accompanying hardware enabling that electricity to~~  
34 ~~flow—~~

35 ~~(i) onto the electric grid;~~

36 ~~(ii) into a facility or structure; or~~

1 ~~(iii) into an energy storage device.~~

2 ~~(17) State. The term “State” means each of the 50 States, the~~  
3 ~~District of Columbia, Guam, the Commonwealth of Puerto Rico,~~  
4 ~~the Northern Mariana Islands, the Virgin Islands, and American~~  
5 ~~Samoa.~~

6 ~~(18) Subscriber. The term “subscriber” means a person who~~

7 ~~(A) owns a community solar subscription, or an equivalent unit~~  
8 ~~or share of the capacity or generation of a community solar~~  
9 ~~facility; or~~

10 ~~(B) is a member of a low-income household that financially~~  
11 ~~benefits from a community solar facility, even if the person does~~  
12 ~~not own a community solar subscription for the facility.~~

13 ~~(19) Underserved area. The term “underserved area” means~~

14 ~~(A) a geographical area with low or no photovoltaic solar~~  
15 ~~deployment, as determined by the Secretary;~~

16 ~~(B) a geographical area that has low or no access to electricity,~~  
17 ~~as determined by the Secretary;~~

18 ~~(C) a geographical area with a high energy burden, as~~  
19 ~~determined by the Secretary; or~~

20 ~~(D) trust land, as defined in section 3765 of title 38, United~~  
21 ~~States Code.~~

22 ~~SEC. 30484. SEC. 30481. OVERSIGHT.~~

23 In addition to amounts otherwise available, there is appropriated to the Department of Energy  
24 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000  
25 \$5,000,000, to remain available until September 30, 2031 ~~(except that no funds shall be disbursed~~  
26 ~~after September 30, 2031),~~ for oversight by the Department of Energy Office of Inspector  
27 General of the Department of Energy activities for which funding is appropriated in this subtitle.

28 **SEC. 30482. ENERGY INFORMATION**  
29 **ADMINISTRATION.**

1 In addition to amounts otherwise available, there is appropriated to the Administrator of  
2 the Energy Information Administration for fiscal year 2022, out of any money in the  
3 Treasury not otherwise appropriated, \$40,000,000, to remain available until September 30,  
4 2031, for data collection, research, and analysis activities.

## 5 **Subtitle E—Affordable Subtitle F—Affordable Health Care** 6 **Coverage**

### 7 **SEC. 30601. ENSURING AFFORDABILITY OF COVERAGE** 8 **FOR CERTAIN LOW-INCOME POPULATIONS.**

9 (a) Reducing Cost Sharing Under Qualified Health Plans.—Section 1402 of the Patient  
10 Protection and Affordable Care Act (42 U.S.C. 18071) is amended—

11 (1) in subsection (b)—

12 (A) in paragraph (2), by inserting “(or, with respect to plan years 2023 ~~and~~, 2024,  
13 **and 2025**, whose household income does not exceed 400 percent of the poverty line  
14 for a family of the size involved)” before the period; and

15 (B) in the matter following paragraph (2), by adding at the end the following new  
16 sentence: “In the case of an individual ~~with~~ **who is determined at any point to have a**  
17 household income **for 2022** that does not exceed 138 percent of the poverty line for a  
18 family of the size involved ~~for any month occurring during the period beginning on~~  
19 ~~January 1, 2022, and ending on December 31, 2022~~, such individual shall, for ~~such~~  
20 ~~month and for each succeeding~~ **each** month during such ~~period year~~, be treated as  
21 having a household income equal to 100 percent for purposes of applying this  
22 section.”; and

23 (2) in subsection (c)—

24 (A) in paragraph (1)(A), in the matter preceding clause (i), by inserting “, with  
25 respect to eligible insureds (other than, with respect to plan years 2023 ~~and~~, 2024, **and**  
26 **2025**, specified enrollees (as defined in paragraph (6)(C))),” after “first be achieved”;

27 (B) in paragraph (2), in the matter preceding subparagraph (A), by inserting “with  
28 respect to eligible insureds (other than, with respect to plan years 2023 ~~and~~, 2024, **and**  
29 **2025**, specified enrollees)” after “under the plan”;

30 (C) in paragraph (3)—

31 (i) in subparagraph (A), by striking “this subsection” and inserting “paragraph  
32 (1) or (2)”;

33 (ii) in subparagraph (B), by striking “this section” and inserting “paragraphs (1)  
34 and (2)”;

35 (D) by adding at the end the following new paragraph:

36 “(6) SPECIAL RULE FOR SPECIFIED ENROLLEES.—

37 “(A) IN GENERAL.—The Secretary shall establish procedures under which the issuer  
38 of a qualified health plan to which this section applies shall reduce cost-sharing under

1 the plan with respect to months occurring during plan years 2023 ~~and~~, 2024, **and 2025**  
2 for enrollees who are specified enrollees (as defined in subparagraph (C)) in a manner  
3 sufficient to increase the plan's share of the total allowed costs of benefits provided  
4 under the plan to 99 percent of such costs.

5 “(B) METHODS FOR REDUCING COST SHARING.—

6 “(i) IN GENERAL.—An issuer of a qualified health plan making reductions under  
7 this paragraph shall notify the Secretary of such reductions and the Secretary  
8 shall, out of funds made available under clause (ii), make periodic and timely  
9 payments to the issuer equal to 12 percent of the total allowed costs of benefits  
10 provided under each such plan to specified enrollees during plan years 2023 ~~and~~,  
11 2024, **and 2025**.

12 “(ii) APPROPRIATION.—In addition to amounts otherwise available, there are  
13 appropriated, out of any money in the Treasury not otherwise appropriated, such  
14 sums as may be necessary to the Secretary to make payments under clause (i).

15 “(C) SPECIFIED ENROLLEE DEFINED.—For purposes of this section, the term  
16 ‘specified enrollee’ means, with respect to ~~a month occurring during~~ a plan year, an  
17 eligible insured **with who is determined at any point to have** a household income **for**  
18 **such plan year** that does not exceed 138 percent of the poverty line for a family of the  
19 size involved ~~during such month~~. Such insured shall be deemed to be a specified  
20 enrollee for each ~~succeeding~~ month in such plan year.”.

21 (b) Open Enrollments Applicable to Certain Lower-income Populations.—Section 1311(c) of  
22 the Patient Protection and Affordable Care Act (42 U.S.C. 18031(c)) is amended—

23 (1) in paragraph (6)—

24 (A) in subparagraph (C), by striking at the end “and”;

25 (B) in subparagraph (D), by striking the period at the end and inserting “; and”; and

26 (C) by adding at the end the following new subparagraph:

27 “(E) with respect to a qualified health plan with respect to which section 1402  
28 applies, for months occurring during the period beginning on January 1, 2022, and  
29 ending on December 31, ~~2024~~ **2025**, enrollment periods described in subparagraph (A)  
30 of paragraph (8) for individuals described in subparagraph (B) of such paragraph.”;  
31 and

32 (2) by adding at the end the following new paragraph:

33 “(8) SPECIAL ENROLLMENT PERIOD FOR CERTAIN LOW-INCOME POPULATIONS.—

34 “(A) IN GENERAL.—The enrollment period described in this paragraph is, in the case  
35 of an individual described in subparagraph (B), the continuous period beginning on the  
36 first day that such individual is so described.

37 “(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual  
38 described in this subparagraph is an individual—

39 “(i) with a household income that does not exceed 138 percent of the poverty  
40 line for a family of the size involved; and

1           “(ii) who is not eligible for minimum essential coverage (as defined in section  
2           5000A(f) of the Internal Revenue Code of 1986), other than for coverage  
3           described in any of subparagraphs (B) through (E) of paragraph (1) of such  
4           section.”.

5           (c) Additional Benefits for Certain Low-income Individuals for Plan Year ~~2024~~.—~~Section~~  
6           **Years 2024 and 2025**.—**Section** 1301(a) of the Patient Protection and Affordable Care Act (42  
7           U.S.C. 18021(a)) is amended—

8           (1) in paragraph (1)—

9           (A) in subparagraph (B), by striking “and” at the end;

10          (B) in subparagraph (C)(iv), by striking the period and inserting “; and”; and

11          (C) by adding at the end the following new subparagraph:

12           “(D) provides, with respect to a plan offered in the silver level of coverage to which  
13           section 1402 applies during plan year 2024 **and 2025**, for benefits described in  
14           paragraph (5) in the case of an individual who, ~~for a month during such plan year~~, has  
15           a household income that does not exceed 138 percent of the poverty line for a family of  
16           the size involved, and who is eligible to receive cost-sharing reductions under section  
17           1402.”; and

18          (2) by adding at the end the following new paragraph:

19           “(5) **ADDITIONAL BENEFITS FOR CERTAIN LOW-INCOME INDIVIDUALS FOR PLAN YEAR**  
20           ~~2024~~.— **2024 AND 2025**.—

21           “(A) ~~IN GENERAL~~.—~~FOR GENERAL~~.—

22           “(i) **BENEFITS**.—**For** purposes of paragraph (1)(D), the benefits described in  
23           this paragraph to be provided by a qualified health plan are benefits consisting of  
24           of—

25           “(I) non-emergency medical transportation services (as described in  
26           section 1902(a)(4) ~~) and services described in subsection (a)(4)(C) of section~~  
27           **1905 of the Social Security Act) for which Federal payments would have**  
28           **been available under title XIX** of the Social Security Act, ~~without any~~  
29           ~~restriction on the choice of a qualified provider from whom such an~~  
30           ~~individual so enrolled in such plan may receive such~~ **had such services been**  
31           **furnished to an individual enrolled under a State plan (or waiver of such**  
32           **plan) under such title; and**

33           “(II) services described in ~~such subsection, and without any imposition of~~  
34           ~~cost sharing~~, **subsection (a)(4)(C) of section 1905 of such Act for which**  
35           **Federal payments would have been so available;**

36           which are not otherwise provided under such plan as part of the essential health  
37           benefits package described in section 1302(a).

38           “(ii) **CONDITION ON PROVISION OF BENEFITS**.—**Benefits described in this**  
39           **paragraph shall be provided—**

40           “(I) **without any restriction on the choice of a qualified provider from**

1 **whom an individual may receive such benefits; and**

2 **“(II) without any imposition of cost sharing.**

3 **“(B) PAYMENTS FOR ADDITIONAL BENEFITS.—**

4 **“(i) IN GENERAL.—**An issuer of a qualified health plan making payments for  
5 services described in subparagraph (A) furnished to individuals described in  
6 paragraph (1)(D) during plan year 2024 **or 2025** shall notify the Secretary of such  
7 payments and the Secretary shall, out of funds made available under clause (ii),  
8 make periodic and timely payments to the issuer equal to payments for such  
9 services so furnished.

10 **“(ii) APPROPRIATION.—**In addition to amounts otherwise available, there is  
11 appropriated, out of any money in the Treasury not otherwise appropriated, such  
12 sums as may be necessary to the Secretary to make payments under clause (i).”.

13 (d) Education and Outreach Activities.—

14 (1) IN GENERAL.—Section 1321(c) of the Patient Protection and Affordable Care Act (42  
15 U.S.C. 18041(c)) is amended by adding at the end the following new paragraph:

16 **“(3) OUTREACH AND EDUCATIONAL ACTIVITIES.—**

17 **“(A) IN GENERAL.—**In the case of an Exchange established or operated by the  
18 Secretary within a State pursuant to this subsection, the Secretary shall carry out  
19 outreach and educational activities for purposes of informing individuals described in  
20 section 1902(a)(10)(A)(i)(VIII) of the Social Security Act who reside in States that  
21 have not expended amounts under a State plan (or waiver of such plan) under title XIX  
22 of such Act for all such individuals about qualified health plans offered through the  
23 Exchange, including by informing such individuals of the availability of coverage  
24 under such plans and financial assistance for coverage under such plans. Such outreach  
25 and educational activities shall be provided in a manner that is culturally and  
26 linguistically appropriate to the needs of the populations being served by the Exchange  
27 (including hard-to-reach populations, such as racial and sexual minorities, limited  
28 English proficient populations, individuals residing in areas where the unemployment  
29 rates exceeds the national average unemployment rate, individuals in rural areas,  
30 veterans, and young adults).

31 **“(B) LIMITATION ON USE OF FUNDS.—**No funds appropriated under this paragraph  
32 shall be used for expenditures for promoting non-ACA compliant health insurance  
33 coverage.

34 **“(C) NON-ACA COMPLIANT HEALTH INSURANCE COVERAGE.—**For purposes of  
35 subparagraph (B):

36 **“(i) The term ‘non-ACA compliant health insurance coverage’ means health**  
37 **insurance coverage, or a group health plan, that is not a qualified health plan.**

38 **“(ii) Such term includes the following:**

39 **“(I) An association health plan.**

40 **“(II) Short-term limited duration insurance.**



1           “(D) FUNDING.—In addition to amounts otherwise available, there is appropriated,  
2           out of any money in the Treasury not otherwise appropriated, to remain available until  
3           expended, ~~\$15,000,000~~ **\$105,000,000** for fiscal year 2022, ~~and \$30,000,000~~ **to carry**  
4           **out this paragraph, of which—**

5                       **“(i) \$15,000,000 shall be used to carry out this paragraph in fiscal year**  
6                       **2022; and**

7                       **“(ii) \$30,000,000 shall be used to carry out this paragraph** for each of fiscal  
8                       **years 2023 and 2024, to carry out this paragraph.” through 2025.”.**

9           (2) NAVIGATOR PROGRAM.—Section 1311(i)(6) of the Patient Protection and Affordable  
10           Care Act (42 U.S.C. 18031(i)(6)) is amended—

11                   (A) by striking “FUNDING.—Grants under” and inserting “FUNDING.—

12                   “(A) STATE EXCHANGES.—Grants under”; and

13                   (B) by adding at the end the following new subparagraph:

14                   “(B) FEDERAL EXCHANGES.—For purposes of carrying out this subsection, with  
15                   respect to an Exchange established and operated by the Secretary within a State  
16                   pursuant to section 1321(c), the Secretary shall obligate **not less than** \$10,000,000 out  
17                   of amounts collected through the user fees on participating health insurance issuers  
18                   pursuant to section 156.50 of title 45, Code of Federal Regulations (or any successor  
19                   regulations) for fiscal year 2022, and **not less than** \$20,000,000 for each of fiscal years  
20                   2023 ~~and~~, 2024, **and 2025**. Such amount so obligated for a fiscal year shall remain  
21                   available until expended.”.

22           ~~SEC. 30602. TEMPORARY EXPANSION OF HEALTH INSURANCE PREMIUM TAX-~~  
23           ~~CREDITS FOR CERTAIN LOW-INCOME POPULATIONS.~~

24           (a) ~~In General.~~—Section 36B is amended by redesignating subsection (h) as subsection (i) and  
25           by inserting after subsection (g) the following new subsection:

26                   “(h) ~~Certain Temporary Rules for 2022 Through 2024.~~—With respect to any taxable year  
27                   beginning after December 31, 2021, and before January 1, 2025—

28                   “(1) ~~Eligibility for credit not limited based on income.~~—Section 36B(c)(1)(A) shall be  
29                   disregarded in determining whether a taxpayer is an applicable taxpayer.

30                   “(2) ~~Credit allowed to certain low-income employees offered employer provided-~~  
31                   ~~coverage.~~—Subclause (II) of subsection (c)(2)(C)(i) shall not apply if the taxpayer’s household  
32                   income does not exceed 138 percent of the poverty line for a family of the size involved. The last  
33                   sentence of such subsection shall also apply for purposes of this paragraph. Subclause (II) of  
34                   subsection (c)(2)(C)(i) shall also not apply to an individual described in the last sentence of such  
35                   subsection if the taxpayer’s household income does not exceed 138 percent of the poverty line  
36                   for a family of the size involved.

37                   “(3) ~~Credit allowed to certain low-income employees offered qualified small employer health-~~  
38                   ~~reimbursement arrangements.~~—A qualified small employer health reimbursement arrangement  
39                   shall not be treated as constituting affordable coverage for an employee (or any spouse or  
40                   dependent of such employee) for any months of a taxable year if the employee’s household  
41                   income for such taxable year does not exceed 138 percent of the poverty line for a family of the

1 size involved.

2 ~~“(4) Limitations on recapture.—~~

3 ~~“(A) In general.— In the case of a taxpayer whose household income is less than 200 percent~~  
4 ~~of the poverty line for the size of the family involved for the taxable year, the amount of the~~  
5 ~~increase under subsection (f)(2)(A) shall in no event exceed \$300 (one half of such amount in~~  
6 ~~the case of a taxpayer whose tax is determined under section 1(c) for the taxable year).~~

7 ~~“(B) Limitation on increase for certain non filers.— In the case of any taxpayer who would not~~  
8 ~~be required to file a return of tax for the taxable year but for any requirement to reconcile~~  
9 ~~advance credit payments under subsection (f), if an Exchange established under title I of the~~  
10 ~~Patient Protection and Affordable Care Act has determined that—~~

11 ~~“(i) such taxpayer is eligible for advance payments under section 1412 of such Act for any~~  
12 ~~portion of such taxable year, and~~

13 ~~“(ii) such taxpayer’s household income for such taxable year is projected to not exceed 138~~  
14 ~~percent of the poverty line for a family of the size involved,~~

15 ~~subsection (f)(2)(A) shall not apply to such taxpayer for such taxable year and such taxpayer~~  
16 ~~shall not be required to file such return of tax.~~

17 ~~“(C) Information provided by exchange.— The information required to be provided by an~~  
18 ~~Exchange to the Secretary and to the taxpayer under subsection (f)(3) shall include such~~  
19 ~~information as is necessary to determine whether such Exchange has made the determinations~~  
20 ~~described in clauses (i) and (ii) of subparagraph (B) with respect to such taxpayer.”.~~

21 ~~(b) Employer Shared Responsibility Provision Not Applicable With Respect to Certain~~  
22 ~~Low income Taxpayers Receiving Premium Assistance.— Section 4980H(c)(3) is amended to~~  
23 ~~read as follows:~~

24 ~~“(3) Applicable premium tax credit and cost sharing reduction.—~~

25 ~~“(A) In general.— The term ‘applicable premium tax credit and cost sharing reduction’~~  
26 ~~means—~~

27 ~~“(i) any premium tax credit allowed under section 36B,~~

28 ~~“(ii) any cost sharing reduction under section 1402 of the Patient Protection and Affordable~~  
29 ~~Care Act, and~~

30 ~~“(iii) any advance payment of such credit or reduction under section 1412 of such Act.~~

31 ~~“(B) Exception with respect to certain low income taxpayers.— Such term shall not include~~  
32 ~~any premium tax credit, cost sharing reduction, or advance payment otherwise described in~~  
33 ~~subparagraph (A) if such credit, reduction, or payment is allowed or paid for a taxable year of an~~  
34 ~~employee (beginning after December 31, 2021, and before January 1, 2025) with respect to~~  
35 ~~which—~~

36 ~~“(i) an Exchange established under title I of the Patient Protection and Affordable Care Act~~  
37 ~~has determined that such employee’s household income for such taxable year is projected to not~~  
38 ~~exceed 138 percent of the poverty line for a family of the size involved, or~~

39 ~~“(ii) such employee’s household income for such taxable year does not exceed 138 percent of~~  
40 ~~the poverty line for a family of the size involved.”.~~

1 ~~(e) Effective Date.—The amendments made by this section shall apply to taxable years~~  
2 ~~beginning after December 31, 2021.~~

3 ~~SEC. 30603(e) Funding.—In addition to amounts otherwise available, there is~~  
4 ~~appropriated to the Secretary of Health and Human Services for fiscal year 2022, out of~~  
5 ~~any money in the Treasury not otherwise appropriated, \$65,000,000, to remain available~~  
6 ~~until expended, for purposes of carrying out the provisions of, and the amendments made~~  
7 ~~by, this section, section 30602, and section 30603.~~

8 **SEC. 30602. ESTABLISHING A HEALTH INSURANCE**  
9 **AFFORDABILITY FUND.**

10 (a) In General.—Subtitle D of title I of the Patient Protection and Affordable Care Act is  
11 amended by inserting after ~~part 5 section 1343~~ (42 U.S.C. ~~18061 et seq.~~) **18063** the following  
12 new part:

13 **“PART 6—IMPROVE HEALTH INSURANCE**  
14 **AFFORDABILITY FUND**

15 **“SEC. 1351. ESTABLISHMENT OF PROGRAM.**

16 “There is hereby established the ‘Improve Health Insurance Affordability Fund’ to be  
17 administered by the Secretary of Health and Human Services, acting through the Administrator  
18 of the Centers for Medicare & Medicaid Services (in this section referred to as the  
19 ‘Administrator’), to provide funding, in accordance with this part, to the 50 States and the  
20 District of Columbia (each referred to in this section as a ‘State’) beginning on January 1, 2023,  
21 for the purposes described in section 1352.

22 **“SEC. 1352. USE OF FUNDS.**

23 “(a) In General.—A State shall use the funds allocated to the State under this part for one of  
24 the following purposes:

25 “(1) To provide reinsurance payments to health insurance issuers with respect to  
26 individuals enrolled under individual health insurance coverage (other than through a plan  
27 described in subsection (b)) offered by such issuers.

28 “(2) To provide assistance (other than through payments described in paragraph (1)) to  
29 reduce out-of-pocket costs, such as copayments, coinsurance, premiums, and deductibles, of  
30 individuals enrolled under qualified health plans offered on the individual market through  
31 an Exchange and of individuals enrolled under standard health plans offered through a basic  
32 health program established under section 1331.

33 “(b) Exclusion of Certain Grandfathered Plans, Transitional Plans, Student Health Plans, and  
34 Excepted Benefits.—For purposes of subsection (a), a plan described in this subsection is the  
35 following:

36 “(1) A grandfathered health plan (as defined in section 1251).

37 “(2) A plan (commonly referred to as a ‘transitional plan’) continued under the letter  
38 issued by the Centers for Medicare & Medicaid Services on November 14, 2013, to the

1 State Insurance Commissioners outlining a transitional policy for coverage in the individual  
2 and small group markets to which section 1251 does not apply, and under the extension of  
3 the transitional policy for such coverage set forth in the Insurance Standards Bulletin Series  
4 guidance issued by the Centers for Medicare & Medicaid Services on March 5, 2014,  
5 February 29, 2016, February 13, 2017, April 9, 2018, March 25, 2019, January 31, 2020,  
6 and January 19, 2021, or under any subsequent extensions thereof.

7 “(3) Student health insurance coverage (as defined in section 147.145 of title 45, Code of  
8 Federal Regulations, or any successor regulation).

9 “(4) Excepted benefits (as defined in section 2791(c) of the Public Health Service Act).

## 10 “SEC. 1353. STATE ELIGIBILITY AND APPROVAL; 11 DEFAULT SAFEGUARD.

12 “(a) Encouraging State Options for Allocations.—

13 “(1) IN GENERAL.—Subject to subsection (b), to be eligible for an allocation of funds  
14 under this part for a year (beginning with 2023), a State shall submit to the Administrator an  
15 application at such time (but, in the case of allocations for 2023, not later than 120 days  
16 after the date of the enactment of this part and, in the case of allocations for a subsequent  
17 year, not later than January 1 of the previous year) and in such form and manner as  
18 specified by the Administrator containing—

19 “(A) a description of how the funds will be used; and

20 “(B) such other information as the Administrator may require.

21 “(2) AUTOMATIC APPROVAL.—An application so submitted is approved (as outlined in the  
22 terms of the plan) unless the Administrator notifies the State submitting the application, not  
23 later than 90 days after the date of the submission of such application, that the application  
24 has been denied for not being in compliance with any requirement of this part and of the  
25 reason for such denial.

26 “(3) ~~5-SUBSEQUENT YEAR APPLICATION APPROVAL.~~—If an application of a State is  
27 approved for a purpose described in section 1352 for a year, such application shall be  
28 treated as approved for such purpose for each of ~~the~~ subsequent ~~4 years~~ **year through 2025**.

29 “(4) OVERSIGHT AUTHORITY AND AUTHORITY TO REVOKE APPROVAL.—

30 “(A) OVERSIGHT.—The Secretary may conduct periodic reviews of the use of funds  
31 provided to a State under this section, with respect to a purpose described in section  
32 1352, to ensure the State uses such funds for such purpose and otherwise complies  
33 with the requirements of this section.

34 “(B) REVOCATION OF APPROVAL.—The approval of an application of a State, with  
35 respect to a purpose described in section 1352, may be revoked if the State fails to use  
36 funds provided to the State under this section for such purpose or otherwise fails to  
37 comply with the requirements of this section.

38 “(b) Default Federal Safeguard for 2023 ~~and~~, 2024, **and 2025** for Certain States.—

39 “(1) IN GENERAL.—For 2023 ~~and~~, 2024, **and 2025**, in the case of a State described in

1 paragraph (5), with respect to such year, the State shall not be eligible to submit an  
2 application under subsection (a), and the Administrator, in consultation with the applicable  
3 State authority, shall from the amount calculated under paragraph (3) for such year, carry  
4 out the purpose described in paragraph (2) in such State for such year.

5 “(2) SPECIFIED USE.—The amount described in paragraph (3), with respect to a State  
6 described in paragraph (5) for 2023 ~~or~~, 2024, **or 2025**, shall be used to carry out the purpose  
7 described in section 1352(a)(1) in such State for such year, as applicable, by providing  
8 reinsurance payments to health insurance issuers with respect to attachment range claims (as  
9 defined in section 1354(b)(2), using the dollar amounts specified in subparagraph (B) of  
10 such section for such year) in an amount equal to, subject to paragraph (4), the percentage  
11 (specified for such year by the Secretary under such subparagraph) of the amount of such  
12 claims.

13 “(3) AMOUNT DESCRIBED.—The amount described in this paragraph, with respect to 2023  
14 ~~or~~, 2024, **or 2025**, is the amount equal to the total sum of amounts that the Secretary would  
15 otherwise estimate under section 1354(b)(2)(A)(i) for such year for each State described in  
16 paragraph (5) for such year, as applicable, if each such State were not so described for such  
17 year.

18 “(4) ADJUSTMENT.—For purposes of this subsection, the Secretary may apply a  
19 percentage under paragraph (3) with respect to a year that is less than the percentage  
20 otherwise specified in section 1354(b)(2)(B) for such year, if the cost of paying the total  
21 eligible attachment range claims for States described in paragraph (5) for such year at such  
22 percentage otherwise specified would exceed the amount calculated under paragraph (3) for  
23 such year.

24 “(5) STATE DESCRIBED.—A State described in this paragraph, with respect to years 2023  
25 ~~and~~, 2024, **and 2025**, is a State that, as of January 1 of 2022 ~~or~~, 2023, **or 2024**, respectively,  
26 was not expending amounts under the State plan (or waiver of such plan) for all individuals  
27 described in section 1902(a)(10)(A)(i)(VIII) during such year.

## 28 “SEC. 1354. ALLOCATIONS.

29 “(a) Appropriation.—In addition to amounts otherwise available, there is appropriated, out of  
30 any money in the Treasury not otherwise appropriated, \$10,000,000,000 for 2023 and each  
31 subsequent year **through 2025** to provide allocations for States under subsection (b) and  
32 payments under section 1353(b).

33 “(b) Allocations.—

34 “(1) PAYMENT.—

35 “(A) IN GENERAL.—From amounts appropriated under subsection (a) for a year, the  
36 Secretary shall, with respect to a State not described in section 1353(b) for such year  
37 and not later than the date specified under subparagraph (B) for such year, allocate for  
38 such State the amount determined for such State and year under paragraph (2).

39 “(B) SPECIFIED DATE.—For purposes of subparagraph (A), the date specified in this  
40 subparagraph is—

41 “(i) for 2023, the date that is 90 days after the date of the enactment of this part;

1 and

2 “(ii) for 2024 or a subsequent year **2025**, January 1 of the previous year.

3 “(C) NOTIFICATIONS OF ALLOCATION AMOUNTS.—For 2024 and ~~each subsequent~~  
4 ~~year~~ **2025**, the Secretary shall notify each State of the amount determined for such  
5 State under paragraph (2) for such year by not later than January 1 of the previous  
6 year.

7 “(2) ALLOCATION AMOUNT DETERMINATIONS.—

8 “(A) IN GENERAL.—For purposes of paragraph (1), the amount determined under  
9 this paragraph for a year for a State described in paragraph (1)(A) for such year is the  
10 amount equal to—

11 “(i) the amount that the Secretary estimates would be expended under this part  
12 for such year on attachment range claims of individuals residing in such State if  
13 such State used such funds only for the purpose described in paragraph (1) of  
14 section 1352(a) at the dollar amounts and percentage specified under  
15 subparagraph (B) for such year; minus

16 “(ii) the amount, if any, by which the Secretary determines—

17 “(I) the estimated amount of premium tax credits under section 36B of the  
18 Internal Revenue Code of 1986 that would be attributable to individuals  
19 residing in such State for such year without application of this part; exceeds

20 “(II) the estimated amount of premium tax credits under section 36B of the  
21 Internal Revenue Code of 1986 that would be attributable to individuals  
22 residing in such State for such year if section 1353(b) applied for such year  
23 and applied with respect to such State for such year.

24 For purposes of the previous sentence and section 1353(b)(3), the term ‘attachment  
25 range claims’ means, with respect to an individual, the claims for such individual that  
26 exceed a dollar amount specified by the Secretary for a year, but do not exceed a  
27 ceiling dollar amount specified by the Secretary for such year, under subparagraph (B).

28 “(B) SPECIFICATIONS.—For purposes of subparagraph (A) and section 1353(b)(3),  
29 the Secretary shall determine the dollar amounts and the percentage to be specified  
30 under this subparagraph for a year in a manner to ensure that the total amount of  
31 expenditures under this part for such year is estimated to equal the total amount  
32 appropriated for such year under subsection (a) if such expenditures were used solely  
33 for the purpose described in paragraph (1) of section 1352(a) for attachment range  
34 claims at the dollar amounts and percentage so specified for such year.

35 “(3) AVAILABILITY.—Funds allocated to a State under this subsection for a year shall  
36 remain available through the end of the subsequent year.”.

37 (b) Basic Health Program Funding Adjustments.—Section 1331 of the Patient Protection and  
38 Affordable Care Act (42 U.S.C. 18051) is amended—

39 (1) in subsection (a), by adding at the end the following new paragraph:

40 “(3) PROVISION OF INFORMATION ON QUALIFIED HEALTH PLAN PREMIUMS.—

1           “(A) IN GENERAL.—For plan years beginning on or after January 1, 2023, the  
2           program described in paragraph (1) shall provide that a State may not establish a basic  
3           health program unless such State furnishes to the Secretary, with respect to each  
4           qualified health plan offered in such State during a year that receives any reinsurance  
5           payment from funds made available under part 6 for such year, the adjusted premium  
6           amount (as defined in subparagraph (B)) for each such plan and year.

7           “(B) ADJUSTED PREMIUM AMOUNT DEFINED.—For purposes of subparagraph (A), the  
8           term ‘adjusted premium amount’ means, with respect to a qualified health plan and a  
9           year, the monthly premium for such plan and year that would have applied had such  
10          plan not received any payments described in subparagraph (A) for such year.”; and

11          (2) in subsection (d)(3)(A)(ii), by adding at the end the following new sentence: “In  
12          making such determination, the Secretary shall calculate the value of such premium tax  
13          credits that would have been provided to such individuals enrolled through a basic health  
14          program established by a State during a year using the adjusted premium amounts (as  
15          defined in subsection (a)(3)(B)) for qualified health plans offered in such State during such  
16          year.”.

17          ~~Subtitle G—Medicaid~~

18          ~~PART 1—FEDERAL MEDICAID PROGRAM TO CLOSE THE COVERAGE GAP~~

19          ~~SEC. 30701. CLOSING THE MEDICAID COVERAGE GAP.~~

20          ~~(a) Federal Medicaid Program to Close Coverage Gap in Nonexpansion States.—Title XIX of~~  
21          ~~the Social Security Act (42 U.S.C. 1396 et seq.) is amended by adding at the end the following~~  
22          ~~new section:~~

23          ~~“SEC. 1948. FEDERAL MEDICAID PROGRAM TO CLOSE COVERAGE GAP IN-~~  
24          ~~NONEXPANSION STATES.~~

25          ~~“(a) Establishment.—Not later than January 1, 2025, the Secretary shall establish a program~~  
26          ~~(in this section referred to as the ‘Federal Medicaid program’ or the ‘Program’ under which, in~~  
27          ~~the case of a State that the Secretary determines (based on the State plan under this title, waiver~~  
28          ~~of such plan, or other relevant information) is not expected to expend amounts under the State~~  
29          ~~plan (or waiver of such plan) for all individuals who would be entitled to medical assistance~~  
30          ~~pursuant to section 1902(a)(10)(A)(i)(VIII) during a year (beginning with 2025), (in this section~~  
31          ~~defined as ‘a coverage gap State’, with respect to such year), the Secretary shall (including~~  
32          ~~through contract with eligible entities (as specified by the Secretary), consistent with subsection~~  
33          ~~(b)) provide for the offering to such individuals residing in such State of health benefits. The~~  
34          ~~Federal Medicaid program shall be offered in a coverage gap State for each quarter during the~~  
35          ~~period beginning on January 1 of such year, and ending with the last day of the first quarter~~  
36          ~~during which the State provides medical assistance to all such individuals under the State plan~~  
37          ~~(or waiver of such plan). Under the Federal Medicaid program, the Secretary—~~

38          ~~“(1) may use the Federally Facilitated Marketplace to facilitate eligibility determinations and~~  
39          ~~enrollments under the Federal Medicaid Program and shall establish a set of eligibility rules to be~~  
40          ~~applied under the Program in a manner consistent with section 1902(e)(14);~~

41          ~~“(2) shall establish benefits, beneficiary protections, and access to care standards by, at a~~  
42          ~~minimum—~~

1       ~~“(A) establishing a minimum set of health benefits to be provided (and providing such~~  
2 ~~benefits) under the Federal Medicaid program, which shall be in compliance with the~~  
3 ~~requirements of section 1937 and shall consist of benchmark coverage described in section~~  
4 ~~1937(b)(1) or benchmark equivalent coverage described in section 1937(b)(2) to the same extent~~  
5 ~~as medical assistance provided to such an individual under this title (without application of this~~  
6 ~~section) is required under section 1902(k)(1) to consist of such benchmark coverage or~~  
7 ~~benchmark equivalent coverage;~~

8       ~~“(B) applying the provisions of sections 1902(a)(8), 1902(a)(34), and 1943 with respect to~~  
9 ~~such an individual, health benefits under the Federal Medicaid program, and making application~~  
10 ~~for such benefits in the same manner as such provisions would apply to such an individual,~~  
11 ~~medical assistance under this title (other than pursuant to this section), and making application~~  
12 ~~for such medical assistance under this title (other than pursuant to this section); and providing~~  
13 ~~that redeterminations and appeals of eligibility and coverage determinations of items and~~  
14 ~~services (including benefit reductions, terminations, and suspension) shall be conducted under~~  
15 ~~the Federal Medicaid program in accordance with a Federal fair hearing process established by~~  
16 ~~the Secretary that is subject to the same requirements as applied under section 1902(a)(3) with~~  
17 ~~respect to redeterminations and appeals of eligibility, and with respect to coverage of items and~~  
18 ~~services (including benefit reductions, terminations, and suspension), under a State plan under~~  
19 ~~this title and that may provide for such fair hearings related to denials of eligibility (based on~~  
20 ~~modified adjusted gross income eligibility determinations) to be conducted through the Federally~~  
21 ~~Facilitated Marketplace for Exchanges;~~

22       ~~“(C) applying, in accordance with subsection (d), the provisions of section 1927 (other than~~  
23 ~~subparagraphs (B) and (C) of subsection (b)(1) of such section) with respect to the Secretary and~~  
24 ~~payment under the Federal Medicaid program for covered outpatient drugs with respect to a~~  
25 ~~rebate period in the same manner and to the same extent as such provisions apply with respect to~~  
26 ~~a State and payment under the State plan for covered outpatient drugs with respect to the rebate~~  
27 ~~period;~~

28       ~~“(D) applying the provisions of sections 1902(a)(14), 1902(a)(23), 1902(a)(47), and 1920~~  
29 ~~through 1920C (as applicable) to the Federal Medicaid program and such individuals enrolled in~~  
30 ~~and entitled to health benefits under such program in the same manner and to the same extent as~~  
31 ~~such provisions apply to such individuals eligible for medical assistance under the State plan,~~  
32 ~~and applying the provisions of section 1902(a)(30)(A) with respect to medical assistance~~  
33 ~~available under the Federal Medicaid program in the same manner and to the same extent as such~~  
34 ~~provisions apply to medical assistance under a State plan under this title, except that —~~

35       ~~“(i) the Secretary shall provide that no cost sharing shall be applied under the Federal~~  
36 ~~Medicaid program;~~

37       ~~“(ii) the Secretary may waive the provisions of subparagraph (A) of section 1902(a)(23) to the~~  
38 ~~extent deemed appropriate to facilitate the implementation of managed care;~~

39       ~~“(iii) in applying the provisions of section 1902(a)(47) and sections 1920 through 1920C, the~~  
40 ~~Secretary —~~

41       ~~“(I) shall establish a single presumptive eligibility process for individuals eligible under the~~  
42 ~~Federal Medicaid program, under which the Secretary may contract with entities to carry out~~  
43 ~~such process; and~~



1       ~~“(H) may apply such provisions and process in accordance with such phased in-~~  
2 ~~implementation as the Secretary deems necessary, but beginning as soon as practicable); and~~

3       ~~“(E) prohibiting payment from being available under the Federal Medicaid program for any~~  
4 ~~item or service subject to a payment exclusion under this title or title XI.~~

5       ~~“(b) Administration of Federal Medicaid Program Through Contracts With Medicaid Managed~~  
6 ~~Care Organization and Third Party Plan Administrator Requirements.—~~

7       ~~“(1) In general.—For the purpose of providing medical assistance to individuals described in~~  
8 ~~section 1902(a)(10)(A)(i)(VIII) enrolled under the Federal Medicaid program across all coverage~~  
9 ~~gap geographic areas (as defined in paragraph (8)) in which such individuals reside, the~~  
10 ~~Secretary shall solicit bids described in paragraph (2) and enter into contracts with a total of at~~  
11 ~~least 2 eligible entities (as specified by the Secretary, which may be a medicaid managed care~~  
12 ~~organization (in this section defined as a managed care organization described in section~~  
13 ~~1932(a)(1)(B)(i)), a third party plan administrator, or both). An eligible entity entering into a~~  
14 ~~contract with the Secretary under this paragraph may administer such benefits as a medicaid-~~  
15 ~~managed care organization (as so defined), in which case such contract shall be in accordance~~  
16 ~~with paragraph (3) with respect to such geographic area, or as a third party administrator, in~~  
17 ~~which case such contract shall be in accordance with paragraph (4) with respect to such~~  
18 ~~geographic area. The Secretary may so contract with a Medicaid managed care organization or~~  
19 ~~third party plan administrator in each coverage gap geographic area (and may specify which type~~  
20 ~~of eligible entity may bid with respect to a coverage gap geographic area or areas) and may~~  
21 ~~contract with more than one such eligible entity in the same coverage gap geographic area.~~

22       ~~“(2) Bids.—~~

23       ~~“(A) In general.—To be eligible to enter into a contract under this subsection, for a year, an~~  
24 ~~entity shall submit (at such time, in such manner, and containing such information as specified~~  
25 ~~by the Secretary) one or more bids to provide medical assistance under the Program in one or~~  
26 ~~more coverage gap geographic areas, which are actuarially sound and reflect the projected~~  
27 ~~monthly cost to the entity of providing medical assistance under the Program to an individual~~  
28 ~~enrolled under the Program in such a geographic area (or areas) for such year.~~

29       ~~“(B) Selection.—In selecting from bids submitted under subparagraph (A) for purposes of~~  
30 ~~entering into contracts with eligible entities under this subsection, with respect to a coverage gap~~  
31 ~~geographic area, the Secretary shall take into account at least each of the following, with respect~~  
32 ~~to each such bid:~~

33       ~~“(i) Network adequacy (as proposed in the submitted bid).~~

34       ~~“(ii) The amount, duration, and scope of benefits (such as value added services offered in the~~  
35 ~~submitted bid), as compared to the minimum set of benefits established by the Secretary under~~  
36 ~~subsection (a)(2)(A).~~

37       ~~“(iii) The amount of the bid, taking into account the average per member cost of providing~~  
38 ~~medical assistance under State plans under this title (or waivers of such plans) to individuals~~  
39 ~~enrolled in such plans (or waivers) who are at least 18 years of age and residing in the coverage~~  
40 ~~gap geographic area, as well as the average cost of providing medical assistance under State~~  
41 ~~plans under this title (and waivers of such plans) to individuals described in section~~  
42 ~~1902(a)(10)(A)(i)(VIII).~~

1       “(iv) The organizational capacity of the entity, the experience of the entity with Medicaid-  
2 managed care, the experience of the entity with Medicaid managed care for individuals described  
3 in section 1902(a)(10)(A)(i)(VIII), the performance of the entity (if available) on the adult core-  
4 set quality measures in States that are not coverage gap States.

5       “(3) Contract with medicaid managed care organization.—In the case of a contract under  
6 paragraph (1) between the Secretary and an eligible entity administering benefits under the  
7 Program as a Medicaid managed care organization, with respect to one or more coverage gap  
8 geographic areas, the following shall apply:

9       “(A) The provisions of clauses (i) through (xi) of section 1903(m)(2)(A), clause (xii) of such  
10 section (to the extent such clause relates to subsections (b), (d), (f), and (i) of section 1932), and  
11 clause (xiii) of such section 1903(m)(2)(A) shall, to the greatest extent practicable, apply to the  
12 contract, to the Secretary, and to the Medicaid managed care organization, with respect to  
13 providing medical assistance under the Federal Medicaid program with respect to such area (or  
14 areas), in the same manner and to the same extent as such provisions apply to a contract under  
15 section 1903(m) between a State and an entity that is a medicaid managed care organization (as  
16 defined in section 1903(m)(1)), to the State, and to the entity, with respect to providing medical  
17 assistance to individuals eligible for benefits under this title.

18       “(B) The provisions of section 1932(h) shall apply to the contract, Secretary, and Medicaid-  
19 managed care organization.

20       “(C) The contract shall provide that the entity pay claims in a timely manner and in  
21 accordance with the provisions of section 1902(a)(37).

22       “(D) The contract shall provide that the Secretary shall make payments under this section to  
23 the entity, with respect to coverage of each individual enrolled under the Program in such a  
24 coverage gap geographic area with respect to which the entity administers the Program in an  
25 amount specified in the contract, subject to subparagraph (D)(ii) and paragraph (6).

26       “(E) The contract shall require —

27       “(i) the application of a minimum medical loss ratio (as calculated under subsection (d) of  
28 section 438.8 of title 42, Code of Federal Regulations (or any successor regulation)) for payment  
29 for medical assistance administered by the managed care organization under the Program, with  
30 respect to a year, that is equal to or greater than 85 percent (or such higher percent as specified  
31 by the Secretary); and

32       “(ii) in the case, with respect to a year, the minimum medical loss ratio (as so calculated) for  
33 payment for services under the benefits so administered is less than 85 percent (or such higher  
34 percent as specified by the Secretary under clause (i)), remittance by the organization to the  
35 Secretary of any payments (or portions of payments) made to the organization under this section  
36 in an amount equal to the difference in payments for medical assistance, with respect to the year,  
37 resulting from the organization’s failure to meet such ratio for such year.

38       “(F) The contract shall require that the eligible entity submit to the Secretary —

39       “(i) the number of individuals enrolled in the Program with respect to each coverage gap  
40 geographic area and month with respect to which the contract applies;

41       “(ii) encounter data (disaggregated by race, ethnicity, and age) with respect to each coverage  
42 gap geographic area and month with respect to which the contract applies; and

1     ~~“(iii) such additional information as specified by the Secretary for purposes of payment,~~  
2 ~~program integrity, oversight, quality measurement, or such other purpose specified by the~~  
3 ~~Secretary.~~

4     ~~“(G) The contract shall require that the eligible entity perform any other activity identified by~~  
5 ~~the Secretary.~~

6     ~~“(4) Contract with a third party plan administrator.—~~

7     ~~“(A) In general.— In the case of a contract under paragraph (1) between the Secretary and an~~  
8 ~~eligible entity to administer the Program as a third party plan administrator, with respect to one~~  
9 ~~or more coverage gap geographic areas, such contract shall provide that, with respect to medical~~  
10 ~~assistance provided under the Federal Medicaid program to individuals who are enrolled in the~~  
11 ~~Program with respect to such area (or areas)—~~

12     ~~“(i) the third party plan administrator shall, consistent with such requirements as may be~~  
13 ~~established by the Secretary—~~

14     ~~“(I) establish provider networks, payment rates, and utilization management, consistent with~~  
15 ~~the provisions of section 1902(a)(30)(A), as applied by subsection (a)(4) of this section;~~

16     ~~“(II) pay claims in a timely manner and in accordance with the provisions of section~~  
17 ~~1902(a)(37);~~

18     ~~“(III) submit to the Secretary—~~

19     ~~“(aa) the number of individuals enrolled in the Program with respect to each coverage gap~~  
20 ~~geographic area and month with respect to which the contract applies;~~

21     ~~“(bb) encounter data (disaggregated by race, ethnicity, and age) with respect to each coverage~~  
22 ~~gap geographic area and month with respect to which the contract applies; and~~

23     ~~“(cc) such additional information as specified by the Secretary for purposes of payment,~~  
24 ~~program integrity, oversight, quality measurement, or such other purpose specified by the~~  
25 ~~Secretary; and~~

26     ~~“(IV) perform any other activity identified by the Secretary;~~

27     ~~“(ii) the Secretary shall make payments (for the claims submitted by the third party plan~~  
28 ~~administrator and for an economic and efficient administrative fee) under this section to the third~~  
29 ~~party plan administrator, with respect to coverage of each individual enrolled under the Program~~  
30 ~~in a coverage gap geographic area with respect to which the third party plan administrator~~  
31 ~~administers the Program in an amount determined under the contract, subject to subclause~~  
32 ~~(VI)(bb) and paragraph (7); and~~

33     ~~“(iii) the provisions of clause (xii) of section 1903(m)(2)(A) (to the extent such clause relates~~  
34 ~~to subsections (b), (d), (f), and (i) of section 1932) shall, to the greatest extent practicable, apply~~  
35 ~~to the contract, to the Secretary, and to the third party plan administrator, with respect to~~  
36 ~~providing medical assistance under the Federal Medicaid program with respect to such area (or~~  
37 ~~areas), in the same manner and to the same extent as such provisions apply to a contract under~~  
38 ~~section 1903(m) between a State and an entity that is a medicaid managed care organization (as~~  
39 ~~defined in section 1903(m)(1)), to the State, and to the entity, with respect to providing medical~~  
40 ~~assistance to individuals eligible for benefits under this title~~

1       ~~“(B) Third party plan administrator defined.—For purposes of this section, the term ‘third-~~  
2 ~~party plan administrator’ means an entity that satisfies such requirements as established by the~~  
3 ~~Secretary, which shall include at least that such an entity administers health plan benefits, pays-~~  
4 ~~claims under the plan, establishes provider networks, sets payment rates, and are not risk bearing~~  
5 ~~entities.~~

6       ~~“(5) Administrative authority.—The Secretary may take such actions as are necessary to~~  
7 ~~administer this subsection, including by setting network adequacy standards, establishing quality~~  
8 ~~requirements, establishing reporting requirements, limiting administrative costs, and specifying~~  
9 ~~any other program requirements or standards necessary in contracting with specified entities~~  
10 ~~under this subsection, and overseeing such entities, with respect to the administration of the~~  
11 ~~Federal Medicaid program.~~

12       ~~“(6) Preemption.—In carrying out the duties under a contract entered into under paragraph (1)~~  
13 ~~between the Secretary and a Medicaid managed care organization or a third party plan~~  
14 ~~administrator, with respect to a coverage gap State—~~

15       ~~“(A) the Secretary may establish minimum standards and licensure requirements for such a~~  
16 ~~Medicaid managed care organization or third party plan administrator for purposes of carrying~~  
17 ~~out such duties; and~~

18       ~~“(B) any provisions of law of that State which relate to the licensing of the organization or~~  
19 ~~administrator and which prohibit the organization or administrator from providing coverage~~  
20 ~~pursuant to a contract under this section shall be superseded.~~

21       ~~“(7) Penalties.—In the case of an eligible entity with a contract under this section that fails to~~  
22 ~~comply with the requirements of such entity pursuant to this section or such contract, the~~  
23 ~~Secretary may withhold payment (or any portion of such payment) to such entity under this~~  
24 ~~section in accordance with a process specified by the Secretary, impose a corrective action plan~~  
25 ~~on such entity, terminate the contract, or impose a civil monetary penalty on such entity in an~~  
26 ~~amount not to exceed \$10,000 for each such failure. In implementing this paragraph, the~~  
27 ~~Secretary shall have the authorities provided the Secretary under section 1932(e) and subparts F~~  
28 ~~and I of part 438 of title 42, Code of Federal Regulations.~~

29       ~~“(8) Coverage gap geographic area.—For purposes of this section, the term ‘coverage gap~~  
30 ~~geographic area’ means an area of one or more coverage gap States, as specified by the~~  
31 ~~Secretary, or any area within such a State, as specified by the Secretary.~~

32       ~~“(e) Periodic Data Matching.—The Secretary shall, including through contract, periodically~~  
33 ~~verify the income of an individual enrolled in the Federal Medicaid program for a year, before~~  
34 ~~the end of such year, to determine if there has been any change in the individual’s eligibility for~~  
35 ~~benefits under the program. For purposes of the previous sentence, in the case that, pursuant to~~  
36 ~~such verification, an individual is determined to have had a change in income that results in such~~  
37 ~~individual no longer be included as an individual described in section 1902(a)(10)(A)(i)(VIII),~~  
38 ~~the Secretary shall apply the same processes and protections as States are required under this title~~  
39 ~~to apply with respect to an individual who is determined to have had a change in income that~~  
40 ~~results in such individual no longer being included as eligible for medical assistance under this~~  
41 ~~title (other than pursuant to this section).~~

42       ~~“(d) Drug Rebates.—For purposes of subsection (a)(2)(C), in applying section 1927, the~~  
43 ~~Secretary shall (either directly or through contracts)—~~

1       ~~“(1) require an eligible entity with a contract under subsection (b) to report the data required to~~  
2 ~~be reported under section 1927(b)(2) by a State agency and require such entity to submit to the~~  
3 ~~Secretary rebate data, utilization data, and any other information that would otherwise be~~  
4 ~~required under section 1927 to be submitted to the Secretary by a State;~~

5       ~~“(2) shall take such actions as are necessary and develop or adapt such processes and~~  
6 ~~mechanisms as are necessary to report and collect data as is necessary and to bill and track~~  
7 ~~rebates under section 1927, as applied pursuant to subsection (a)(2)(B) for drugs that are~~  
8 ~~provided under the Federal Medicaid program;~~

9       ~~“(3) provide that the coverage requirements of prescription drugs under the Federal Medicaid~~  
10 ~~program comply with the coverage requirements under section 1927;~~

11       ~~“(4) require that in order for payment to be available under the Federal Medicaid program or~~  
12 ~~under section 1903(a) for covered outpatient drugs of a manufacturer, the manufacturer must~~  
13 ~~have entered into and have in effect a rebate agreement to provide rebates under section 1927 to~~  
14 ~~the Federal Medicaid program in the same form and manner as the manufacturer is required to~~  
15 ~~provide rebates under an agreement described in section 1927(b) to a State Medicaid program~~  
16 ~~under this title;~~

17       ~~“(5) require an eligible entity with a contract under subsection (b) to provide for a drug use~~  
18 ~~review program described in subsection (g) of section 1927 in accordance with the requirements~~  
19 ~~applicable to a State under such subsection (g) with respect to a drug use review program; and~~

20       ~~“(6) adopt a mechanism to prevent the requirements of section 1927 from applying to covered~~  
21 ~~outpatient drugs under the Federal Medicaid program pursuant to this subsection and subsection~~  
22 ~~(a)(2)(C) if such drugs are subject to discounts under section 340B of the Public Health Service~~  
23 ~~Act.~~

24       ~~“(e) Transitions.—~~

25       ~~“(1) From exchange plans onto federal medicaid program.—The Secretary shall provide for a~~  
26 ~~process under which, in the case of individuals entitled to medical assistance pursuant section~~  
27 ~~1902(a)(10)(A)(i)(VIII) who are enrolled in qualified health plans through an Exchange in a~~  
28 ~~coverage gap State, the Secretary takes such steps as are necessary to transition such individuals~~  
29 ~~to coverage under the Federal Medicaid program. Such process shall apply procedures described~~  
30 ~~in section 1943(b)(1)(C) to screen for eligibility and enrollment under the Federal Medicaid~~  
31 ~~program in the same manner as such procedures screen for eligibility and enrollment under~~  
32 ~~qualified health plans through an Exchange established under title I of the Patient Protection and~~  
33 ~~Affordable Care Act.~~

34       ~~“(2) In case coverage gap state begins providing coverage under state plan.—The Secretary~~  
35 ~~shall provide for a process for, in the case of a coverage gap State in which the State begins to~~  
36 ~~provide medical assistance to individuals described in section 1902(a)(10)(A)(i)(VIII) under the~~  
37 ~~State plan (or waiver of such plan) and the Federal Medicaid program ceases to be offered,~~  
38 ~~transitioning individuals from such program to the State plan (or waiver), as eligible, including a~~  
39 ~~process for transitioning all eligibility redeterminations.~~

40       ~~“(3) Authority for phase in.—The Secretary may apply section 1902(a)(34), pursuant to~~  
41 ~~subsection (a)(2)(B) of this section, in accordance with such phased in implementation as the~~  
42 ~~Secretary deems necessary, but beginning as soon as practicable.~~

1       ~~“(f) Coordination With and Enrollment Through Exchanges.—The Secretary shall take such~~  
2 ~~actions as are necessary to provide, in the case of a coverage gap State in which the Federal~~  
3 ~~Medicaid program is offered, for the availability of information on, determinations of eligibility~~  
4 ~~for, and enrollment in such program through and coordinated with the Exchange established with~~  
5 ~~respect to such State under title I of the Patient Protection and Affordable Care Act.~~

6       ~~“(g) Third Party Liability.—The provisions of section 1902(a)(25) shall apply with respect to~~  
7 ~~the Federal Medicaid program, the Secretary, and the eligible entities with a contract under~~  
8 ~~subsection (b) in the same manner as such provisions apply with respect to State plans under this~~  
9 ~~title (or waiver of such plans) and the State or local agency administering such plan (or waiver).~~  
10 ~~The Secretary may specify a timeline (which may include a phase-in) for implementing this~~  
11 ~~subsection.~~

12       ~~“(h) Fraud And Abuse Provisions.—Provisions of law (other than criminal law provisions)~~  
13 ~~identified by the Secretary, in consultation (as appropriate) with the Inspector General of the~~  
14 ~~Department of Health and Human Services, that impose sanctions with respect to waste, fraud,~~  
15 ~~and abuse under this title or title XI, such as the False Claims Act (31 U.S.C. 3729 et seq.), as~~  
16 ~~well as provisions of law (other than criminal law provisions) identified by the Secretary that~~  
17 ~~provide oversight authority, shall also apply to the Federal Medicaid program.~~

18       ~~“(i) Maintenance of Effort.—~~

19       ~~“(1) Payment.—~~

20       ~~“(A) In general.—In the case of a State that, as of January 1, 2022, is expending amounts for~~  
21 ~~all individuals described in section 1902(a)(10)(A)(i)(VIII) under the State plan (or waiver of~~  
22 ~~such plan) and that stops expending amounts for all such individuals under the State plan (or~~  
23 ~~waiver of such plan), such State shall for each quarter beginning after January 1, 2022, during~~  
24 ~~which such State does not expend amounts for all such individuals provide for payment under~~  
25 ~~this subsection to the Secretary of the product of—~~

26       ~~“(i) 10 percent of, subject to subparagraph (B), the average monthly per capita costs expended~~  
27 ~~under the State plan (or waiver of such plan) for such individuals during the most recent previous~~  
28 ~~quarter with respect to which the State expended amounts for all such individuals; and~~

29       ~~“(ii) the sum, for each month during such quarter, of the number of individuals enrolled under~~  
30 ~~such program in such State.~~

31       ~~“(B) Annual increase.—For purposes of subparagraph (A), in the case of a State with respect~~  
32 ~~to which such subparagraph applies with respect to a period of consecutive quarters occurring~~  
33 ~~during more than one calendar year, for such consecutive quarters occurring during the second of~~  
34 ~~such calendar years or a subsequent calendar year, the average monthly per capita costs for each~~  
35 ~~such quarter for such State determined under subparagraph (A)(i), or this subparagraph, shall be~~  
36 ~~annually increased by the Secretary by the percentage increase in Medicaid spending under this~~  
37 ~~title during the preceding year (as determined based on the most recent National Health~~  
38 ~~Expenditure data with respect to such year).~~

39       ~~“(2) Form and manner of payment.—Payment under paragraph (1) shall be made in a form~~  
40 ~~and manner specified by the Secretary.~~

41       ~~“(3) Compliance.—If a State fails to pay to the Secretary an amount required under paragraph~~  
42 ~~(1), interest shall accrue on such amount at the rate provided under section 1903(d)(5). The~~

1 amount so owed and applicable interest shall be immediately offset against amounts otherwise  
2 payable to the State under section 1903(a), in accordance with the Federal Claims Collection Act  
3 of 1996 and applicable regulations.

4 “(4) Data match.—The Secretary shall perform such periodic data matches as may be  
5 necessary to identify and compute the number of individuals enrolled under the Federal  
6 Medicaid program under section 1948 in a coverage gap State (as referenced in subsection (a) of  
7 such section) for purposes of computing the amount under paragraph (1).

8 “(5) Notice.—The Secretary shall notify each State described in paragraph (1) not later than a  
9 date specified by the Secretary that is before the beginning of each quarter (beginning with 2022)  
10 of the amount computed under paragraph (1) for the State for that year.

11 “(j) Appropriations.—In addition to amounts otherwise available, there is appropriated, out of  
12 any funds in the Treasury not otherwise appropriated, for each fiscal year such sums as are  
13 necessary to carry out subsections (a) through (i) of this section.”.

14 (b) Drug Rebate Conforming Amendment.—Section 1927(a)(1) of the Social Security Act (42  
15 U.S.C. 1396r8(a)(1)) is amended in the first sentence —

16 (1) by striking “or under part B of title XVIII” and inserting “, under the Federal Medicaid  
17 program under section 1948, or under part B of title XVIII”; and

18 (2) by inserting “including as such subsection is applied pursuant to subsections (a)(2)(C) and  
19 (d) of section 1948 with respect to the Federal Medicaid program,” before “and must meet”.

## 20 ~~PART 2—EXPANDING ACCESS TO MEDICAID HOME AND COMMUNITY BASED~~ 21 ~~SERVICES~~

### 22 ~~SEC. 30711. DEFINITIONS.~~

23 In this part:

24 (1) ~~Appropriate committees of congress.—The term “appropriate committees of Congress”~~  
25 ~~means the Committee on Energy and Commerce of the House of Representatives, the Committee~~  
26 ~~on Finance of the Senate, the Committee on Health, Education, Labor and Pensions of the~~  
27 ~~Senate, and the Special Committee on Aging of the Senate.~~

28 (2) ~~Direct care worker.—The term “direct care worker” means, with respect to a State, any of~~  
29 ~~the following individuals who by contract, by receipt of payment for care, or as a result of the~~  
30 ~~operation of law, provides directly to Medicaid eligible individuals home and community based~~  
31 ~~services available under the State Medicaid program:~~  
32 **Implementation Authority.—The**  
33 **Secretary of Health and Human Services may implement the provisions of, and the**  
**amendments made by, this section by subregulatory guidance or otherwise.**

## 34 **SEC. 30603. FUNDING FOR THE PROVISION OF** 35 **HEALTH INSURANCE CONSUMER INFORMATION.**

36 **Section 2793(e) of the Public Health Service Act (42 U.S.C. 300gg–93(e)) is amended by**  
37 **adding at the end the following new paragraph:**

38 **“(3) FUNDING FOR 2022 THROUGH 2025.—In addition to amounts otherwise**  
39 **available, there is appropriated, out of any money in the Treasury not otherwise**

1 appropriated, \$100,000,000 for 2022, to remain available until expended, of which  
2 \$25,000,000 shall be used for each of 2022 through 2025 to carry out this section.”.

### 3 **SEC. 30604. REQUIREMENTS WITH RESPECT TO** 4 **COST-SHARING FOR INSULIN PRODUCTS.**

5 (a) In General.—Part D of title XXVII of the Public Health Service Act (42 U.S.C.  
6 300gg–111 et seq.) is amended by adding at the end the following:

#### 7 **“SEC. 2799A–11. REQUIREMENTS WITH RESPECT TO** 8 **COST-SHARING FOR CERTAIN INSULIN PRODUCTS.**

9 “(a) In General.—For plan years beginning on or after January 1, 2023, a group health  
10 plan or health insurance issuer offering group or individual health insurance coverage  
11 shall provide coverage of selected insulin products, and with respect to such products, shall  
12 not—

13 “(1) apply any deductible; or

14 “(2) impose any cost-sharing in excess of the lesser of, per 30-day supply—

15 “(A) \$35; or

16 “(B) the amount equal to 25 percent of the negotiated price of the selected  
17 insulin product net of all price concessions received by or on behalf of the plan or  
18 coverage, including price concessions received by or on behalf of third-party  
19 entities providing services to the plan or coverage, such as pharmacy benefit  
20 management services.

21 “(b) Definitions.—In this section:

22 “(1) **SELECTED INSULIN PRODUCTS.**—The term ‘selected insulin products’ means at  
23 least one of each dosage form (such as vial, pump, or inhaler dosage forms) of each  
24 different type (such as rapid-acting, short-acting, intermediate-acting, long-acting,  
25 ultra long-acting, and premixed) of insulin (as defined below), when available, as  
26 selected by the group health plan or health insurance issuer.

27 “(2) **INSULIN DEFINED.**—The term ‘insulin’ means insulin that is licensed under  
28 subsection (a) or (k) of section 351 and continues to be marketed under such section,  
29 including any insulin product that has been deemed to be licensed under section 351(a)  
30 pursuant to section 7002(e)(4) of the Biologics Price Competition and Innovation Act  
31 of 2009 and continues to be marketed pursuant to such licensure.

32 “(c) **Out-of-network Providers.**—Nothing in this section requires a plan or issuer that  
33 has a network of providers to provide benefits for selected insulin products described in  
34 this section that are delivered by an out-of-network provider, or precludes a plan or issuer  
35 that has a network of providers from imposing higher cost-sharing than the levels specified  
36 in subsection (a) for selected insulin products described in this section that are delivered by  
37 an out-of-network provider.

38 “(d) **Rule of Construction.**—Subsection (a) shall not be construed to require coverage of,  
39 or prevent a group health plan or health insurance coverage from imposing cost-sharing



1 other than the levels specified in subsection (a) on, insulin products that are not selected  
2 insulin products, to the extent that such coverage is not otherwise required and such  
3 cost-sharing is otherwise permitted under Federal and applicable State law.

4 “(e) Application of Cost-sharing Towards Deductibles and Out-of-pocket  
5 Maximums.—Any cost-sharing payments made pursuant to subsection (a)(2) shall be  
6 counted toward any deductible or out-of-pocket maximum that applies under the plan or  
7 coverage.”.

8 (b) No Effect on Other Cost-sharing.—Section 1302(d)(2) of the Patient Protection and  
9 Affordable Care Act (42 U.S.C. 18022(d)(2)) is amended by adding at the end the following  
10 new subparagraph:

11 “(D) SPECIAL RULE RELATING TO INSULIN COVERAGE.—The exemption of  
12 coverage of selected insulin products (as defined in section 2799A–11(b) of the  
13 Public Health Service Act) from the application of any deductible pursuant to  
14 section 2799A–11(a)(1) of such Act, section 726(a)(1) of the Employee Retirement  
15 Income Security Act of 1974, or section 9826(a)(1) of the Internal Revenue Code  
16 of 1986 shall not be considered when determining the actuarial value of a  
17 qualified health plan under this subsection.”.

18 (c) Coverage of Certain Insulin Products Under Catastrophic Plans.—Section 1302(e) of  
19 the Patient Protection and Affordable Care Act (42 U.S.C. 18022(e)) is amended by adding  
20 at the end the following:

21 “(4) COVERAGE OF CERTAIN INSULIN PRODUCTS.—

22 “(A) IN GENERAL.—Notwithstanding paragraph (1)(B)(i), a health plan  
23 described in paragraph (1) shall provide coverage of selected insulin products, in  
24 accordance with section 2799A–11 of the Public Health Service Act, for a plan  
25 year before an enrolled individual has incurred cost-sharing expenses in an  
26 amount equal to the annual limitation in effect under subsection (c)(1) for the  
27 plan year.

28 “(B) TERMINOLOGY.—For purposes of subparagraph (A)—

29 “(i) the term ‘selected insulin products’ has the meaning given such term  
30 in section 2799A–11(b) of the Public Health Service Act; and

31 “(ii) the requirements of section 2799A–11 of such Act shall be applied by  
32 deeming each reference in such section to ‘individual health insurance  
33 coverage’ to be a reference to a plan described in paragraph (1).”.

## 34 **SEC. 30605. COST-SHARING REDUCTIONS FOR** 35 **INDIVIDUALS RECEIVING UNEMPLOYMENT** 36 **COMPENSATION.**

37 Section 1402(f) of the Patient Protection and Affordable Care Act (42 U.S.C. 18071(f)) is  
38 amended—

39 (1) in the header, by striking “2021” and inserting “Certain Years”;

1 (2) in the matter preceding paragraph (1), by striking “2021” and inserting “any of  
2 years 2021 through 2022”; and

3 (3) in paragraph (2), by striking “133 percent” and inserting “150 percent”.

## 4 **SEC. 30606. OVERSIGHT OF PHARMACY BENEFIT** 5 **MANAGER SERVICES.**

6 (a) In General.—Title XXVII of the Public Health Service Act (42 U.S.C. 300gg et seq.),  
7 as amended by section 30604, is further amended—

8 (1) in part D (42 U.S.C. 300gg–111 et seq.), by adding at the end the following new  
9 section:

## 10 **“SEC. 2799A–12. OVERSIGHT OF PHARMACY** 11 **BENEFIT MANAGER SERVICES.**

12 “(a) In General.—For plan years beginning on or after January 1, 2023, a group health  
13 plan or health insurance issuer offering group health insurance coverage or an entity or  
14 subsidiary providing pharmacy benefits management services on behalf of such a plan or  
15 issuer shall not enter into a contract with a drug manufacturer, distributor, wholesaler,  
16 subcontractor, rebate aggregator, or any associated third party that limits the disclosure of  
17 information to plan sponsors in such a manner that prevents the plan or issuer, or an entity  
18 or subsidiary providing pharmacy benefits management services on behalf of a plan or  
19 issuer, from making the reports described in subsection (b).

20 “(b) Reports.—

21 “(1) IN GENERAL.—For plan years beginning on or after January 1, 2023, not less  
22 frequently than once every 6 months, a health insurance issuer offering group health  
23 insurance coverage or an entity providing pharmacy benefits management services on  
24 behalf of a group health plan or an issuer providing group health insurance coverage  
25 shall submit to the plan sponsor (as defined in section 3(16)(B) of the Employee  
26 Retirement Income Security Act of 1974) of such group health plan or health  
27 insurance coverage a report in accordance with this subsection and make such report  
28 available to the plan sponsor in a machine-readable format. Each such report shall  
29 include, with respect to the applicable group health plan or health insurance  
30 coverage—

31 “(A) as applicable, information collected from drug manufacturers by such  
32 issuer or entity on the total amount of copayment assistance dollars paid, or  
33 copayment cards applied, that were funded by the drug manufacturer with  
34 respect to the participants and beneficiaries in such plan or coverage;

35 “(B) a list of each drug covered by such plan, issuer, or entity providing  
36 pharmacy benefit management services that was dispensed during the reporting  
37 period, including, with respect to each such drug during the reporting period—

38 “(i) the brand name, chemical entity, and National Drug Code;

39 “(ii) the number of participants and beneficiaries for whom the drug was

1 filled during the plan year, the total number of prescription fills for the drug  
2 (including original prescriptions and refills), and the total number of dosage  
3 units of the drug dispensed across the plan year, including whether the  
4 dispensing channel was by retail, mail order, or specialty pharmacy;

5 “(iii) the wholesale acquisition cost, listed as cost per days supply and cost  
6 per pill, or in the case of a drug in another form, per dose;

7 “(iv) the total out-of-pocket spending by participants and beneficiaries on  
8 such drug, including participant and beneficiary spending through  
9 copayments, coinsurance, and deductibles; and

10 “(v) for any drug for which gross spending of the group health plan or  
11 health insurance coverage exceeded \$10,000 during the reporting period—

12 “(I) a list of all other drugs in the same therapeutic category or class,  
13 including brand name drugs and biological products and generic drugs  
14 or biosimilar biological products that are in the same therapeutic  
15 category or class as such drug; and

16 “(II) the rationale for preferred formulary placement of such drug in  
17 that therapeutic category or class;

18 “(C) a list of each therapeutic category or class of drugs that were dispensed  
19 under the health plan or health insurance coverage during the reporting period,  
20 and, with respect to each such therapeutic category or class of drugs, during the  
21 reporting period—

22 “(i) total gross spending by the plan, before manufacturer rebates, fees, or  
23 other manufacturer remuneration;

24 “(ii) the number of participants and beneficiaries who filled a prescription  
25 for a drug in that category or class;

26 “(iii) if applicable to that category or class, a description of the formulary  
27 tiers and utilization mechanisms (such as prior authorization or step  
28 therapy) employed for drugs in that category or class;

29 “(iv) the total out-of-pocket spending by participants and beneficiaries,  
30 including participant and beneficiary spending through copayments,  
31 coinsurance, and deductibles; and

32 “(v) for each therapeutic category or class under which 3 or more drugs  
33 are included on the formulary of such plan or coverage—

34 “(I) the amount received, or expected to be received, from drug  
35 manufacturers in rebates, fees, alternative discounts, or other  
36 remuneration—

37 “(aa) to be paid by drug manufacturers for claims incurred  
38 during the reporting period; or

39 “(bb) that is related to utilization of drugs, in such therapeutic  
40 category or class;

1                   “(II) the total net spending, after deducting rebates, price concessions,  
2                   alternative discounts or other remuneration from drug manufacturers,  
3                   by the health plan or health insurance coverage on that category or class  
4                   of drugs; and

5                   “(III) the net price per course of treatment or single fill, such as a  
6                   30-day supply or 90-day supply, incurred by the health plan or health  
7                   insurance coverage and its participants and beneficiaries, after  
8                   manufacturer rebates, fees, and other remuneration for drugs dispensed  
9                   within such therapeutic category or class during the reporting period;

10                  “(D) total gross spending on prescription drugs by the plan or coverage during  
11                  the reporting period, before rebates and other manufacturer fees or  
12                  remuneration;

13                  “(E) total amount received, or expected to be received, by the health plan or  
14                  health insurance coverage in drug manufacturer rebates, fees, alternative  
15                  discounts, and all other remuneration received from the manufacturer or any  
16                  third party, other than the plan sponsor, related to utilization of drug or drug  
17                  spending under that health plan or health insurance coverage during the  
18                  reporting period;

19                  “(F) the total net spending on prescription drugs by the health plan or health  
20                  insurance coverage during the reporting period; and

21                  “(G) amounts paid directly or indirectly in rebates, fees, or any other type of  
22                  remuneration to brokers, consultants, advisors, or any other individual or firm  
23                  who referred the group health plan’s or health insurance issuer’s business to the  
24                  pharmacy benefit manager.

25                  “(2) PRIVACY REQUIREMENTS.—Health insurance issuers offering group health  
26                  insurance coverage and entities providing pharmacy benefits management services on  
27                  behalf of a group health plan shall provide information under paragraph (1) in a  
28                  manner consistent with the privacy, security, and breach notification regulations  
29                  promulgated under section 264(c) of the Health Insurance Portability and  
30                  Accountability Act of 1996, and shall restrict the use and disclosure of such  
31                  information according to such privacy regulations.

32                  “(3) DISCLOSURE AND REDISCLOSURE.—

33                         “(A) LIMITATION TO BUSINESS ASSOCIATES.—A group health plan receiving a  
34                         report under paragraph (1) may disclose such information only to business  
35                         associates of such plan as defined in section 160.103 of title 45, Code of Federal  
36                         Regulations (or successor regulations).

37                         “(B) CLARIFICATION REGARDING PUBLIC DISCLOSURE OF  
38                         INFORMATION.—Nothing in this section prevents a health insurance issuer  
39                         offering group health insurance coverage or an entity providing pharmacy  
40                         benefits management services on behalf of a group health plan from placing  
41                         reasonable restrictions on the public disclosure of the information contained in a  
42                         report described in paragraph (1), except that such issuer or entity may not  
43                         restrict disclosure of such report to the Department of Health and Human

1 Services, the Department of Labor, or the Department of the Treasury.

2 “(C) LIMITED FORM OF REPORT.—The Secretary shall define through  
3 rulemaking a limited form of the report under paragraph (1) required of plan  
4 sponsors who are drug manufacturers, drug wholesalers, or other direct  
5 participants in the drug supply chain, in order to prevent anti-competitive  
6 behavior.

7 “(4) REPORT TO GAO.—A health insurance issuer offering group health insurance  
8 coverage or an entity providing pharmacy benefits management services on behalf of a  
9 group health plan shall submit to the Comptroller General of the United States each of  
10 the first 4 reports submitted to a plan sponsor under paragraph (1) with respect to  
11 such coverage or plan, and other such reports as requested, in accordance with the  
12 privacy requirements under paragraph (2) and the disclosure and redisclosure  
13 standards under paragraph (3), and such other information that the Comptroller  
14 General determines necessary to carry out the study under section 30606(b) of An Act  
15 to provide for reconciliation pursuant to title II of S. Con. Res. 14.

16 “(c) Enforcement.—

17 “(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Labor and  
18 the Secretary of the Treasury, shall enforce this section.

19 “(2) FAILURE TO PROVIDE TIMELY INFORMATION.—A health insurance issuer or an  
20 entity providing pharmacy benefit management services that violates subsection (a) or  
21 fails to provide information required under subsection (b), or a drug manufacturer  
22 that fails to provide information under subsection (b)(1)(A) in a timely manner, shall  
23 be subject to a civil monetary penalty in the amount of \$10,000 for each day during  
24 which such violation continues or such information is not disclosed or reported.

25 “(3) FALSE INFORMATION.—A health insurance issuer, entity providing pharmacy  
26 benefit management services, or drug manufacturer that knowingly provides false  
27 information under this section shall be subject to a civil money penalty in an amount  
28 not to exceed \$100,000 for each item of false information. Such civil money penalty  
29 shall be in addition to other penalties as may be prescribed by law.

30 “(4) PROCEDURE.—The provisions of section 1128A of the Social Security Act, other  
31 than subsection (a) and (b) and the first sentence of subsection (c)(1) of such section  
32 shall apply to civil monetary penalties under this subsection in the same manner as  
33 such provisions apply to a penalty or proceeding under section 1128A of the Social  
34 Security Act.

35 “(5) WAIVERS.—The Secretary may waive penalties under paragraph (2), or extend  
36 the period of time for compliance with a requirement of this section, for an entity in  
37 violation of this section that has made a good-faith effort to comply with this section.

38 “(d) Rule of Construction.—Nothing in this section shall be construed to permit a health  
39 insurance issuer, group health plan, or other entity to restrict disclosure to, or otherwise  
40 limit the access of, the Department of Health and Human Services to a report described in  
41 subsection (b)(1) or information related to compliance with subsection (a) by such issuer,  
42 plan, or entity.

1       “(e) Definition.—In this section, the term ‘wholesale acquisition cost’ has the meaning  
2 given such term in section 1847A(c)(6)(B) of the Social Security Act.”; and

3               (2) in section 2723 (42 U.S.C. 300gg–22)—

4                       (A) in subsection (a)—

5                               (i) in paragraph (1), by inserting “(other than subsections (a) and (b) of  
6 section 2799A–12)” after “part D”; and

7                               (ii) in paragraph (2), by inserting “(other than subsections (a) and (b) of  
8 section 2799A–12)” after “part D”;

9                       (B) in subsection (b)—

10                              (i) in paragraph (1), by inserting “(other than subsections (a) and (b) of  
11 section 2799A–12)” after “part D”;

12                              (ii) in paragraph (2)(A), by inserting “(other than subsections (a) and (b) of  
13 section 2799A–12)” after “part D”; and

14                              (iii) in paragraph (2)(C)(ii), by inserting “(other than subsections (a) and  
15 (b) of section 2799A–12)” after “part D”.

16       (b) GAO Study.—

17               (1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the  
18 Comptroller General of the United States shall report to Congress on—

19                       (A) pharmacy networks of group health plans, health insurance issuers, and  
20 entities providing pharmacy benefit management services under such group  
21 health plan or group or individual health insurance coverage, including networks  
22 that have pharmacies that are under common ownership (in whole or part) with  
23 group health plans, health insurance issuers, or entities providing pharmacy  
24 benefit management services or pharmacy benefit administrative services under  
25 group health plan or group or individual health insurance coverage;

26                       (B) as it relates to pharmacy networks that include pharmacies under common  
27 ownership described in subparagraph (A)—

28                              (i) whether such networks are designed to encourage enrollees of a plan or  
29 coverage to use such pharmacies over other network pharmacies for specific  
30 services or drugs, and if so, the reasons the networks give for encouraging  
31 use of such pharmacies; and

32                              (ii) whether such pharmacies are used by enrollees disproportionately  
33 more in the aggregate or for specific services or drugs compared to other  
34 network pharmacies;

35                       (C) whether group health plans and health insurance issuers offering group or  
36 individual health insurance coverage have options to elect different network  
37 pricing arrangements in the marketplace with entities that provide pharmacy  
38 benefit management services, the prevalence of electing such different network  
39 pricing arrangements;

40                       (D) pharmacy network design parameters that encourage enrollees in the plan

1 or coverage to fill prescriptions at mail order, specialty, or retail pharmacies that  
2 are wholly or partially-owned by that issuer or entity; and

3 (E) the degree to which mail order, specialty, or retail pharmacies that dispense  
4 prescription drugs to an enrollee in a group health plan or health insurance  
5 coverage that are under common ownership (in whole or part) with group health  
6 plans, health insurance issuers, or entities providing pharmacy benefit  
7 management services or pharmacy benefit administrative services under group  
8 health plan or group or individual health insurance coverage receive  
9 reimbursement that is greater than the median price charged to the group health  
10 plan or health insurance issuer when the same drug is dispensed to enrollees in  
11 the plan or coverage by other pharmacies included in the pharmacy network of  
12 that plan, issuer, or entity that are not wholly or partially owned by the health  
13 insurance issuer or entity providing pharmacy benefit management services.

14 (2) REQUIREMENT.—The Comptroller General of the United States shall ensure that  
15 the report under paragraph (1) does not contain information that would allow a  
16 reader to identify a specific plan or entity providing pharmacy benefits management  
17 services or otherwise contain commercial or financial information that is privileged or  
18 confidential.

19 (3) DEFINITIONS.—In this subsection, the terms “group health plan”, “health  
20 insurance coverage”, and “health insurance issuer” have the meanings given such  
21 terms in section 2791 of the Public Health Service Act (42 U.S.C. 300gg–91).

## 22 **SEC. 30607. FUNDING TO SUPPORT STATE** 23 **APPLICATIONS FOR SECTION 1332 WAIVERS AND** 24 **ADMINISTRATION.**

25 Section 1332 of the Patient Protection and Affordable Care Act (42 U.S.C. 18052) is  
26 amended by adding at the end the following:

27 “(f) Administration and Planning Grants.—

28 “(1) APPROPRIATION.—In addition to any other amounts made available, there is  
29 appropriated to the Secretary of Health and Human Services for fiscal year 2022, out  
30 of any amounts in the Treasury not otherwise appropriated, \$50,000,000, to remain  
31 available until expended, for purposes of implementing the grant program under  
32 paragraph (2) and awarding grants under such paragraph.

33 “(2) GRANTS.—From the amount appropriated under paragraph (1), the Secretary  
34 of Health and Human Services shall award grants to States for purposes of developing  
35 a new waiver application, preparing an application for a waiver extension or  
36 amendment, or implementing a State plan under this section. The amount of a grant  
37 awarded to a State under this subsection shall remain available until expended.

38 “(3) LIMITATION.—Each grant awarded to a State under this subsection shall be in  
39 an amount not to exceed \$5,000,000.”.

## 40 **SEC. 30608. ADJUSTMENTS TO UNCOMPENSATED**

## **CARE POOLS AND DISPROPORTIONATE SHARE HOSPITAL PAYMENTS.**

**(a) Adjustments to Uncompensated Care Pools.—Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended by adding at the end the following new subsection:**

**“(cc) Excluding Expenditures for Expansion Population From Assistance Under Waivers Relating to Uncompensated Care.—With respect to a State with a State plan (or waiver of such plan) that does not provide, with respect to a fiscal year (beginning with fiscal year 2023), to all individuals described in section 1902(a)(10)(A)(i)(VIII) benchmark coverage described in section 1937(b)(1) or benchmark equivalent coverage described in section 1937(b)(2), in the case of any experimental, pilot, or demonstration project undertaken under section 1115, with respect to such State and fiscal year, that provides for Federal financial participation with respect to expenditures for payments to providers for otherwise uncompensated care that is furnished to low-income individuals, uninsured individuals, or underinsured individuals, notwithstanding any waiver authority available under such section, such project shall exclude from Federal financial participation any expenditures for care that is furnished with respect to such fiscal year to individuals described in section 1902(a)(10)(A)(i)(VIII).”.**

**(b) Adjustments to Disproportionate Share Hospital Payments.—**

**(1) IN GENERAL.—Section 1923(f) of the Social Security Act (42 U.S.C.1396r-4(f)) is amended—**

**(A) in paragraph (3)(A), by striking “paragraphs (6), (7), and (8)” and inserting “paragraphs (6), (7), (8), and (10)”;**

**(B) in paragraph (6)(A)(vi), by inserting “(except paragraph (10))” before “, any other provision of law”;**

**(C) in paragraph (7)(A)(i), by inserting “without regard to paragraph (10),” before “the Secretary”; and**

**(D) by adding at the end the following new paragraph:**

**“(10) STATE DSH ALLOTMENTS FOR NON-EXPANSION STATES BEGINNING WITH FISCAL YEAR 2023.—**

**“(A) IN GENERAL.—For fiscal year 2023 and each subsequent fiscal year—**

**“(i) in the case of a State with a State plan (or waiver of such plan) that, with respect to such fiscal year, does not provide to all individuals described in section 1902(a)(10)(A)(i)(VIII) benchmark coverage described in section 1937(b)(1) or benchmark equivalent coverage described in section 1937(b)(2), the Secretary shall reduce the DSH allotment to the State for such fiscal year in the amount equal to 12.5 percent of the DSH allotment that would (after the application of paragraph (6), and without the application of paragraphs (7), (8), or this paragraph) be determined under this subsection for the State for such fiscal year;**

**“(ii) in the case of a State with a State plan (or waiver of such plan) that,**



1 with respect to such fiscal year, initially provides to all individuals described  
2 in section 1902(a)(10)(A)(i)(VIII) benchmark coverage described in  
3 1937(b)(1) or benchmark equivalent coverage described in section 1937(b)(2),  
4 but during such fiscal year stops providing to any such individual such  
5 benchmark or benchmark equivalent coverage, the Secretary shall reduce  
6 the DSH allotment to the State for such fiscal year in the amount equal to the  
7 product of—

8 “(I) 12.5 percent of the DSH allotment that would (after the  
9 application of paragraph (6), and without the application of paragraphs  
10 (7), (8), or this paragraph) be determined under this subsection for the  
11 State for such fiscal year; and

12 “(II) expressed as a percentage, the number of days of such fiscal year  
13 during which such State plan (or waiver of such plan), with respect to  
14 such fiscal year, did not provide to such individuals such benchmark or  
15 benchmark equivalent coverage; or

16 “(iii) in the case of a State with a State plan (or waiver of such plan) that,  
17 with respect to such fiscal year, either—

18 “(I) initially does not provide to all individuals described in section  
19 1902(a)(10)(A)(i)(VIII) benchmark coverage described in 1937(b)(1) or  
20 benchmark equivalent coverage described in section 1937(b)(2), but  
21 during the fiscal year establishes a State plan (or waiver of such plan)  
22 that provides, for the remainder of the fiscal year, all such individuals  
23 such benchmark or benchmark equivalent coverage; or

24 “(II) did not provide to all such individuals such benchmark or  
25 benchmark equivalent coverage during the fiscal year preceding such  
26 fiscal year described in the matter preceding subclause (I), but on the  
27 first day of such fiscal year establishes a State plan (or waiver of such  
28 plan) that provides, for the entirety of such fiscal year, all such  
29 individuals such benchmark or benchmark equivalent coverage;

30 the DSH allotment for such State for such fiscal year is equal to the DSH  
31 allotment under this subsection (without application of this paragraph) for  
32 the State for the entirety of such fiscal year.

33 “(B) CALCULATION OF DSH ALLOTMENTS AFTER EXPANSION PERIOD.—The DSH  
34 allotment for a State for fiscal years after which a State provides under a State  
35 plan (or waiver of such plan) to all individuals described in section  
36 1902(a)(10)(A)(i)(VIII) benchmark coverage described in section 1937(b)(1) or  
37 benchmark equivalent coverage described in section 1937(b)(2) and, for which the  
38 State continues to provide under the State plan (or waiver of such plan) such  
39 benchmark or benchmark equivalent coverage to such individuals, without the  
40 providing of such benchmark or benchmark equivalent coverage being stopped  
41 during a fiscal year (as described in the matter preceding subclause (I) of  
42 subparagraph (A)(ii)), shall be calculated under paragraph (3) without regard to  
43 this paragraph.”

1           (2) TECHNICAL AMENDMENT.—Section 1923(f)(7)(A)(i)(II) of the Social Security Act  
2           (42 U.S.C.1396r-4(f)(7)(A)(i)(II)) is amended by adding at period at the end.

3           **SEC. 30609. FURTHER INCREASE IN FMAP FOR**  
4           **MEDICAL ASSISTANCE FOR NEWLY ELIGIBLE**  
5           **MANDATORY INDIVIDUALS.**

6           Section 1905(y)(1) of the Social Security Act (42 U.S.C. 1396d(y)(1)) is amended—

7           (1) in subparagraph (D), by striking at the end “and”;

8           (2) in subparagraph (E), by striking “2020 and each year thereafter.” and inserting  
9           “2020, 2021, and 2022; and”; and

10          (3) by adding at the end the following new subparagraphs:

11           “(F) 93 percent for calendar quarters in 2023, 2024, and 2025; and

12           “(G) 90 percent for calendar quarters in 2026 and each year thereafter.”.

13           **Subtitle F—Medicaid**

14           **PART 1—INVESTMENTS IN HOME AND**  
15           **COMMUNITY-BASED SERVICES AND LONG-TERM**  
16           **CARE QUALITY AND WORKFORCE**

17  
18           ~~\* 10 (A) A registered nurse, licensed practical nurse, nurse-~~  
19           ~~practitioner, or clinical nurse specialist who provides licensed~~  
20           ~~nursing services, or a licensed nursing assistant who provides~~  
21           ~~such services under the supervision of a registered nurse,~~  
22           ~~licensed practical nurse, nurse practitioner, or clinical nurse~~  
23           ~~specialist.~~

24           ~~(B) A direct support professional.~~

25           ~~(C) A personal care attendant.~~

26           ~~(D) A home health aide.~~

27  
28           ~~\* 11 (E) Any other paid health care professional or worker~~  
29           ~~determined to be appropriate by the State and approved by the~~

1 Secretary.

2

3 ~~\* 12 (3) HCBS program improvement state.— The term “HCBS-~~  
4 ~~program improvement State” means a State that is awarded a-~~  
5 ~~planning grant under section 1011(a) and has an HCBS-~~  
6 ~~improvement plan approved by the Secretary under section-~~  
7 ~~1011(d).~~

8

9 ~~\* 13 (4) Health plan.— The term “health plan” means any of the~~  
10 ~~following entities that provide or arrange for home and-~~  
11 ~~community-based services for Medicaid eligible individuals who~~  
12 ~~are enrolled with the entities under a contract with a State:~~

13

14 ~~\* 14 (A) A medicaid managed care organization, as defined in-~~  
15 ~~section 1903(m)(1)(A) of the Social Security Act (42 U.S.C.~~  
16 ~~1396b(m)(1)(A)).~~

17

18 ~~\* 15 (B) A prepaid inpatient health plan or prepaid ambulatory-~~  
19 ~~health plan, as defined in section 438.2 of title 42, Code of~~  
20 ~~Federal Regulations (or any successor regulation)).~~

21 ~~(C) Any other entity determined to be appropriate by the State-~~  
22 ~~and approved by the Secretary.~~

23

24 ~~\* 16 (5) Home and community based services.— The term-~~  
25 ~~“home and community based services” means any of the-~~  
26 ~~following (whether provided on a fee for service, risk, or other-~~  
27 ~~basis):~~

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~~\* 17 (A) Home health care services authorized under paragraph (7) of section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)).~~

~~\* 18 (B) Private duty nursing services authorized under paragraph (8) of such section, when such services are provided in a Medicaid eligible individual's home.~~

~~(C) Personal care services authorized under paragraph (24) of such section.~~

~~(D) PACE services authorized under paragraph (26) of such section.~~

~~\* 19 (E) Home and community based services authorized under subsections (b), (c), (i), (j), and (k) of section 1915 of such Act (42 U.S.C. 1396n), authorized under a waiver under section 1115 of such Act (42 U.S.C. 1315), or provided through coverage authorized under section 1937 of such Act (42 U.S.C. 1396u7).~~

~~\* 20 (F) Case management services authorized under section 1905(a)(19) of the Social Security Act (42 U.S.C. 1396d(a)(19)) and section 1915(g) of such Act (42 U.S.C. 1396n(g)).~~

~~\* 21 (G) Rehabilitative services, including those related to behavioral health, described in section 1905(a)(13) of such Act (42 U.S.C. 1396d(a)(13)).~~

1 ~~(H) Self-directed personal assistance services authorized under~~  
2 ~~section 1915(j) of the Social Security Act (42 U.S.C. 1396n(j)).~~

3 ~~(I) School-based services when the school is the location for~~  
4 ~~provision of services if the services are—~~

5 ~~(i) authorized under section 1905(a) of such Act (42 U.S.C.~~  
6 ~~1396d(a)) (or under a waiver under section 1915(e) or~~  
7 ~~demonstration under section 1115) ; and~~

8 ~~(ii) described in another subparagraph of this paragraph.~~

9 ~~(J) Such other services specified by the Secretary.~~

10 ~~(6) Institutional setting.—The term “institutional setting”~~  
11 ~~means—~~

12  
13 ~~\* 22 (A) a skilled nursing facility (as defined in section 1819(a)~~  
14 ~~of the Social Security Act (42 U.S.C. 1395i3(a)));~~

15  
16 ~~\* 23 (B) a nursing facility (as defined in section 1919(a) of such~~  
17 ~~Act (42 U.S.C. 1396r(a)));~~

18  
19 ~~\* 24 (C) a long-term care hospital (as described in section~~  
20 ~~1886(d)(1)(B)(iv) of such Act (42 U.S.C.~~  
21 ~~1395ww(d)(1)(B)(iv)));~~

22 ~~(D) a facility (or distinct part thereof) described in section~~  
23 ~~1905(d) of such Act (42 U.S.C. 1396d(d));~~

24  
25 ~~\* 25 (E) an institution (or distinct part thereof) which is a~~  
26 ~~psychiatric hospital (as defined in section 1861(f) of such Act~~  
27 ~~(42 U.S.C. 1395x(f))) or that provides inpatient psychiatric~~

1 ~~services in a residential setting specified by the Secretary;~~  
2 ~~(F) an institution (or distinct part thereof) described in section~~  
3 ~~1905(i) of such Act (42 U.S.C. 1396d(i)); and~~  
4 ~~(G) any other relevant facility, as determined by the Secretary.~~

5  
6 ~~\* 26 (7) Medicaid eligible individual.— The term “Medicaid-~~  
7 ~~eligible individual” means an individual who is eligible for and~~  
8 ~~receiving medical assistance under a State Medicaid plan or a~~  
9 ~~waiver such plan. Such term includes an individual who would~~  
10 ~~become eligible for medical assistance and enrolled under a~~  
11 ~~State Medicaid plan, or waiver of such plan, upon removal from~~  
12 ~~a waiting list.~~

13  
14 ~~\* 27 (8) State medicaid program.— The term “State Medicaid-~~  
15 ~~program” means, with respect to a State, the State program~~  
16 ~~under title XIX of the Social Security Act (42 U.S.C. 1396 et~~  
17 ~~seq.) (including any waiver or demonstration under such title or~~  
18 ~~under section 1115 of such Act (42 U.S.C. 1315) relating to such~~  
19 ~~title).~~

20  
21 ~~\* 28 (9) Secretary.— The term “Secretary” means the Secretary-~~  
22 ~~of Health and Human Services.~~

23  
24 ~~\* 29 (10) State.— The term “State” means each of the 50 States,~~  
25 ~~the District of Columbia, Puerto Rico, the Virgin Islands, Guam,~~  
26 ~~the Northern Mariana Islands, and American Samoa.~~

27 **SEC. 30712 30711. HCBS IMPROVEMENT PLANNING**  
28 **GRANTS.**

1 (a) Funding.—

2 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the  
3 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
4 \$130,000,000, to remain available until expended, for carrying out this section.

5 (2) TECHNICAL ASSISTANCE AND GUIDANCE.—~~THE SECRETARY SHALL RESERVE~~  
6 ~~\$5,000,000 OF THE AMOUNT APPROPRIATED UNDER PARAGRAPH (1) GUIDANCE.—~~**In**  
7 **addition to amounts otherwise available, there is appropriated to the Secretary for**  
8 **fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**  
9 **\$5,000,000, to remain available until expended,** for purposes of issuing guidance and  
10 providing technical assistance to States intending to apply for, or **which are** awarded, a  
11 planning grant under this section, and for other administrative expenses related to awarding  
12 planning grants under this section.

13 (b) Award and Use of Grants.—

14 (1) DEADLINE FOR AWARD OF GRANTS.—From the amount appropriated under subsection  
15 (a)(1), the Secretary, not later than 12 months after the date of enactment of this Act, shall  
16 solicit State requests for HCBS improvement planning grants and award such grants to all  
17 States that meet such requirements as determined by the Secretary.

18 (2) USE OF FUNDS.—~~Subject to paragraph (3), a Criteria for determining amount of~~  
19 ~~grants.—The Secretary shall take into account the improvements a State would propose to~~  
20 ~~make, consistent with the areas of focus of the HCBS improvement plan requirements~~  
21 ~~described under subsection (e) in determining the amount of the planning grant to be~~  
22 ~~awarded to each State that requests such a grant.~~

23 (3) ~~Use of funds.—A State awarded a planning grant under this section shall use the grant~~  
24 ~~to carry out planning activities for purposes of developing and submitting to the Secretary~~  
25 ~~an HCBS improvement plan for the State that meets the requirements of subsections (c) and~~  
26 ~~(d) in order to expand access to home and community-based services and strengthen the~~  
27 ~~direct care workforce that provides such services. A State may use planning grant funds to~~  
28 ~~support activities related to the implementation of the HCBS improvement plan for the~~  
29 ~~State, collect and report information described in subsection (c), identify areas for~~  
30 ~~improvement to the service delivery systems for home and community-based services, carry~~  
31 ~~out activities related to evaluating payment rates for home and community-based services~~  
32 ~~and identifying improvements to update the rate setting process, and for such other purposes~~  
33 ~~as the Secretary shall specify, including the following:~~ **make related infrastructure**  
34 **investments (such as case management or other information technology systems).**

35 (A) ~~Caregiver supports.~~

36 (B) ~~Addressing social determinants of health (other than housing or homelessness).~~

37 (C) ~~Promoting equity and addressing health disparities.~~

38 (D) ~~Promoting community integration and compliance with the home and~~  
39 ~~community-based settings rule published on January 16, 2014, or any successor regulation.~~

40 (E) ~~Building partnerships.~~

41 (F) ~~Infrastructure investments (such as case management or other information technology~~

1       systems). **(3) LIMITATION ON USE OF FUNDS.—None of the funds awarded to a State**  
2       **under this section may be used by a State as the source of the non-Federal share of**  
3       **expenditures under the State plan (or waiver of such plan).**

4       (c) HCBS Improvement Plan Requirements.—In order to meet the requirements of this  
5       subsection, an HCBS improvement plan developed using funds awarded to a State under this  
6       section shall include, with respect to the State and subject to subsection (d), the following:

7           (1) EXISTING MEDICAID HCBS LANDSCAPE.—

8               (A) ELIGIBILITY AND BENEFITS.—A description of the existing standards, pathways,  
9               and methodologies for eligibility ~~(which shall be delineated by the State based on~~  
10              ~~eligibility group under the State plan or waiver of such plan)~~ **pursuant to the State plan (or waiver of such plan),**  
11              including limits on assets and income, the home and community-based services  
12              available under the State Medicaid program and the types of settings in which they  
13              may be provided, and utilization management standards for such services.

14              (B) ACCESS.—

15                   (i) BARRIERS.—A description of the barriers to accessing home and  
16                   community-based services in the State identified by Medicaid eligible individuals,  
17                   the families of such individuals, and ~~providers of such services, such as barriers~~  
18                   ~~for individuals who wish to leave institutional settings, individuals experiencing~~  
19                   ~~homelessness or housing instability, and individuals in geographical areas of the~~  
20                   ~~State with low or no access to such services.~~ **direct care workers and home care**  
21                   **agencies, or other similar organizations.**  
22

23                   (ii) AVAILABILITY; UNMET NEED.—A summary, in accordance with guidance  
24                   issued by the Secretary **and as able to be practicably determined by the State,**  
25                   of the extent to which home and community-based services are available to all  
26                   individuals in the State who would be eligible for such services under the State  
27                   Medicaid program (including individuals who are on a ~~waitlist~~ **waiting list** for  
28                   such services).

29              (C) UTILIZATION.—An assessment of the utilization of home and community-based  
30              services in the State **(including the number of individuals receiving such services)**  
31              during such period specified by the Secretary.

32              (D) SERVICE DELIVERY STRUCTURES AND SUPPORTS.—A description of the service  
33              delivery structures for providing home and community-based services in the State,  
34              ~~including whether models of self-direction are used and to which Medicaid eligible~~  
35              ~~individuals such models are available, the share of total services that are administered~~  
36              ~~by agencies, the use of managed care and fee-for-service to provide such services, and~~  
37              ~~the supports provided for family caregivers.~~

38              (E) WORKFORCE.—A description of the direct care workforce ~~that provides home~~  
39              ~~and community-based services, including estimates (and a description of the~~  
40              ~~methodology used to develop such estimates)~~ of the number of full- and part-time  
41              direct care workers, the average and range of direct care worker wages, the benefits  
42              provided to direct care workers, **and** the turnover and vacancy rates of direct care  
43              worker positions, ~~the membership of direct care workers in labor organizations and, to~~



1 ~~the extent the State has access to such data, demographic information about such~~  
2 ~~workforce, including information on race, ethnicity, and gender.~~

3 (F) PAYMENT RATES.—

4 (i) IN GENERAL.—A description of the payment rates for home and  
5 community-based services, including, to the extent applicable, how payments for  
6 such services are factored into the development of managed care capitation rates,  
7 ~~and~~ **and** when the State last updated payment rates for home and community-based  
8 services, and ~~the extent to which payment rates are passed through to an estimate~~  
9 **of the portion of the payment rate that goes toward** direct care worker wages  
10 **compensation.**

11 (ii) ASSESSMENT.—An assessment of the relationship between payment rates  
12 for such services and **workforce shortages**, average beneficiary wait times for  
13 such services, **and** provider-to-beneficiary ratios in the geographic region.

14 (G) QUALITY.—A description of how the quality of home and community-based  
15 services is measured and monitored.

16 (H) LONG-TERM SERVICES AND SUPPORTS PROVIDED IN INSTITUTIONAL SETTINGS.—A  
17 description of the number of individuals enrolled in the State Medicaid program **in a**  
18 **year** who receive items and services **furnished by an institution** for greater than 30  
19 days in an institutional setting ~~that is a nursing facility or intermediate care facility, and~~  
20 ~~the demographic information of such individuals who are provided such items and~~  
21 ~~services in such settings.~~

22 (I) HCBS SHARE OF OVERALL MEDICAID LTSS SPENDING.—For the most recent State  
23 fiscal year for which complete data is available, the percentage of expenditures made  
24 by the State under the State Medicaid program for long-term services and supports that  
25 are for home and community-based services.

26 (J) DEMOGRAPHIC DATA.—To the extent available and as applicable with respect to  
27 the information required under subparagraphs (B), (C), and (H), demographic data for  
28 such information, disaggregated by age groups, primary disability, income brackets,  
29 gender, race, ethnicity, geography, primary language, and type of service setting.

30 (2) GOALS FOR HCBS IMPROVEMENTS.—A description of how the State will do the  
31 following:

32 (A) Conduct the activities required under subsection (jj) of section 1905 of the  
33 Social Security Act ~~(as added under section 30713)~~ **30712**).

34 (B) Reduce barriers **to** and disparities in access or utilization of home and  
35 community-based services in the State.

36 (C) Monitor and report ~~on~~ ~~(with supporting data to the extent available and~~  
37 ~~applicable disaggregated by age groups, primary disability, income brackets, gender,~~  
38 ~~race, ethnicity, geography, primary language, and type of service setting, on~~

39 ~~(i) access to home and community-based services under the State Medicaid program,~~  
40 ~~disparities in access to such services, and the utilization of such services;~~ **and**.

41 ~~(ii)~~ **(D) Monitor and report** the amount of State Medicaid expenditures for home

1 and community-based services under the State Medicaid program as a proportion of  
2 the total amount of State expenditures under the State Medicaid program for long-term  
3 services and supports.

4 ~~(D)~~(E) Monitor and report on wages, benefits, and vacancy and turnover rates for  
5 direct care workers.

6 ~~(E)~~(F) Assess and monitor the sufficiency of ~~payments~~ **payment rates** under the  
7 State Medicaid program, **in a manner specified by the Secretary**, for the specific  
8 types of home and community-based services available under such program for  
9 purposes of supporting direct care worker recruitment and retention and ensuring the  
10 availability of home and community-based services.

11 ~~(F)~~(G) Coordinate implementation of the HCBS improvement plan among the State  
12 Medicaid agency; **and State health and human services** agencies serving individuals  
13 with disabilities, ~~agencies serving the elderly, and other relevant State and local~~  
14 ~~agencies and organizations that provide related supports, such as those for housing,~~  
15 ~~transportation, employment, and other services and supports.~~ **and the elderly.**

16 (d) Development and Approval Requirements.—

17 (1) DEVELOPMENT REQUIREMENTS.—In order to meet the requirements of this subsection,  
18 a State awarded a planning grant under this section shall develop an HCBS improvement  
19 plan for the State ~~with input from stakeholders~~ through a public notice and comment  
20 process that includes consultation with Medicaid eligible individuals who are recipients of  
21 home and community-based services, family caregivers of such recipients, providers, health  
22 plans, direct care workers, chosen representatives of direct care workers, and aging,  
23 disability, and workforce advocates.

24 (2) AUTHORITY TO ADJUST CERTAIN PLAN CONTENT REQUIREMENTS.—The Secretary may  
25 modify the requirements for any of the information specified in subsection (c)(1) if a State  
26 requests a modification and demonstrates to the satisfaction of the Secretary that it is  
27 impracticable for the State to collect and submit the information.

28 (3) SUBMISSION AND APPROVAL.—Not later than 24 months after the date on which a  
29 State is awarded a planning grant under this section, the State shall submit an HCBS  
30 improvement plan for approval by the Secretary, along with assurances by the State that the  
31 State will implement the plan in accordance with the requirements of the HCBS  
32 Improvement Program established under subsection (jj) of section 1905 of the Social  
33 Security Act (42 U.S.C. 1396d) (as added by section ~~30713~~ **30712**). The Secretary shall  
34 approve and make publicly available the HCBS improvement plan for a State after the plan  
35 and such assurances are submitted to the Secretary for approval and the Secretary  
36 determines the plan meets the requirements of subsection (c). A State may amend its HCBS  
37 improvement plan, subject to the approval of the Secretary that the plan as so amended  
38 meets the requirements of subsection (c). The Secretary may withhold or recoup funds  
39 provided under this section to a State ~~or pursuant to section 1905(jj) of the Social Security~~  
40 ~~Act, as added by section 30713, if the State fails to implement the HCBS improvement plan~~  
41 ~~of the State or meet applicable deadlines under this section.~~

42 **comply with the requirements of this section.**

43 (e) Definitions.—In the part:

1           **(1) DIRECT CARE WORKER.**—The term “direct care worker” means, with respect to a  
2           State, any of the following individuals who are paid to provide directly to Medicaid  
3           eligible individuals home and community-based services available under the State  
4           Medicaid program:

5                   \*\* 10 (A) A registered nurse, licensed practical nurse, nurse practitioner, or clinical  
6                   nurse specialist ~~who provides licensed nursing services~~, or a licensed nursing assistant  
7                   who provides such services under the supervision of a registered nurse, licensed  
8                   practical nurse, nurse practitioner, or clinical nurse specialist.

9                   **(B) A direct support professional.**

10                  **(C) A personal care attendant.**

11                  **(D) A home health aide.**

12                   \*\* 11 (E) Any other paid health care professional or worker determined to be  
13                   appropriate by the State and approved by the Secretary.

14                  \*\* 12 ~~(3)~~**(2) HCBS PROGRAM IMPROVEMENT STATE.**—The term “HCBS program  
15                  improvement State” means a State that is awarded a planning grant under ~~section 1011(a)~~  
16                  **subsection (b)** and has an HCBS improvement plan approved by the Secretary under  
17                  ~~section 1011(d)~~ **subsection (d)(3)**.

18                  \*\* 13 ~~(4)~~**(3) HEALTH PLAN.**—The term “health plan” means any of the following entities  
19                  that provide or arrange for home and community-based services for Medicaid eligible  
20                  individuals who are enrolled with the entities under a contract with a State:

21                   \*\* 14 (A) A medicaid managed care organization, as defined in section  
22                   1903(m)(1)(A) of the Social Security Act (42 U.S.C. 1396b(m)(1)(A)).

23                   \*\* 15 (B) A prepaid inpatient health plan or prepaid ambulatory health plan, as  
24                   defined in section 438.2 of title 42, Code of Federal Regulations (or any successor  
25                   regulation).

26                  \*\* 16 ~~(5)~~**(4) HOME AND COMMUNITY-BASED SERVICES.**—The term “home and  
27                  community-based services” means any of the following (whether provided on a  
28                  fee-for-service, risk, or other basis):

29                   \*\* 17 (A) Home health care services authorized under paragraph (7) of section  
30                   1905(a) of the Social Security Act (42 U.S.C. 1396d(a)).

31                   \*\* 18 (B) Private duty nursing services authorized under paragraph (8) of such  
32                   section, when such services are provided in a Medicaid eligible individual’s home.

33                   **(C) Personal care services authorized under paragraph (24) of such section.**

34                   **(D) PACE services authorized under paragraph (26) of such section.**

35                   \*\* 19 (E) Home and community-based services authorized under subsections (b),  
36                   (c), (i), (j), and (k) of section 1915 of such Act (42 U.S.C. 1396n), authorized under a  
37                   waiver under section 1115 of such Act (42 U.S.C. 1315), or provided through coverage  
38                   authorized under section 1937 of such Act (42 U.S.C. 1396u–7).

39                   \*\* 20 (F) Case management services authorized under section 1905(a)(19) of the  
40                   Social Security Act (42 U.S.C. 1396d(a)(19)) and section 1915(g) of such Act (42

1 U.S.C. 1396n(g)).

2 \*\* 21 (G) Rehabilitative services, including those related to behavioral health,  
3 described in section 1905(a)(13) of such Act (42 U.S.C. 1396d(a)(13)).

4 **(H) Such other services specified by the Secretary.**

5 **(5) INSTITUTIONAL SETTING.—The term “institutional setting” means—**

6 \*\* 22 (A) a skilled nursing facility (as defined in section 1819(a) of the Social  
7 Security Act (42 U.S.C. 1395i–3(a)));

8 \*\* 23 (B) a nursing facility (as defined in section 1919(a) of such Act (42 U.S.C.  
9 1396r(a)));

10 \*\* 24 (C) a long-term care hospital (as described in section 1886(d)(1)(B)(iv) of  
11 such Act (42 U.S.C. 1395ww(d)(1)(B)(iv)));

12 **(D) a facility described in section 1905(d) of such Act (42 U.S.C. 1396d(d));**

13 \*\* 25 (E) an institution ~~(or distinct part thereof)~~ which is a psychiatric hospital (as  
14 defined in section 1861(f) of such Act (42 U.S.C. 1395x(f))) or that provides inpatient  
15 psychiatric services in a residential setting specified by the Secretary; **and**

16 **(F) an institution described in section 1905(i) of such Act (42 U.S.C. 1396d(i)).**

17 \*\* 26 ~~(7)~~**(6) MEDICAID ELIGIBLE INDIVIDUAL.—**The term “Medicaid eligible individual”  
18 means an individual who is eligible for and receiving medical assistance under a State  
19 Medicaid plan or a waiver **of** such plan. Such term includes an individual **who is on a**  
20 **waiting list and** who would become eligible for medical assistance and enrolled under a  
21 State Medicaid plan, or waiver of such plan, upon ~~removal from a waiting list~~ **receipt of**  
22 **home and community-based services.**

23 \*\* 27 ~~(8)~~**(7) STATE MEDICAID PROGRAM.—**The term “State Medicaid program” means,  
24 with respect to a State, the State program under title XIX of the Social Security Act (42  
25 U.S.C. 1396 ~~et seq.~~) **through 1396w-6** (including any waiver or demonstration under such  
26 title or under section 1115 of such Act (42 U.S.C. 1315) relating to such title).

27 \*\* 28 ~~(9)~~**(8) SECRETARY.—**The term “Secretary” means the Secretary of Health and  
28 Human Services.

29 \*\* 29 ~~(10)~~**(9) STATE.—**The term “State” means each of the 50 States, the District of  
30 Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and  
31 American Samoa.

## 32 **SEC. ~~30713~~ 30712. HCBS IMPROVEMENT PROGRAM.**

33 (a) Increased FMAP for HCBS Program Improvement States.—Section 1905 of the Social  
34 Security Act (42 U.S.C. 1396d) is amended—

35 (1) in subsection (b), by striking “and (ii)” and inserting “(ii), and (jj)”; and

36 (2) by adding at the end the following new subsection:

37 “(jj) Additional Support for HCBS Program Improvement States.—

38 “(1) IN GENERAL.—

1           “(A) ADDITIONAL SUPPORT.—Subject to paragraph (5), in the case of a State that is  
2 an HCBS program improvement State, for each fiscal quarter that begins on or after  
3 the first date on which the State is an HCBS program improvement State—

4           “(i) and for which the State meets the requirements described in paragraphs (2)  
5 and (4), notwithstanding subsection (b) or (ff), subject to subparagraph (B), with  
6 respect to amounts expended during the quarter by such State for medical  
7 assistance for home and community-based services, the Federal medical  
8 assistance percentage for such State and quarter (as determined for the State under  
9 subsection (b) and, if applicable, increased under subsection (y), (z), (aa), or (ii),  
10 ~~or~~ section 6008(a) of the Families First Coronavirus Response Act), **or section**  
11 **1915(k)(2)** shall be increased by ~~7~~ **6** percentage points; and

12           “(ii) with respect to the State meeting the requirements described in paragraphs  
13 (2) and (4), ~~notwithstanding section 1903(a)(7), 1903(a)(3)(F), and 1903(t), and~~  
14 with respect to amounts expended during the quarter and before October 1, 2031,  
15 for administrative costs for expanding and enhancing home and community-based  
16 services, including for enhancing Medicaid data and technology infrastructure,  
17 modifying rate setting processes, adopting or improving training programs for  
18 direct care workers and family caregivers, **home and community-based services**  
19 **ombudsman office activities (as reimbursable under section 1903(a)(7)),**  
20 **developing processes to identify direct care workers and assign such workers**  
21 **unique identifiers (as so reimbursable),** and adopting, carrying out, or  
22 enhancing programs that register direct care workers or connect beneficiaries to  
23 direct care workers, the per centum specified in ~~such section~~ **sections 1903(a)(7)**  
24 **and 1903(a)(3)** shall be increased to 80 percent.

25 In no case may the application of clause (i) result in the Federal medical assistance  
26 percentage determined for a State being more than 95 percent with respect to such  
27 expenditures. In no case shall the application of clause (ii) result in a reduction to the  
28 per centum otherwise specified without application of such clause. Any increase  
29 pursuant to clause (ii) shall be available to a State before the State meets the  
30 requirements of paragraphs (2) and (4).

31           “(B) ADDITIONAL HCBS IMPROVEMENT EFFORTS.—Subject to paragraph (5), in  
32 addition to the increase to the Federal medical assistance percentage under  
33 subparagraph (A)(i) for amounts expended during a quarter for medical assistance for  
34 home and community-based services by an HCBS program improvement State that  
35 meets the requirements of paragraphs (2) and (4) for the quarter, the Federal medical  
36 assistance percentage for amounts expended by the State during the quarter for medical  
37 assistance for home and community-based services shall be further increased by 2  
38 percentage points (but not to exceed 95 percent) during the first ~~8~~ **6** fiscal quarters  
39 throughout which the State has implemented and has in effect a program ~~to support~~  
40 ~~self-directed care~~ that meets the requirements of paragraph (3).

41           “(C) NONAPPLICATION OF TERRITORIAL FUNDING CAPS.—Any payment made to  
42 Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, or American  
43 Samoa for expenditures that are subject to an increase in the Federal medical assistance  
44 percentage under subparagraph (A)(i) or (B), or an increase in an applicable Federal

1 matching percentage under subparagraph (A)(ii), shall not be taken into account for  
2 purposes of applying payment limits under subsections (f) and (g) of section 1108.

3 “(D) NONAPPLICATION TO CHIP EFMAP.—Any increase described in subparagraph  
4 (A) (or payment made for expenditures on medical assistance that are subject to such  
5 increase) shall not be taken into account in calculating the enhanced FMAP of a State  
6 under section 2105.

7 “(2) ~~REQUIREMENTS.~~—**AS REQUIREMENTS.**—**Subject to the last sentence of**  
8 **paragraph (1)(A),** as conditions for receipt of the increase under paragraph (1) to the  
9 Federal medical assistance percentage determined for a State, with respect to a fiscal year  
10 quarter, the State shall meet each of the following requirements:

11 “(A) NONSUPPLANTATION.—The State uses the Federal funds attributable to the  
12 increase in the Federal medical assistance percentage for amounts expended during a  
13 quarter for medical assistance for home and community-based services under  
14 ~~subparagraphs (A) and, if applicable, (B) of paragraph (1)~~ **paragraph (1)(A) and**  
15 **paragraph (1)(B) (if applicable)** to supplement, and not supplant, the level of State  
16 funds expended for home and community-based services for eligible individuals  
17 through programs in effect as of the date the State is awarded a planning grant under  
18 section ~~30712~~ **30711** of the Act titled ‘An Act to provide for reconciliation pursuant to  
19 title II of S. Con. Res. 14’. In applying this subparagraph, the Secretary shall provide  
20 that a State shall have a 3-year period, **as specified by the Secretary**, to spend any  
21 accumulated unspent State funds attributable to the increase described in clause (i) in  
22 the Federal medical assistance percentage.

23 “(B) MAINTENANCE OF EFFORT.—

24 “(i) IN GENERAL.—The State does not—

25 “(I) reduce the amount, duration, or scope of home and community-based  
26 services available under the State plan (or waiver ~~(of such plan)~~ relative to  
27 the home and community-based services available under the plan or a waiver  
28 **of such plan** as of the date on which the State was awarded a planning grant  
29 under section ~~30712~~ **30711** of the Act titled ‘An Act to provide for  
30 reconciliation pursuant to title II of S. Con. Res. 14’;

31 “(II) reduce payment rates for home and community-based services lower  
32 than such rates that were in place as of the date described in subclause (I),  
33 including, to the extent applicable, **assumed** payment rates for such services  
34 that are included in managed care capitation rates **as such rates are being**  
35 **prospectively built**; or

36 “(III) except to the extent permitted under clause (ii), adopt more  
37 restrictive standards, methodologies, or procedures for determining  
38 eligibility, ~~benefits, or services for receipt for~~ **or the scope of medical**  
39 **assistance** of home and community-based services, including with respect to  
40 cost-sharing, than the standards, methodologies, or procedures applicable as  
41 of ~~such date.~~ **the date described in subclause (I).**

42 “(ii) ~~Flexibility to support innovative models.~~—A“(ii) **CONDITIONS FOR**  
43 **FLEXIBILITY.**—A State may make modifications that would otherwise violate the

1 maintenance of effort described in clause (i) if the State demonstrates to the  
2 satisfaction of the Secretary that such modifications shall not result in—

3 “(I) home and community-based services that are less comprehensive or  
4 lower in amount, duration, or scope;

5 “(II) fewer individuals (overall and within particular eligibility groups ~~and~~  
6 ~~categories~~)) receiving home and community-based services, **the calculation**  
7 **of which may be adjusted for demographic changes since the date**  
8 **described in clause (i)(I);** or

9 “(III) increased cost-sharing (**other than resulting from the rate of**  
10 **inflation**) for home and community-based services.

11 “(C) ACCESS TO SERVICES.—Not later than an implementation date as specified by  
12 the Secretary (**which may vary for each of the following clauses**) after the first day  
13 of the first fiscal quarter for which a State receives an increase to the Federal medical  
14 assistance percentage or other applicable Federal matching percentage under paragraph  
15 (1), the State does all of the following to improve access to services:

16 “(i) Reduce access barriers and disparities in access or utilization of home and  
17 community-based services, as described in the State HCBS improvement plan.

18 “(ii) Provides coverage of personal care services authorized under subsection  
19 (a)(24) for all individuals eligible for **and enrolled in** medical assistance in the  
20 State.

21 “(iii) Provides for navigation of home and community-based services through  
22 ‘no wrong door’ programs, provides expedited eligibility for home and  
23 community-based services, and improves home and community-based services  
24 counseling and education programs.

25 “(iv) Expands access to behavioral health services ~~as defined in the State’s~~  
26 ~~HCBS improvement plan~~ **furnished in home and community-based settings.**

27 “(v) Improves coordination of home and community-based services with  
28 employment, housing, and transportation supports.

29 “(vi) Provides supports to family caregivers, ~~such as respite care, caregiver-~~  
30 ~~assessments, peer supports, or paid family caregiving.~~

31 “(vii) ~~Adopts, expands eligibility for, or expands covered items and services-~~  
32 ~~provided under 1 or more~~ “(vii) **Newly provides coverage under, or expands**  
33 **existing eligibility criteria for, 1 or more of the** eligibility categories authorized  
34 under subclause (XIII), (XV), or (XVI) of section 1902(a)(10)(A)(ii).

35 “(D) ~~STRENGTHENED AND EXPANDED WORKFORCE.~~ — **WORKFORCE.** —

36 “(i) IN GENERAL.—The State strengthens and expands the direct care workforce  
37 that provides home and community-based services by—

38 “(I) adopting processes to ensure that ~~payments~~ **payment rates** for home  
39 and community-based services are sufficient (**as defined by the Secretary**)  
40 to ensure that care and services are available to the extent described in the

1 State HCBS improvement plan; and

2 “(II) updating qualification standards ~~(as appropriate)~~ **as appropriate**, and  
3 developing and adopting training opportunities, ~~for the continuum of~~  
4 ~~providers of home and community-based services, including programs for~~  
5 ~~independent providers of such services and agency direct care workers, as~~  
6 ~~well as unique programs and resources for family caregivers.~~ **for direct care**  
7 **workers and family caregivers, at such times as the Secretary shall**  
8 **prescribe.**

9 “(ii) PAYMENT RATES.—In carrying out clause (i)(I), the State shall—

10 “(I) update and ~~increase~~, as appropriate, **increase** payment rates for  
11 ~~delivery of home and community-based services to support the recruitment~~  
12 ~~and retention of the direct care workforce~~ **by not later than 2 years after**  
13 **approval of the HCBS improvement plan and, at least every 3 years**  
14 **thereafter, using, through existing or other processes to determine**  
15 **provider payment,;**

16 “(II) ~~review and, if necessary to ensure sufficient access to care, increase~~  
17 ~~payment rates for home and community-based services, not less frequently~~  
18 ~~than once every 3 years, through~~ a transparent process involving  
19 meaningful input from stakeholders, including recipients of home and  
20 ~~community-based services, family caregivers of such recipients, providers,~~  
21 ~~health plans, direct care workers, chosen representatives of direct care~~  
22 ~~workers, and aging, disability, and workforce advocates; and~~  
23 **nongovernmental stakeholders; and**

24 “(H)“(II) ensure that increases in the payment rates for home and  
25 community-based services—

26 “(aa) at a minimum, ~~results~~ **result** in a proportionate increase to  
27 payments for direct care workers and in a manner that is determined  
28 with input from the stakeholders described in subclause (H);(I); and

29 “(bb) ~~incorporate~~ **are incorporated** into provider payment rates for  
30 home and community-based services provided under this title by a  
31 ~~managed care entity (as defined in section 1932(a)(1)(B)) a prepaid~~  
32 ~~inpatient health plan or prepaid ambulatory health plan, as defined in~~  
33 ~~section 438.2 of title 42, Code of Federal Regulations (or any successor~~  
34 ~~regulation));~~ **health plan**, under a contract and paid through capitation  
35 rates with the State.

36 “(3) SELF-DIRECTED MODELS FOR THE DELIVERY OF SERVICES.—As conditions for receipt  
37 of the increase under paragraph (1)(B) to the Federal medical assistance percentage  
38 determined for a State, with respect to a fiscal year quarter, the State shall establish directly,  
39 or by contract with 1 or more ~~non-profit~~ entities, including an agency with choice or a  
40 similar service delivery model, a program for the performance of all of the following  
41 functions **to facilitate beneficiary use of self-directed care in the case the State covers**  
42 **home and community-based services under authorities that permit self-direction:**

43 “(A) Registering qualified direct care workers and assisting beneficiaries in finding



1 direct care workers.

2 “(B) Undertaking activities to recruit and train independent providers to enable  
3 beneficiaries to direct their own care, including by providing or coordinating training  
4 for beneficiaries on self-directed care.

5 “(C) Ensuring the safety of, and supporting the quality of, care provided to  
6 beneficiaries, ~~such as by conducting background checks and addressing complaints~~  
7 ~~reported by recipients of home and community-based services consistent with Fair~~  
8 ~~Hearing requirements and prior notice of service reductions, including under subpart F~~  
9 ~~of part 438 of title 42, Code of Federal Regulations and section 438.71(d) of such title.~~

10 “(D) Facilitating coordination between State and local agencies and direct care  
11 workers for matters of public health, training opportunities, changes in program  
12 requirements, workplace health and safety, or related matters.

13 “(E) Supporting beneficiary hiring, if selected by the beneficiary, of independent  
14 providers of home and community-based services, including by processing applicable  
15 tax information, collecting and processing timesheets, submitting claims and  
16 processing payments to such providers.

17 “(F) To the extent a State permits beneficiaries to hire a family member or  
18 individual with whom they have an existing relationship to provide home and  
19 community-based ~~service services~~, providing support to beneficiaries who wish to hire  
20 a caregiver who is a family member or individual with whom they have an existing  
21 relationship, ~~such as by facilitating enrollment of such family member or individual as~~  
22 ~~a provider of home and community-based services under the State plan or a waiver of~~  
23 ~~such plan.~~

24 “(G) Ensuring that ~~such programs do not discriminate against labor organizations or~~  
25 **the program under this paragraph does not promote or deter the ability of**  
26 **workers to form a labor organization or discriminate against** workers who may  
27 join or decline to join ~~a labor~~ **such an** organization.

28 “(4) REPORTING AND OVERSIGHT.—As conditions for receipt of the increase under  
29 paragraph (1) to the Federal medical assistance percentage determined for a State, with  
30 respect to a fiscal year quarter, the State shall meet each of the following requirements:

31 “(A) The State designates (by a date specified by the Secretary) an HCBS  
32 ombudsman office **(or a long-term care ombudsman program office)** that—

33 “(i) operates independently from the State Medicaid agency and ~~managed care~~  
34 ~~entities~~ **health plans**;

35 “(ii) provides direct assistance to recipients of home and community-based  
36 services available under the State Medicaid program and their families; and

37 “(iii) identifies and reports systemic problems to State officials, the public, and  
38 the Secretary.

39 “(B) Beginning with **the last day of** the 5th fiscal quarter for which the ~~State~~ **state** is  
40 an HCBS program improvement State, and annually thereafter, the State reports to the  
41 Secretary ~~on the state (as of the last quarter before the report) of the components of the,~~

1           **in a manner the Secretary shall prescribe, on the progress of implementation of**  
2           **the activities described in subparagraphs (C) and (D) of paragraph (2),**  
3           **paragraph (3) (if applicable), the use of enhanced Federal funding provided**  
4           **under this subsection, and progress with respect to home and community-based**  
5           **services availability, utilization, disparities in access and use of services, spending**  
6           **on HCBS, and the status of landscape described in the State HCBS improvement-**  
7           **plan, including with respect to—**

8           ~~“(i) the availability and utilization of home and community based services,~~  
9           ~~disaggregated (to the extent available and as applicable) by age groups, primary~~  
10           ~~disability, income brackets, gender, race, ethnicity, geography, primary language, and~~  
11           ~~type of service setting;~~

12           ~~“(ii) wages, benefits, turnover and vacancy rates for the direct care workforce;~~

13           ~~“(iii) changes in payment rates for home and community based services;~~

14           ~~“(iv) implementation of the activities to strengthen and expand access to home and~~  
15           ~~community based services and the direct care workforce that provides such services in~~  
16           ~~accordance with the requirements of subparagraphs (C) and (D) of paragraph (2);~~

17           ~~“(v) if applicable, implementation of the activities described in paragraph (3);~~

18           ~~“(vi) State expenditures for home and community based services under the State~~  
19           ~~plan or a waiver of such plan as a proportion of the total amount of State expenditures~~  
20           ~~under the plan or waiver of such plan for long term services and supports; and~~

21           ~~“(vii) the challenges in, and best practices for, expanding access to home and~~  
22           ~~community based services, reducing disparities, and supporting and expanding the~~  
23           ~~direct care workforce.~~

24           “(5) BENCHMARKS FOR DEMONSTRATING IMPROVEMENTS.—An HCBS program  
25           improvement State shall cease to be eligible for an increase in the Federal medical  
26           assistance percentage under paragraph (1)(A)(i) or (1)(B) or an increase in an applicable  
27           Federal matching percentage under paragraph (1)(A)(ii) ~~at any time or beginning with the~~  
28           ~~29th fiscal quarter that begins on or after the first date on which a State is an HCBS~~  
29           ~~program improvement State if the State is found to be out of compliance with paragraph~~  
30           ~~(2)(B) or any other requirement~~ **the requirements** of this subsection and, ~~beginning with~~  
31           ~~such 29th fiscal quarter, unless, not later than 90 days before the first day of such~~ **unless, at**  
32           ~~the end of the 29th fiscal quarter, the State submits to the Secretary a report demonstrating~~  
33           ~~the following improvements:~~ **demonstrates the following in the annual report required**  
34           **in paragraph (4) for such quarter:**

35           “(A) Increased availability (above a marginal increase) of home and  
36           community-based services in the State relative to such availability as reported in the  
37           State HCBS improvement plan and adjusted for demographic changes in the State  
38           since the submission of such plan.

39           ~~“(B) Reduced disparities in the utilization and availability of home and~~  
40           ~~community based services relative to the availability and utilization of such services~~  
41           ~~by such populations as reported in such plan according to age groups, primary~~  
42           ~~disability, income brackets, gender, race, ethnicity, geography, primary language, and~~

1 type of service setting (to the extent available and applicable), and adjusted for  
2 demographic changes in the State since the submission of such plan.

3 ~~“(C) Evidence that rates are sufficient to ensure access to items and services for~~  
4 ~~individuals eligible for HCBS in such State.~~

5 ~~“(D) With respect to the percentage of expenditures made by the State for long-term~~  
6 ~~services and supports that are for home and community-based services, in the case of~~  
7 ~~an HCBS program improvement State for which such percentage (as reported in the~~  
8 ~~State HCBS improvement plan) was—~~

9 ~~“(i) less than 50 percent, the State demonstrates that the percentage of such~~  
10 ~~expenditures has increased to at least 50 percent since the plan was approved; and~~

11 ~~“(ii) at least 50 percent, the State demonstrates that such percentage has not~~  
12 ~~decreased since the plan was approved.~~

13 ~~“(6) DEFINITIONS.—In this subsection, the terms ‘State Medicaid plan’, ‘direct care~~  
14 ~~worker’, ‘HCBS program improvement State’, ‘health plan’; and ‘home and~~  
15 ~~community-based services’ have the meaning given those terms in section 30711(e) of the~~  
16 ~~Act titled ‘An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14’.”.~~

17 ~~SEC. 30714. FUNDING FOR TECHNICAL ASSISTANCE~~  
18 ~~AND OTHER ADMINISTRATIVE REQUIREMENTS 30713.~~  
19 **FUNDING FOR FEDERAL ACTIVITIES RELATED TO**  
20 **MEDICAID HCBS.**

21 **In addition to amounts otherwise available, there is appropriated to the Secretary for**  
22 **fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$40,000,000,**  
23 **to remain available until expended, to carry out section 30712 (including the amendments**  
24 **made by such section), including by issuing necessary guidance and technical assistance to**  
25 **States, conducting program integrity and oversight efforts, and preparing and submitting**  
26 **to the Committee on Energy and Commerce of the House of Representatives and the**  
27 **Committee on Finance of the Senate, beginning 5 years after the date of the enactment of**  
28 **this Act and every three years thereafter, a report describing the progress of the HCBS**  
29 **planning and improvement activities undertaken by States as applicable and as described**  
30 **in sections 30711 and 30712 (including the amendments made by such sections), and**  
31 **describing the impact of such activities on access to care, including with respect to**  
32 **disparities in access and utilization, and the direct care workforce.**

33  
34 ~~\* 60 (a) In General.— In addition to amounts otherwise~~  
35 ~~available, there is appropriated to the Secretary for fiscal year~~  
36 ~~2022, out of any money in the Treasury not otherwise~~  
37 ~~appropriated, \$35,000,000, to remain available until expended,~~  
38 ~~to carry out the following activities:~~

1 ~~(1) To prepare and submit to the appropriate committees of~~  
2 ~~Congress—~~

3 ~~(A) not later than 4 years after the date of enactment of this Act,~~  
4 ~~a report that includes—~~

5 ~~(i) a description of the HCBS improvement plans approved by~~  
6 ~~the Secretary under section 30712(d);~~

7 ~~(ii) a description (which may be a narrative report with examples~~  
8 ~~or otherwise) of the landscape, at both the national and State~~  
9 ~~levels, with respect to gaps in coverage of home and~~  
10 ~~community based services, disparities in access to, and~~  
11 ~~utilization of, such services, and barriers to accessing such~~  
12 ~~services; and~~

13 ~~(iii) a description of the national landscape with respect to the~~  
14 ~~direct care workforce that provides home and community based~~  
15 ~~services, including with respect to wages, benefits, and~~  
16 ~~challenges to the availability of such workers; and~~

17 ~~(B) not later than 7 years after the date of enactment of this Act,~~  
18 ~~and every 3 years thereafter, a report that includes—~~

19 ~~(i) the number of HCBS program improvement States;~~

20 ~~(ii) a summary of the progress being made by such States with~~  
21 ~~respect to strengthening and expanding access to home and~~  
22 ~~community based services and the direct care workforce that~~  
23 ~~provides such services and meeting the benchmarks for~~  
24 ~~demonstrating improvements required under section 1905(jj)(5)~~  
25 ~~of the Social Security Act (as added by section 30713);~~

26 ~~(iii) a summary of States' performance measures as a part of the~~  
27 ~~home and community based services core quality measures and~~  
28 ~~beneficiary and family caregiver surveys; and~~

1 ~~(iv) a summary of the challenges and best practices reported by~~  
2 ~~States in expanding access to home and community based~~  
3 ~~services and supporting and expanding the direct care workforce~~  
4 ~~that provides such services.~~

5 ~~(2) To provide HCBS program improvement States with~~  
6 ~~technical assistance related to carrying out the HCBS~~  
7 ~~improvement plans approved by the Secretary under section~~  
8 ~~30712(d) and meeting the requirements and benchmarks for~~  
9 ~~demonstrating improvements required under section 1905(jj) of~~  
10 ~~the Social Security Act (as added by section 30713), and to issue~~  
11 ~~such guidance or regulations as necessary to carry out this~~  
12 ~~subtitle and the amendments made by this subtitle, including~~  
13 ~~guidance specifying how States shall assess and track access to~~  
14 ~~home and community based services over time.~~

15 ~~SEC. 30715~~ **SEC. 30714. FUNDING FOR HCBS QUALITY**  
16 **MEASUREMENT AND IMPROVEMENT.**

17 (a) ~~In General.~~—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended—  
18 **Increased Federal Matching Rate for Adoption and Reporting of HCBS Quality**  
19 **Measures.**—

20 **\*\* 30** (1) **IN GENERAL.**—Section 1903(a)(3) of the Social Security Act (42 U.S.C.  
21 1396b(a)(3)) is amended—

22 **\*\* 31** (A) in subparagraph (F)(ii), by striking “plus” after the semicolon and  
23 inserting “and”; and

24 **(B) by inserting after subparagraph (F), the following:**

25 **\*\* 32** “(G) 80 percent of so much of the sums expended during such quarter as are  
26 attributable to the reporting of information regarding the quality of home and  
27 community-based services in accordance with sections 1139A(a)(4)(B)(ii) and  
28 1139B(b)(3)(C); and”.

29 **\*\* 33** (2) **EXEMPTION FROM TERRITORIES’ PAYMENT LIMITS.**—Section 1108(g)(4) of the  
30 Social Security Act is amended by adding at the end the following new subparagraph:

31 **\*\* 34** “(C) **ADDITIONAL EXEMPTION RELATING TO HCBS QUALITY**  
32 **REPORTING.**—Payments under section 1903(a)(3)(G) shall not be taken into account in  
33 applying payment limits under ~~subsection~~ **subsections** (f) and (g) of this subsection.”.

34 **(b) HCBS Quality Measures for Increase.**—Title XI of the Social Security Act (42 U.S.C.

1 **1301 through 1320e-3) is amended—**

2 (1) in section 1139A—

3 (A) in subsection (a)(4)(B)—

4 (i) by striking “Beginning with the annual State report on fiscal year 2024” and  
5 inserting the following:

6 “(i) IN GENERAL.—Subject to clause (ii), beginning with the annual State report  
7 on fiscal year 2024”; and

8 (ii) by adding at the end the following new clause:

9 “(ii) REPORTING HCBS QUALITY MEASURES.—With respect to reporting on  
10 information regarding the quality of home and community-based services  
11 provided to children under title XIX **or title XXI**, beginning with the annual State  
12 report **required under subsection (c)(1)** for the first fiscal year that begins on or  
13 after the date that is 2 years after the date that the Secretary publishes the home  
14 and community-based services quality measures developed under subsection  
15 (b)(5)(B) the Secretary shall require States to report such information using the  
16 standardized format for reporting information and procedures developed under  
17 subparagraph (A) and using **all** such home and community-based quality  
18 measures developed under subsection (b)(5) (including any updates or changes to  
19 such measures).”; and

20 (B) in subsection (b)(5)—

21 (i) by striking “Beginning no later than January 1, 2013” and inserting the  
22 following:

23 “(A) IN GENERAL.—Beginning no later than January 1, 2013”; and

24 (ii) by adding at the end the following new subparagraph:

25 “(B) HCBS QUALITY MEASURES.—Beginning with the first year that begins on the  
26 date that is 2 years after the date of enactment of this subparagraph; **(or, in the case of**  
27 **measures that require development and testing prior to availability, not later than**  
28 **4 years after the date of enactment of this subparagraph), the requirements of**  
29 **subparagraph (A) shall apply, and** the core measures described in subsection (a)  
30 (and any updates or changes to such measures) shall include home and  
31 community-based services quality measures developed by the Secretary ~~in the manner~~  
32 ~~described in section 1139B(b)(5)(D). The Secretary may determine which measures~~  
33 ~~are to be included in the core set under this section and which in the core set under~~  
34 ~~section 1139B, based on the differences in health care needs for the relevant~~  
35 ~~populations.”; **The Secretary shall ensure that such measures reflect the full array**  
36 **of home and community-based services, and consult with nongovernmental**  
37 **stakeholders with expertise in home and community-based services (including**  
38 **recipients and providers of such services).”;**~~

39 (C) in subsection (b)(6)—

40 (i) by inserting “or support services” before “that is capable of”;

1                   (ii) by striking “and ambulatory health care settings” and inserting “,  
2                   ambulatory health care, and home and community-based settings”; and

3                   (iii) by inserting “and home and community-based” before “care system”;  
4                   and

5                   (D) in subsection (c)(1), in the matter preceding subparagraph (A), by inserting  
6                   “, subject to subsection (a)(4)(B)(ii),” before “annually report”; and

7 (2) in section 1139B—

8                   (A) in subsection (b)—

9                   (i) in paragraph (3), by adding at the end the following new subparagraph:

10                   “(C) MANDATORY REPORTING WITH RESPECT TO HCBS QUALITY  
11 MEASURES.—Beginning with the State report required under subsection (d)(1) for the  
12 first year that begins on or after the date that is 2 years after the date that the Secretary  
13 publishes the home and community-based quality measures developed under paragraph  
14 (5)(D), the Secretary shall require States to report information, using the standardized  
15 format for reporting information and procedures developed under subparagraph (A),  
16 regarding the quality of home and community-based services for Medicaid eligible  
17 adults using ~~all of either~~—

18                   ~~“(i) the home and community-based services quality measures included in the core~~  
19 ~~set of adult health quality measures under subparagraph~~ **paragraph (5)(D), and any**  
20 ~~updates or changes to such measures.”; measures; or~~

21                   ~~“(ii) an equivalent alternative set of home and community-based services quality-~~  
22 ~~measures approved by the Secretary.”; and~~

23                   (ii) in paragraph (5), by adding at the end the following new subparagraph:

24                   “(D) HCBS QUALITY MEASURES.—

25                   “(i) ~~IN GENERAL.—BEGINNING FUNDING.—~~**In addition to amounts otherwise**  
26 **available, there is appropriated to the Secretary, for fiscal year 2022, to be**  
27 **available until expended, out of any money in the Treasury not otherwise**  
28 **appropriated, \$22,000,000, for carrying out this subparagraph.**

29                   “(ii) **INCLUSION OF HCBS QUALITY MEASURES.—Beginning** with respect to  
30 State reports required under subsection (d)(1) for the first year that begins on or  
31 after the date that is 2 years after the date of enactment of this subparagraph; **(or,**  
32 **in the case of measures that require development and testing prior to**  
33 **availability, not later than 4 years after the date of enactment of this**  
34 **subparagraph)** the core set of adult health quality measures maintained under  
35 this paragraph (and any updates or changes to such measures) shall include home  
36 and community-based services quality measures developed in accordance with  
37 this subparagraph.

38                   ~~“(i)“(iii) REQUIREMENTS.—~~

39                   ~~“(I) INTERAGENCY COLLABORATION; STAKEHOLDER INPUT.—IN~~  
40 ~~DEVELOPING (AND SUBSEQUENTLY REVIEWING AND UPDATING) IN~~

1                   GENERAL.—**In developing, reviewing and updating** the home and  
2 community-based services quality measures included in the core set of adult  
3 health quality measures maintained under this paragraph, the Secretary **shall**  
4 **consult with nongovernmental stakeholders with expertise in** ~~shall—~~

5                   ~~“(aa) collaborate with the Administrator of the Centers for Medicare &~~  
6 ~~Medicaid Services, the Administrator of the Administration for Community-~~  
7 ~~Living, the Director of the Agency for Healthcare Research and Quality, and~~  
8 ~~the Assistant Secretary for Mental Health and Substance Use; and~~

9                   ~~“(bb) ensure that such home and community-based services quality-~~  
10 ~~measures are informed by input from stakeholders, (including recipients and~~  
11 ~~providers of such services) and ensure such measures reflect the full~~  
12 ~~array of home and community-based services, family caregivers of such-~~  
13 ~~recipients, providers, health plans, direct care workers, chosen-~~  
14 ~~representatives of direct care workers, and aging, disability, and workforce-~~  
15 ~~advocates.~~

16                   ~~“(II) Reflective of full array of services.—Such home and-~~  
17 ~~community-based services quality measures shall—~~

18                   ~~“(aa) reflect the full array of home and community-based services and~~  
19 ~~recipients of such services; and.~~

20                   ~~“(bb) include—~~

21                   ~~“(AA) outcomes-based measures;~~

22                   ~~“(BB) measures of availability of services;~~

23                   ~~“(CC) measures of provider capacity and availability;~~

24                   ~~“(DD) measures related to person-centered care;~~

25                   ~~“(EE) measures specific to self-directed care;~~

26                   ~~“(FF) measures related to transitions to and from institutional care; and~~

27                   ~~“(GG) beneficiary and family caregiver surveys.~~

28                   ~~“(III) Demographics.—Such home and community-based services quality-~~  
29 ~~measures shall allow for the collection, to the extent available, of data that is~~  
30 ~~disaggregated by age groups, primary disability, income brackets, gender,~~  
31 ~~race, ethnicity, geography, primary language, and type of service setting.~~

32                   ~~“(IV) Definitions.—For~~**“(II) DEFINITION.—For** purposes of this section  
33 and section 1139A, the terms **term** ‘home and community-based services’,  
34 ‘health plan’; and ‘direct care worker’ have the meanings given those terms  
35 ~~in section 30711~~ **has the meaning given such term in section 30711(e)** of  
36 the Act titled ‘An Act to provide for reconciliation pursuant to title II of S.  
37 Con. Res. 14’. **14’.**”; and

38  
39                   \* 61 ~~“(iii) Funding.—In addition to amounts otherwise available, there is~~  
40 ~~appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not~~



1 otherwise appropriated, \$5,000,000, to remain available until expended, for carrying  
2 out this subparagraph.”; and

3 (B) in subsection (d)(1)(A), by striking “; and” and inserting “and, beginning with  
4 the report for the first year that begins after the date that is 2 years after the Secretary  
5 publishes the home and community-based quality measures developed under  
6 subsection (b)(5)(D), **all** home and community-based services quality measures  
7 included in the core set of adult health quality measures maintained under subsection  
8 (b)(5) and any updates or changes to such measures ~~or an equivalent alternative set of~~  
9 ~~home and community-based services quality measures approved by the Secretary;~~  
10 and”.

11 ~~(b) Increased Federal Matching Rate for Adoption and~~  
12 ~~Reporting.—~~

13  
14 ~~\* 30 (1) In general.— Section 1903(a)(3) of the Social Security~~  
15 ~~Act (42 U.S.C. 1396b(a)(3)) is amended —~~

16  
17 ~~\* 31 (A) in subparagraph (F)(ii), by striking “plus” after the~~  
18 ~~semicolon and inserting “and”; and~~

19 ~~(B) by inserting after subparagraph (F), the following:~~

20  
21 ~~\* 32 “(G) 80 percent of so much of the sums expended during~~  
22 ~~such quarter as are attributable to the reporting of information~~  
23 ~~regarding the quality of home and community based services in~~  
24 ~~accordance with sections 1139A(a)(4)(B)(ii) and~~  
25 ~~1139B(b)(3)(C); and”.~~

26  
27 ~~\* 33 (2) Exemption from territories’ payment limits.— Section~~  
28 ~~1108(g)(4) of the Social Security Act is amended by adding at~~  
29 ~~the end the following new subparagraph:~~

1 ~~\* 34 “(C) Additional exemption relating to hebs quality~~  
2 ~~reporting. Payments under section 1903(a)(3)(G) shall not be~~  
3 ~~taken into account in applying payment limits under subsection~~  
4 ~~(f) and this subsection.”.~~

## 5 ~~PART 3—OTHER MEDICAID~~

### 6 ~~SEC. 30721~~ **SEC. 30715.** PERMANENT EXTENSION OF 7 MEDICAID PROTECTIONS AGAINST SPOUSAL 8 IMPOVERISHMENT FOR RECIPIENTS OF HOME AND 9 COMMUNITY-BASED SERVICES.

10 ~~Section(a) In General.~~—Section 1924(h)(1)(A) of the Social Security Act (42 U.S.C.  
11 1396r–5(h)(1)(A)) is amended by striking “(at the option of the State) is described in section  
12 1902(a)(10)(A)(ii)(VI)” and inserting the following: “is eligible for medical assistance for home  
13 and community-based services provided under subsection (c), (d), or (i) of section 1915 or under  
14 a waiver approved under section 1115, or who is eligible for such medical assistance by reason  
15 of being determined eligible under section 1902(a)(10)(C) or by reason of section 1902(f) or  
16 otherwise on the basis of a reduction of income based on costs incurred for medical or other  
17 remedial care, or who is eligible for medical assistance for home and community-based attendant  
18 services and supports under section 1915(k)”.

19 **(b) Conforming Amendment.**—Section 2404 of the Patient Protection and Affordable  
20 Care Act (42 U.S.C. 1396r–5 note) is amended by striking “September 30, 2023” and  
21 inserting “the date of the enactment of the Act titled ‘An Act to provide for reconciliation  
22 pursuant to title II of S. Con. Res. 14’”.

### 23 ~~SEC. 30716~~ ~~SEC. 30722.~~ PERMANENT EXTENSION OF 24 MONEY FOLLOWS THE PERSON REBALANCING 25 DEMONSTRATION.

26 (a) In General.—Subsection (h) of section 6071 of the Deficit Reduction Act of 2005 (42  
27 U.S.C. 1396a note) is amended—

28 (1) in paragraph (1)—

29 (A) in subparagraph (I), by inserting “and” after the semicolon;

30 (B) by amending subparagraph (J) to read as follows:

31 “(J) \$450,000,000 for each fiscal year after fiscal year ~~2021.~~; and 2022.”;

32 (C) by striking subparagraph (K);

33 (2) in paragraph (2), by striking “September 30, 2023” and inserting “September 30 of  
34 the subsequent fiscal year”; and

35 (3) by adding at the end the following new paragraph:



1           **(2) in subsection (e)(6)(A)—**

2                   **(A) in the header, by striking “FOR FAILURE TO REPORT”; and**

3                   **(B) in clause (i)—**

4                           **(i) by striking “For fiscal years beginning with fiscal year 2018, in the case**  
5                           **of a skilled nursing facility that does not submit” and inserting the following:**

6                                   **“(I) FAILURE TO REPORT.—For fiscal years beginning with fiscal year**  
7                                   **2018, in the case of a skilled nursing facility that does not submit quality**  
8                                   **measure data specified by the Secretary and”;** and

9                           **(ii) by adding at the end the following new subclause:**

10                                   **“(II) REPORTING OF INACCURATE INFORMATION.—For fiscal years**  
11                                   **during the period beginning with fiscal year 2026 and ending with fiscal**  
12                                   **year 2031, in the case of a skilled nursing facility that submits data**  
13                                   **under this paragraph, measures under subsection (h), resident**  
14                                   **assessment data described in section 1819(b)(3), or direct care staffing**  
15                                   **information described in section 1128I(g) with respect to such fiscal year**  
16                                   **that is inaccurate (as determined by the Secretary through the**  
17                                   **validation process described in section 1888(h)(12) or otherwise), after**  
18                                   **determining the percentage described in paragraph (5)(B)(i), and after**  
19                                   **application of clauses (ii) and (iii) of paragraph (5)(B) and of subclause**  
20                                   **(I) of this clause (if applicable), the Secretary shall reduce such**  
21                                   **percentage for payment rates during such fiscal year by 2 percentage**  
22                                   **points.”.**

23           **SEC. 30718. ENSURING ACCURATE INFORMATION**  
24           **ON COST REPORTS.**

25           Section 1888(f) of the Social Security Act (42 U.S.C. 1395yy(f)) is amended by adding at  
26           the end the following new paragraph:

27                   **“(5) AUDIT OF COST REPORTS.—There is appropriated to the Secretary, out of any**  
28                   **monies in the Treasury not otherwise appropriated, \$250,000,000 for fiscal year 2022,**  
29                   **to remain available through fiscal year 2031, for purposes of conducting an annual**  
30                   **audit (beginning with 2023 and ending with 2031) of cost reports submitted under this**  
31                   **title for a representative sample of skilled nursing facilities.”.**

32           **SEC. 30719. SURVEY IMPROVEMENTS.**

33           Section 1819 of the Social Security Act (42 U.S.C. 1395i–3) is amended by adding at the  
34           end the following new subsection:

35                   **“(I) Survey Improvements.—**

36                           **“(1) IN GENERAL.—There is appropriated to the Secretary, out of any monies in the**  
37                           **Treasury not otherwise appropriated, \$325,000,000 for fiscal year 2022, to remain**  
38                           **available through fiscal year 2031, for purposes of—**

39                                   **“(A) conducting reviews and identifying plans under paragraph (2); and**

1           “(B) providing training, tools, technical assistance, and financial support in  
2           accordance with paragraph (3).

3           “(2) REVIEW.—The Secretary shall conduct reviews, during the period specified in  
4           paragraph (1), of (and, as appropriate, identify plans to improve) the following:

5           “(A) The extent to which surveys conducted under subsection (g) and the  
6           enforcement process under subsection (h) result in increased compliance with  
7           requirements under this section and subpart B of part 483 of title 42, Code of  
8           Federal Regulations, with respect to skilled nursing facilities (in this subsection  
9           referred to as ‘facilities’).

10          “(B) The timeliness and thoroughness of State agency verification of deficiency  
11          corrections at facilities.

12          “(C) The accuracy of the identification and appropriateness of the scope and  
13          severity of deficiencies cited at facilities.

14          “(D) The accuracy of the identification and appropriateness of the scoping and  
15          severity of life safety, infection control, and emergency preparedness deficiencies  
16          cited at facilities.

17          “(E) The timeliness of State agency investigations of—

18               “(i) complaints at facilities;

19               “(ii) facility-reported incidents at facilities; and

20               “(iii) reported allegations of abuse, neglect, and exploitation at facilities.

21          “(F) The consistency of facility reporting of substantiated complaints to law  
22          enforcement.

23          “(G) The ability of the State agency to sufficiently hire, train, and retain  
24          individuals who conduct surveys.

25          “(H) Any other area related to surveys of facilities, or the individuals  
26          conducting such surveys, determined appropriate by the Secretary.

27          “(3) SUPPORT.—Based on the review under paragraph (2), the Secretary shall,  
28          during the period specified in paragraph (1), provide training, tools, technical  
29          assistance, and financial support to State and Federal agencies that perform surveys of  
30          facilities for the purpose of improving the surveys conducted under subsection (g) and  
31          the enforcement process under subsection (h) with respect to the areas reviewed under  
32          paragraph (2).”.

## 33   **SEC. 30720. NURSE STAFFING REQUIREMENTS.**

34    Section 1819(d) of the Social Security Act (42 U.S.C. 1395i–3(d)) is amended—

35          (1) in paragraph (4)(A), by inserting “and any regulations promulgated under  
36          paragraph (5)(C)” after “section 1124”; and

37          (2) by adding at the end the following new paragraph:

38          “(5) NURSE STAFFING REQUIREMENTS.—

1           **“(A) FUNDING.—**There is appropriated to the Secretary, out of any monies in  
2           the Treasury not otherwise appropriated, \$50,000,000 for fiscal year 2022, to  
3           remain available through fiscal year 2031, for purposes of carrying out this  
4           paragraph.

5           **“(B) STUDY.—**Not later than 3 years after the date of the enactment of this  
6           paragraph, and not less frequently than once every 5 years thereafter, the  
7           Secretary shall, out of funds appropriated under subparagraph (A), conduct a  
8           study and submit to Congress a report on the appropriateness of establishing  
9           minimum staff to resident ratios for nursing staff for skilled nursing facilities.  
10          Each such report shall include—

11                   **“(i)** with respect to the first such report, recommendations regarding  
12                   appropriate minimum ratios of registered nurses (and, if practicable,  
13                   licensed practical nurses (or licensed vocational nurses) and certified nursing  
14                   assistants) to residents at such skilled nursing facilities; and

15                   **“(ii)** with respect to each subsequent such report, recommendations  
16                   regarding appropriate minimum ratios of registered nurses, licensed  
17                   practical nurses (or licensed vocational nurses), and certified nursing  
18                   assistants to residents at such skilled nursing facilities.

19          **“(C) PROMULGATION OF REGULATIONS.—**

20                   **“(i) IN GENERAL.—**Not later than 1 year after the Secretary first submits a  
21                   report under subparagraph (B), the Secretary shall, out of funds  
22                   appropriated under subparagraph (A)—

23                           **“(I)** specify through regulations, consistent with such report,  
24                           appropriate minimum ratios (if any) of registered nurses (and, if  
25                           practicable, licensed practical nurses (or licensed vocational nurses) and  
26                           certified nursing assistants) to residents at skilled nursing facilities; and

27                           **“(II)** except as provided in clause (ii), require such skilled nursing  
28                           facilities to comply with such ratios.

29                   **“(ii) EXCEPTION.—**

30                           **“(I) IN GENERAL.—**In addition to the authority to waive the  
31                           application of clause (i)(II) under section 1135, the Secretary may waive  
32                           the application of such clause with respect to a skilled nursing facility if  
33                           the Secretary finds that—

34                                   **“(aa)** the facility is located in a rural area and the supply of  
35                                   skilled nursing facility services in such area is not sufficient to meet  
36                                   the needs of individuals residing therein;

37                                   **“(bb)** the Secretary provides notice of the waiver to the State  
38                                   long-term care ombudsman (established under section 307(a)(12) of  
39                                   the Older Americans Act of 1965) and the protection and advocacy  
40                                   system in the State for the mentally ill; and

41                                   **“(cc)** the facility that is granted such a waiver notifies residents of

1 the facility (or, where appropriate, the guardians or legal  
2 representatives of such residents) and members of their immediate  
3 families of the waiver.

4 “(II) RENEWAL.—Any waiver in effect under this clause shall be  
5 subject to annual renewal.

6 “(iii) UPDATE.—Not later than 1 year after the submission of each  
7 subsequent report under subparagraph (B), the Secretary shall, out of funds  
8 appropriated under subparagraph (A) and consistent with such report,  
9 update the regulations described in clause (i)(I) to reflect appropriate  
10 minimum ratios (if any) of registered nurses, licensed practical nurses (or  
11 licensed vocational nurses), and certified nursing assistants to residents at  
12 skilled nursing facilities.”

## 13 PART 2—EXPANDING ACCESS TO MATERNAL 14 HEALTH

### 15 SEC. 30721. EXTENDING CONTINUOUS COVERAGE 16 FOR PREGNANT AND POSTPARTUM INDIVIDUALS.

#### 17 (a) Medicaid.—

##### 18 (1) REQUIRING FULL BENEFITS FOR PREGNANT AND POSTPARTUM INDIVIDUALS FOR 19 12-MONTH PERIOD POST PREGNANCY.—

20 (A) IN GENERAL.—Paragraph (5) of section 1902(e) of the Social Security Act (42  
21 U.S.C. 1396a(e)) is amended—

22 ~~(A)(i) by striking “(5) A woman who” and inserting “(5)(A) For any fiscal year~~  
23 ~~quarter with respect to which the amendments made by section-~~  
24 ~~30723(a)(1)(B)(beginning with the first fiscal year quarter beginning one year~~  
25 ~~after the date of the enactment of the Act titled ‘An Act to provide for~~  
26 ~~reconciliation pursuant to title II of S. Con. Res. 14’ do not apply (beginning with~~  
27 ~~the first fiscal year quarter beginning one year after the date of the enactment of~~  
28 ~~such Act), a woman who”;~~ and) **with respect to which subparagraph (B) does**  
29 **not apply, an individual who”;** and

30 ~~(B)(ii) by adding at the end the following new subparagraph:~~

31 “(B) For any fiscal year quarter (beginning with the first fiscal year quarter beginning one  
32 year after the date of the enactment of ~~this subparagraph~~ **the Act titled ‘An Act to provide**  
33 **for reconciliation pursuant to title II of S. Con. Res. 14’**), any individual who, while  
34 pregnant, is eligible for and received medical assistance under the State plan or a waiver of  
35 such plan (regardless of the basis for the individual’s eligibility for medical assistance and  
36 including during a period of retroactive eligibility under subsection (a)(34)), shall remain  
37 eligible, notwithstanding section 1916(c)(3) or any other limitation under this title, for  
38 medical assistance through the end of the month in which the 12-month period (beginning  
39 on the last day of pregnancy of the individual) ends, and such medical assistance shall be in  
40 accordance with clauses (i) and (ii) of paragraph (16)(B).”

1           ~~(2)~~**(B)** CONFORMING AMENDMENTS.—Title XIX of the Social Security Act (42  
2 U.S.C. 1396 et seq.) **through 1396w-6** is amended—

3           ~~(A)~~**(i)** in section 1902(a)(10), in the matter following subparagraph (G), by  
4 striking “(VII) the medical assistance” and all that follows through “; (VIII)” and  
5 inserting “(VIII)”;

6           ~~(B)~~**(ii)** in section 1902(e)(6), by striking “In the case of” and inserting “For any  
7 fiscal year quarter with respect to which ~~the amendments made by section~~  
8 ~~30723(a)(1)(B) of the Act titled ‘An Act to provide for reconciliation pursuant to~~  
9 ~~title II of S. Con. Res. 14’ do not apply (beginning with the first fiscal year~~  
10 ~~quarter beginning one year after the date of the enactment of such Act), in the~~  
11 ~~case of”;~~ **paragraph (5)(B) does not apply, in the case of”;**

12           ~~(C)~~**(iii)** in section 1902(l)(1)(A), by striking “60-day period” and inserting  
13 “12-month period”;

14           ~~(D)~~ in section 1903(v)(4)(A)—

15           ~~(i)~~ in clause (i), by striking “60-day period” and inserting “12-month period (or,  
16 for any fiscal year quarter with respect to which ~~the amendments made by section~~  
17 ~~30723(a)(1)(B) of the Act titled ‘An Act to provide for reconciliation pursuant to~~  
18 ~~title II of S. Con. Res. 14’ do not apply (beginning with the first fiscal year~~  
19 ~~quarter beginning one year after the date of the enactment of such Act), 60-day~~  
20 ~~period)”;~~ **and subsection (e)(5)(B) does not apply and for which the State has**  
21 **not adopted the option under section 1902(e)(16)(A), 60-day period)”;**

22           ~~(ii)~~ in clause (ii), by inserting “and including an individual to whom section  
23 ~~1902(e)(5)(B) applies, in accordance with such section, through the end of the~~  
24 ~~month in which the 12-month period (beginning on the last day of pregnancy of~~  
25 ~~the individual) ends” before the period at the end; and~~**(iv) in section 1903(v)(4)—**

26           ~~(E)~~**(I)** in subparagraph (A)(i), by striking “the 60-day period” and  
27 inserting “the applicable period (as described in subparagraph (D))”;

28           **(II)** in subparagraph (A)(ii), by striking the period and inserting “,  
29 and, in the case of such an individual who is or becomes pregnant, such  
30 individual (regardless of age) during pregnancy and during the  
31 applicable period (as described in subparagraph (D)).”;

32           **(III)** by adding at the end the following new subparagraph:

33           **“(D) For purposes of subparagraph (A), the applicable period described in this**  
34 **subparagraph is—**

35           **“(i) beginning with the first fiscal year quarter that begins one year after**  
36 **the date of the enactment of the American Rescue Plan Act of 2021, for a**  
37 **State that has adopted the option under section 1902(e)(16)(A), the 12-month**  
38 **period;”;** and

39           **(IV)** in the subparagraph (D) added by subclause (III), by adding at  
40 the end the following new clauses:

41           **“(ii) beginning with the first fiscal year quarter beginning one year after**



1 the date of the enactment of the Act titled ‘An Act to provide for  
2 reconciliation pursuant to title II of S. Con. Res. 14’, the 12-month period;  
3 and

4 “(iii) for any fiscal year quarter (beginning with such first fiscal year  
5 quarter) with respect to which section 1902(e)(5)(B) does not apply and for  
6 which the State has not adopted the option under section 1902(e)(16)(A), the  
7 60-day period.”;

8 (v) in section 1905(a), in the 4th sentence in the matter following paragraph  
9 (31), by striking “60-day period” and inserting “12-month period (or, for any  
10 fiscal year quarter with respect to which section 1902(e)(5)(B) does not apply  
11 and for which the State has not adopted the option under section  
12 1902(e)(16)(A), 60-day period”); and

13 (vi) in section 1905(y), by adding at the end the following new paragraph:

14 “(3) TREATMENT FOR CERTAIN INDIVIDUALS.—Notwithstanding paragraphs (1) and  
15 (2), section 1902(a)(10)(A)(i)(III), and section 1902(a)(10)(A)(i)(IV), the term ‘newly  
16 eligible’ in paragraph (2)(A) and the phrase ‘newly eligible individuals described in  
17 subclause (VIII) of section 1902(a)(10)(A)(i)’ in paragraph (1) shall apply to  
18 individuals who but for the amendments made by section ~~30723(a)(1)(B)~~ 30721(a) of the  
19 Act titled ‘An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14’ ~~do not~~  
20 ~~apply (beginning with the first fiscal year quarter beginning one year after the date of the~~  
21 ~~enactment of such Act), 60-day period)”. would be eligible under the State plan (or~~  
22 ~~waiver) for medical assistance under section 1902(a)(10)(A)(i)(VIII) for the period~~  
23 ~~beginning on the first day occurring after the end of such 60-day period and ending on~~  
24 ~~the last day of the month in which the 12-month period (beginning on the last day of~~  
25 ~~the pregnancy) ends.”.~~

26 ~~(b) Transition From State Option.—Section(2) TRANSITION FROM STATE OPTION.—~~

27 (A) IN GENERAL.—Section 1902(e)(16)(A) of the Social Security Act (42 U.S.C.  
28 1396a(e)(16)(A)) is amended by striking “At the option of the State” and inserting  
29 “For any fiscal year quarter with respect to which the amendments made by section  
30 ~~30723(a)(1)(B) of the Act titled ‘An Act to provide for reconciliation pursuant to title~~  
31 ~~II of S. Con. Res. 14’ do not apply (beginning with the first fiscal year quarter~~  
32 ~~beginning one year after the date of the enactment of such Act) paragraph (5)(B) does~~  
33 ~~not apply, at the option of the State”.~~

34 ~~(e) Effective Date.—(B) CONFORMING AMENDMENT.—Section 9812(b) of the~~  
35 ~~American Rescue Plan Act of 2021 (Public Law 117–2) is amended by striking~~  
36 ~~“during the 5-year period”.~~

37 ~~(4)(3) EFFECTIVE DATE.—~~

38 (A) IN GENERAL.—Subject to paragraph ~~(2)~~ subparagraphs (B) and (C), the  
39 amendments made by this section paragraph shall take effect on the 1st day of the 1st  
40 fiscal year quarter that begins one year after the date of the enactment of this Act and  
41 shall apply with respect to medical assistance provided on or after such date.

42 (B) EXCEPTION FOR CERTAIN AMERICAN RESCUE PLAN ACT OF 2021 CONFORMING

1           **AMENDMENTS.—The amendments made by subclauses (I), (II), and (III) of**  
2           **paragraph (1)(B)(iv) shall take effect on the first day of the first fiscal year**  
3           **quarter that begins one year after the date of the enactment of the American**  
4           **Rescue Plan Act of 2021 and shall apply with respect to medical assistance**  
5           **provided on or after such date.**

6           (C)(2) EXCEPTION FOR STATE LEGISLATION.—In the case of a State plan under title  
7           XIX of the Social Security Act (42 U.S.C. 1396 ~~et seq.~~) **through 1396w-6** that the  
8           Secretary of Health and Human Services determines requires State legislation in order  
9           for the plan to meet any requirement imposed by amendments made by this ~~section~~  
10           **subsection**, the plan shall not be regarded as failing to comply with the requirements  
11           of such title solely on the basis of its failure to meet such a requirement before the first  
12           day of the first calendar quarter beginning after the close of the first regular session of  
13           the State legislature that begins after the date of the enactment of this Act. For  
14           purposes of the previous sentence, in the case of a State that has a 2-year legislative  
15           session, each year of the session shall be considered to be a separate regular session of  
16           the State legislature.

17           ~~SEC. 30724. PROVIDING FOR 1 YEAR OF CONTINUOUS ELIGIBILITY FOR~~  
18           ~~CHILDREN UNDER THE MEDICAID PROGRAM.~~ **(b) CHIP.—**

19           (a) ~~In General.~~—Section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is  
20           ~~amended—~~

21           (1) ~~in paragraph (12), by inserting “before the date of the enactment of paragraph (17)”~~  
22           ~~after “subsection (a)(10)(A)”.~~ **(1) REQUIRING FULL BENEFITS FOR PREGNANT AND**  
23           **POSTPARTUM WOMEN FOR 12-MONTH PERIOD POST PREGNANCY.—**

24           \*\* 35 ~~(4)(A)~~ IN GENERAL.—Section 2107(e)(1)(J) of the Social Security Act (42  
25           U.S.C. 1397gg(e)(1)(J)) is amended—

26           (i) by striking “Paragraphs (5) and (16)” and inserting “(i) For any fiscal  
27           year quarter with respect to which paragraph (5)(B) of section 1902(e) does  
28           not apply, paragraphs (5)(A) and (16) of such section”; and

29           (ii) by adding at the end the following new clause:

30           \*\* 36 “(ii) For any fiscal year quarter (beginning with the first fiscal year quarter  
31           beginning one year after the date of the enactment of ~~this clause~~) **the Act titled ‘An**  
32           **Act to provide for reconciliation pursuant to title II of S. Con. Res. 14’**), section  
33           1902(e)(5)(B) (requiring, notwithstanding section 2103(e)(3)(C)(ii)(I) or any other  
34           limitation under this title, continuous coverage for pregnant and postpartum  
35           individuals, including 12 months postpartum, of medical assistance) if the State  
36           provides child health assistance ~~for~~ **to** targeted low-income children ~~who are pregnant~~  
37           ~~or~~ **or pregnancy-related assistance** to targeted low-income pregnant women, under  
38           the State child health plan or waiver, including coverage of all items or services  
39           provided to a targeted low-income child or targeted low-income pregnant woman (as  
40           applicable) under the State child health plan or waiver).”

41           \*\* 37 ~~(2)(B)~~ CONFORMING AMENDMENTS.—Section 2112 of the Social Security Act  
42           (42 U.S.C. 1397ll) is amended—

1 (i) in subsection (d)—

2 \*\* 38 ~~(I)~~ in paragraph (1), by inserting “and includes, through  
3 application of section 1902(e)(5)(B) pursuant to section 2107(e)(1)(J)(ii),  
4 continuous coverage for pregnant and postpartum individuals, including 12  
5 months ~~postpartum of assistance~~ **postpartum**” before the period at the end;  
6 and

7 **(II) in paragraph (2)(A), by striking “60-day period” and all that**  
8 **follows through “ends” and inserting “12-month period (or, for any**  
9 **fiscal year quarter with respect to which section 2107(e)(1)(J)(ii) does**  
10 **not apply and for which the State has not adopted the option under**  
11 **section 1902(e)(16)(A), 60-day period) ends”; and**

12 **(ii) in subsection (f)(2), by striking “60-day period” and inserting**  
13 **“12-month period (or, for any fiscal year quarter (beginning with the first**  
14 **fiscal year quarter beginning one year after the date of the enactment of the**  
15 **Act titled ‘An Act to provide for reconciliation pursuant to title II of S. Con.**  
16 **Res. 14’) with respect to which section 2107(e)(1)(J)(ii) does not apply and for**  
17 **which the State has not adopted the option under section 1902(e)(16)(A),**  
18 **60-day period)”.**

19 **(2) TRANSITION FROM STATE PLAN OPTION.—Section 9822(b) of the American Rescue**  
20 **Plan Act of 2021 (Public Law 117–2) is amended by striking “, during the 5-year**  
21 **period”.**

22 **(3) EFFECTIVE DATE.—**

23 **\*\* 39 ~~(A)~~ IN GENERAL.—**Subject to ~~paragraph (2)~~ **subparagraph (B)**, the  
24 amendments made by this ~~section~~ **subsection** shall take effect on the 1st day of the 1st  
25 fiscal year quarter that begins one year after the date of the enactment of this Act and  
26 shall apply with respect to child health assistance and pregnancy-related assistance, as  
27 applicable, provided on or after such date.

28 **\*\* 40 ~~(2)~~ EXCEPTION FOR STATE LEGISLATION.—**In the case of a State child  
29 health plan under title XXI of the Social Security Act (42 U.S.C. 1397aa ~~et seq.~~)  
30 **through 1397mm)** that the Secretary of Health and Human Services determines  
31 requires State legislation in order for the plan to meet any requirement imposed by  
32 amendments made under this ~~section~~ **subsection**, the plan shall not be regarded as  
33 failing to comply with the requirements of such title solely on the basis of its failure to  
34 meet such a requirement before the first day of the first calendar quarter beginning  
35 after the close of the first regular session of the State legislature that begins after the  
36 date of the enactment of this Act. For purposes of the previous sentence, in the case of  
37 a State that has a 2-year legislative session, each year of the session shall be considered  
38 to be a separate regular session of the State legislature.

39 **~~(2)~~ SEC. 30722. STATE OPTION TO PROVIDE**  
40 **COORDINATED CARE THROUGH A MATERNAL**  
41 **HEALTH HOME FOR PREGNANT AND POSTPARTUM**

1 **INDIVIDUALS.**

2 Title XIX of the Social Security Act (42 U.S.C. 1396a) is amended by inserting after  
3 section 1945A the following new section:

4 **“SEC. 1945B. STATE OPTION TO PROVIDE**  
5 **COORDINATED CARE THROUGH A MATERNAL**  
6 **HEALTH HOME FOR PREGNANT AND POSTPARTUM**  
7 **INDIVIDUALS.**

8 “(a) In General.—Notwithstanding section 1902(a)(1) (relating to statewideness) and  
9 section 1902(a)(10)(B) (relating to comparability), beginning 24 months after the date of  
10 enactment of this section, a State, at its option as a State plan amendment, may provide for  
11 medical assistance under this title to eligible individuals who choose to enroll in a maternal  
12 health home under this section and receive maternal health home services from a  
13 designated provider, a team of health professionals operating with such a provider, or a  
14 health team.

15 “(b) Maternal Health Home Qualification Standards.—A maternal health home under  
16 this section shall demonstrate to the State the ability to do the following:

17 “(1) Develop an individualized comprehensive care plan for each eligible individual,  
18 working in a culturally and linguistically appropriate manner with such individual to  
19 develop and incorporate such care plan in a manner consistent with such individual’s  
20 needs and choices, including—

21 “(A) primary care;

22 “(B) inpatient care;

23 “(C) social support services;

24 “(D) local hospital emergency care;

25 “(E) care management and planning related to a change in an eligible  
26 individual’s eligibility for medical assistance or a change in health insurance  
27 coverage as needed; and

28 “(F) behavioral health services.

29 “(2) Coordinate all necessary services to support prenatal, labor and delivery, and  
30 postpartum care for eligible individuals.

31 “(3) Coordinate access to specialists, behavioral health providers, early intervention  
32 services, and pediatricians.

33 “(4) Collect and report information under subsection (d).

34 “(c) Payments.—

35 “(1) IN GENERAL.—A State shall provide a designated provider, a team of health  
36 professionals operating with such a provider, or a health team with payments for the  
37 provision of maternal health home services to each eligible individual enrolled in a

1 maternal health home. Payments for maternal health home services made to a  
2 designated provider, a team of health professionals operating with such a provider, or  
3 a health team shall be treated as payments for medical assistance for purposes of  
4 section 1903(a), except that, during the first 8 fiscal quarters that the State plan  
5 amendment is in effect, the Federal medical assistance percentage otherwise applicable  
6 to such payments shall be increased by 15 percentage points, not to exceed 90 percent.

7 **“(2) METHODOLOGY.—**

8 **“(A) IN GENERAL.—**The State shall specify in the State plan amendment the  
9 methodology the State will use for determining payment for the provision of  
10 maternal health home services. Such methodology for determining payment—

11 **“(i) may be tiered or adjusted to reflect, with respect to each individual**  
12 **provided such services by a designated provider, a team of health care**  
13 **professionals operating with such a provider, or a health team, the acuity of**  
14 **each individual receiving care, or the specific capabilities of the provider,**  
15 **team of health care providers, or health team; and**

16 **“(ii) shall be established consistent with section 1902(a)(30)(A).**

17 **“(B) ALTERNATE MODEL OF PAYMENT.—**The methodology for determining  
18 payment for provision of maternal health home services under this section shall  
19 not be limited to a fee-for-service or per-member per-month payment model, and  
20 may provide for alternate models of payment that reflect the needs of a State,  
21 subject to the approval of the Secretary.

22 **“(3) PLANNING GRANTS.—**

23 **“(A) IN GENERAL.—**Beginning 12 months after the date of enactment of this  
24 section, the Secretary may award planning grants to States for purposes of  
25 developing a State plan amendment under this section. A planning grant awarded  
26 to a State under this paragraph shall remain available until expended.

27 **“(B) STATE CONTRIBUTION.—**A State awarded a planning grant shall contribute  
28 an amount equal to the State percentage determined under section 1905(b) for  
29 each fiscal year for which the grant is awarded.

30 **“(C) APPROPRIATIONS.—**In addition to amounts otherwise available, there is  
31 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise  
32 appropriated, to remain available until expended, to carry out this paragraph,  
33 \$5,000,000 for awarding grants under this section.

34 **“(d) Data Collection and Reporting.—**

35 **“(1) PROVIDER REPORTING REQUIREMENTS.—**

36 **“(A) IN GENERAL.—**In order to receive payments from a State under subsection  
37 (c), a designated provider, a team of health professionals operating with such a  
38 provider, or a health team shall report to the State, in accordance with such  
39 requirements as the Secretary shall specify, the following:

40 **“(i) With respect to each such designated provider, team of health**  
41 **professionals, or health team, the name, national provider identification**

1           number, address, and specific maternal health home services offered to be  
2           provided to eligible individuals who have selected such designated provider,  
3           team of health professionals, or health team as the maternal health home of  
4           such eligible individuals.

5           “(ii) Information on all applicable measures for determining the quality of  
6           maternal health home services provided by such designated provider, team  
7           of health professionals, or health team, including, to the extent applicable,  
8           the core set of child health quality measures published under section 1139A,  
9           the core set of adult health quality measures for Medicaid eligible adults  
10          published under section 1139B, and maternal health quality measures.

11          “(B) USE OF HEALTH INFORMATION TECHNOLOGY.—A designated provider, a  
12          team of health professionals operating with such a provider, or a health team  
13          shall use, to the extent practicable, health information technology to provide a  
14          State with the information required under subparagraph (A) and to improve care  
15          coordination for eligible individuals, such as by—

16               “(i) facilitating the review of person-centered care plans;

17               “(ii) monitoring service delivery and identifying gaps in treatment; and

18               “(iii) communicating with eligible individuals and with primary,  
19               behavioral health and specialty care providers.

20          “(2) STATE REPORTING REQUIREMENTS.—A State with a State plan amendment  
21          approved under this section shall collect and report to the Secretary, at such time and  
22          in such form and manner as required by the Secretary, the following information:

23               “(A) The number of maternal health homes in a State in which individuals are  
24               enrolled pursuant to a State plan amendment under this section.

25               “(B) The number of individuals served who selected a maternal health home,  
26               disaggregated by race and ethnicity, pursuant to a State plan amendment under  
27               this section.

28               “(C) Information on the quality measures applicable for maternal health home  
29               services, including, to the extent applicable, the core set of child health quality  
30               measures published under section 1139A, and the core set of adult health quality  
31               measures for Medicaid eligible adults published under section 1139B, and  
32               maternal health quality measures.

33               “(D) The type of delivery systems and payment models used to provide health  
34               home services to eligible individuals enrolled in a maternal health home under a  
35               State plan amendment under this section.

36               “(E) The number and characteristics of designated providers, teams of health  
37               professionals, and health teams selected as maternal health homes pursuant to a  
38               State plan amendment under this section.

39               “(F) Information on hospitalizations, morbidity, and mortality of eligible  
40               individuals and their infants enrolled in a maternal health home in such State  
41               alongside comparable data from a State’s maternal mortality review committee.

1           **“(G) A report on best practices for effective strategies in coordinating care to**  
2           **support access to comprehensive maternal health services.**

3           **“(H) Information reported to the State under paragraph (1).**

4           **“(e) State Plan Amendment.—**

5           **“(1) IN GENERAL.—A State plan amendment submitted pursuant to this section shall**  
6           **include—**

7           **“(A) eligibility criteria for maternal health homes;**

8           **“(B) services available to eligible individuals through the maternal health**  
9           **home;**

10           **“(C) a description of providers that may provide care through a maternal**  
11           **health home, and that include how such State will ensure any provider**  
12           **arrangement offered includes a person-centered planning approach to**  
13           **determining necessary services and supports and providing the appropriate care**  
14           **coordination to meet clinical and non-clinical needs of eligible individuals; and**

15           **“(D) reimbursement methodologies (as described in subsection (c)(2)).**

16           **“(2) HOSPITAL NOTIFICATION.—A State with a State plan amendment approved**  
17           **under this section shall require each hospital that is a participating provider under the**  
18           **State plan (or a waiver of such plan) to establish procedures for, in the case of an**  
19           **individual who is enrolled in a maternal health home pursuant to this section and**  
20           **seeks treatment in the emergency department of such hospital, notifying the health**  
21           **home of such individual of such treatment.**

22           **“(3) EDUCATION WITH RESPECT TO AVAILABILITY OF MATERNAL HEALTH HOME**  
23           **SERVICES.—In order for a State plan amendment to be approved under this section, a**  
24           **State shall include in the State plan amendment—**

25           **“(A) a description of the State’s process for educating providers participating**  
26           **in the State plan (or a waiver of such plan) on the availability of maternal health**  
27           **home services, including the process by which such providers can refer**  
28           **individuals to a designated provider, team of health care professionals operating**  
29           **such a provider, or health team for the purpose of establishing a maternal health**  
30           **home through which such individuals may receive such services; and**

31           **“(B) a description of the State’s process for educating individuals on the**  
32           **availability of such services.**

33           **“(4) CONFIDENTIALITY.—A State with a State plan amendment approved under this**  
34           **section shall establish confidentiality protections to ensure, at a minimum, that the**  
35           **State does not disclose any identifying information with respect to any specific**  
36           **mortality case (including pursuant to the reporting of information required under**  
37           **subsection (d)(2)(F)).**

38           **“(f) Rule of Construction.—Nothing in this section shall be construed—**

39           **“(1) to require an eligible individual to enroll in, or prohibit an eligible individual**  
40           **from disenrolling at any time from, a maternal health home under this section; or**

1           “(2) to require a designated provider, team of health professionals, or health team to  
2           act as a maternal health home and provide services in accordance with this section if  
3           the designated provider, team of health professionals, or health team does not  
4           voluntarily agree to act as a maternal health home.

5           “(g) Definitions.—In this section:

6           “(1) DESIGNATED PROVIDER.—The term ‘designated provider’ means a physician,  
7           clinical practice or clinical group practice, rural health clinic, freestanding birth  
8           center, community health center, obstetrician gynecologist, midwife who meets at a  
9           minimum the international definition of the midwife and global standards for  
10          midwifery education as established by the International Confederation of Midwives,  
11          or any other health care entity or provider determined by the State and approved by  
12          the Secretary to be qualified to act as a maternal health home.

13          “(2) ELIGIBLE INDIVIDUAL.—The term ‘eligible individual’ means an individual  
14          eligible for medical assistance under the State plan or under a waiver of such plan  
15          who—

16                  “(A) is pregnant or in the postpartum period that begins on the last day of the  
17                  pregnancy and ends on the last day of the month in which the 12-month period  
18                  (beginning on the last day of the pregnancy of the individual) ends (or, if the State  
19                  provides for a longer period of postpartum coverage period under such plan or  
20                  waiver, on the last day of such longer period); and

21                  “(B) is not enrolled in a health home under section 1945 or 1945A.

22          “(3) HEALTH TEAM.—The term ‘health team’ has the meaning given such term for  
23          purposes of section 3502 of Public Law 111–148.

24          “(4) MATERNAL HEALTH HOME.—The term ‘maternal health home’ means a  
25          designated provider (including a provider that operates in coordination with a team of  
26          health care professionals), or a health team selected by a State to provide maternal  
27          health home services to pregnant and postpartum individuals.

28          “(5) MATERNAL HEALTH HOME SERVICES.—

29                  “(A) IN GENERAL.—The term ‘maternal health home services’ means  
30                  comprehensive and timely high-quality services described in subparagraph (B)  
31                  that are provided by a designated provider, a team of health professionals  
32                  operating with such a provider, or a health team.

33                  “(B) SERVICES DESCRIBED.—The services described in this subparagraph shall  
34                  include—

35                          “(i) a standardized risk assessment for all participants to determine needs;

36                          “(ii) comprehensive care management;

37                          “(iii) care coordination and health promotion;

38                          “(iv) comprehensive transitional care, including arranging appropriate  
39                          follow-up, for individuals transitioning from inpatient care to other settings;

40                          “(v) individual and family support (including authorized representatives);



1                   “(vi) making referrals to other medical, community, and social support  
2                   services, if relevant; and

3                   “(vii) the use of health information technology to link services and  
4                   coordinate care, to the extent practicable.

5                   “(6) STANDARDIZED RISK ASSESSMENT.—The term ‘standardized risk assessment’  
6                   means an assessment to determine the needs of an eligible individual, and shall include  
7                   an assessment of medical, obstetric, behavioral health, and social needs performed at  
8                   the initial prenatal or postpartum visit.

9                   “(7) TEAM OF HEALTH PROFESSIONALS.—The term ‘team of health professionals’  
10                  means a team of health professionals (as described in the State plan amendment under  
11                  this section) that may—

12                  “(A) include physicians, midwives who meet at a minimum the international  
13                  definition of the midwife and global standards for midwifery education as  
14                  established by the International Confederation of Midwives, nurses, nurse care  
15                  coordinators, nutritionists, social workers, doulas, behavioral health  
16                  professionals, community health workers, translators and interpreters, and other  
17                  professionals determined to be appropriate by the State;

18                  “(B) a health care entity or individual who is designated to coordinate such a  
19                  team; and

20                  “(C) provide care at a facility that is freestanding, virtual, or based at a  
21                  hospital, freestanding birth center, community health center, community mental  
22                  health center, rural clinic, clinical practice or clinical group practice, academic  
23                  health center, children’s hospital, or any health care entity determined to be  
24                  appropriate by the State and approved by the Secretary.”.

## 25   **PART 3—TERRITORIES**

### 26   **SEC. 30731. INCREASING MEDICAID CAP AMOUNTS** 27   **AND THE FEDERAL MEDICAL ASSISTANCE** 28   **PERCENTAGE FOR THE TERRITORIES.**

29                  (a) Cap Amount Adjustments.—Section 1108(g)(2) of the Social Security Act (42 U.S.C.  
30                  1308(g)(2)) is amended—

31                   (1) in subparagraph (A)—

32                           (A) in clause (i)—

33                                   (i) by striking “except as provided in clause (ii)” and inserting “for each of  
34                                   fiscal years 1999 through 2019”; and

35                                   (ii) by striking “and” at the end; and

36                           (B) by adding at the end the following new clauses:

37                                   “(iii) for fiscal year 2022, \$3,600,000,000; and

38                                   “(iv) for fiscal year 2023 and each subsequent year, the sum of the amount

1 provided in this subsection for the preceding fiscal year, increased by the  
2 percentage increase, if any, in Medicaid spending under title XIX during the  
3 preceding year (as determined based on the most recent National Health  
4 Expenditure data with respect to such year), rounded to the nearest  
5 \$100,000;”;

6 (2) in subparagraph (B)—

7 (A) in clause (i), by striking “except as provided in clause (ii),” and inserting  
8 “for each of fiscal years 1999 through 2019,”;

9 (B) in clause (ii), by striking “and” at the end;

10 (C) by adding at the end the following:

11 “(iv) for fiscal year 2022, \$135,000,000; and

12 “(v) for fiscal year 2023 and each subsequent year, the sum of the amount  
13 provided in this subsection for the preceding fiscal year, increased by the  
14 percentage increase described in subparagraph (A)(iv) for the preceding  
15 year, rounded to the nearest \$10,000;”;

16 (3) in subparagraph (C)—

17 (A) in clause (i), by striking “except as provided in clause (ii),” and inserting  
18 “for each of fiscal years 1999 through 2019,”;

19 (B) in clause (ii), by striking “and” at the end;

20 (C) by adding at the end the following:

21 “(iv) for fiscal year 2022, \$140,000,000; and

22 “(v) for fiscal year 2023 and each subsequent year, the sum of the amount  
23 provided in this subsection for the preceding fiscal year, increased by the  
24 percentage increase described in subparagraph (A)(iv) for the preceding  
25 year, rounded to the nearest \$10,000;”;

26 (4) in subparagraph (D)—

27 (A) in clause (i), by striking “except as provided in clause (ii),” and inserting  
28 “for each of fiscal years 1999 through 2019,”;

29 (B) in clause (ii), by striking “and” at the end;

30 (C) in clause (iii), by striking “and” at the end; and

31 (D) by adding at the end the following new clauses:

32 “(iv) for fiscal year 2022, \$70,000,000; and

33 “(v) for fiscal year 2023 and each subsequent year, the sum of the amount  
34 provided in this subsection for the preceding fiscal year, increased by the  
35 percentage increase described in subparagraph (A)(iv) for the preceding  
36 year, rounded to the nearest \$10,000; and”;

37 (5) in subparagraph (E)—

1           (A) in clause (i), by striking “except as provided in clause (ii),” and inserting  
2           “for each of fiscal years 1999 through 2019,”;

3           (B) in clause (ii), by striking “and” at the end;

4           (C) in clause (iii), by striking the period and inserting a semicolon; and

5           (D) by adding at the end the following:

6                   “(iv) for fiscal year 2022, \$90,000,000; and

7                   “(v) for fiscal year 2023 and each subsequent year, the sum of the amount  
8                   provided in this subsection for the preceding fiscal year, increased by the  
9                   percentage increase described in subparagraph (A)(iv) for the preceding  
10                   year, rounded to the nearest \$10,000.”; and

11          (6) by striking the flush matter following subparagraph (E).

12          (b) FMAP Adjustments.—Section 1905(ff) of the Social Security Act (42 U.S.C.  
13          1396d(ff)) is amended—

14           (1) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C),  
15           respectively, and adjusting the margins accordingly;

16           (2) by striking “Notwithstanding” and inserting the following:

17                   “(1) IN GENERAL.—Notwithstanding”;

18           (3) in paragraph (1), as so inserted—

19                   (A) in the matter preceding subparagraph (A), as so redesignated, by inserting  
20                   “paragraph (2) and” after “subject to”;

21                   (B) in subparagraph (B), as so redesignated—

22                           (i) by striking “December 3, 2021,” and inserting “September 30, 2021”;  
23                           and

24                           (ii) by striking “and” at the end;

25                   (C) in subparagraph (C), as so redesignated, by striking “December 3, 2021,”  
26                   and inserting “September 30, 2021”;

27                   (D) by adding at the end the following:

28                           “(D) for fiscal year 2022 and each subsequent fiscal year, the Federal medical  
29                           assistance percentage for the Virgin Islands, Guam, the Northern Mariana  
30                           Islands, and American Samoa shall be equal to 83 percent;

31                           “(E) for fiscal year 2022, the Federal medical assistance percentage for Puerto  
32                           Rico shall be equal to 76 percent; and

33                           “(F) for fiscal year 2023 and each subsequent fiscal year, the Federal medical  
34                           assistance percentage for Puerto Rico shall be equal to 83 percent.”; and

35          (4) by adding at the end the following new paragraph:

36                   “(2) SPECIAL RULE FOR PUERTO RICO RELATING TO ESTABLISHING A PAYMENT  
37                   FLOOR.—

1           “(A) **IN GENERAL.**—For each fiscal quarter (beginning with the first fiscal  
2 quarter beginning on or after the date of the enactment of this paragraph), Puerto  
3 Rico’s State plan (or waiver of such plan) shall establish a reimbursement floor,  
4 implemented through a directed payment arrangement plan, for physician  
5 services that are covered under the Medicare part B fee schedule in the Puerto  
6 Rico locality established under section 1848(b) that is not less than 70 percent of  
7 the payment that would apply to such services if they were furnished under part  
8 B of title XVIII during such fiscal quarter.

9           “(B) **APPLICATION TO MANAGED CARE.**—In determining whether Puerto Rico  
10 has established a reimbursement floor under a directed payment arrangement  
11 plan that satisfies the requirements of subparagraph (A) for a fiscal quarter  
12 occurring during fiscal year 2022 or a subsequent fiscal year—

13                   “(i) the Secretary shall disregard payments made under sub-capitated  
14 arrangements for services such as primary care case management; and

15                   “(ii) if the reimbursement floor for physician services applicable under a  
16 managed care contract satisfies the requirements of subparagraph (A) for a  
17 fiscal quarter occurring during a year in which the contract is entered into or  
18 renewed, such reimbursement floor shall be deemed to satisfy such  
19 requirements for each subsequent fiscal quarter occurring during such year  
20 and for each fiscal quarter occurring during the subsequent fiscal year.

21           “(C) **FMAP REDUCTION FOR FAILURE TO ESTABLISH PAYMENT FLOOR.**—

22                   “(i) **IN GENERAL.**—In the case that the Secretary determines that Puerto  
23 Rico has failed to meet the requirement of subparagraph (A) with respect to  
24 a fiscal quarter, the Federal medical assistance percentage otherwise  
25 determined under this subsection for Puerto Rico shall be reduced for such  
26 quarter by the applicable number of percentage points described in clause  
27 (ii).

28                   “(ii) **APPLICABLE NUMBER OF PERCENTAGE POINTS.**—For purposes of clause  
29 (i), the applicable number of percentage points described in this clause is,  
30 with respect to a fiscal quarter, the following:

31                           “(I) In the case no reduction was made under this subparagraph for  
32 the preceding fiscal quarter, 0.5 percentage points.

33                           “(II) In the case a reduction was made under this subparagraph for  
34 the preceding fiscal quarter, the number of percentage points of such  
35 reduction for such preceding fiscal quarter, plus 0.25 percentage points,  
36 except that in no case may the application of this subclause result in a  
37 reduction of more than 5 percentage points.”.

## 38 **PART 4—OTHER MEDICAID**

### 39 **SEC. 30741. INVESTMENTS TO ENSURE CONTINUED** 40 **ACCESS TO HEALTH CARE FOR CHILDREN AND**

## 1 OTHER INDIVIDUALS.

### 2 (a) Providing for 1 Year of Continuous Eligibility for Children.—

#### 3 (1) UNDER THE MEDICAID PROGRAM.—

4 (A) IN GENERAL.—Section 1902(e) of the Social Security Act (42 U.S.C.  
5 1396a(e)) is amended—

6 (i) in paragraph (12), by inserting “before the date that is one year after  
7 the date of the enactment of paragraph (17)” after “subsection (a)(10)(A)”;  
8 and

9 (ii) by adding at the end following new paragraph:

10 “(17) 1 YEAR OF CONTINUOUS ELIGIBILITY FOR CHILDREN.—The State plan (or waiver of  
11 such State plan) shall provide that an individual who is under the age of 19 and who is  
12 determined to be eligible for benefits under a State plan (or waiver of such plan) approved  
13 under subsection (a)(10)(A) shall remain eligible for such benefits until the earlier of—

14 “(A) the end of the 12-month period beginning on the date of such determination;

15 “(B) the time that such individual attains the age of 19; or

16 “(C) the date that such individual ceases to be a resident of such State.”.

17 ~~(b)(B) EFFECTIVE DATE.— DATE.—~~

18 ~~(1)(i) IN GENERAL.—Subject to paragraph (2) clause (ii), the amendments made~~  
19 ~~by subsection (a)(2) shall apply with respect to eligibility determinations or~~  
20 ~~redeterminations made on or after the date of the subparagraph (A)(ii) shall take~~  
21 ~~effect one year after the date of enactment of this Act.~~

22 ~~(2)(ii) EXCEPTION FOR STATE LEGISLATION.—In the case of a State plan under~~  
23 ~~title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) through 1396w-6)~~  
24 ~~that the Secretary of Health and Human Services determines requires State~~  
25 ~~legislation in order for the plan to meet any requirement imposed by amendments~~  
26 ~~made under subsection (a)(2) subparagraph (A)(ii), the plan shall not be~~  
27 ~~regarded as failing to comply with the requirements of such title solely on the~~  
28 ~~basis of its failure to meet such a requirement before the first day of the first~~  
29 ~~calendar quarter beginning after the close of the first regular session of the State~~  
30 ~~legislature that begins after the date of the enactment of this Act. For purposes of~~  
31 ~~the previous sentence, in the case of a State that has a 2-year legislative session,~~  
32 ~~each year of the session shall be considered to be a separate regular session of the~~  
33 ~~State legislature.~~

34 ~~SEC. 30725. ALLOWING FOR MEDICAL ASSISTANCE UNDER MEDICAID FOR~~  
35 ~~INMATES DURING 30-DAY PERIOD PRECEDING RELEASE.(2) UNDER THE~~  
36 ~~CHILDREN’S HEALTH INSURANCE PROGRAM.—Section 2107(e)(1) of the Social Security~~  
37 ~~Act (42 U.S.C. 1397gg(e)(1)) is amended—~~

38 \*\* 41 ~~(1)(A)~~ by redesignating subparagraphs (K) through (T) as subparagraphs (L)  
39 through (U), respectively; and

1           **(B) by inserting after subparagraph (J) the following new subparagraph:**

2           \*\* 42 “(K) Section 1902(e)(17) (relating to 1 year of continuous eligibility for  
3 children).”.

4           **The (b) Revisions to Temporary Increase of Medicaid FMAP Under the Families First  
5 Coronavirus Response Act.—Section 6008 of the Families First Coronavirus Response Act  
6 (42 U.S.C. 1396d note) is amended—**

7           **(1) in subsection (a)—**

8           **(A) by striking “In General.—Subject to” and inserting “Temporary  
9 Increase.—**

10          **“(1) IN GENERAL.—Subject to”;**

11          **(B) in the paragraph (1) inserted by subparagraph (A)—**

12           **(i) by striking “the last day of the calendar quarter in which the last day of  
13 such emergency period occurs” and inserting “September 30, 2022”; and**

14           **(ii) by striking “6.2 percentage points” and inserting “the number of  
15 percentage points specified in paragraph (2) with respect to such calendar  
16 quarter”; and**

17          **(C) by adding at the end the following new paragraph:**

18          **“(2) PERCENTAGE POINTS SPECIFIED.—For purposes of paragraph (1), the number of  
19 percentage points specified in this paragraph is—**

20           **“(A) 6.2 percentage points with respect to each calendar quarter occurring  
21 during the period beginning on the first day of the emergency period defined in  
22 paragraph (1)(B) of section 1135(g) of the Social Security Act (42 U.S.C.  
23 1320b-5(g)) and ending March 31, 2022;**

24           **“(B) 3.0 percentage points with respect to the calendar quarter beginning on  
25 April 1, 2022, and ending on June 30, 2022; and**

26           **“(C) 1.5 percentage points with respect to the calendar quarter beginning on  
27 July 1, 2022, and ending on September 30, 2022.”;**

28          **(2) in subsection (b)(3)—**

29           **(A) by striking “the State fails” and inserting “subject to subsection (f), the  
30 State fails”;**

31           **(B) by striking “and ending the last day of the month in which the emergency  
32 period described in subsection (a) ends” and inserting “and ending on March 31,  
33 2022,”; and**

34           **(C) by striking “through the end of the month in which such emergency period  
35 ends” and inserting “through September 30, 2022,”; and**

36          **(3) by adding at the end the following new subsection:**

37          **“(f) Special Rule for Enrollments as of April 1, 2022.—For calendar quarters during the  
38 period described in subsection (a) that begin on or after April 1, 2022, a State described in**

1 such subsection may, in accordance with paragraph (3), terminate coverage for an  
2 individual who is determined to be no longer eligible for medical assistance and who has  
3 been enrolled for at least 12 consecutive months under the State plan of such State under  
4 title XIX of the Social Security Act (42 U.S.C. 1396) (or waiver of such plan), and such  
5 State shall not be ineligible for the increase to the Federal medical assistance percentage of  
6 the State described in such subsection on the basis that the State is in violation of the  
7 requirement of subsection (b)(3), if the State, with respect to such terminations of coverage  
8 conducted through September 30, 2022, for such individuals, is in compliance with each of  
9 the following:

10 “(1) The State shall conduct such eligibility redeterminations, with respect to such  
11 an individual, in accordance with the provisions of section 435.916 of title 42 of the  
12 Code of Federal Regulations (or any successor regulation) and the provisions of  
13 section 1943 of the Social Security Act, as applicable.

14 “(2) Prior to terminating coverage for an individual, the State shall undertake a  
15 good faith effort to ensure that the State has contact information (including an  
16 up-to-date mailing address, phone number, or email address) for such individuals by  
17 coordinating with Medicaid managed care organizations (where applicable), and other  
18 applicable State health and human services agencies.

19 “(3) The State may not disenroll from the State plan (or waiver) such an individual  
20 determined ineligible pursuant to such a redetermination for medical assistance under  
21 the State plan (or waiver) on the basis of returned mail unless—

22 “(A) there have been at least two failed attempts to contact such individual  
23 through at least 2 modalities; and

24 “(B) after the second attempt, the individual had 30 days notice, through at  
25 least 2 modalities, before such disenrollment takes effect.

26 “(4) The State may not initiate eligibility redeterminations for more than 1/12 of  
27 individuals enrolled in the State plan (or waiver) with respect to any month during the  
28 period beginning on April 1, 2022, and ending on September 30, 2022.

29 “(5) The State shall submit to the Secretary monthly reports during the period  
30 described in subsection (a) that begin on or after April 1, 2022 which the State receives  
31 an increase pursuant to such subsection period on the activities of the State, including,  
32 with respect to the period for which the report is submitted—

33 “(A) the number of eligibility renewals initiated, beneficiaries renewed, and  
34 individuals whose eligibility was terminated;

35 “(B) the number of such cases in which eligibility for medical assistance under  
36 the State plan (or waiver) were so terminated due to the individual’s failure to  
37 return a renewal form or other information needed by the state to make an  
38 eligibility determination;

39 “(C) the number of such cases in which eligibility for medical assistance under  
40 the State plan (or waiver) were so terminated pursuant to such a redetermination  
41 due to a known change in circumstance;

42 “(D) the number of individuals whose coverage was terminated pursuant to

1           such a redetermination whose accounts were, during such period, transitioned to  
2           the Exchange, CHIP, or basic health program; and

3           “(E) with respect to eligibility redeterminations, the daily average volume, wait  
4           times, and abandonment rate (as determined by the Secretary) for each call  
5           center during such month.”.

6           **(c) Medical Assistance Under Medicaid for Inmates During 30-day Period Preceding  
7           Release.—**

8           **(1) IN GENERAL.—**The subdivision (A) following paragraph (31) of section 1905(a) of  
9           the Social Security Act (42 U.S.C. 1396d(a)) is amended by inserting “and, beginning on  
10          the first day of the first fiscal year quarter that begins ~~one year~~ **two years** after the date of  
11          the enactment of the Act titled ‘An Act to provide for reconciliation pursuant to title II of S.  
12          Con. Res. 14’, except during the 30-day period preceding the date of release of ~~such~~  
13          ~~individual from such~~ **an inmate of a public institution**” after “medical institution”.

14          ~~SEC. 30726. EXTENSION OF CERTAIN PROVISIONS.~~

15          ~~(b) Express Lane Eligibility Option.—~~Section 1902(e)(13)(2) **CONFORMING**  
16          **AMENDMENTS IN TITLE XIX.—**Section 1902(a) of the Social Security Act (42 U.S.C.  
17          ~~1396a(e)(13)) is amended by striking subparagraph (I). 1396a(a) is amended—~~

18                  ~~(e) Conforming Amendments for Assurance of Affordability Standard for Children~~  
19                  ~~and Families.—~~Section 1902(gg)(2)(A) **in paragraph (74), by striking at the end**  
20                  **“and”; and**

21                  **(B) in paragraph (84)—**

22                          **(i) in subparagraph (A), by inserting “, except, beginning on the first day**  
23                          **of the first fiscal year quarter that begins two years after the date of the**  
24                          **enactment of the Act titled ‘An Act to provide for reconciliation pursuant to**  
25                          **title II of S. Con. Res. 14’, the State may not suspend coverage during the**  
26                          **30-day period preceding the date of release of the juvenile” after “during the**  
27                          **period the juvenile is such an inmate”; and**

28                          **(ii) in subparagraph (C), by striking “upon release” and inserting “30 days**  
29                          **prior to release”.**

30          **(3) CONFORMING AMENDMENT IN TITLE XXI.—**Section 2110(b)(2) of the Social  
31          Security Act (42 U.S.C. ~~1396a(gg)(2)) is amended— 1397jj(b)(2)—~~

32                  **(A) in subparagraph (A), by striking at the end “or”;**

33                  **\*\* 43 (B) in subelause (H) subparagraph (B), by striking the period at the end and**  
34                  **inserting “; or”; and**

35                  **(C) by adding at the end the following new subparagraph:**

36                          **“(C) except, beginning on the first day of the first fiscal year quarter that**  
37                          **begins two years after the date of the enactment of the Act titled ‘An Act to**  
38                          **provide for reconciliation pursuant to title II of S. Con. Res. 14,’ except during**  
39                          **the 30-day period preceding the date of release of such child from such public**  
40                          **institution.”.**



1 (d) Extension of Certain Provisions.—

2 (1) EXPRESS LANE ELIGIBILITY OPTION.—Section 1902(e)(13) of the Social Security  
3 Act (42 U.S.C. 1396a(e)(13)) is amended by striking subparagraph (I).

4 (2) CONFORMING AMENDMENTS FOR ASSURANCE OF AFFORDABILITY STANDARD FOR  
5 CHILDREN AND FAMILIES.—Section 1902(gg)(2) of the Social Security Act (42 U.S.C.  
6 1396a(gg)(2)) is amended—

7 (A)(1) in the paragraph heading, by striking “THROUGH SEPTEMBER 30, 2027”; and

8 (2)(B) by striking “through September 30” and all that follows through “ends on  
9 September 30, 2027” and inserting “(but beginning on October 1, 2019;”.

10 Subtitle H—Children’s Health Insurance Program

11 SEC. 30801. PERMANENT EXTENSION OF CHILDREN’S HEALTH INSURANCE  
12 PROGRAM.(e) Expansion of Community Mental Health Services Demonstration  
13 Program.—

14 (1) IN GENERAL.—Section 223 of the Protecting Access to Medicare Act of 2014 (42  
15 U.S.C. 1396a note) is amended—

16 (A) in subsection (c), by adding at the end the following new paragraph:

17 “(3) ADDITIONAL PLANNING GRANTS.—In addition to the planning grants awarded  
18 under paragraph (1), the Secretary shall award planning grants to States (other than  
19 States selected to conduct demonstration programs under paragraph (1) or (8) of  
20 subsection (d)) for the purpose of developing proposals to participate in time-limited  
21 demonstration programs described in subsection (d).”;

22 (B) in subsection (d)—

23 (i) in paragraph (3), by striking “Subject to paragraph (8)” and inserting  
24 “Subject to paragraphs (8) and (9)”;

25 (ii) in paragraph (5)(C)(iii)(II), by inserting “or paragraph (9)” after  
26 “paragraph (8)”;

27 (iii) in paragraph (7)—

28 (I) in subparagraph (A), by inserting “through the year in which the  
29 last demonstration under this section ends” after “annually thereafter”;  
30 and

31 (II) in subparagraph (B)—

32 (aa) by striking “December 31, 2021” and inserting “March 31,  
33 2026”;

34 (bb) by striking “recommendations concerning” and all that  
35 follows through the period and inserting “recommendations  
36 concerning whether and how the demonstration programs under  
37 this section should be modified.”; and

38 (cc) by adding at the end the following new sentence: “Such  
39 recommendations shall be based on data collected from States

1 selected to conduct demonstration programs under paragraph (1)  
2 and, to the extent available, data collected from States selected to  
3 conduct demonstration programs under paragraphs (8) and (9).”;  
4 and

5 (iv) by adding at the end the following new paragraph:

6 “(9) FURTHER ADDITIONAL PROGRAMS.—

7 “(A) IN GENERAL.—In addition to the States selected under paragraphs (1) and  
8 (8) and without regard to paragraph (4), the Secretary shall select any State that  
9 meets the requirements described in subparagraph (B) to conduct a  
10 demonstration program that meets the requirements of this subsection for 2  
11 years.

12 “(B) REQUIREMENTS.—The requirements described in this subparagraph with  
13 respect to a State are that the State—

14 “(i) was awarded a planning grant under paragraph (1) or (3) of  
15 subsection (c); and

16 “(ii) submits an application (in addition to any application that the State  
17 may have previously submitted under this section) that meets the  
18 requirements of paragraph (2)(B).

19 “(C) REQUIREMENTS FOR SELECTED STATES.—The requirements applicable to  
20 States selected under paragraph (8) pursuant to subparagraph (C) of such  
21 paragraph shall apply in the same manner to States selected under this  
22 paragraph.”;

23 (C) in subsection (e), by amending paragraph (4) to read as follows:

24 “(4) STATE.—The term State means each of the 50 States, the District of Columbia,  
25 Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American  
26 Samoa.”; and

27 (D) in subsection (f)(1)—

28 (i) in subparagraph (A), by striking “; and” and inserting a semicolon;

29 (ii) in subparagraph (B), by striking the period and inserting “, and  
30 \$40,000,000 for fiscal year 2022; and”; and

31 (iii) by adding at the end the following new subparagraph:

32 “(C) for purposes of updating the criteria under subsection (a) as needed for  
33 certified community behavioral health clinics and carrying out subsections (c)(3),  
34 (d)(7), and (d)(9) (including the provision of technical assistance to States  
35 applying for planning grants under subsection (c)(3) and conducting  
36 demonstration projects under this section), \$5,000,000 for fiscal year 2022.”.

37 (2) EXCLUSION OF AMOUNTS ATTRIBUTABLE TO INCREASED FMAP FROM TERRITORIAL  
38 CAPS.—Section 1108 of the Social Security Act (42 U.S.C. 1308) is amended—

39 (A) in subsection (f), in the matter preceding paragraph (1), by striking  
40 “subsections (g) and (h)” and inserting “subsections (g), (h), and (i)”; and

1 (B) by adding at the end the following:

2 “(i) Exclusion From Caps of Amounts Attributable to Enhanced FMAP for Community  
3 Mental Health Services.—Any additional amount paid to Puerto Rico, the Virgin Islands,  
4 Guam, the Northern Mariana Islands, and American Samoa for expenditures for medical  
5 assistance that is attributable to an enhanced Federal medical assistance percentage  
6 applicable to such expenditures under section 223(d)(5) of the Protecting Access to  
7 Medicare Act of 2014 shall not be taken into account for purposes of applying payment  
8 limits under subsections (f) and (g).”.

9 (f) Making Permanent a State Option to Provide Qualifying Community-based Mobile  
10 Crisis Intervention Services.—Section 1947 of the Social Security Act (42 U.S.C. 1396w–6)  
11 is amended—

12 (1) in subsection (a), by striking “during the 5-year period”;

13 (2) in subsection (c), by striking “occurring during the period described in  
14 subsection (a) that a State” and inserting “in which a State provides medical assistance  
15 for qualifying community-based mobile crisis intervention services under this section  
16 and”; and

17 (3) in subsection (d)(2)—

18 (A) in subparagraph (A), by striking “for the fiscal year preceding the first  
19 fiscal quarter occurring during the period described in subsection (a)” and  
20 inserting “for the fiscal year preceding the first fiscal quarter in which the State  
21 provides medical assistance for qualifying community-based mobile crisis  
22 intervention services under this section”; and

23 (B) in subparagraph (B), by striking “occurring during the period described in  
24 subsection (a)” and inserting “occurring during a fiscal quarter”.

25 (g) Extension of 100 Percent Federal Medical Assistance Percentage for Urban Indian  
26 Health Organizations and Native Hawaiian Health Care Systems.—The third sentence of  
27 section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) is amended—

28 (1) by striking “for the 8 fiscal year quarters beginning with the first fiscal year  
29 quarter beginning after the date of the enactment of the American Rescue Plan Act of  
30 2021” and inserting “for the period of the 16 fiscal year quarters that begins on April  
31 1, 2021”; and

32 (2) by striking “such 8 fiscal year quarters” and inserting “such period of 16 fiscal  
33 year quarters”.

34 (h) Ensuring Accurate Payments to Pharmacies Under Medicaid.—

35  
36 \* 44 (a) In General.—Section 2104(a)(28) of the Social Security Act (42 U.S.C.  
37 1397dd(a)(28)) is amended to read as follows:

38  
39 \* 45 “(28) for fiscal year 2027 and each subsequent year, such sums as are necessary to  
40 fund allotments to States under subsection (m).”.

1           ~~(b) Allotments.—~~

2           (1) IN GENERAL.—Section ~~2104(m)~~ **1927(f)** of the Social Security Act (42 U.S.C.  
3 ~~1397dd(m))~~ is amended—

4           **1396r–8(f)** is amended—

5                   (A) by striking “and” after the semicolon at the end of paragraph (1)(A)(i) and  
6                   all that precedes it through “(1)” and inserting the following:

7                   **“(1) DETERMINING PHARMACY ACTUAL ACQUISITION COSTS.—The Secretary shall**  
8                   **conduct a survey of retail community pharmacy drug prices in the 50 States and the**  
9                   **District of Columbia, to determine the national average drug acquisition cost, as**  
10                   **follows:**

11                   **“(A) USE OF VENDOR.—The Secretary may contract services for—**

12                           **“(i) with respect to retail community pharmacies, the determination of**  
13                           **retail survey prices of the national average drug acquisition cost for covered**  
14                           **outpatient drugs based on a monthly survey of such pharmacies, net of all**  
15                           **discounts and rebates (to the extent any information with respect to such**  
16                           **discounts and rebates is available), the average reimbursement received for**  
17                           **such drugs by such pharmacies from all sources of payment and, to the**  
18                           **extent available, the usual and customary charges to consumers for such**  
19                           **drugs; and”;**

20                   **(B) by adding at the end of paragraph (1) the following:**

21                   **“(F) SURVEY REPORTING.—A State shall require that any retail community**  
22                   **pharmacy in the State that receives any payment, reimbursement, administrative**  
23                   **fee, discount, or rebate related to the dispensing of covered outpatient drugs to**  
24                   **individuals receiving benefits under this title or title XXI, regardless of whether**  
25                   **such payment, fee, discount, or rebate is received from the State or a managed**  
26                   **care entity directly or from a pharmacy benefit manager or another entity that**  
27                   **has a contract with the State or a managed care entity or other specified entity (as**  
28                   **such terms are defined in section 1903(m)(9)(D)), shall respond to surveys of retail**  
29                   **prices conducted under this subsection with the specific information requested by**  
30                   **the vendor.**

31                   **“(G) SURVEY INFORMATION.—Information on retail community actual**  
32                   **acquisition prices obtained under this paragraph shall be made publicly available**  
33                   **and shall include at least the following:**

34                           **“(i) The monthly response rate of the survey, including a list of pharmacies**  
35                           **not in compliance with subparagraph (F) and the identification numbers for**  
36                           **such pharmacies.**

37                           **“(ii) The sampling frame and number of pharmacies sampled monthly.**

38                           **“(iii) Characteristics of reporting pharmacies, including type (such as**  
39                           **independent or chain), geographic or regional location, and dispensing**  
40                           **volume.**

41                           **“(iv) Reporting of a separate national average drug acquisition cost for**

1 each drug for independent retail pharmacies and chain pharmacies.

2 “(v) Information on price concessions including on and off invoice  
3 discounts, rebates, and other price concessions.

4 “(vi) Information on average professional dispensing fees paid.

5 “(H) PENALTIES.—

6 “(i) FAILURE TO PROVIDE TIMELY INFORMATION.—A retail community  
7 pharmacy that knowingly fails to respond to a survey conducted under this  
8 subsection on a timely basis may be subject to a civil monetary penalty in an  
9 amount not to exceed \$10,000 for each day in which such information has not  
10 been provided. A retail community pharmacy shall not be subject to such  
11 penalty if the pharmacy makes a good faith effort to provide the information  
12 requested by the survey on a timely basis.

13 “(ii) FALSE INFORMATION.—A retail community pharmacy that knowingly  
14 provides false information in response to a survey conducted under this  
15 subsection may be subject to a civil money penalty in an amount not to  
16 exceed \$100,000 for each item of false information.”; and

17 (C) in paragraph (4), by inserting “, and \$7,000,000 for fiscal year 2023 and  
18 each fiscal year thereafter,” after “2010”.

19 (2) CONDITION FOR FEDERAL FINANCIAL PARTICIPATION.—Section 1903(i)(10) of the  
20 Social Security Act (42 U.S.C. 1396b(i)(10)) is amended—

21 (A) in subparagraph (D), by striking “and” after the semicolon;

22 (B) in subparagraph (E), by striking “or” after the semicolon and inserting  
23 “and”; and

24 (C) by inserting after subparagraph (E), the following new subparagraph:

25 “(F) with respect to any amount expended for reimbursement to a retail community  
26 pharmacy under this title unless the State requires the retail community pharmacy to  
27 respond to surveys of retail prices conducted under section 1927(f) in accordance with  
28 paragraph (1)(F) of such section; or”.

29 (3) EFFECTIVE DATE.—The amendments made by this section take effect on the 1st  
30 day of the 1st quarter that begins on or after the date that is 18 months after the date  
31 of enactment of this Act.

32 (i) Funding for Implementation and Administration.—In addition to amounts otherwise  
33 available, there is appropriated to the Secretary, for fiscal year 2022, to be available until  
34 expended, out of any money in the Treasury not otherwise appropriated, \$20,000,000, to  
35 provide technical assistance and guidance and cover administrative costs associated with  
36 implementing the amendments made by this part and part 2.

## 37 PART 5—MAINTENANCE OF EFFORT

### 38 SEC. 30751. ENCOURAGING CONTINUED ACCESS

# 1 AFTER THE END OF THE PUBLIC HEALTH 2 EMERGENCY.

3 Section 6008 of the Families First Coronavirus Response Act (42 U.S.C. 1396d note), as  
4 amended by section 30741(b), is further amended—

5 (1) by redesignating the second subsection (d) added by section 11 of division X of  
6 Public Law 116–260 as subsection (e); and

7 (2) by adding at the end the following new subsection:

8 “(g) Encouraging Continued Access After the End of the Public Health Emergency.—

9 “(1) IN GENERAL.—Subject to paragraph (2), if, between October 1, 2022 and  
10 December 31, 2025, a State puts into effect for any calendar quarter occurring during  
11 such period eligibility standards, methodologies, or procedures for individuals (except  
12 individuals described in subparagraph (D) of section 1902(e)(14)) who are applying for  
13 or receiving medical assistance under the State plan of such State under title XIX of  
14 the Social Security Act (42 U.S.C. 1396 through 1396w-6) (including any waiver under  
15 such title or section 1115 of such Act (42 U.S.C. 1315)) that are more restrictive than  
16 the eligibility standards, methodologies, or procedures, respectively, under the State  
17 plan (or waiver of such plan) that are in effect on October 1, 2021, the Federal medical  
18 assistance percentage otherwise determined under section 1905(b) of the Social  
19 Security Act (42 U.S.C. 1396d(b)) for that State shall be reduced by 3.1 percentage  
20 points for such calendar quarter.

21 “(2) NONAPPLICATION.—During the period described in paragraph (1), at the option  
22 of the State, the condition under such paragraph may not apply to the State with  
23 respect to nonpregnant, nondisabled adults who are eligible for medical assistance  
24 under the State plan (or waiver such plan) whose income exceeds 133 percent of the  
25 poverty line (as defined in section 2110(c)(5)) applicable to a family of the size involved  
26 if, on or after December 31, 2022, the State had certified or certifies to the Secretary  
27 that, with respect to the State fiscal year during which the certification is made, the  
28 State has a budget deficit, or with respect to the succeeding State fiscal year, the State  
29 is projected to have a budget deficit. Upon submission of such a certification to the  
30 Secretary, the condition under paragraph (1) shall not apply to the State with respect  
31 to any remaining portion of the period described in the preceding sentence.”.

## 32 Subtitle G—Children’s Health Insurance Program

### 33 SEC. 30801. INVESTMENTS TO STRENGTHEN CHIP.

34 (a) Permanent Extension of Children’s Health Insurance Program.—

35 \*\* 44 (a) ~~In General.~~—Section (1) IN GENERAL.—Section 2104(a)(28) of the Social  
36 Security Act (42 U.S.C. 1397dd(a)(28)) is amended to read as follows:

37 \*\* 45 “(28) for fiscal year 2027 and each subsequent year, such sums as are necessary to  
38 fund allotments to States under subsection (m).”.

39 (2) ALLOTMENTS.—

1           (A) **IN GENERAL.—Section 2104(m) of the Social Security Act (42 U.S.C.**  
2           **1397dd(m)) is amended—**

3           (i)(A) in paragraph (2)(B)(i), by striking “, 2023, and 2027” and inserting “and  
4           2023”;

5           (B)(ii) in paragraph (5)—

6           (i)(I) by striking “(10), or (11)” and inserting “or (10)”;

7           (ii)(II) by striking “for a fiscal year” and inserting “for a fiscal year before  
8           2027”; and

9           (iii)(III) by striking “2023, or 2027” and inserting “or 2023”;

10          (C)(iii) in paragraph (7)—

11          (i)(I) in subparagraph (A), by striking “and ending with fiscal year 2027,”;  
12          and

13          (ii)(II) in the flush left matter at the end, by striking “or fiscal year 2026”  
14          and inserting “fiscal year 2026, or a subsequent even-numbered fiscal year”;

15          (D)(iv) in paragraph (9)—

16          (i)(I) by striking “(10), or (11)” and inserting “or (10)”;

17          (ii)(II) by striking “2023, or 2027,” and inserting “or 2023”; and

18          (E)(v) by striking paragraph (11).

19          (2)(B) **CONFORMING AMENDMENT.—Section 50101(b)(2) of the Bipartisan Budget**  
20          **Act of 2018 (Public Law 115–123) is repealed.**

21          ~~SEC. 30802. PERMANENT EXTENSIONS OF OTHER PROGRAMS AND~~  
22          ~~DEMONSTRATION PROJECTS.~~ **(b) Other Related CHIP Policies.—**

23          ~~(a) Pediatric Quality Measures Program.—Section~~ **(1) PEDIATRIC QUALITY MEASURES**  
24          **PROGRAM.—Section 1139A(i)(1) of the Social Security Act (42 U.S.C. 1320b–9a(i)(1)) is**  
25          **amended—**

26          (1)(A) in subparagraph (C), by striking at the end “and”;

27          (2)(B) in subparagraph (D), by striking the period at the end and ~~insert~~ **inserting** a  
28          semicolon; and

29          (3)(C) by adding at the end the following new subparagraphs:

30          “(E) for fiscal year 2028, \$15,000,000 for the purpose of carrying out this section  
31          (other than subsections (e), (f), and (g)); and

32          “(F) for a **each** subsequent fiscal year, the amount appropriated under this paragraph  
33          for the previous fiscal year, increased by the percentage increase in the consumer price  
34          index for all urban consumers (all items; United States city average), **as published by**  
35          **the Bureau of Labor Statistics) rounded to the nearest \$100,000** over such previous  
36          fiscal year, for the purpose of carrying out this section (other than subsections (e), (f),  
37          and (g)).”.

1           ~~(b)~~ Assurance of Affordability Standard for Children and Families.—~~Section (2)~~  
2           **ASSURANCE OF ELIGIBILITY STANDARDS FOR CHILDREN.—Section 2105(d)(3)** of the  
3           Social Security Act (42 U.S.C. 1397ee(d)(3)) is amended—

4           ~~(1)(A)~~ in the paragraph heading, by striking “THROUGH SEPTEMBER 30, 2027”; and

5           ~~(2)(B)~~ in subparagraph (A)—

6           ~~(A)(i)~~ in the matter preceding clause (i)—

7                   ~~(i)(I)~~ by striking “During the period that begins on the date of enactment  
8                   of the Patient Protection and Affordable Care Act and ends on September 30,  
9                   2027” and inserting “Beginning on the date of the enactment of the Patient  
10                   Protection and Affordable Care Act”;

11                   ~~(ii)(II)~~ by striking “During the period that begins on October 1, 2019, and  
12                   ends on September 30, 2027” and inserting “Beginning on October 1, 2019”;  
13                   and

14                   ~~(iii)(III)~~ by striking “The preceding sentences shall not be construed as  
15                   preventing a State during any such periods from” and inserting “The  
16                   preceding sentences shall not be construed as preventing a State from”;

17           ~~(B)(ii)~~ in clause (i), by striking the semicolon at the end and inserting a period;

18           ~~(C)(iii)~~ by striking clauses (ii) and (iii); and

19           ~~(D)~~ by striking “periods(iv) as amended by subclause (i)(III), by striking “as  
20           **preventing a State** from” and all that follows through “applying eligibility  
21           standards” and inserting “periods“**as preventing a State** from applying eligibility  
22           standards”.

23           ~~(e)(3) QUALIFYING STATES OPTION.—SECTION STATES OPTION.—Section 2105(g)(4)~~ of  
24           the Social Security Act (42 U.S.C. 1397ee(g)(4)) is amended—

25           ~~(1)(A)~~ in the paragraph heading, by striking “FOR FISCAL YEARS 2009 THROUGH  
26           2027” and inserting “AFTER FISCAL YEAR 2008”; and

27           ~~(2)(B)~~ in subparagraph (A), by striking “for any of fiscal years 2009 through 2027”  
28           and inserting “for any fiscal year after fiscal year 2008”.

29           ~~(d)(4) OUTREACH AND ENROLLMENT PROGRAM.—SECTION ENROLLMENT~~  
30           **PROGRAM.—Section 2113** of the Social Security Act (42 U.S.C. 1397mm) is amended—

31           ~~(1)(A)~~ in subsection (a)—

32                   ~~(A)(i)~~ in paragraph (1), by striking “during the period of fiscal years 2009  
33                   through 2027” and inserting “, beginning with fiscal year 2009,”;

34                   ~~(B)(ii)~~ in paragraph (2)—

35                           ~~(i)(I)~~ by striking “10 percent of such amounts” and inserting “10 percent  
36                           of such amounts for the period or the fiscal year for which such amounts are  
37                           appropriated”; and

38                           ~~(ii)(II)~~ by striking “during such period” and inserting “, during such period  
39                           or such fiscal year,”; and



1           ~~(C)~~(iii) in paragraph (3), by striking “For the period of fiscal years 2024  
2           through 2027, an amount equal to 10 percent of such amounts” and inserting  
3           “Beginning with fiscal year 2024, an amount equal to 10 percent of such amounts  
4           for the period or the fiscal year for which such amounts are appropriated”; and

5           ~~(2)~~(B) in subsection (g)—

6                   ~~(A)~~(i) by striking “2017,,” and inserting “2017,”;

7                   ~~(B)~~(ii) by striking “and \$48,000,000” and inserting “\$48,000,000”; and

8                   ~~(C)~~(iii) by inserting after “through 2027” the following: “, \$60,000,000 for  
9                   fiscal years 2028, 2029, and ~~2020~~, **2030, and** for each 3 fiscal years after fiscal  
10                  year 2030, the amount appropriated under this subsection for the previous fiscal  
11                  year, increased by the percentage increase in the consumer price index for all  
12                  urban consumers (all items; United States city average), **as published by the**  
13                  **Bureau of Labor Statistics) rounded to the nearest \$100,000** over such  
14                  previous fiscal year”.

15           ~~(e) Child Enrollment Contingency Fund.—Section~~(5) **CHILD ENROLLMENT**  
16           **CONTINGENCY FUND.—Section** 2104(n) of the Social Security Act (42 U.S.C. 1397dd(n)) is  
17           amended—

18           ~~(1)~~(A) in paragraph (2)—

19                   ~~(A)~~(i) in subparagraph (A)(ii)—

20                           ~~(i)~~(I) by striking “~~and 2024~~”**2024** through 2026” and inserting “beginning  
21                           with fiscal year 2024”; and

22                           ~~(ii)~~(II) by striking “2023, and 2027” and inserting “and 2023”; and

23                   ~~(B)~~(ii) in subparagraph (B)—

24                           ~~(i)~~(I) by striking “2024 through 2026” and inserting “beginning with fiscal  
25                           year 2024”; and

26                           ~~(ii)~~(II) by striking “2023, and 2027” and inserting “and 2023”; and

27           ~~(2)~~(B) in paragraph (3)(A)—

28                   ~~(A)~~(i) by striking “fiscal years 2024 through 2026” and inserting “fiscal year  
29                   2024 or any subsequent fiscal year”; and

30                   ~~(B)~~(ii) by striking “2023, or 2027” and inserting “or 2023”.

31           ~~SEC. 30803. STATE OPTION TO INCREASE CHILDREN’S ELIGIBILITY FOR~~  
32           ~~MEDICAID AND CHIP.~~(c) **CHIP Drug Rebates.—**

33                   \*\* **46** (1) IN GENERAL.—Section ~~1833(a)(1)~~ **2107** of the Social Security Act (42 U.S.C.  
34                   ~~13951(a)(1)~~ **1397gg**), as amended by section ~~3051(b)~~ **30721(b)(2)**, is further amended—

35                   ~~(a) In General.—Section~~(A) **in subsection (e)(1) by adding at the end the**  
36                   **following new subparagraph:**

37                           “(V) **Beginning January 1, 2024, section 1927, in accordance with subsection (h)**  
38                           **of this section, with respect to covered outpatient drugs (as defined in section**

1           **1927) for which child health assistance or pregnancy-related assistance (as**  
2           **defined in section 2112(d)(1)) is provided under the State child health plan,**  
3           **including such drugs dispensed to individuals enrolled with a managed care**  
4           **organization that meets the requirements of subpart L of part 457 of title 42,**  
5           **Code of Federal Regulations (or a successor regulation) if the organization is**  
6           **responsible for coverage of such drugs.”; and**

7           **(B) by adding at the end the following new subsection:**

8           **“(h) Drug Rebates.—For purposes of subsection (e)(1)(V), in applying section 1927—**

9           **“(1) the Secretary shall take such actions as are necessary and develop or adapt such**  
10           **processes and mechanisms as are necessary, including to report and collect data to bill**  
11           **and track rebates under section 1927, as applied pursuant to subsection (e)(1)(V) for**  
12           **covered outpatient drugs (as defined in such section 1927) for which child health**  
13           **assistance or pregnancy-related assistance (as defined in section 2112(d)(1)) is**  
14           **provided under the State child health plan;**

15           **“(2) the requirements of such section 1927 shall apply to any drug or biological**  
16           **product described in paragraph (1)(A) of section 1905(ee) that is—**

17           **“(A) furnished as child health assistance or pregnancy-related assistance under**  
18           **the State child health plan; and**

19           **“(B) a covered outpatient drug (as defined in section 1927(k), except that, in**  
20           **applying paragraph (2)(A) of such section to a drug described in such paragraph**  
21           **(1)(A) of such section 1905(ee), such drug shall be deemed ‘a prescribed drug for**  
22           **purposes of subsection (a)(12))’; and**

23           **“(3) in order for payment to be available under section 2105 with respect to child**  
24           **health assistance or pregnancy-related assistance for covered outpatient drugs of a**  
25           **manufacturer, the manufacturer must have entered into and have in effect a single**  
26           **rebate agreement to—**

27           **“(A) provide rebates under section 1927 to a State Medicaid program under**  
28           **title XIX as well as a State program under this title; and**

29           **“(B) provide such rebates to a State program under this title in the same form**  
30           **and manner as the manufacturer is required to provide rebates under an**  
31           **agreement described in section 1927(b) to a State Medicaid program under title**  
32           **XIX.**

33           **Nothing in this subsection or subsection (e)(1)(V) shall be construed as limiting**  
34           **Federal financial participation for prescription drugs and biological products that do**  
35           **not satisfy the definition of a covered outpatient drug and for which there is not a**  
36           **rebate agreement in effect.”.**

37           **(2) DRUG REBATE CONFORMING AMENDMENT.—Section 1927(a)(1) of the Social**  
38           **Security Act (42 U.S.C. 1396r–8(a)(1)) is amended in the first sentence—**

39           **(A) by striking “or under part B of title XVIII” and inserting “, under part B of**  
40           **title XVIII, or, beginning with the first full calendar quarter with respect to which**  
41           **section 2107(e)(1)(V) applies, under section 2105 with respect to child health**

1 assistance or pregnancy-related assistance under title XXI”;

2 (B) by striking “a rebate agreement described in subsection (b)” and inserting  
3 “a single rebate agreement described in subsection (b) with respect to payment  
4 under section 1903(a) and, beginning January 1, 2024, title XXI,”; and

5 (C) by inserting “and including as such subsection (b) is applied pursuant to  
6 subsections (e)(1)(V) and (h) of section 2107 with respect to child health assistance  
7 and pregnancy-related assistance under a State child health plan under title XXI”  
8 before “, and must meet”.

9 (3) NON-DUPLICATION OF REBATES CONFORMING AMENDMENT.—Section  
10 340B(a)(5)(A) of the Public Health Service Act (42 U.S.C. 256b(a)(5)(A)) is amended—

11 (A) in clause (i), by inserting before the period the following: “and shall not  
12 request payment under title XXI of such Act for child health assistance or  
13 pregnancy-related assistance (as defined in section 2112(d)(1) of such Act) under  
14 a State child health plan under title XXI of such Act with respect to a drug that is  
15 subject to an agreement under this section if the drug is subject to the payment of  
16 a rebate to the State under section 1927 of such Act, as applied pursuant to  
17 subsections (e)(1)(V) and (h) of section 2107 of such Act”; and

18 (B) in clause (ii), by inserting “, including as applied pursuant to subsections  
19 (e)(1)(V) and (h) of section 2107 of such Act,” after “the requirements of section  
20 1927(a)(5)(C) of the Social Security Act”.

21 (4) EXCLUSION OF REBATES FROM BEST PRICE CONFORMING AMENDMENT.—Section  
22 1927(c)(1)(C)(i) of the Social Security Act (42 U.S.C. 1396r–8(c)(1)(C)(i)) is amended—

23 (A) in subclause (V), by striking “and” at the end;

24 (B) in subclause (VI), by striking the period and inserting “; and”; and

25 (C) by adding at the end the following new subclause:

26 “(VII) any rebates paid pursuant to section 2107(e)(1)(V).”.

27 (d) State Option to Expand Children’s Eligibility for Chip.—

28 (1) IN GENERAL.—Section 2110(b)(1)(B)(ii) of the Social Security Act (42 U.S.C.  
29 1397jj(b)(1)(B)(ii)) is amended—

30 (1)(A) in subclause (II), by striking “or” at the end;

31 (2)(B) in subclause (III), by striking “and” at the end and inserting “or”; and

32 (3)(C) by inserting after subclause (III) the following new subclause:

33 “(IV) at the option of the State, whose family income exceeds the maximum  
34 income level otherwise established for children under the State child health plan  
35 as of the date of the enactment of this subclause; and”.

36 (b)(2) TREATMENT OF TERRITORIES.—SECTION TERRITORIES.—Section 2104(m)(7) of  
37 the Social Security Act (42 U.S.C. 1397dd(m)(7)) is amended—

38 (1)(A) in the matter preceding subparagraph (A), by striking “the 50 States or the  
39 District of Columbia” and inserting “a State (including the District of Columbia and

1 each commonwealth and territory”);

2 (2)(B) in subparagraph (B)(ii), by striking “or District”; and

3 (3)(C) in the matter following subparagraph (B), by striking each place it occurs “or  
4 District”

5 ~~-(3) REMOVAL OF SUNSET FOR INCREASES IN ALLOTMENTS.—Section 2104(m)(7)(A) of~~  
6 ~~the Social Security Act (42 U.S.C. 1397dd(m)(7)(A)) is amended by striking “and~~  
7 ~~ending with fiscal year 2027,”.~~

8 ~~SEC. 30804. EXTENDING CONTINUOUS CHIP COVERAGE FOR PREGNANT AND~~

9 ~~POSTPARTUM WOMEN.—(e) Funding for Implementation and Administration.—In~~  
10 ~~addition to amounts otherwise available, there is appropriated to the Secretary, for fiscal~~  
11 ~~year 2022, to be available until expended, out of any money in the Treasury not otherwise~~  
12 ~~appropriated, \$5,000,000, to provide technical assistance and guidance and cover~~  
13 ~~administrative costs associated with implementing the amendments made by this section.~~

14 ~~(a) Requiring Full Benefits for Pregnant and Postpartum Women~~  
15 ~~for 12-month Period Post Pregnancy.— Subtitle H—Medicare~~  
16 ~~Coverage of Hearing Services~~

17 **SEC. 30901. PROVIDING COVERAGE FOR HEARING**  
18 **CARE UNDER THE MEDICARE PROGRAM.**

19 (a) Provision of Audiology Services by Qualified Audiologists and Qualified Hearing Aid  
20 Professionals.—

21  
22 \* 35 (1) In general.—Section 2107(e)(1)(J) of the Social Security Act (42 U.S.C.  
23 1397gg(e)(1)(J)) is amended—

24 (A) by striking “Paragraphs (5) and (16)” and inserting “(i) For any fiscal year quarter  
25 with respect to which the amendments made by section 30804(a)(1)(B) of the Act titled ‘An  
26 Act to provide for reconciliation pursuant to title II of S. Con. Res. 14’ do not apply  
27 (beginning with the first fiscal year quarter beginning one year after the date of the  
28 enactment of such Act), paragraphs (5)(A) and (16)”;

29 (B) by adding at the end the following new clause:

30  
31 \* 36 “(ii) For any fiscal year quarter (beginning with the first fiscal year quarter  
32 beginning one year after the date of the enactment of this clause), section 1902(e)(5)(B)  
33 (requiring, notwithstanding section 2103(e)(3)(C)(ii)(I) or any other limitation under this  
34 title, continuous coverage for pregnant and postpartum individuals, including 12 months  
35 postpartum, of medical assistance) if the State provides child health assistance for targeted  
36 low-income children who are pregnant or to targeted low-income pregnant women, under  
37 the State child health plan or waiver, including coverage of all items or services provided to  
38 a targeted low-income child or targeted low-income pregnant woman (as applicable) under

1 the State child health plan or waiver).”.

2  
3 \* 37 (2) Conforming amendments.— Section 2112 of the Social Security Act (42 U.S.C.  
4 1397ll) is amended—

5 (A) in subsection (d)—

6  
7 \* 38 (i) in paragraph (1), by inserting “and includes, through application of section  
8 1902(e)(5)(B) pursuant to section 2107(e)(1)(J)(ii), continuous coverage for pregnant and  
9 postpartum individuals, including 12 months postpartum of assistance” before the period at  
10 the end; and

11 (ii) in paragraph (2), by striking “60-day period” and all that follows through “ends” and  
12 inserting “12-month period (or, for any fiscal year quarter with respect to which the  
13 amendments made by section 30804(a)(1)(B) of the Act titled ‘An Act to provide for  
14 reconciliation pursuant to title II of S. Con. Res. 14’ do not apply (beginning with the first  
15 fiscal year quarter beginning one year after the date of the enactment of such Act), 60-day  
16 period) (beginning on the last day of her pregnancy) ends”; and

17 (B) in subsection (f)(2), by striking “60-day period” and inserting “12-month period (or,  
18 for any fiscal year quarter with respect to which the amendments made by section  
19 30804(a)(1)(B) of the Act titled ‘An Act to provide for reconciliation pursuant to title II of  
20 S. Con. Res. 14’ do not apply (beginning with the first fiscal year quarter beginning one  
21 year after the date of the enactment of such Act), 60-day period)”.

22 (b) Effective Date.—

23  
24 \* 39 (1) In general.— Subject to paragraph (2), the amendments made by this section shall  
25 take effect on the 1st day of the 1st fiscal year quarter that begins one year after the date of  
26 the enactment of this Act and shall apply with respect to child health assistance and  
27 pregnancy-related assistance, as applicable, provided on or after such date.

28  
29 \* 40 (2) Exception for state legislation.— In the case of a State child health plan under  
30 title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) that the Secretary of Health  
31 and Human Services determines requires State legislation in order for the plan to meet any  
32 requirement imposed by amendments made under this section, the plan shall not be  
33 regarded as failing to comply with the requirements of such title solely on the basis of its  
34 failure to meet such a requirement before the first day of the first calendar quarter beginning  
35 after the close of the first regular session of the State legislature that begins after the date of  
36 the enactment of this Act. For purposes of the previous sentence, in the case of a State that  
37 has a 2-year legislative session, each year of the session shall be considered to be a separate  
38 regular session of the State legislature.

39 SEC. 30805. PROVIDING FOR 1 YEAR OF CONTINUOUS ELIGIBILITY FOR  
40 CHILDREN UNDER THE CHILDREN’S HEALTH INSURANCE PROGRAM.

1 Section 2107(e)(1) of the Social Security Act (42 U.S.C. 1397gg(e)(1)) is amended—

2  
3 \* 41 (1) by redesignating subparagraphs (K) through (T) as subparagraphs (L) through  
4 (U), respectively; and

5 (2) by inserting after subparagraph (J) the following new subparagraph:

6  
7 \* 42 “(K) Section 1902(e)(17) (relating to 1 year of continuous eligibility for children).”.

8 Subtitle I—Medicare Coverage of Dental, Hearing, and Vision Services

9 SEC. 30901. PROVIDING COVERAGE FOR DENTAL AND ORAL HEALTH CARE  
10 UNDER THE MEDICARE PROGRAM.

11 (a) Coverage.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) is  
12 amended—

13 (1) in subparagraph (GG), by striking “and” after the semicolon at the end;

14 (2) in subparagraph (HH), by striking the period at the end and adding “; and”; and

15 (3) by adding at the end the following new subparagraph:

16 “(II) dental and oral health services (as defined in subsection (III));”.

17 (b) Dental and Oral Health Services Defined.—Section 1861 of the Social Security Act  
18 (42 U.S.C. 1395x) is amended by adding at the end the following new subsection:

19 “(III) Dental and Oral Health Services.—

20 “(1) In general.—The term ‘dental and oral health services’ means items and services  
21 (other than such items and services for which payment may be made under part A as  
22 inpatient hospital services) that are furnished during 2028 or a subsequent year, for which  
23 coverage was not provided under part B as of the date of the enactment of this subsection,  
24 and that are—

25 “(A) the preventive and screening services described in paragraph (2) furnished by a  
26 doctor of dental surgery or of dental medicine (as described in subsection (r)(2)) or an oral  
27 health professional (as defined in paragraph (4)); or

28 “(B) the basic treatments specified for such year by the Secretary pursuant to paragraph  
29 (3)(A) and the major treatments specified for such year by the Secretary pursuant to  
30 paragraph (3)(B) furnished by such a doctor or such a professional.

31 “(2) Preventive and screening services.—The preventive and screening services described  
32 in this paragraph are the following:

33 “(A) Oral exams.

34 “(B) Dental cleanings.

35 “(C) Dental x rays performed in the office of a doctor or professional described in  
36 paragraph (1)(A).

37 “(D) Fluoride treatments.

1           ~~“(3) Basic and major treatments.—For 2028 and each subsequent year, the Secretary shall~~  
2           ~~specify—~~

3           ~~“(A) basic treatments (which may include basic tooth restorations, basic periodontal~~  
4           ~~services, tooth extractions, and oral disease management services); and~~

5           ~~“(B) major treatments (which may include major tooth restorations, major periodontal~~  
6           ~~services, bridges, crowns, and root canals);~~

7           ~~that shall be included as dental and oral health services for such year.~~

8           ~~“(4) Oral health professional.—The term ‘oral health professional’ means, with respect to~~  
9           ~~dental and oral health services, a health professional (other than a doctor of dental surgery-~~  
10           ~~or of dental medicine (as described in subsection (r)(2))) who is licensed to furnish such~~  
11           ~~services, acting within the scope of such license, by the State in which such services are~~  
12           ~~furnished.”.~~

13           ~~(c) Payment; Coinsurance; and Limitations.—~~

14  
15           ~~\* 46 (1) In general.—Section 1833(a)(1) of the Social Security Act (42 U.S.C.~~  
16           ~~1395l(a)(1)), as amended by section 30511(b), is further amended—~~

17           ~~(A) in subparagraph (N), by inserting “and dental and oral health services (as defined in~~  
18           ~~section 1861(III))” after “section 1861(hhh)(1))”;~~

19           ~~(B) by striking “and” before “(EE)”;~~ and

20           ~~(C) by inserting before the semicolon at the end the following: “and (FF) with respect to~~  
21           ~~dental and oral health services (as defined in section 1861(III)), the amount paid shall be the~~  
22           ~~payment amount specified under section 1834(z)”.~~

23           ~~(2) Payment and limits specified.—Section 1834 of the Social Security Act (42 U.S.C.~~  
24           ~~1395m) is amended by adding at the end the following new subsection:~~

25           ~~“(z) Payment and Limits for Dental and Oral Health Services.—~~

26           ~~“(1) In general.—The payment amount under this part for dental and oral health services-~~  
27           ~~(as defined in section 1861(III)) shall be, subject to paragraph (3), the applicable percent~~  
28           ~~(specified in paragraph (2)) of the lesser of—~~

29           ~~“(A) the actual charge for the service; or~~

30           ~~“(B) the amount determined under the payment basis determined under section 1848 for~~  
31           ~~the service, or, in lieu of such amount, if determined appropriate by the Secretary, an~~  
32           ~~amount specified by the Secretary for such service under a fee schedule determined~~  
33           ~~appropriate by the Secretary, taking into account fee schedules for such services—~~

34           ~~“(i) under the TRICARE program under chapter 55 of title 10 of the United States Code;~~

35           ~~“(ii) under the health insurance program under chapter 89 of title 5 of such Code;~~

36           ~~“(iii) under State plans (or waivers of such plans) under title XIX;~~

37           ~~“(iv) under Medicare Advantage plans under part C;~~

38           ~~“(v) established by the Secretary of Veterans Affairs; and~~

1           ~~“(vi) established by other health care payers.~~

2           ~~“(2) Applicable percent.—For purposes of paragraph (1), the applicable percent specified~~  
3 ~~in this paragraph is, with respect to dental and oral health services (as defined in section~~  
4 ~~1861(III)) furnished in a year—~~

5           ~~“(A) that are preventive and screening services described in paragraph (2) or basic~~  
6 ~~treatments specified for such year pursuant to paragraph (3)(A) of such section, 80 percent;~~  
7 ~~and~~

8           ~~“(B) that are major treatments specified for such year pursuant to paragraph (3)(B) of~~  
9 ~~such section—~~

10          ~~“(i) in the case such services are furnished during 2028, 10 percent;~~

11          ~~“(ii) in the case such services are furnished during 2029 or a subsequent year before~~  
12 ~~2032, the applicable percent specified under this subparagraph for the previous year,~~  
13 ~~increased by 10 percentage points; and~~

14          ~~“(iii) in the case such services are furnished during 2032 or a subsequent year, 50 percent.~~

15          ~~“(3) Limitations.—With respect to dental and oral health services that are—~~

16          ~~“(A) preventive and screening oral exams, payment may be made under this part for not~~  
17 ~~more than two such exams during a 12-month period;~~

18          ~~“(B) dental cleanings, payment may be made under this part for not more than two such~~  
19 ~~cleanings during a 12-month period; and~~

20          ~~“(C) not described in subparagraph (A) or (B), payment may be made under this part only~~  
21 ~~at such frequencies and under such circumstances determined appropriate by the Secretary.~~

22          ~~“(4) Use of bundled payments.—The Secretary may make payment for dentures and~~  
23 ~~associated professional services, and for any other dental and oral health services, as~~  
24 ~~bundled payments as the Secretary determines appropriate.~~

25          ~~“(5) Limitation on judicial review.—There shall be no administrative or judicial review~~  
26 ~~under section 1869 or otherwise of—~~

27          ~~“(A) the determination of payment amounts under this subsection for dental and oral~~  
28 ~~health services and under subsection (h)(6) or subsection (z)(4) for dentures;~~

29          ~~“(B) the determination of what services are basic and major services under subparagraphs~~  
30 ~~(A) and (B) of section 1861(III)(3); or~~

31          ~~“(C) the determination of the frequency and circumstance limitations for dental and oral~~  
32 ~~health services under paragraph (3)(C).”.~~

33          ~~(d) Payment Under Physician Fee Schedule.—~~

34          ~~(1) In general.—Section 1848(j)(3) of the Social Security Act (42 U.S.C. 1395w4(j)(3)) is~~  
35 ~~amended by inserting “(2)(H),” before “(3)”.~~

36          ~~(2) Exclusion from mips.—Section 1848(q)(1)(C)(ii) of the Social Security Act (42-~~  
37 ~~U.S.C. 1395w4(q)(1)(C)(ii)) is amended—~~

38          ~~(A) in subclause (II), by striking “or” at the end;~~



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~~\* 43 (B) in subclause (III), by striking the period at the end and inserting “; or”; and  
(C) by adding at the end the following new subclause:~~

~~“(IV) with respect to 2028 and each subsequent year, is a doctor of dental surgery or of  
dental medicine (as described in section 1861(r)(2)) or is an oral health professional (as  
defined in section 1861(III)(4)).”.~~

~~(3) Inclusion of oral health professionals as certain practitioners.—Section  
1842(b)(18)(C) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C)) is amended by  
adding at the end the following new clause:~~

~~“(vii) With respect to 2028 and each subsequent year, an oral health professional (as  
defined in section 1861(III)(4)).”.~~

~~(e) Dentures.—~~

~~(1) IN GENERAL.—Section 1861(s)(8) **1861(II)** of the Social Security Act (42 U.S.C.  
1395x(s)(8)) is amended—~~

~~(A) by striking “(other than dental)”; and~~

~~(B) by inserting “and excluding dental, except for a full or partial set of dentures (as  
described in section 1834(h)(6)) furnished on or after January 1, 2028” after “colostomy  
care”.~~

~~(2) Special payment rules.—~~

~~(A) Limitations.—Section 1834(h) of the Social Security Act (42 U.S.C. 1395m(h)) is  
amended **1395x(II)** is amended—~~

~~(A) in paragraph (3)—~~

~~(i) by inserting “(and, beginning January 1, 2023, such aural rehabilitation  
and treatment services)” after “assessment services”;~~

~~(ii) by inserting “, and, beginning on January 1, 2023, such hearing  
assessment services furnished by a qualified hearing aid professional,” after  
“by a qualified audiologist”; and~~

~~(iii) by striking “the audiologist” and inserting “the audiologist or  
qualified hearing aid professional”; and~~

~~(B) in paragraph (4), by adding at the end the following new paragraph:~~

~~“(6) Special payment rule for dentures.—Payment may be made under this part with  
respect to an individual for dentures—~~

~~“(A) not more than once during any 5-year period (except in the case that a doctor  
described in section 1861(III)(1)(A) determines such dentures do not fit the individual);  
and~~

~~“(B) only to the extent that such dentures are furnished pursuant to a written order of  
such a doctor or professional.”.~~

~~(B) Application of competitive acquisition.— **subparagraph:**~~

1           “(C) The term ‘qualified hearing aid professional’ means, with respect to hearing  
2 assessment services described in paragraph (3), an individual who—

3                   “(i) is licensed or registered as a hearing aid dispenser, hearing aid specialist,  
4 hearing instrument dispenser, or related professional by the State in which the  
5 individual furnishes such services; and

6                   “(ii) meets such other requirements as the Secretary determines appropriate  
7 (including requirements relating to educational certifications or accreditations),  
8 taking into account any additional requirements for hearing aid specialists,  
9 hearing aid dispensers, and hearing instrument dispensers established by  
10 Medicare Advantage organizations under part C, State plans (or waivers of such  
11 plans) under title XIX, and the group health plans and health insurance issuers  
12 (as such terms are defined in section 2791 of the Public Health Service Act).”.

13           (2) PAYMENT FOR QUALIFIED HEARING AID PROFESSIONALS.—Section 1833(a)(1) of  
14 the Social Security Act (42 U.S.C. 1395l(a)(1)), as amended by section 139101(b), is  
15 further amended—

16                   (A) by striking “and” before “(EE)”; and

17                   (B) by inserting before the semicolon at the end the following: “and (FF) with  
18 respect to hearing assessment services (as described in paragraph (3) of section  
19 1861(l)) furnished by a qualified hearing aid professional (as defined in  
20 paragraph (4)(C) of such section), the amounts paid shall be equal to 80 percent  
21 of the lesser of the actual charge for such services or 85 percent of the amount for  
22 such services determined under the payment basis determined under section  
23 1848”.

24           (b) Coverage of Hearing Aids.—

25                   \*\* 47 (1) INCLUSION OF HEARING AIDS AS PROSTHETIC DEVICES.—Section 1861(s)(8) of  
26 the Social Security Act (42 U.S.C. 1395x(s)(8)) is amended by inserting “, and including  
27 hearing aids (as described in section 1834(h)(7)) furnished on or after ~~October~~ **January 1,**  
28 2023, to individuals diagnosed with ~~profound or moderately~~ **severe, severe, or profound**  
29 hearing loss” before the semicolon at the end.

30           (2) PAYMENT LIMITATIONS FOR HEARING AIDS.—Section 1834(h) of the Social  
31 Security Act (42 U.S.C. 1395m(h)) is amended by adding at the end the following new  
32 paragraphs:

33                   “(6) PAYMENT ONLY ON AN ASSIGNMENT-RELATED BASIS.—Payment for hearing aids  
34 for which payment may be made under this part may be made only on an  
35 assignment-related basis. The provisions of section 1842(b)(18)(B) shall apply to  
36 hearing aids in the same manner as they apply to services furnished by a practitioner  
37 described in subsection (b)(18)(C).

38                   “(7) LIMITATIONS FOR HEARING AIDS.—Payment may be made under this part with  
39 respect to an individual, with respect to hearing aids furnished on or after **January 1,**  
40 **2023—**

41                   “(A) not more than once per ear during a 5-year period;

1           “(B) only for types of such hearing aids that are determined appropriate by the  
2           Secretary; and

3           “(C) only if furnished pursuant to a written order of a physician, qualified  
4           audiologist (as defined in section 1861(l)(4)), qualified hearing aid professional  
5           (as so defined), physician assistant, nurse practitioner, or clinical nurse  
6           specialist.”.

7           **(3) APPLICATION OF COMPETITIVE ACQUISITION.—**

8           (A) ~~(i)~~ IN GENERAL.—Section 1834(h)(1)(H) of the Social Security Act (42 U.S.C.  
9           1395m(h)(1)(H)) is amended—

10           ~~(i)~~(i) in the subparagraph heading, **header**, by inserting “~~dentures~~”**“AND**  
11           **HEARING AIDS”** after “ORTHOTICS”;

12           ~~(ii)~~(ii) by inserting “, or of ~~dentures~~ **hearing aids** described in paragraph  
13           (2)(D) of such section,” after “2011,”; and

14           ~~(iii)~~(iii) in clause (i), by inserting “~~“or such dentures”~~ **hearing aids”** after  
15           “~~orthotics~~”**“such orthotics”**.

16           ~~(ii)~~(B) CONFORMING AMENDMENT.—**SECTION AMENDMENT.—**

17           **(i) IN GENERAL.—Section** 1847(a)(2) of the Social Security Act (42 U.S.C.  
18           1395w-3(a)(2)) is amended by adding at the end the following new subparagraph:

19           “(D) ~~DENTURES.—DENTURES~~ **HEARING AIDS.—Hearing aids** described in section  
20           1861(s)(8) for which payment would otherwise be made under section 1834(h).”.

21           ~~(iii)~~(ii) EXEMPTION OF CERTAIN ITEMS FROM COMPETITIVE  
22           ACQUISITION.—Section 1847(a)(7) of the Social Security Act (42 U.S.C.  
23           1395w-3(a)(7)) is amended by adding at the end the following new subparagraph:

24           “(C) ~~CERTAIN DENTURES.—THOSE~~ **HEARING AIDS.—Those** items and services  
25           described in paragraph (2)(D) if furnished by a physician or other practitioner (as  
26           defined by the Secretary) to the physician’s or practitioner’s own patients as part of the  
27           physician’s or practitioner’s professional service.”.

28           ~~(f) Exclusion Modifications.—Section 1862(a) of the Social Security Act (42 U.S.C.~~  
29           ~~1395y(a)) is amended—~~

30           ~~(1) in paragraph (1)—~~

31           ~~(A) in subparagraph (O), by striking “and” at the end;~~

32           ~~(B) in subparagraph (P), by striking the semicolon at the end and inserting “, and”; and~~

33           ~~(C) by adding at the end the following new subparagraph:~~

34           ~~“(Q) in the case of dental and oral health services (as defined in section 1861(l)) that are~~  
35           ~~preventive and screening services described in paragraph (2) of such section, which are~~  
36           ~~furnished more frequently than provided under section 1834(z)(3) or under circumstances~~  
37           ~~other than circumstances determined appropriate under subparagraph (C) of such section;”;~~  
38           ~~and~~

39           ~~(2) in paragraph (12), by inserting before the semicolon at the end the following: “and~~

1 except that payment may be made under part B for dental and oral health services that are  
2 covered under section 1861(s)(2)(II) and for dentures under section 1861(s)(8)”.

3 (g) Certain Non-application.—

4 (1) In general.—Paragraphs (1) and (4) of section 1839(a) of the Social Security Act (42-  
5 U.S.C. 1395r(a)) are amended by adding at the end of each such paragraphs the following:—  
6 “In applying this paragraph there shall not be taken into account benefits and administrative  
7 costs attributable to the amendments made by section 30901 (other than subsection (g)) of  
8 the Act titled ‘An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14’  
9 and the Government contribution under section 1844(a)(5)”.

10 (2) Payment.—Section 1844(a) of such Act (42 U.S.C. 1395w(a)) is amended—

11 (A) in paragraph (4), by striking the period at the end and inserting “; plus”;

12 (B) by adding at the end the following new paragraph:

13 “(5) a Government contribution equal to the amount that is estimated to be payable for  
14 benefits and related administrative costs incurred that are attributable to the amendments  
15 made by section 30901 (other than subsection (g)) of the Act titled ‘An Act to provide for  
16 reconciliation pursuant to title II of S. Con. Res. 14’.”; and

17 (C) in the flush matter at the end, by striking “paragraph (4)” and inserting “paragraphs  
18 (4) and (5)”.

19 (h) Implementation.—

20 (1) Funding.—

21 (A) In general.—In addition to amounts otherwise available, the Secretary of Health and  
22 Human Services (in this subsection referred to as the “Secretary”) shall provide for the  
23 transfer from the Federal Supplementary Medical Insurance Trust Fund under section 1841-  
24 of the Social Security Act (42 U.S.C. 1395t) to the Centers for Medicare & Medicaid  
25 Services Program Management Account of—

26 (i) \$20,000,000 for each of fiscal years 2022 through 2028 for purposes of implementing  
27 the amendments made by this section; and

28 (ii) such sums as determined appropriate by the Secretary for each subsequent fiscal year  
29 for purposes of administering the provisions of such amendments.

30 (B) Availability and additional use of funds.—Funds transferred pursuant to  
31 subparagraph (A) shall remain available until expended and may be used, in addition to the  
32 purpose specified in subparagraph (A)(i), to implement the amendments made by sections  
33 30902 and 30903.

34 (2) Administration.—The Secretary may implement, by program instruction or otherwise,  
35 any of the provisions of, or amendments made by, this section.

36 (3) Paperwork reduction act.—Chapter 35 of title 44, United States Code, shall not apply  
37 to the provisions of, or the amendments made by, this section.

38 **SEC. 30902. PROVIDING COVERAGE FOR HEARING CARE UNDER THE**  
39 **MEDICARE PROGRAM.**

1           ~~(a) Provision of Aural Rehabilitation and Treatment Services by Qualified~~  
2           ~~Audiologists.— Section 1861(l)(3) of the Social Security Act (42 U.S.C. 1395x(l)(3)) is~~  
3           ~~amended by inserting “(and, beginning October 1, 2023, such aural rehabilitation and~~  
4           ~~treatment services)” after “assessment services”.~~

5           ~~(b) Coverage of Hearing Aids.—~~

6  
7           ~~\* 47 (1) Inclusion of hearing aids as prosthetic devices.— Section 1861(s)(8) of the Social~~  
8           ~~Security Act (42 U.S.C. 1395x(s)(8)) is amended by inserting “, and including hearing aids~~  
9           ~~(as described in section 1834(h)(7)) furnished on or after October 1, 2023, to individuals~~  
10           ~~diagnosed with profound or severe hearing loss” before the semicolon at the end.~~

11           ~~(2) Payment limitations for hearing aids.— Section 1834(h) of the Social Security Act (42~~  
12           ~~U.S.C. 1395m(h)), as amended by section 30901(e)(2)(A), is further amended by adding at~~  
13           ~~the end the following new paragraph:~~

14           ~~“(7) Limitations for hearing aids.—~~

15           ~~“(A) In general.— Payment may be made under this part with respect to an individual,~~  
16           ~~with respect to hearing aids furnished on or after October 1, 2023—~~

17           ~~“(i) not more than once during a 5-year period;~~

18           ~~“(ii) only for types of such hearing aids that are not over the counter hearing aids (as~~  
19           ~~defined in section 520(q)(1) of the Federal Food, Drug, and Cosmetic Act) and that are~~  
20           ~~determined appropriate by the Secretary; and~~

21           ~~“(iii) only if furnished pursuant to a written order of a physician or qualified audiologist~~  
22           ~~(as defined in section 1861(l)(4)(B)).~~

23           ~~“(B) Limitation on judicial review.— There shall be no administrative or judicial review~~  
24           ~~under section 1869 or otherwise of—~~

25           ~~“(i) the determination of the types of hearing aids paid for under subparagraph (A)(ii); or~~

26           ~~“(ii) the determination of fee schedule rates for hearing aids described in this paragraph.”.~~

27           ~~(3) Application of competitive acquisition.—~~

28           ~~(A) In general.— Section 1834(h)(1)(H) of the Social Security Act (42 U.S.C.~~  
29           ~~1395m(h)(1)(H)), as amended by section 30901(e)(2)(B)(i), is further amended—~~

30           ~~(i) in the header, by inserting “, hearing aids” after “dentures”;~~

31           ~~(ii) by inserting “, of hearing aids described in paragraph (2)(E) of such section,” after~~  
32           ~~“paragraph (2)(D) of such section”; and~~

33           ~~(iii) in clause (i), by inserting “, such hearing aids” after “such dentures”.~~

34           ~~(B) Conforming amendment.—~~

35           ~~(i) In general.— Section 1847(a)(2) of the Social Security Act (42 U.S.C. 1395w3(a)(2)),~~  
36           ~~as amended by section 30901(e)(2)(B)(ii), is further amended by adding at the end the~~  
37           ~~following new subparagraph:~~

38           ~~“(E) Hearing aids.— Hearing aids described in section 1861(s)(8) for which payment~~

1 would otherwise be made under section 1834(h).”.

2 (ii) Exemption of certain items from competitive acquisition.—Section 1847(a)(7) of the  
3 Social Security Act (42 U.S.C. 1395w3(a)(7)), as amended by section 30901(e)(2)(B)(iii), is  
4 further amended by adding at the end the following new subparagraph:

5 “(D) Certain hearing aids.—Those items and services described in paragraph (2)(E) if  
6 furnished by a physician or other practitioner (as defined by the Secretary) to the  
7 physician’s or practitioner’s own patients as part of the physician’s or practitioner’s  
8 professional service.”.

9 (4) ~~Inclusion of audiologists~~ **(4) INCLUSION OF QUALIFIED AUDIOLOGISTS AND**  
10 **QUALIFIED HEARING AID PROFESSIONALS AS CERTAIN PRACTITIONERS TO RECEIVE PAYMENT**  
11 **ON AN ASSIGNMENT-RELATED BASIS.**—Section 1842(b)(18)(C) of the Social Security Act (42  
12 U.S.C. 1395u(b)(18)(C)), as amended by section 30901(d)(4), is further is amended by  
13 adding at the end the following new clause: **clauses:**

14 “(viii)“(vii) Beginning ~~October~~ **on January** 1, 2023, a qualified audiologist (as  
15 defined in section ~~1861(l)(4)(B)~~).” **1861(l)(4)(B)).**

16 “(viii) **A qualified hearing aid professional (as defined in section**  
17 **1861(l)(4)(C)).”.**

18 (c) Exclusion Modification.—Section 1862(a)(7) of the Social Security Act (42 U.S.C.  
19 1395y(a)(7)) is amended by inserting “(except such hearing aids or examinations therefor as  
20 described in and otherwise allowed under section 1861(s)(8))” after “hearing aids or  
21 examinations therefor”.

22 (d) **Inclusion as Excepted Medical Treatment.—Section 1821(b)(5)(A) Certain-**  
23 **Non-application.—**

24 (1) ~~In general.~~—The last sentence of section 1839(a)(1) of the Social Security Act (42 U.S.C.  
25 1395r(a)(1)), as added by section 30901(g)(1), is amended by striking “section 30901 (other than  
26 subsection (g))” and inserting “sections 30901 (other than subsection (g)), 30902 (other than  
27 subsection (d))”. **1395i-5(b)(5)(A) is amended—**

28 (2) ~~Payment.~~—Paragraph (4) of section 1844(a) of such Act (42 U.S.C. 1395w(a)), as  
29 added by section 30901(g)(2), is amended by striking “section 30901 (other than subsection  
30 (g))” and inserting “sections 30901 (other than subsection (g)), 30902 (other than subsection  
31 (d))”. **(1) in clause (i), by striking “or”;**

32 (e) ~~Implementation.—~~

33 (1) ~~Funding.—~~

34 (A) ~~In general.~~—In addition to amounts otherwise available, the Secretary of Health and  
35 Human Services (in this subsection referred to as the “Secretary”) shall provide for the  
36 transfer from the Federal Supplementary Medical Insurance Trust Fund under section 1841-  
37 of the Social Security Act (42 U.S.C. 1395t) to the Centers for Medicare & Medicaid  
38 Services Program Management Account of—

39 (i) ~~\$20,000,000 for each of fiscal years 2022 through 2023 for purposes of implementing~~  
40 ~~the amendments made by this section; and~~

1 (ii) such sums as determined appropriate by the Secretary for each subsequent fiscal year  
2 for purposes of administering the provisions of such amendments.

3 (B) Availability and additional use of funds. — Funds transferred pursuant to  
4 subparagraph (A) shall remain available until expended and may be used, in addition to the  
5 purpose specified in subparagraph (A)(i), to implement the amendments made by sections  
6 30901 and 30903.

7 (2) Administration. — The Secretary may implement, by program instruction or otherwise,  
8 any of the provisions of, or amendments made by, this section.

9 (3) Paperwork reduction act. — Chapter 35 of title 44, United States Code, shall not apply  
10 to the provisions of, or the amendments made by, this section.

11 ~~SEC. 30903. PROVIDING COVERAGE FOR VISION CARE UNDER THE~~  
12 ~~MEDICARE PROGRAM.~~

13 (a) Coverage. — Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)), as  
14 amended by section 30901(a), is further amended —

15 (1) in subparagraph (HH), by striking “and” after the semicolon at the end;

16 (2) in subparagraph (H)(2) in clause (ii), by striking the period at the end and adding “;  
17 and” and inserting “, or”; and

18 (3) by adding at the end the following new subparagraph:

19 “(JJ) vision services (as defined in subsection (mmm));”.

20 (b) Vision Services Defined. — Section 1861 of the Social Security Act (42 U.S.C.  
21 1395x), as amended by section 30901(b), is further amended by adding at the end the  
22 following new subsection:

23 “(mmm) Vision Services. — The term ‘vision services’ means —

24 “(1) routine eye examinations to determine the refractive state of the eyes, including  
25 procedures performed during the course of such examination; and

26 “(2) contact lens fitting services;

27 furnished on or after October 1, 2022, by or under the direct supervision of an  
28 ophthalmologist or optometrist who is legally authorized to furnish such examinations,  
29 procedures, or fitting services (as applicable) under State law (or the State regulatory  
30 mechanism provided by State law) of the State in which the examinations, procedures, or  
31 fitting services are furnished.”.

32 (c) Payment Limitations. — Section 1834 of the Social Security Act (42 U.S.C. 1395m),  
33 as amended by section 30901(c)(2), is further amended by adding at the end the following  
34 new subsection:

35 “(aa) Limitation for Vision Services. — With respect to vision services (as defined in  
36 section 1861(mmm)) and an individual, payment may be made under this part for only 1  
37 routine eye examination described in paragraph (1) of such section and 1 contact lens fitting  
38 service described in paragraph (2) of such section during a 2-year period.”.

39 (d) Payment Under Physician Fee Schedule. — Section 1848(j)(3) of the Social Security

1 Act (42 U.S.C. 1395w4(j)(3)), as amended by section 30901(d)(1), is further amended by  
2 inserting “(2)(JJ),” before “(3)”.

3 ~~(e) Coverage of Conventional Eyeglasses and Contact Lenses.—~~

4 ~~(1) In general.—Section 1861(s)(8) of the Social Security Act (42 U.S.C. 1395x(s)(8)), as~~  
5 ~~amended by section 30902(b)(1), is further amended by striking “, and including one pair of~~  
6 ~~conventional eyeglasses or contact lenses furnished subsequent to each cataract surgery-~~  
7 ~~with insertion of an intraocular lens” and inserting “, including one pair of conventional~~  
8 ~~eyeglasses or contact lenses furnished subsequent to each cataract surgery with insertion of~~  
9 ~~an intraocular lens, if furnished before October 1, 2022, and including conventional~~  
10 ~~eyeglasses or contact lenses (as described in section 1834(h)(8)), whether or not furnished~~  
11 ~~subsequent to such a surgery, if furnished on or after October 1, 2022”.~~

12 ~~(2) Conforming amendment.—Section 1842(b)(11)(A) of the Social Security Act (42-~~  
13 ~~U.S.C. 1395u(b)(11)(A)) is amended by inserting “furnished prior to October 1, 2022,” after~~  
14 ~~“relating to them,”.~~

15 ~~(f) Special Payment Rules for Eyeglasses and Contact Lenses.—~~

16 ~~(1) Limitations.—Section 1834(h) of the Social Security Act (42 U.S.C. 1395m(h)), as-~~  
17 ~~amended by section 30901(e)(2)(A) and section 30902(b)(2), is further amended by adding~~  
18 ~~at the end the following new paragraph:~~

19 ~~“(8) Payment limitations for eyeglasses and contact lenses.—~~

20 ~~“(A) In general.—With respect to eyeglasses and contact lenses furnished to an~~  
21 ~~individual on or after October 1, 2022, subject to subparagraph (B), payment may be made~~  
22 ~~under this part only—~~

23 ~~“(i) during a 2-year period, for either 1 pair of eyeglasses (including lenses and frames) or~~  
24 ~~not more than a 2-year supply of contact lenses;~~

25 ~~“(ii) with respect to amounts attributable to the lenses and frames of such a pair of~~  
26 ~~eyeglasses or amounts attributable to such a 2-year supply of contact lenses, in an amount~~  
27 ~~not greater than—~~

28 ~~“(I) for a pair of eyeglasses furnished in, or a 2-year supply of contact lenses beginning~~  
29 ~~in, 2022—~~

30 ~~“(aa) \$85 for the lenses of such pair of eyeglasses and \$85 for the frames of such pair of~~  
31 ~~eyeglasses; or~~

32 ~~“(bb) \$85 for such 2-year supply of contact lenses; and~~

33 ~~“(H) for the lenses and frames of a pair of eyeglasses furnished in, or a 2-year supply of~~  
34 ~~contact lenses beginning in, a subsequent year, the dollar amounts specified under this~~  
35 ~~subparagraph for the previous year, increased by the percentage change in the consumer-~~  
36 ~~price index for all urban consumers (United States-city average) for the 12-month period~~  
37 ~~ending with June of the previous year;~~

38 ~~“(iii) if furnished pursuant to a written order of an ophthalmologist or optometrist~~  
39 ~~described in subsection (mmm); and~~

40 ~~“(iv) if during the 2-year period described in clause (i), the individual did not already~~



1 receive (as described in subparagraph (B)) one pair of conventional eyeglasses or contact  
2 lenses subsequent to a cataract surgery with insertion of an intraocular lens furnished during  
3 such period.

4 ~~“(B) Exception.—With respect to a 2-year period described in subparagraph (A)(i), in the~~  
5 ~~case of an individual who receives cataract surgery with insertion of an intraocular lens,~~  
6 ~~notwithstanding subparagraph (A), payment may be made under this part for one pair of~~  
7 ~~conventional eyeglasses or contact lenses furnished subsequent to such cataract surgery~~  
8 ~~during such period.~~

9 ~~“(C) Limitation on judicial review.—There shall be no administrative or judicial review~~  
10 ~~under section 1869 or otherwise of—~~

11 ~~“(i) the determination of the types of eyeglasses and contact lenses covered under this~~  
12 ~~paragraph; or~~

13 ~~“(ii) the determination of fee schedule rates under this subsection for eyeglasses and~~  
14 ~~contact lenses.”.~~

15 (2) Application of competitive acquisition.—

16 (A) In general.—Section 1834(h)(1)(H) of the Social Security Act (42 U.S.C.  
17 1395m(h)(1)(H)), as amended by section 30901(e)(2)(B)(i) and section 30902(b)(3)(A), is  
18 further amended—

19 (i) in the header by inserting “, eyeglasses, and contact lenses” after “hearing aids”;

20 (ii) by inserting “and of eyeglasses and contact lenses described in paragraph (2)(F) of  
21 such section,” after “paragraph (2)(E) of such section,”; and

22 (iii) in clause (i), by inserting “, or such eyeglasses and contact lenses” after “such  
23 hearing aids”.

24 (B) Conforming amendment.—

25 (i) In general.—Section 1847(a)(2) of the Social Security Act (42 U.S.C. 1395w3(a)(2)),  
26 as amended by section 30901(e)(2)(B)(ii) and section 30902(b)(3)(B)(i), is further amended  
27 by adding at the end the following new subparagraph:

28 ~~“(F) Eyeglasses and contact lenses.—Eyeglasses and contact lenses described in section~~  
29 ~~1861(s)(8) for which payment would otherwise be made under section 1834(h).”.~~

30 (ii) Exemption of certain items from competitive acquisition.—Section 1847(a)(7) of the  
31 Social Security Act (42 U.S.C. 1395w3(a)(7)), as amended by section 30901(e)(2)(B)(iii)  
32 and section 30902(b)(3)(B)(ii), is further amended by adding at the end the following new  
33 subparagraph:

34 ~~“(E) Certain eyeglasses and contact lenses.—Those items and services described in~~  
35 ~~paragraph (2)(F) if furnished by a physician or other practitioner (as defined by the~~  
36 ~~Secretary) to the physician’s or practitioner’s own patients as part of the physician’s or~~  
37 ~~practitioner’s professional service.”.~~

38 (g) Exclusion Modifications.—Section 1862(a) of the Social Security Act (42 U.S.C.  
39 1395y(a)), as amended by section 30901(f), is further amended—

40 (1) in paragraph (1)—

1 (A) in subparagraph (P), by striking “and” at the end;

2 (B) in subparagraph (Q), by striking the semicolon at the end and inserting “, and”; and

3 (C) by adding at the end the following new subparagraph:

4 ~~“(R) in the case of vision services (as defined in section 1861(mmm)) that are routine eye~~  
5 ~~examinations and contact lens fitting services (as described in paragraph (1) or (2),~~  
6 ~~respectively, of such section), which are furnished more frequently than once during a~~  
7 ~~2-year period;”;~~ and

8 (2) in paragraph (7) —

9 (A) by inserting “(other than such an examination that is a vision service that is covered

10 under section 1861(s)(2)(JJ))” after “eye examinations”; and

11 (B) by inserting “(other than such a procedure that is a vision service that is covered

12 under section 1861(s)(2)(JJ))” after “refractive state of the eyes”.

13 (h) Certain Non-application. —

14 (1) In general. — The last sentence of section 1839(a)(1) of the Social Security Act (42

15 U.S.C. 1395r(a)(1)), as added by section 30901(g)(1) and amended by section 30902(d)(1),

16 is further amended by inserting “, and 30903 (other than subsection (h))” after “30902-

17 (other than subsection (d))”.

18 (2) Payment. — Paragraph (4) of section 1844(a) of such Act (42 U.S.C. 1395w(a)), as

19 added by section 30901(g)(2) and amended by section 30902(d)(2), is further amended by

20 inserting “, and 30903 (other than subsection (h))” after “30902 (other than subsection (d))”.

21 (i) Implementation. —

22 (1) Funding. —

23 (A) In general. — In addition to amounts otherwise available, the Secretary of Health and

24 Human Services (in this subsection referred to as the “Secretary”) shall provide for the

25 transfer from the Federal Supplementary Medical Insurance Trust Fund under section 1841

26 of the Social Security Act (42 U.S.C. 1395t) to the Centers for Medicare & Medicaid-

27 Services Program Management Account of —

28 (i) \$20,000,000 for each of fiscal years 2022 and 2023 for purposes of implementing the

29 amendments made by this section; and

30 (ii) such sums as determined appropriate by the Secretary for each subsequent fiscal year

31 for purposes of administering the provisions of such amendments.

32 (B) Availability and additional use of funds. — Funds transferred pursuant to

33 subparagraph (A) shall remain available until expended and may be used, in addition to the

34 purpose specified in subparagraph (A)(i), to implement the amendments made by sections

35 30901 and 30902.

36 (2) Administration. — The Secretary may implement, by program instruction or otherwise,

37 any of the provisions of, or amendments made by, this section.

38 (3) Paperwork reduction act. — Chapter 35 of title 44, United States Code, shall not apply

39 to the provisions of, or the amendments made by, this section.

1           **Subtitle J—Public clause:**

2                   “(iii) consisting of audiology services described in subsection (ll)(3) of  
3                   section 1861, or hearing aids described in subsection (s)(8) of such section,  
4                   that are payable under part B as a result of the amendments made by An Act  
5                   to provide for reconciliation pursuant to title II of S. Con. Res. 14.”.

6           **(e) Rural Health Clinics and Federally Qualified Health Centers.—**

7                   **(1) CLARIFYING COVERAGE OF AUDIOLOGY SERVICES AS PHYSICIANS’**  
8                   **SERVICES.—Section 1861(aa)(1)(A) of the Social Security Act (42 U.S.C.**  
9                   **1395x(aa)(1)(A)) is amended by inserting “(including audiology services (as defined in**  
10                   **subsection (ll)(3))” after “physicians’ services”.**

11                   **(2) INCLUSION OF QUALIFIED AUDIOLOGISTS AND QUALIFIED HEARING AID**  
12                   **PROFESSIONALS AS RHC AND FQHC PRACTITIONERS.—Section 1861(aa)(1)(B) of the**  
13                   **Social Security Act (42 U.S.C. 1395x(aa)(1)(B)) is amended by inserting “or by a**  
14                   **qualified audiologist or a qualified hearing aid professional (as such terms are defined**  
15                   **in subsection (ll)),” after “(as defined in subsection (hh)(1)),”.**

16                   **(3) TEMPORARY PAYMENT RATES FOR CERTAIN SERVICES UNDER THE RHC AIR AND**  
17                   **FQHC PPS.—**

18                   **(A) AIR.—Section 1833 of the Social Security Act (42 U.S.C. 1395l) is**  
19                   **amended—**

20                           **(i) in subsection (a)(3)(A), by inserting “(which shall, in the case of**  
21                           **audiology services (as defined in section 1861(ll)(3)), in lieu of any limits on**  
22                           **reasonable charges otherwise applicable, be based on the rates payable for**  
23                           **such services under the payment basis determined under section 1848 until**  
24                           **such time as the Secretary determines sufficient data has been collected to**  
25                           **otherwise apply such limits (or January 1, 2029, if no such determination has**  
26                           **been made as of such date))” after “may prescribe in regulations”; and**

27                           **(ii) by adding at the end the following new subsection:**

28                   **“(ee) Disregard of Costs Attributable to Certain Services From Calculation of RHC**  
29                   **AIR.—Payments for rural health clinic services other than audiology services (as defined in**  
30                   **section 1861(ll)(3)) under the methodology for all-inclusive rates (established by the**  
31                   **Secretary) under subsection (a)(3) shall not take into account the costs of such services**  
32                   **while rates for such services are based on rates payable for such services under the**  
33                   **payment basis established under section 1848.”.**

34                   **(B) PPS.—Section 1834(o) of the Social Security Act (42 U.S.C. 1395m(o)) is**  
35                   **amended by adding at the end the following new paragraph:**

36                   **“(5) TEMPORARY PAYMENT RATES BASED ON PFS FOR CERTAIN SERVICES.—The**  
37                   **Secretary shall, in establishing payment rates for audiology services (as defined in**  
38                   **section 1861(ll)(3)) that are Federally qualified health center services under the**  
39                   **prospective payment system established under this subsection, in lieu of the rates**  
40                   **otherwise applicable under such system, base such rates on rates payable for such**  
41                   **services under the payment basis established under section 1848 until such time as the**  
42                   **Secretary determines sufficient data has been collected to otherwise establish rates for**

1 such services under such system (or January 1, 2029, if no such determination has  
2 been made as of such date). Payments for Federally qualified health center services  
3 other than such audiology services under such system shall not take into account the  
4 costs of such services while rates for such services are based on rates payable for such  
5 services under the payment basis established under section 1848.”.

6 **(f) Implementation.—**

7 **(1) IN GENERAL.—**In addition to amounts otherwise available, there is appropriated  
8 to the Secretary of Health and Human Services for fiscal year 2022, out of any money  
9 in the Treasury not otherwise appropriated, \$370,000,000, to remain available until  
10 expended, for purposes of implementing the amendments made by this section during  
11 the period beginning on January 1, 2022, and ending on September 30, 2031.

12 **(2) PROGRAM INSTRUCTION.—**The Secretary of Health and Human Services shall  
13 implement the provisions of, and the amendments made by, this section for 2022 and  
14 2023 by program instruction.

15 **Subtitle I—Public Health**

16 **PART 1—HEALTH CARE INFRASTRUCTURE AND**  
17 **WORKFORCE**

18 ~~SEC.~~ **SECTION 31001. FUNDING TO SUPPORT CORE**  
19 **PUBLIC HEALTH INFRASTRUCTURE FOR STATE,**  
20 **TERRITORIAL, LOCAL, AND TRIBAL HEALTH**  
21 **DEPARTMENTS AT THE CENTERS FOR DISEASE**  
22 **CONTROL AND PREVENTION.**

23 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
24 Secretary of Health and Human Services (in this subtitle referred to as the “Secretary”) ~~for fiscal~~  
25 ~~year 2022, out of any money in the Treasury not otherwise appropriated, \$7,000,000,000, to~~  
26 ~~remain available until expended, to carry out,~~ acting through the Director of the Centers for  
27 Disease Control and Prevention (in this section referred to as the “Director”), ~~activities described~~  
28 ~~in subsection (b).~~ **for fiscal year 2022, out of any money in the Treasury not otherwise**  
29 **appropriated, and to remain available until expended—**

30 **(1) for the purposes of carrying out subsection (c)(1)(A)—**

31 **(A) \$200,000,000 in fiscal year 2022;**

32 **(B) \$300,000,000 in fiscal year 2023; and**

33 **(C) \$1,000,000,000 in each of fiscal years 2024 through 2026;**

34 **(2) for the purposes of carrying out subsection (c)(1)(B)—**

35 **(A) \$100,000,000 in fiscal year 2022;**

36 **(B) \$150,000,000 in fiscal year 2023; and**

1 (C) \$500,000,000 in each of fiscal years 2024 through 2026; and

2 (3) for the purposes of carrying out subsection (d)—

3 (A) \$100,000,000 in fiscal year 2022;

4 (B) \$150,000,000 in fiscal year 2023; and

5 (C) \$500,000,000 in each of fiscal years 2024 through 2026.

6 (b) Use of Funds.—Amounts made available pursuant to subsection (a) shall be used to  
7 support core public health infrastructure activities to strengthen the public health system of the  
8 United States, including by awarding grants under this section and expanding and improving  
9 activities of the Centers for Disease Control and Prevention under subsections (c) and (d).

10 (c) Grants.—

11 (1) AWARDS.—For the purpose of addressing core public health infrastructure needs, the  
12 Secretary shall award—

13 (A) a grant to each State or territorial health department, and to local health  
14 departments that serve counties with a population of at least 2,000,000 or cities with a  
15 population of at least 400,000 people; and

16 (B) grants on a competitive basis to State, territorial, local, or Tribal health  
17 departments.

18 ~~(2) Allocation.—Of the total amount of funds awarded as grants under this subsection for~~  
19 ~~a fiscal year—~~

20 ~~(A) not less than 50 percent shall be for grants to health departments under paragraph~~  
21 ~~(1)(A); and~~

22 ~~(B) not less than 25 percent shall be for grants to State, local, territorial, or Tribal health~~  
23 ~~departments under paragraph (1)(B).~~

24 ~~(3) REQUIRED USES.—~~

25 (A) REALLOCATION TO LOCAL HEALTH DEPARTMENTS.—A State health department  
26 receiving funds under subparagraph (A) or (B) of paragraph (1) shall allocate at least  
27 25 percent of ~~the~~ such funds to local health departments, as applicable, within the State  
28 to support contributions of the local health departments to core public health  
29 infrastructure.

30 (B) PROGRESS IN MEETING ACCREDITATION STANDARDS.—A health department  
31 receiving funds under this section that is not accredited shall report to the Secretary on  
32 an annual basis how the department is working to meet accreditation standards.

33 ~~(4)(3) FORMULA GRANTS TO HEALTH DEPARTMENTS.—~~In awarding grants under  
34 paragraph (1), the Secretary shall award funds to each health department in accordance with  
35 a formula which considers population size, the Social Vulnerability Index of the Centers for  
36 Disease Control and Prevention, and other factors as determined by the Secretary.

37 ~~(5)(4) COMPETITIVE GRANTS TO STATE, TERRITORIAL, LOCAL, AND TRIBAL HEALTH~~  
38 ~~DEPARTMENTS.—~~In making grants under paragraph (1)(B), the Secretary shall give priority  
39 to applicants demonstrating core public health infrastructure needs for ~~a~~ public health

1 agencies in the applicant's jurisdiction.

2 ~~(6)~~(5) PERMITTED USES.—

3 (A) IN GENERAL.—The Secretary may make available a subset of the funds available  
4 for grants under paragraph (1) for purposes of awarding grants to State, territorial,  
5 local, and Tribal health departments for planning or to support public health  
6 accreditation.

7 (B) USES.—Recipients of such grants may use the grant funds to assess core public  
8 health infrastructure needs and report to the Centers for Disease Control and  
9 Prevention on efforts to achieve accreditation, as applicable.

10 ~~(7)~~(6) REQUIREMENTS.—To be eligible for a grant under this section, an entity shall—

11 (A) submit an application in such form and containing such information as the  
12 Secretary shall require;

13 (B) demonstrate to the satisfaction of the Secretary that—

14 (i) funds received through the grant will be expended only to supplement, and  
15 not supplant, non-Federal and Federal funds otherwise available to the entity for  
16 the purpose of addressing core public health infrastructure needs; and

17 (ii) with respect to activities for which the grant is awarded, the entity will  
18 maintain expenditures of non-Federal amounts for such activities at a level not  
19 less than the level of such expenditures maintained by the entity for fiscal year  
20 2019; and

21 (C) agree to report annually to the Director regarding the use of the grant funds.

22 (d) Core Public Health Infrastructure and Activities for the CDC.—~~The CDC.~~—

23 ~~(1) In general.~~—The Secretary, acting through the Director, shall expand and improve the core  
24 public health infrastructure and activities of the Centers for Disease Control and Prevention to  
25 support activities necessary to address unmet, ongoing, and emerging public health needs,  
26 including prevention, preparation for, and response to public health emergencies.

27 ~~(2) Limitation.~~—~~Out of amounts appropriated under subsection (a) to carry out this section for~~  
28 ~~a fiscal year, not more than 25 percent of the funds awarded per fiscal year may be used by the~~  
29 ~~Centers for Disease Control and Prevention to carry out this subsection.~~

30 (e) Definition.—In this section, the term “core public health infrastructure” includes—

31 (1) **health equity activities;**

32 (2) workforce capacity and competency;

33 ~~(2) laboratory systems;~~

34 (3) all hazards public health and preparedness;

35 ~~(3)~~(4) testing capacity, including test platforms, mobile testing units, and personnel;

36 ~~(4)~~(5) health information, health information systems, and health information analysis  
37 **(including data analytics);;**

38 ~~(5)~~(6) **epidemiology and disease surveillance;**

1           ~~(6)~~**(7)** contact tracing;  
2           ~~(7)~~**(8)** **policy and** communications;  
3           ~~(8) financing;~~**(9) financing;**  
4           ~~(9) other~~**(10) community partnership development; and**  
5           **(11)** relevant components of organizational capacity; ~~and~~  
6           ~~(10) other related activities.~~

7           (f) Supplement Not Supplant.—Amounts made available by this section shall be used to  
8 supplement, and not supplant, amounts otherwise made available for the purposes described in  
9 this Act.

10 ~~SEC. 31002. FUNDING FOR HOSPITAL~~  
11 ~~INFRASTRUCTURE.~~

12 ~~(a) In General.— In addition to amounts otherwise available,~~  
13 ~~there is appropriated to the Secretary for fiscal year 2022, out of~~  
14 ~~any money in the Treasury not otherwise appropriated,~~  
15 ~~\$10,000,000,000, to remain available until expended, to carry~~  
16 ~~out subsection (b) consistent with enhancing the goals of parts B~~  
17 ~~and C of title XVI of the Public Health Service Act (42 U.S.C.~~  
18 ~~300q et seq.).~~

19 ~~(b) Use of Funds.— From amounts made available under~~  
20 ~~subsection (a), the Secretary shall, with priority given to~~  
21 ~~applicants whose projects will include, by design, public health~~  
22 ~~emergency preparedness, natural disaster emergency~~  
23 ~~preparedness, or cybersecurity against cyber threats, award~~  
24 ~~grants to entities described in section 1610(a) of the Public~~  
25 ~~Health Service Act (42 U.S.C. 300r(a)) for purposes of~~  
26 ~~increasing capacity and updating hospitals and other medical~~  
27 ~~facilities in order to better serve communities in need.~~

28 ~~(c) Conditions.— The following requirements of parts B and C~~  
29 ~~of title XVI of the Public Health Service Act (42 U.S.C. 300r et~~  
30 ~~seq.) shall apply to funds made available under this section:~~

31 ~~(1) The requirements related to reasonable volume of care~~

1 ~~described under section 1621(b)(1)(K)(ii) of such Act (42-~~  
2 ~~U.S.C. 300s1(b)(1)(K)(ii)).~~

3 ~~(2) Section 1621(b)(1)(I) of such Act (42 U.S.C. 300s1(b)(1)(I)).~~

4 ~~(3) Any other provision of such parts that the Secretary~~  
5 ~~determines (as prescribed by regulation) to be appropriate to~~  
6 ~~carry out this section.~~

## 7 ~~SEC. 31003. FUNDING FOR COMMUNITY HEALTH~~ 8 ~~CENTER CAPITAL GRANTS.~~

9 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
10 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
11 ~~\$10,000,000,000~~ **\$2,000,000,000**, to remain available until expended, for necessary expenses for  
12 awarding grants and entering into cooperative agreements for capital projects to health centers  
13 funded under section 330 of the Public Health Service Act (42 U.S.C. 254b) to be awarded  
14 without regard to the time limitation in subsection (e)(3) and subsections (e)(6)(A)(iii),  
15 (e)(6)(B)(iii), and (r)(2)(B) of such section 330, and for necessary expenses for awarding grants  
16 and cooperative agreements for capital projects to Federally qualified health centers, as described  
17 in section 1861(aa)(4)(B) of the Social Security Act (42 U.S.C. 1395x(aa)(4)(B)). The Secretary  
18 shall take such steps as may be necessary to expedite the awarding of such grants to Federally  
19 qualified health centers for capital projects.

20 (b) Use of Funds.—Amounts made available to a recipient of a grant or cooperative agreement  
21 pursuant to subsection (a) shall be used ~~for~~ **for**—

22 (1) health center facility alteration, renovation, remodeling, expansion, construction, and  
23 other capital improvement costs, including the costs of amortizing the principal of, and  
24 paying interest on, loans for such purposes; ~~and~~.

25 ~~SEC. 31004. FUNDING FOR COMMUNITY BASED CARE INFRASTRUCTURE.~~(2)  
26 ~~the purchase, renovation, or maintenance of mobile clinics and related vehicles and~~  
27 ~~equipment.~~

28 ~~(a) In General.— In addition to amounts otherwise available,~~  
29 ~~there is appropriated to the Secretary for fiscal year 2022, out of~~  
30 ~~any money in the Treasury not otherwise appropriated,~~  
31 ~~\$500,000,000, to remain available until expended, for purposes~~  
32 ~~of making awards to qualified teaching health centers (as~~  
33 ~~defined in section 340H of the Public Health Service Act (42-~~  
34 ~~U.S.C. 256h)), behavioral health care centers (as defined by the~~  
35 ~~Secretary to include both substance abuse and mental health care~~



1 ~~facilities), and pediatric mental health care providers (as used in~~  
2 ~~section 330M(b)(1)(G) of the Public Health Service Act (42~~  
3 ~~U.S.C. 254c19(b)(1)(G))).~~

4 ~~(b) Use of Funds.—Amounts made available pursuant to~~  
5 ~~subsection (a) shall be used to support the improvement,~~  
6 ~~renovation, or modernization of infrastructure at such centers,~~  
7 ~~including to respond to public health emergencies declared~~  
8 ~~under section 319 of the Public Health Service Act (42 U.S.C.~~  
9 ~~247d). **SEC. 31003. FUNDING FOR TEACHING HEALTH**~~  
10 ~~**CENTER GRADUATE MEDICAL EDUCATION.**~~

11 **\*\* 48** (a) In General.—In addition to amounts otherwise available, and notwithstanding the  
12 limitations referred to in subsections (b)(2) and (d)(2) of section 340H of the Public Health  
13 Service Act (42 U.S.C. 256h), there is appropriated to the Secretary for fiscal year 2022, out of  
14 any money in the Treasury not otherwise appropriated, ~~\$6,000,000,000~~ **\$3,370,000,000**, to  
15 remain available until expended, for—

16 **\*\* 49** (1) the program of payments to teaching health centers that operate graduate  
17 medical education programs under such section; and

18 **\*\* 50** (2) the award of teaching health center development grants pursuant to section  
19 749A of the Public Health Service Act (42 U.S.C. 2931–1).

20 **(b) Exemption From Amount and Duration Limitations.—Subsection (b) of section 749A**  
21 **of the Public Health Service Act (42 U.S.C. 2931–1) shall not apply with respect to amounts**  
22 **awarded under such section out of amounts appropriated under subsection (a) or under**  
23 **section 2604 of the American Rescue Plan Act (Public Law 117–2).**

24 **\*\* 51** ~~(b)(c)~~ Use of Funds.—Amounts made available pursuant to subsection (a) shall be used  
25 for the following activities:

26 **\*\* 52** (1) For making payments to establish new approved graduate medical residency  
27 training programs pursuant to section 340H(a)(1)(C) of the Public Health Service Act (42  
28 U.S.C. 256h(a)(1)(C)).

29 **\*\* 53** (2) For making payments under section 340H(a)(1)(A) of the Public Health Service  
30 Act (42 U.S.C. 256h(a)(1)(A))) to qualified teaching health centers for maintenance of filled  
31 positions at existing approved graduate medical residency training programs.

32 **\*\* 54** (3) For making payments under section 340H(a)(1)(B) of the Public Health Service  
33 Act (42 U.S.C. 256h(a)(1)(B)) for the expansion of existing approved graduate medical  
34 residency training programs.

35 **\*\* 55** (4) For making awards under section 749A of the Public Health Service Act (42  
36 U.S.C. 2931–1) to teaching health centers for the purpose of establishing new accredited or  
37 expanded primary care residency programs.

1           \*\* 56 (5) To provide an increase to the per resident amount described in section  
2           340H(a)(2) of the Public Health Service Act (42 U.S.C. 256h(a)(2)).

3           **(d) Priority Uses of Funds.—In making payments and awards under subsection (c), the**  
4 **Secretary shall, in addition to the requirements of paragraphs (3)(A) and (3)(B) of section**  
5 **340H of the Public Health Service Act (42 U.S.C. 256h), make payments and awards to**  
6 **eligible entities in a manner that accounts for States or territories in which there is no**  
7 **existing qualified teaching health center funded by payments under such section 340H.**

8           **\*\* 57 SEC. ~~31008~~ 31004. FUNDING FOR CHILDREN’S**  
9 **HOSPITALS THAT OPERATE GRADUATE MEDICAL**  
10 **EDUCATION PROGRAMS.**

11           **In addition to amounts otherwise available, and notwithstanding the caps on awards**  
12 **specified in paragraphs (1) and (2) of subsection (b) and (h)(1) of section 340E of the Public**  
13 **Health Service Act (42 U.S.C. 256e), there is appropriated to the Secretary for fiscal year**  
14 **2022, out of any money in the Treasury not otherwise appropriated, \$200,000,000, to**  
15 **remain available until expended, for carrying out such section 340E of the Public Health**  
16 **Service Act (42 U.S.C. 256e).**

17 **SEC. 31005. FUNDING FOR NATIONAL HEALTH**  
18 **SERVICE CORPS.**

19           \*\* 58 In addition to amounts otherwise available, there is appropriated to the Secretary for  
20 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$250,000,000~~  
21 **\$2,000,000,000**, to remain available until expended, for carrying out ~~section 340E~~ **sections**  
22 **338A, 338B, and 338I** of the Public Health Service Act (42 U.S.C. ~~256e~~) **254I, 254I–1, 254q–1).**

23 **SEC. 31006. FUNDING FOR THE NURSE CORPS.**

24           \*\* 59 In addition to amounts otherwise available, there is appropriated **to the Secretary** for  
25 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$500,000,000, to  
26 remain available until expended, for ~~grants under carrying out~~ **section 1433(g) 846** of the ~~Safe-~~  
27 ~~Drinking Water~~ **Public Health Service Act (42 U.S.C. ~~300i2(g)~~ 297n).**

28 **SEC. ~~31005~~ 31007. FUNDING FOR SCHOOLS OF**  
29 **MEDICINE IN UNDERSERVED AREAS.**

30           (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
31 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
32 ~~\$1,000,000,000~~ **\$500,000,000**, to remain available until expended, for purposes of making  
33 awards to eligible entities for the establishment, improvement, or expansion of an allopathic or  
34 osteopathic school of medicine, or a branch campus of an allopathic or osteopathic school of  
35 medicine, consistent with subsection (b).

36           (b) Use of Funds.—The Secretary, acting through the Administrator of the Health Resources  
37 and Services Administration, shall, with priority given to minority-serving institutions described  
38 in section 371(a) of the Higher Education Act of 1965 (20 U.S.C. 1067q(a)), and taking into

1 consideration equitable distribution of awards among the geographical regions of the United  
2 States (which shall include rural regions and populations as defined by the Secretary for the  
3 purposes of this section) and the locations of existing schools of medicine and osteopathic  
4 medicine, use amounts appropriated by subsection (a) to award grants to eligible entities to—

5 (1) recruit, enroll, and retain students, including individuals who are from disadvantaged  
6 backgrounds (including racial and ethnic groups underrepresented among medical students  
7 and health professions), individuals from rural and underserved areas, low-income  
8 individuals, and first generation college students (as defined in section 402A(h)(3) of the  
9 Higher Education Act of 1965 (20 U.S.C. 1070a–11(h)(3))), at a school of medicine or  
10 osteopathic medicine or branch campus of a school of medicine or osteopathic medicine;

11 (2) develop, implement, and expand curriculum that emphasizes care for rural and  
12 underserved populations, including accessible and culturally appropriate and linguistically  
13 appropriate care and services, at such school or branch campus;

14 (3) plan and construct a school of medicine or osteopathic medicine in an area in which  
15 no other such school or branch campus of such a school is based;

16 (4) plan, develop, and meet criteria for accreditation for a school of medicine or  
17 osteopathic medicine or branch campus of such a school;

18 (5) hire faculty, including faculty from racial and ethnic groups who are underrepresented  
19 among the medical and other health professions, and other staff to serve at such a school or  
20 branch campus;

21 (6) support educational programs at such a school or branch campus, including  
22 modernizing curriculum;

23 (7) modernize and expand infrastructure at such a school or branch campus; or

24 (8) support other activities that the Secretary determines will further the establishment,  
25 improvement, or expansion of a school of medicine or osteopathic medicine or branch  
26 campus of a school of medicine or osteopathic medicine.

27 (c) Definitions.—In this section:

28 (1) ELIGIBLE ENTITY.—The term “eligible entity” means an institution of higher  
29 education as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

30 (2) BRANCH CAMPUS.—

31 (A) IN GENERAL.—The term “branch campus”, with respect to a school of medicine  
32 or osteopathic medicine, means an additional location of such school that is  
33 geographically apart and independent of the main campus, at which the school offers at  
34 least 50 percent of the program leading to a degree of doctor of medicine or doctor of  
35 osteopathy that is offered at the main campus.

36 (B) INDEPENDENCE FROM MAIN CAMPUS.—For purposes of subparagraph (A), the  
37 location of a school described in such subparagraph shall be considered to be  
38 independent of the main campus described in such subparagraph if the location—

39 (i) is permanent in nature;

40 (ii) offers courses in educational programs leading to a degree, certificate, or

1 other recognized educational credential;

2 (iii) has its own faculty and administrative or supervisory organization; and

3 (iv) has its own budgetary and hiring authority.

4 ~~SEC. 31006. FUNDING FOR NURSING EDUCATION~~  
5 ~~ENHANCEMENT AND MODERNIZATION GRANTS 31008.~~  
6 **FUNDING FOR SCHOOLS OF NURSING IN**  
7 **UNDERSERVED AREAS.**

8 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
9 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
10 ~~\$1,000,000,000~~ **\$500,000,000**, to remain available until expended, for purposes of making  
11 awards to schools of nursing (as defined in section 801 of the Public Health Service Act (42  
12 U.S.C. 296)) to enhance and modernize nursing education programs and increase the number of  
13 faculty and students at such schools.

14 (b) Use of Funds.—The Secretary, acting through the Administrator of the Health Resources  
15 and Services Administration, taking into consideration equitable distribution of awards among  
16 the geographical regions of the United States and the capacity of a school of nursing to provide  
17 care in underserved areas, shall use amounts appropriated by subsection (a) to award grants for  
18 purposes of—

19 (1) recruiting, enrolling, and retaining students at such school, with a priority for students  
20 from disadvantaged backgrounds (including racial or ethnic groups underrepresented in the  
21 nursing workforce), individuals from rural and underserved areas, low-income individuals,  
22 and first generation college students (as defined in section 402A(h)(3) of the Higher  
23 Education Act of 1965 (20 U.S.C. 1070a–11(h)(3)));

24 (2) creating, supporting, or modernizing educational programs and curricula at such  
25 school;

26 (3) retaining current faculty, and hiring new faculty, with an emphasis on faculty from  
27 racial or ethnic groups that are underrepresented in the nursing workforce;

28 (4) modernizing infrastructure at such school, including audiovisual or other equipment,  
29 personal protective equipment, simulation and augmented reality resources, telehealth  
30 technologies, and virtual and physical laboratories;

31 (5) partnering with a health care facility, nurse-managed health clinic, community health  
32 center, or other facility that provides health care, in order to provide educational  
33 opportunities for the purpose of establishing or expanding clinical education;

34 (6) enhancing and expanding nursing programs that prepare nurse researchers and  
35 scientists;

36 (7) establishing nurse-led intradisciplinary and interprofessional educational partnerships;  
37 or

38 (8) other activities that the Secretary determines will further the development,  
39 improvement, and expansion of schools of nursing.

1 ~~SEC. 31007.~~ **31009. FUNDING FOR TEACHING HEALTH**  
2 ~~CENTER GRADUATE MEDICAL PALLIATIVE CARE~~  
3 ~~AND HOSPICE EDUCATION AND TRAINING.~~

4  
5 \* 48 (a) In General.— In addition to amounts otherwise available, and notwithstanding the  
6 limitations referred to in subsections (b)(2) and (d)(2) of section 340H of the Public Health  
7 Service Act (42 U.S.C. 256h), there is appropriated to the Secretary for fiscal year 2022, out of  
8 any money in the Treasury not otherwise appropriated, \$6,000,000,000, to remain available until  
9 expended, for—

10  
11 \* 49 (1) the program of payments to teaching health centers that operate graduate medical  
12 education programs under such section; and

13  
14 \* 50 (2) the award of teaching health center development grants pursuant to section 749A of  
15 the Public Health Service Act (42 U.S.C. 29311).

16  
17 \* 51 (b) Use of Funds.— Amounts made available pursuant to subsection (a) shall be used for  
18 the following activities:

19  
20 \* 52 (1) For making payments to establish new approved graduate medical residency training  
21 programs pursuant to section 340H(a)(1)(C) of the Public Health Service Act (42 U.S.C.  
22 256h(a)(1)(C)).

23  
24 \* 53 (2) For making payments under section 340H(a)(1)(A) of the Public Health Service Act  
25 (42 U.S.C. 256h(a)(1)(A)) to qualified teaching health centers for maintenance of filled  
26 positions at existing approved graduate medical residency training programs.

27  
28 \* 54 (3) For making payments under section 340H(a)(1)(B) of the Public Health Service Act  
29 (42 U.S.C. 256h(a)(1)(B)) for the expansion of existing approved graduate medical residency  
30 training programs.

31  
32 \* 55 (4) For making awards under section 749A of the Public Health Service Act (42 U.S.C.  
33 29311) to teaching health centers for the purpose of establishing new accredited or expanded  
34 primary care residency programs.

35  
36 \* 56 (5) To provide an increase to the per resident amount described in section 340H(a)(2) of  
37 the Public Health Service Act (42 U.S.C. 256h(a)(2)).

1  
2 ~~\* 57 SEC. 31008. FUNDING FOR CHILDREN'S HOSPITALS THAT OPERATE~~  
3 ~~GRADUATE MEDICAL EDUCATION PROGRAMS.~~

4  
5 ~~\* 58 In addition to amounts otherwise available, there is appropriated to the Secretary for~~  
6 ~~fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$250,000,000, to~~  
7 ~~remain available until expended, for carrying out section 340E of the Public Health Service Act~~  
8 ~~(42 U.S.C. 256e).~~

9 ~~SEC. 31009. FUNDING FOR THE NURSE CORPS.~~

10 ~~In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal~~  
11 ~~year 2022, out of any money in the Treasury not otherwise appropriated, \$300,000,000, to~~  
12 ~~remain available until expended, for carrying out section 846 of the Public Health Service Act~~  
13 ~~(42 U.S.C. 297n).~~

14 ~~\*\* 60 (a) In General.—In addition to amounts otherwise available, there is appropriated to the~~  
15 ~~Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,~~  
16 ~~\$35,000,000 \$25,000,000, to remain available until expended, to carry out the following~~  
17 ~~activities: support the establishment or operation of programs that—~~

18 ~~(1) support training of health professionals in palliative and hospice care (including~~  
19 ~~through traineeships or fellowships); and~~

20 ~~(2) foster patient and family engagement, integration of palliative and hospice care~~  
21 ~~with primary care and other appropriate specialties, and collaboration with~~  
22 ~~community partners to address gaps in health care for individuals in need of palliative~~  
23 ~~or hospice care.~~

24 ~~(b) Use of Funds.—The Secretary shall, giving priority to applicants proposing to carry~~  
25 ~~out programs or activities that demonstrate coordination with other Federal or State~~  
26 ~~programs and are expected to substantially benefit rural populations, medically~~  
27 ~~underserved populations, medically underserved communities, Indian Tribes or Tribal~~  
28 ~~organizations, or Urban Indian organizations, use amounts appropriated by subsection (a)~~  
29 ~~to carry out a program to award grants or contracts to entities defined in paragraph (1),~~  
30 ~~(3), or (4) of section 799B of the Public Health Service Act (42 U.S.C. 295p) or section~~  
31 ~~801(2) of such Act (42 U.S.C. 296) for purposes of carrying out the following activities:~~

32 ~~(1) Clinical training on providing integrated palliative and hospice care and~~  
33 ~~primary care delivery services.~~

34 ~~(2) Interprofessional or interdisciplinary training to practitioners from multiple~~  
35 ~~disciplines and specialties, including training on the provision of care to individuals~~  
36 ~~with palliative or hospice care needs.~~

37 ~~(3) Establishing or maintaining training-related community-based programs for~~  
38 ~~individuals with palliative or hospice care needs and caregivers to improve quality of~~  
39 ~~life, and where appropriate, health outcomes for individuals who have palliative or~~  
40 ~~hospice care needs.~~

## **SEC. 31010. FUNDING FOR PALLIATIVE MEDICINE PHYSICIAN TRAINING.**

(a) **In General.**—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$20,000,000, to remain available until expended, to carry out a program to award grants and contracts to accredited schools of medicine, schools of osteopathic medicine, teaching hospitals, and graduate medical education programs for the purpose of providing support for projects that fund the training of physicians or specialists who plan to teach or practice palliative medicine.

(b) **Use of Funds.**—Amounts made available to an awardee pursuant to subsection (a) shall be used to—

(1) provide training in interprofessional or interdisciplinary team-based palliative medicine through a variety of service rotations, such as rotations with respect to consultation services or acute and chronic care services, and rotations in other health care settings, including extended care facilities, ambulatory care and comprehensive evaluation units, hospices, home care, and community care programs;

(2) develop specific performance-based measures to evaluate the competency of trainees; and

(3) provide training in interprofessional or interdisciplinary, team-based palliative medicine.

(c) **Graduate Medical Education Program Defined.**—In this section, the term “graduate medical education program” means a program sponsored by an accredited school of medicine, an accredited school of osteopathic medicine, a hospital, or a public or private institution that—

(1) offers postgraduate medical training in the specialties and subspecialties of medicine; and

(2) has been accredited by—

(A) the Accreditation Council for Graduate Medical Education; or

(B) the American Osteopathic Association through its Committee on Postdoctoral Training (or a successor committee).

## **SEC. 31011. FUNDING FOR PALLIATIVE CARE AND HOSPICE ACADEMIC CAREER AWARDS.**

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$20,000,000, to remain available until expended, to establish a program, consistent with section 753(b) of the Public Health Service Act (42 U.S.C. 294c(b)), including paragraphs (5)(A) and (5)(B) of such section 753(b) concerning the amount and duration of awards, respectively, except that such program shall be to provide awards to accredited schools of medicine, osteopathic medicine, nursing, social work, psychology, allied health, dentistry, or chaplaincy applying

1 on behalf of board-certified or board-eligible individuals in hospice and palliative medicine  
2 that have an early-career junior (non-tenured) faculty appointment at an accredited school  
3 of medicine, or osteopathic medicine, nursing, social work, psychology, allied health,  
4 dentistry, or chaplaincy, to promote the academic career development of individuals as  
5 hospice and palliative care specialists.

## 6 **SEC. 31012. FUNDING FOR HOSPICE AND** 7 **PALLIATIVE NURSING.**

8 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
9 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise  
10 appropriated, \$20,000,000, to remain available until expended, to establish a program to  
11 award grants and contracts to accredited schools of nursing, health care facilities,  
12 programs leading to certification as a certified nurse assistant, partnerships of such schools  
13 and facilities, or partnerships of such programs and facilities to develop and implement, in  
14 coordination with other hospice and palliative care programs administered by the  
15 Department of Health and Human Services, programs and initiatives to train and educate  
16 individuals in providing interprofessional, interdisciplinary, team-based palliative care in  
17 health-related educational, hospital, hospice, home, or long-term care settings.

18 (b) Use of Funds.—Amounts made available to an awardee pursuant to subsection (a)  
19 shall be used to—

20 (1) provide training to individuals who will provide palliative care in health-related  
21 educational, hospital, home, hospice, or long-term care settings;

22 (2) develop and disseminate curricula relating to palliative care in health-related  
23 educational, hospital, home, hospice, or long-term care settings;

24 (3) train faculty members in palliative care in health-related educational, hospital,  
25 home, hospice, or long-term care settings; and

26 (4) provide continuing education to individuals who provide palliative care in  
27 health-related educational, home, hospice, or long-term care settings.

## 28 **SEC. 31013. FUNDING FOR DISSEMINATION OF** 29 **PALLIATIVE CARE INFORMATION.**

30 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
31 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise  
32 appropriated, \$5,000,000, to remain available until expended, for the purpose described in  
33 subsection (b).

34 (b) Use of Funds.—The Secretary, after consultation with appropriate medical and other  
35 health professional societies and palliative care and hospice stakeholders, shall use amounts  
36 appropriated by subsection (a) to award grants or contracts to public and nonprofit private  
37 entities to disseminate information to inform patients, families, caregivers, direct care  
38 workers, and health professionals about the benefits of palliative care throughout the  
39 continuum of care for patients with serious or life-threatening illness. Such awareness  
40 campaign shall include—



1 (1) information, resources, communication, and education materials about palliative  
2 care for patients and families facing serious or life-threatening illnesses;

3 (2) information regarding hospice and palliative care services, including information  
4 on how such services may—

5 (A) incorporate age-friendly, patient-centered, and family-centered support  
6 throughout the continuum of care for serious and life-threatening illness;

7 (B) anticipate, prevent, and treat pain;

8 (C) optimize quality of life; and

9 (D) facilitate and support the goals and values of patients and families;

10 (3) materials that explain the role of professionals trained in hospice and palliative  
11 care in providing team-based care for patients and families throughout the continuum  
12 of care for serious or life-threatening illness; and

13 (4) materials for specific populations, including patients with serious or  
14 life-threatening illness who are among medically underserved populations (as defined  
15 in section 330(b)(3) of the Public Health Service Act (42 U.S.C. 254b(b)(3)) and  
16 families of such patients or health professionals serving medically underserved  
17 populations.

## 18 PART 2—PANDEMIC PREPAREDNESS

### 19 SEC. 31021. FUNDING FOR LABORATORY ACTIVITIES 20 AT THE CENTERS FOR DISEASE CONTROL AND 21 PREVENTION.

22 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
23 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
24 \$5,000,000,000 **\$1,400,000,000 to remain available until expended**, for purposes of carrying  
25 out **activities consistent with subsection (b)**.

26 (b) Use of Funds.—~~The Secretary, acting through the Director of the Centers for Disease~~  
27 ~~Control and Prevention, shall use amounts made available pursuant to subsection (a) (in this~~  
28 ~~section referred to as the “Director”), activities described in subsection (b), to remain available~~  
29 ~~until expended.~~

30 (b) Use of Funds.—~~Amounts made available by subsection (a) shall be used for the following~~  
31 ~~activities:~~

32 (1) Supporting renovation, **improvement**, expansion, and modernization of State and  
33 local public health laboratory infrastructure (as the term “laboratory” is defined in section  
34 353 of the Public Health Service Act (42 U.S.C. 263a)), including—

35 (A) ~~increasing and enhancing~~ **the improvement and enhancement of** testing and  
36 response capacity;

37 (B) ~~upgrades~~ **improvements** and expansion of the Laboratory Response Network  
38 for rapid outbreak detection;

1 (C) ~~improving and expanding~~ **the improvement and expansion of** genomic  
2 sequencing capabilities to detect emerging diseases and variant strains; **and**

3 **(D) the improvement and expansion of** ~~(D) expanding~~ biosafety and biosecurity  
4 capacity; ~~and~~.

5 ~~(E) making other laboratory enhancements and modernization as determined by the~~  
6 ~~Director to be important for maintaining public health.~~

7 ~~(2) Renovating, expanding, and modernizing~~ **(2) Enhancing the capacity of the**  
8 laboratories of the Centers for Disease Control and Prevention as described in  
9 subparagraphs (A) through ~~(E)~~ **(D)** of paragraph (1).

10 (3) Enhancing the ability of the Centers for Disease Control and Prevention to monitor  
11 and exercise oversight over **the** biosafety and biosecurity of State and local public health  
12 laboratories.

13 ~~SEC. 31022. FUNDING FOR STRENGTHENING VACCINE~~  
14 ~~CONFIDENCE.~~

15 ~~(a) In General. In addition to amounts otherwise available,~~  
16 ~~there is appropriated to the Secretary for fiscal year 2022, out of~~  
17 ~~any money in the Treasury not otherwise appropriated,~~  
18 ~~\$1,250,000,000, to remain available until expended, to carry out,~~  
19 ~~acting through the Director of the Centers for Disease Control~~  
20 ~~and Prevention, directly or by making grants to public or private~~  
21 ~~entities, activities described in subsection (b) in the United~~  
22 ~~States, including its territories and possessions.~~

23 ~~(b) Use of Funds. Amounts made available by subsection (a)~~  
24 ~~shall be used to —~~

25 ~~(1) strengthen vaccine confidence;~~

26 ~~(2) strengthen routinely recommended vaccine programs; and~~

27 ~~(3) improve rates of vaccination, including through activities~~  
28 ~~described in section 313 of the Public Health Service Act (42~~  
29 ~~U.S.C. 245).~~

30 ~~SEC. 31023. FUNDING FOR SURVEILLANCE ACTIVITIES~~  
31 ~~AT THE CENTERS FOR DISEASE CONTROL AND~~  
32 ~~PREVENTION.~~

1 ~~(a) In General.— In addition to amounts otherwise available,~~  
2 ~~there is appropriated to the Secretary for fiscal year 2022, out of~~  
3 ~~any money in the Treasury not otherwise appropriated,~~  
4 ~~\$1,000,000,000, to remain available until expended, to carry out,~~  
5 ~~acting through the Director of the Centers for Disease Control~~  
6 ~~and Prevention, directly or by making grants to public or private~~  
7 ~~entities, activities described in subsection (b).~~

8 ~~(b) Use of Funds.— Amounts made available by subsection (a)~~  
9 ~~shall be used to—~~

10 ~~(1) enhance and strengthen early warning and detection systems,~~  
11 ~~including public health and health care surveillance, wastewater~~  
12 ~~testing, and global and domestic genomic surveillance;~~

13 ~~(2) enhance and strengthen surveillance based in hospitals and~~  
14 ~~other health care providers or facilities, and outpatient facility~~  
15 ~~surveillance for severe acute respiratory infection, influenza like~~  
16 ~~illness, acute febrile illness, and other diseases as determined by~~  
17 ~~the Director of the Centers for Disease Control and Prevention~~  
18 ~~to be in the interest of public health; and~~

19 ~~(3) strengthen the antibiotic resistance initiative program to~~  
20 ~~improve research, stewardship, genomic detection capabilities,~~  
21 ~~and surveillance of existing and emerging antimicrobial resistant~~  
22 ~~pathogens.~~

23 ~~SEC. 31024. FUNDING FOR DATA MODERNIZATION AT~~  
24 ~~THE CENTERS FOR DISEASE CONTROL AND~~  
25 ~~PREVENTION.~~

26 ~~(a) In General.— In addition to amounts otherwise available,~~  
27 ~~there is appropriated to the Secretary for fiscal year 2022, out of~~  
28 ~~any money in the Treasury not otherwise appropriated,~~  
29 ~~\$500,000,000, to remain available until expended—~~

1 ~~(1) to carry out, acting through the Director of the Centers for~~  
2 ~~Disease Control and Prevention, directly or by making grants to~~  
3 ~~public or private entities, activities described in subsection (b);~~  
4 ~~and~~

5 ~~(2) to supplement other available funds to carry out similar data~~  
6 ~~modernization activities authorized by the Public Health Service~~  
7 ~~Act (42 U.S.C. 201 et seq.).~~

8 ~~(b) Use of Funds.—Amounts made available by subsection (a)~~  
9 ~~shall be used for the following:~~

10 ~~(1) Supporting public health data surveillance, aggregation, and~~  
11 ~~analytics infrastructure modernization initiatives.~~

12 ~~(2) Enhancing reporting and workforce core competencies in~~  
13 ~~informatics and digital health.~~

14 ~~(3) Expanding and maintaining efforts to modernize the United~~  
15 ~~States disease warning system to forecast and track hotspots and~~  
16 ~~emerging biological threats.~~

17 ~~SEC. 31025. FUNDING FOR PUBLIC HEALTH AND~~  
18 ~~PREPAREDNESS RESEARCH, DEVELOPMENT, AND~~  
19 ~~COUNTERMEASURE CAPACITY.~~

20 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
21 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~to~~  
22 ~~remain available until expended~~ **\$1,300,000,000**, to carry out activities, ~~acting through the~~  
23 ~~Assistant Secretary for Preparedness and Response~~, to prepare for, and respond to, public health  
24 emergencies declared under section 319 of the Public Health Service Act (42 U.S.C. ~~247d~~)—  
25 **247d**), as described in subsection (b), to remain available until expended.

26 ~~(1)~~ **\$3,000,000,000** ~~(b) Use of Funds.—The Secretary, acting through the Assistant~~  
27 ~~Secretary for Preparedness and Response, shall use amounts made available pursuant to~~  
28 ~~subsection (a)—~~

29 (1) to support surge capacity, including through construction, expansion, or  
30 modernization of facilities, to respond to a public health emergency, **and for development,**  
31 procurement, and domestic manufacture of drugs, active pharmaceutical ingredients,  
32 vaccines and other biological products, diagnostic technologies and products, **medical**  
33 **devices (including personal protective equipment, ~~medical devices~~), vials, syringes,**

1 needles, and other components or supplies for the Strategic National Stockpile under section  
2 319F–2 of the Public Health Service Act (42 U.S.C. 247d–6b);

3 (2) ~~\$2,000,000,000~~ to support expanded global and domestic vaccine production capacity  
4 **and capabilities**, including by developing or acquiring new technology and expanding  
5 manufacturing capacity through construction, expansion, or modernization of facilities;

6 (3) ~~\$2,000,000,000~~ to support activities to mitigate supply chain risks and enhance supply  
7 chain elasticity and resilience for critical drugs, active pharmaceutical ingredients, and  
8 supplies (including essential medicines, medical countermeasures, and supplies in shortage  
9 or at risk of shortage), drug and vaccine raw materials, and other supplies, as the Secretary  
10 determines appropriate, including construction, expansion, or modernization of facilities,  
11 adoption of advanced manufacturing processes, and other activities to support domestic  
12 manufacturing of such supplies;

13 (4) ~~\$500,000,000~~ to support activities conducted by the Biomedical Advanced Research  
14 and Development Authority for advanced research, standards development, and domestic  
15 manufacturing capacity for drugs, including essential medicines, diagnostics, vaccines,  
16 therapeutics, and personal protective equipment; and

17 (5) ~~\$500,000,000~~ to support increased biosafety and biosecurity in research on infectious  
18 diseases, including by modernization or improvement of facilities.

19 ~~PART 3—INNOVATION~~ **SEC. 31023. FUNDING FOR**  
20 **INFRASTRUCTURE MODERNIZATION AND**  
21 **INNOVATION AT THE FOOD AND DRUG**  
22 **ADMINISTRATION.**

23 ~~SEC. 31031. FUNDING FOR ADVANCED RESEARCH PROJECTS FOR HEALTH.~~

24 (a) ~~In General.~~—~~In~~ **In** addition to amounts otherwise available, there is appropriated to the  
25 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
26 ~~\$3,000,000,000~~, to remain available until expended, **with respect to improving and**  
27 **modernizing infrastructure at** to establish the ~~Advanced Research Projects Agency for Health~~  
28 ~~(in this section referred to as the “ARPAH”)~~ for purposes of making pivotal investments in  
29 ~~breakthrough technologies and broadly applicable platforms, capabilities, resources, and~~  
30 ~~solutions that have the potential to transform important areas of medicine and health for the~~  
31 ~~benefit of all individuals and that cannot readily be accomplished through traditional biomedical~~  
32 ~~research or commercial activity.~~

33 (b) ~~Use of Funds.~~—~~Amounts made available by subsection (a) shall be used to—~~

34 (1) ~~hire a Director to head the ARPAH (for a term of no more than 5 years subject to one~~  
35 ~~renewal period); and~~

36 (2) ~~acting through the Director of the ARPAH, in consultation, as applicable, with the Director~~  
37 ~~of the National Institutes of Health, the Commissioner of Food and Drugs, the Administrator of~~  
38 ~~the Centers for Medicare & Medicaid Services, the Director of the Biomedical Advanced~~  
39 ~~Research and Development Authority, the Deputy Assistant Secretary for Minority Health, and~~  
40 ~~the heads of other agencies, shall—~~

1       ~~(A) ensure to the maximum extent practicable that the projects and activities of the ARPAH~~  
2 ~~funded by subsection (a) are coordinated with, and do not duplicate the efforts of, programs~~  
3 ~~within, or research conducted or supported by, the Department of Health and Human Services;~~  
4 ~~and~~

5       ~~(B) in using amounts made available by subsection (a), expedite the development, application,~~  
6 ~~and implementation of health breakthroughs to prevent, detect, and treat serious or~~  
7 ~~life-threatening diseases, including—~~

8       ~~(i) providing awards in the form of grants, contracts, cooperative agreements, prizes, and other~~  
9 ~~transactions (as defined under section 402(n) of the Public Health Service Act (42 U.S.C.~~  
10 ~~282(n))) to entities to carry out advanced research projects for health, including through~~  
11 ~~multiyear contracts (subject to the availability of funds) and prize competitions;~~

12       ~~(ii) developing funding criteria and evaluation criteria to assess projects funded under clause~~  
13 ~~(i);~~

14       ~~(iii) establishing metrics or criteria to prioritize investments and research that should be~~  
15 ~~funded under clause (i), including the novelty, scientific, and technical merit of proposed~~  
16 ~~projects, the future commercial applications of projects, and the unmet need within patient~~  
17 ~~populations;~~

18       ~~(iv) identifying and promoting potential advances in basic research that will assist in carrying~~  
19 ~~out advanced health research and development;~~

20       ~~(v) identifying areas of research and innovation that are high risk, high reward or where the~~  
21 ~~incentives of the commercial market are unlikely to result in adequate or timely development;~~

22       ~~(vi) supporting collaboration and communication among other Federal agencies, including~~  
23 ~~both health and scientific agencies, institutions of higher education, private or public research~~  
24 ~~institutions, private entities, including biotechnology and pharmaceutical companies, and~~  
25 ~~nonprofit organizations, including patient advocacy groups, including soliciting data, if~~  
26 ~~applicable;~~

27       ~~(vii) translating scientific discoveries into technological innovations, including through—~~

28       ~~(I) collaboration with the Food and Drug Administration on the development of medical~~  
29 ~~products to facilitate transformation of breakthroughs in biomedicine into tangible solutions for~~  
30 ~~patients; and~~

31       ~~(II) ensuring that medical product development programs gather nonclinical and clinical data~~  
32 ~~necessary for approval as efficiently as practicable;~~

33       ~~(viii) hiring and appointing personnel necessary to carry out activities described in this section,~~  
34 ~~including—~~

35       ~~(I) making and rescinding appointments of scientific, medical, and professional personnel;~~

36       ~~(II) designating personnel to serve as program managers (for terms of no more than 3 years~~  
37 ~~subject to one renewal period) to establish research and development goals for the ARPAH,~~  
38 ~~provide project oversight and management of strategic initiatives, recommend restructure,~~  
39 ~~expansion, or termination of research projects under this section, as necessary and appropriate,~~  
40 ~~and carry out other activities described in this subsection;~~

1 ~~(III) recruiting and retaining a diverse workforce, including individuals underrepresented in~~  
2 ~~science and medicine and, racial and ethnic minorities; and~~

3 ~~(IV) hiring and appointing administrative, financial, and information technology staff as~~  
4 ~~necessary to carry out this subsection;~~

5 ~~(ix) compensating personnel at a rate to be determined by the Director of the ARPAH;~~

6 ~~(x) acquiring (by purchase, lease, condemnation, or otherwise), constructing, improving,~~  
7 ~~repairing, operating, and maintaining such real and personal property as are necessary to carry~~  
8 ~~out this section; and~~

9 ~~(xi) entering into or terminating contracts, including multiyear contracts, as appropriate to~~  
10 ~~support advanced research projects for health.~~

11 ~~(e) Funding Awards.— Research funded by amounts made available under this section shall~~  
12 ~~not be subject to the requirements of section 406(a)(3)(A)(ii) or 492 of the Public Health Service~~  
13 ~~Act (42 U.S.C. 284a(a)(3)(A)(ii), 289a).~~

14 ~~(d) Supplement Not Supplant.— Funds appropriated by this section shall be used to~~  
15 ~~supplement and not supplant any appropriations for institutes and centers of the National~~  
16 ~~Institutes of Health.~~

17 ~~PART 4—MATERNAL MORTALITY~~

18 ~~SEC. 31041 and enhancing food and medical product safety—~~

19 ~~(1) \$150,000,000 for improving technological infrastructure, including through~~  
20 ~~developing integrated systems and improving the interoperability of information~~  
21 ~~technology systems; and~~

22 ~~(2) \$150,000,000 for modernizing laboratory infrastructure of, or used by, the Food~~  
23 ~~and Drug Administration, including modernization of facilities related to, and~~  
24 ~~supporting, such laboratory infrastructure, including through planning for, and the~~  
25 ~~construction, repair, improvement, extension, alteration, demolition, and purchase of,~~  
26 ~~fixed equipment or facilities.~~

27 **PART 3—MATERNAL MORTALITY**

28 **SEC. 31031. FUNDING FOR LOCAL ENTITIES**

29 **ADDRESSING SOCIAL DETERMINANTS OF MATERNAL**  
30 **HEALTH.**

31 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
32 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
33 **\$175,000,000 \$100,000,000**, to remain available until expended, **for carrying out a program to**  
34 **award grants or contracts** to community-based organizations, **Indian Tribes and Tribal**  
35 **organizations**, Urban Indian organizations, Native Hawaiian organizations, or other nonprofit  
36 organizations working with a community-based organization, **or consortia of any such entities**,  
37 operating in areas with high rates of adverse maternal health outcomes or with significant racial  
38 or ethnic disparities in maternal health outcomes.

1 (b) Use of Funding.—Amounts made available by subsection (a) shall be used for the  
2 following activities:

3 (1) Addressing social determinants of ~~maternal health~~ **health (as described in Healthy**  
4 **People 2030), including social determinants of maternal health**, for pregnant and  
5 postpartum individuals and eliminating racial and ethnic disparities in maternal health  
6 outcomes by—

7 (A) hiring, training, or retaining staff;

8 (B) developing or distributing culturally and linguistically appropriate resources for  
9 social services programs;

10 (C) offering programs and resources to address social determinants of health;

11 (D) conducting demonstration projects to address social determinants of health;

12 (E) establishing a culturally and linguistically appropriate resource center that  
13 provides multiple social services programs in a single location; and

14 (F) consulting with pregnant and postpartum individuals to conduct an assessment of  
15 the activities conducted under this section.

16 (2) Promoting evidence-based health literacy and pregnancy, childbirth, and parenting  
17 education for pregnant and postpartum individuals, and individuals seeking to become  
18 pregnant.

19 (3) Providing support from perinatal health workers, ~~support persons, and providers~~  
20 **including clinical and community-based staff members that provide direct care and**  
21 **support services** to pregnant and postpartum individuals.

22 (4) Providing culturally congruent, linguistically appropriate, and trauma-informed  
23 training to perinatal health workers, **including clinical and community-based staff**  
24 **members that provide direct care and support services to pregnant and postpartum**  
25 **individuals.**

26 ~~(5) Conducting~~ (c) **Technical Assistance.**—Using amounts made available under  
27 **subsection (a), the Secretary shall—**

28 (1) **conduct** outreach to eligible entities to ~~encourage such entities to~~ apply for grants  
29 ~~under this section.~~ **or contracts under subsection (a); and**

30 ~~(6) Providing~~ (2) **provide** technical assistance ~~to the,~~ **including through a grant or**  
31 **contract, to** eligible entities receiving funding ~~under this section.~~ **pursuant to subsection**  
32 **(a).**

33 ~~(c) Minimum for Community Based Organizations.~~ ~~Of the~~  
34 ~~amounts made available by subsection (a), the Secretary shall~~  
35 ~~award not less than \$75,000,000 for the Office of Minority~~  
36 ~~Health to award grants~~ **SEC. 31032. FUNDING FOR THE**  
37 **OFFICE OF MINORITY HEALTH.**



1 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the  
2 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise  
3 appropriated, \$75,000,000, to remain available until expended, for carrying out a program  
4 to award grants or contracts to community-based organizations to carry out the activities  
5 described in subsection (b): operating in areas with high rates of adverse maternal health  
6 outcomes or with significant racial or ethnic disparities in maternal health outcomes.

7 ~~SEC. 31042~~(b) **Use of Funds.**—The Secretary, acting through the Deputy Assistant  
8 Secretary for Minority Health, shall use amounts made available under subsection (a) to  
9 award grants for the following activities:

10 (1) **Addressing social determinants of health, including social determinants of**  
11 **maternal health, for pregnant and postpartum individuals and eliminating racial and**  
12 **ethnic disparities in maternal health outcomes by—**

13 (A) **hiring, training, or retaining staff;**

14 (B) **developing or distributing culturally and linguistically appropriate**  
15 **resources for social services programs;**

16 (C) **offering programs and resources to address social determinants of health;**

17 (D) **conducting demonstration projects to address social determinants of**  
18 **health;**

19 (E) **establishing a culturally and linguistically appropriate resource center that**  
20 **provides multiple social services programs in a single location; and**

21 (F) **consulting with pregnant and postpartum individuals to conduct an**  
22 **assessment of the activities conducted under this section.**

23 (2) **Promoting evidence-based health literacy and pregnancy, childbirth, and**  
24 **parenting education for pregnant and postpartum individuals, and individuals seeking**  
25 **to become pregnant.**

26 (3) **Providing support from perinatal health workers, including clinical and**  
27 **community-based staff members that provide direct care and support services to**  
28 **pregnant and postpartum individuals.**

29 (4) **Providing culturally congruent, linguistically appropriate, and trauma-informed**  
30 **training to perinatal health workers, including clinical and community-based staff**  
31 **members that provide direct care and support services to pregnant and postpartum**  
32 **individuals.**

33 (c) **Technical Assistance.**—Using amounts made available under subsection (a), the  
34 Secretary shall—

35 (1) **conduct outreach to eligible entities to apply for grants or contracts under**  
36 **subsection (a); and**

37 (2) **provide technical assistance, including through a grant or contract, to eligible**  
38 **entities receiving funding pursuant to subsection (a).**

39 **SEC. 31033. FUNDING TO GROW AND DIVERSIFY THE**

## 1 NURSING WORKFORCE IN MATERNAL AND 2 PERINATAL HEALTH.

3 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
4 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
5 ~~\$150,000,000~~ **\$170,000,000**, to remain available until expended, for **carrying out a program to**  
6 **award grants or contracts** to accredited schools of nursing for the purpose of growing and  
7 diversifying the perinatal nursing workforce, **including through improving the capacity and**  
8 **supply of health care providers.**

9 (b) Uses of Funds.—

10 (1) ~~GRANTEES.—PRIORITIZING AWARDEES.~~—**Prioritizing** students and registered nurses  
11 who **plan to practice or currently** practice in a health professional shortage area  
12 designated under ~~such~~ section 332 of the Public Health Service Act (**42 U.S.C. 254e**),  
13 amounts made available to ~~grantees~~ **awardees** by subsection (a) shall be used for the  
14 following activities:

15 (A) Providing scholarships to students, **including those from racial and ethnic**  
16 **groups underrepresented in the health professions**, seeking to become nurse  
17 practitioners whose education includes a focus on maternal and perinatal health.

18 (B) Providing scholarships to students seeking to become clinical nurse specialists  
19 whose education includes a focus on maternal and perinatal health.

20 (C) Providing scholarships to students seeking to become certified nurse midwives.

21 (D) Providing scholarships to registered nurses seeking certification as an obstetrics  
22 and gynecology registered nurse.

23 (2) SECRETARY.—The Secretary shall use amounts made available pursuant to subsection  
24 (a) for the following activities:

25 (A) Developing and implementing strategies to recruit and retain a diverse pool of  
26 students seeking to enter careers focused on maternal and perinatal health.

27 (B) Developing partnerships with practice settings in a health professional shortage  
28 area designated under ~~section 332 of the Public Health Service Act (42 U.S.C. 254e)~~  
29 **such section** for the clinical placements of students at the schools receiving such  
30 grants.

31 (C) Developing curriculum for students seeking to enter careers focused on maternal  
32 and perinatal health that includes training programs on bias, racism, ~~or discrimination.~~  
33 **discrimination, providing culturally competent care, or trauma-informed care.**

34 (D) Carrying out other activities under title VIII of the Public Health Service Act (~~42~~  
35 ~~U.S.C. 296 et seq.~~) for the purpose under subsection (a).

## 36 SEC. ~~31043~~ **31034. FUNDING FOR PERINATAL** 37 **QUALITY COLLABORATIVES.**

38 **In addition to amounts otherwise available, there is appropriated to the Secretary for**

1 **fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000,**  
2 **to remain available until expended, for carrying out a program to establish or support**  
3 **perinatal quality collaboratives to improve perinatal care and perinatal health outcomes**  
4 **for pregnant and postpartum individuals and their infants.**

5 **SEC. 31035. FUNDING TO GROW AND DIVERSIFY THE**  
6 **DOULA WORKFORCE.**

7 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
8 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
9 \$50,000,000, to remain available until expended, for **carrying out a program to award grants**  
10 **or contracts** to health professions schools, academic health centers, State or local governments,  
11 territories, Indian Tribes and Tribal organizations, Urban Indian organizations, Native Hawaiian  
12 organizations, or other appropriate public or private nonprofit entities (or consortia of **any such**  
13 entities, including entities promoting multidisciplinary approaches), to establish or expand  
14 programs to grow and diversify the doula workforce, **including through improving the**  
15 **capacity and supply of health care providers.**

16 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for the following  
17 activities:

18 (1) Establishing programs that provide education and training to individuals seeking  
19 appropriate training or certification as doulas.

20 (2) Expanding the capacity of existing programs described in paragraph (1), for the  
21 purpose of increasing the number of students enrolled in such programs, including by  
22 awarding scholarships for students **who agree to work in underserved communities after**  
23 **receiving such education and training.**

24 (3) Developing and implementing strategies to recruit and retain students from  
25 underserved communities, particularly from demographic groups experiencing high rates of  
26 maternal mortality and severe maternal morbidity, including racial and ethnic minority  
27 groups, into programs described in paragraphs (1) and (2).

28 **SEC. ~~31044~~ 31036. FUNDING TO GROW AND DIVERSIFY**  
29 **THE MATERNAL MENTAL HEALTH AND SUBSTANCE**  
30 **USE DISORDER TREATMENT WORKFORCE.**

31 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
32 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
33 \$75,000,000, to remain available until expended, for **carrying out a program to award grants**  
34 **or contracts** to health professions schools, academic health centers, State or local governments,  
35 territories, Indian Tribes and Tribal organizations, Urban Indian organizations, Native Hawaiian  
36 organizations, or other appropriate public or private nonprofit entities (or consortia of **any such**  
37 entities, including entities promoting multidisciplinary approaches), to establish or expand  
38 programs to grow and diversify the maternal mental health and substance use disorder treatment  
39 workforce, **including through improving the capacity and supply of health care providers.**

40 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for the following

1 activities:

2 (1) Establishing programs that provide education and training to individuals seeking  
3 appropriate licensing or certification as mental health or substance use disorder treatment  
4 providers who plan to specialize in maternal mental health conditions or substance use  
5 disorders.

6 (2) Expanding the capacity of existing programs described in paragraph (1), for the  
7 purposes of increasing the number of students enrolled in such programs, including by  
8 awarding scholarships for students.

9 (3) Developing and implementing strategies to recruit and retain students from  
10 underserved communities into programs described in paragraphs (1) and (2).

## 11 ~~SEC. 31045~~ **31037. FUNDING FOR MATERNAL MENTAL** 12 **HEALTH EQUITY GRANT PROGRAMS.**

13 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
14 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
15 \$100,000,000, to remain available until expended, for **carrying out a program to award** grants  
16 **or contracts** to community-based organizations, **Indian Tribes and Tribal organizations,**  
17 Urban Indian organizations, Native Hawaiian organizations, health care providers, accredited  
18 medical schools, accredited schools of nursing, teaching hospitals, accredited midwifery  
19 programs, physician assistant education programs, residency or fellowship programs, or other  
20 nonprofit organizations, schools, or programs determined appropriate by the Secretary, **or**  
21 **consortia of any such entities,** to address maternal mental health conditions and substance use  
22 disorders with respect to pregnant, lactating, and postpartum individuals in areas with high rates  
23 of adverse maternal health outcomes or with significant racial or ethnic disparities in maternal  
24 health outcomes.

25 (b) Use of Funds.—Amounts made available pursuant to subsection (a), prioritizing  
26 community-based organizations, shall be for the following activities:

27 (1) Establishing or expanding maternity care programs to ~~improve~~ **improve**—

28 (A) the integration of mental health and substance use disorder treatment services  
29 into primary care settings where pregnant individuals regularly receive health care  
30 services; ~~and-~~

31 ~~(2) Establishing or expanding group prenatal care programs or postpartum care~~  
32 ~~programs.~~ **(B) the coordination between such primary care settings and mental**  
33 **health and substance use disorder professionals who treat maternal mental health**  
34 **conditions and substance use disorders.**

35 ~~(3) Expanding existing~~ **(2) Establishing or expanding** programs that improve maternal  
36 mental health and substance use disorder treatment from the preconception through the  
37 postpartum periods, with a focus on individuals from racial and ethnic minority groups with  
38 high rates of maternal mortality and morbidity.

39 ~~(4) Providing services and support for individuals with maternal mental health conditions~~  
40 ~~and substance use disorders, starting in pregnancy and continuing through the postpartum~~  
41 ~~period.~~

1 ~~(5) Addressing stigma associated with maternal mental health conditions and substance-~~  
2 ~~use disorders, with a focus on racial and ethnic minority groups.~~

3 ~~(6) Raising awareness of warning signs of maternal mental health conditions and-~~  
4 ~~substance use disorders, with a focus on pregnant, lactating, and postpartum individuals-~~  
5 ~~from racial and ethnic minority groups.~~

6 ~~(7)~~**(3)** Establishing or expanding programs to prevent suicide or self-harm among  
7 pregnant, lactating, and postpartum individuals.

8 ~~(8) Offering evidence-informed programs at freestanding birth centers that provide-~~  
9 ~~maternal mental health and substance use disorder education, treatments, and services, and-~~  
10 ~~other services for individuals throughout the prenatal and postpartum period.~~

11 ~~(9)~~**(4)** Establishing or expanding programs to provide education and training to maternity  
12 care providers, with respect to to—

13 ~~(A) identifying potential warning signs for maternal mental health conditions or~~  
14 ~~substance use disorders in pregnant, lactating, and postpartum individuals, with a focus on~~  
15 ~~individuals from racial and ethnic minority groups and ; and~~

16 ~~(B) in the case where such providers identify such warning signs, offering referrals to~~  
17 ~~mental health substance use disorder treatment professionals.~~

18 ~~(10) Developing a national website, or other source, that includes information on health-~~  
19 ~~care providers who treat~~**(5) Raising awareness of, and addressing stigma associated**  
20 **with**, maternal mental health conditions and substance use disorders, **with a focus on**  
21 **pregnant, lactating, and postpartum individuals from racial and ethnic minority**  
22 **groups.-**

23 ~~(11) Establishing or expanding programs in communities to improve coordination-~~  
24 ~~between maternity care providers and mental health and substance use disorder providers-~~  
25 ~~who treat maternal mental health conditions and substance use disorders.~~

26 ~~(12) Carrying other programs aligned with~~**(6) Carrying out other** evidence-based or  
27 evidence-informed practices for addressing **programs to address** maternal mental health  
28 conditions and substance use disorders for pregnant and postpartum individuals from racial  
29 and ethnic minority groups.

30 **SEC. 31046 31038. FUNDING FOR EDUCATION AND**  
31 **TRAINING AT HEALTH PROFESSIONS SCHOOLS TO**  
32 **IDENTIFY AND ADDRESS HEALTH RISKS ASSOCIATED**  
33 **WITH CLIMATE CHANGE.**

34 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
35 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
36 \$85,000,000, to remain available until expended, for **carrying out a program to award** grants  
37 **or contracts** to accredited medical schools, accredited schools of nursing, teaching hospitals,  
38 accredited midwifery programs, physician assistant education programs, residency or fellowship  
39 programs, or other schools or programs determined appropriate by the Secretary, **or consortia of**  
40 **any such entities**, to support the development and integration of education and training

1 programs for identifying and addressing health risks associated with climate change for pregnant,  
2 lactating, and postpartum individuals.

3 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for developing,  
4 integrating, and implementing curriculum and continuing education that focuses on the  
5 following:

6 (1) Identifying health risks associated with climate change for pregnant, lactating, and  
7 postpartum individuals and individuals with the intent to become pregnant.

8 (2) How health risks associated with climate change affect pregnant, lactating, and  
9 postpartum individuals and individuals with the intent to become pregnant.

10 (3) Racial and ethnic disparities in exposure to, and the effects of, health risks associated  
11 with climate change for pregnant, lactating, and postpartum individuals and individuals with  
12 the intent to become pregnant.

13 (4) Patient counseling and mitigation strategies relating to health risks associated with  
14 climate change for pregnant, lactating, and postpartum individuals.

15 (5) Relevant services and support for pregnant, lactating, and postpartum individuals  
16 relating to health risks associated with climate change and strategies for ensuring such  
17 individuals have access to such services and support.

18 (6) Implicit and explicit bias, racism, and discrimination in providing care to pregnant,  
19 lactating, and postpartum individuals and individuals with the intent to become pregnant.

20 **SEC. ~~31047~~ 31039. FUNDING FOR MINORITY-SERVING**  
21 **INSTITUTIONS TO STUDY MATERNAL MORTALITY,**  
22 **SEVERE MATERNAL MORBIDITY, AND ADVERSE**  
23 **MATERNAL HEALTH OUTCOMES.**

24 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
25 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
26 \$50,000,000, to remain available until expended for **carrying out a program to award grants**  
27 **or contracts to** minority-serving institutions described in section 371 of the Higher Education  
28 Act of 1965 (20 U.S.C. 1067q) **to study maternal mortality, severe maternal morbidity, and**  
29 **maternal health outcomes.**

30 (b) Use of Funds.—Amounts made available ~~by~~ **to an awardee under** subsection (a) shall be  
31 used for the **purpose specified in such subsection, including the** following activities:

32 (1) Developing and implementing systematic processes of listening to the stories of  
33 pregnant and postpartum individuals from racial and ethnic minority groups, and perinatal  
34 health workers supporting such individuals, to fully understand the causes of, and inform  
35 potential solutions to, the maternal mortality and severe maternal morbidity crisis within  
36 their respective communities.

37 (2) Assessing the potential causes of relatively low rates of maternal mortality among  
38 Hispanic individuals and foreign-born Black women.

39 (3) Assessing differences in rates of adverse maternal health outcomes among subgroups

1 identifying as Hispanic.

2 (4) Conducting outreach to eligible research on maternal morbidity and mortality,  
3 with a focus on health disparities.

4 (c) **Technical Assistance.**—Using amounts made available by subsection (a), the  
5 Secretary shall conduct outreach to minority-serving institutions ~~to~~ (as described in section  
6 371 of the Higher Education Act of 1965 (20 U.S.C. 1067q))—

7 (1) to inform and raise awareness of the availability of the grants; funding through a  
8 grant or contract awarded pursuant to this section;

9 (5) ~~Providing~~ (2) to provide technical assistance, including through a grant or  
10 contract, on the application process for such grant; grants or contracts awarded pursuant  
11 to subsection (a); and

12 (6) ~~Promoting~~ (3) to promote capacity building to eligible entities for grant applications  
13 pursuant to subsection (a).

## 14 **SEC. 31040.**

### 15 ~~SEC. 31048.~~ FUNDING FOR IDENTIFICATION OF 16 MATERNITY CARE HEALTH PROFESSIONAL TARGET 17 AREAS.

18 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal  
19 year 2022, out of any money in the Treasury not otherwise appropriated, \$25,000,000, to remain  
20 available until expended, for carrying out section 332(k) of the Public Health Service Act (42  
21 U.S.C. 254e(k)).

### 22 ~~SEC. 31049~~ **31041.** FUNDING FOR MATERNAL 23 MORTALITY REVIEW COMMITTEES TO PROMOTE 24 REPRESENTATIVE COMMUNITY ENGAGEMENT.

25 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal  
26 year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain  
27 available until expended, for carrying out section 317K(d) of the Public Health Service Act (42  
28 U.S.C. 247b–12(d)) to promote community engagement in maternal mortality review committees  
29 to increase the diversity of a committee’s membership with respect to race and ethnicity,  
30 location, and professional background.

### 31 ~~SEC. 31050~~ **31042.** FUNDING FOR THE SURVEILLANCE 32 FOR EMERGING THREATS TO MOTHERS AND BABIES.

33 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
34 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
35 \$100,000,000, to remain available until expended, for carrying out section ~~317K~~ **317C** of the  
36 Public Health Service Act (42 U.S.C. ~~247b-12~~) **247b-4**) with respect to conducting surveillance  
37 for emerging threats to mothers and babies.

1 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for the following  
2 activities:

3 (1) Expanding the Surveillance for Emerging Threats to Mothers and Babies activities of  
4 the Centers for Disease Control and Prevention.

5 (2) Working with public health, clinical, and community-based organizations to provide  
6 timely, continually updated, evidence-based guidance to families and health care providers  
7 on ways to reduce risk to pregnant and postpartum individuals and their newborns and tailor  
8 interventions to improve their long-term health.

9 (3) Partnering with more State, Tribal, territorial, and local public health programs in the  
10 collection and analysis of clinical data on the impact of COVID–19 on pregnant and  
11 postpartum patients and their newborns, particularly among patients from racial and ethnic  
12 minority groups.

13 (4) Establishing regionally based centers of excellence to offer medical, public health,  
14 and other knowledge (in coordination with State and Tribal public health authorities) to  
15 ensure that communities, especially communities with large populations of individuals from  
16 racial and ethnic minority groups, can help pregnant and postpartum individuals and  
17 newborns get the care and support they need.

18 **SEC. ~~31051~~ 31043. FUNDING FOR ENHANCING REVIEWS**  
19 **AND SURVEILLANCE TO ELIMINATE MATERNAL**  
20 **MORTALITY PROGRAM.**

21 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
22 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
23 \$30,000,000, to remain available until expended, for carrying out the Enhancing Reviews and  
24 Surveillance to Eliminate Maternal Mortality program established under section 317K of the  
25 Public Health Service Act (42 U.S.C. 247b–12).

26 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for the following  
27 activities:

28 (1) Expanding the Enhancing Reviews and Surveillance to Eliminate Maternal Mortality  
29 program (commonly known as the “ERASE MM program”) of the Centers for Disease  
30 Control and Prevention.

31 (2) Expanding partnerships with States, territories, Indian Tribes, and Tribal  
32 organizations to support Maternal Mortality Review Committees.

33 (3) Providing technical assistance to existing maternal mortality review committees.

34 **SEC. ~~31052~~ 31044. FUNDING FOR THE PREGNANCY RISK**  
35 **ASSESSMENT MONITORING SYSTEM.**

36 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
37 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
38 \$15,000,000, to remain available until expended, for carrying out section 317K of the Public  
39 Health Service Act (42 U.S.C. 247b–12) with respect to the Pregnancy Risk Assessment



1 Monitoring System.

2 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for the following  
3 activities:

4 (1) Supporting COVID–19 supplements to the Pregnancy Risk Assessment Monitoring  
5 System questionnaire.

6 (2) Conducting a rapid assessment of COVID–19 awareness, impact on care and  
7 experiences, and use of preventive measures among pregnant, laboring and birthing, and  
8 postpartum individuals.

9 (3) Supporting the transition of the questionnaire described in paragraph (1) to an  
10 electronic platform and expanding the distribution of the questionnaire to a larger  
11 population, with a special focus on reaching underrepresented communities.

12 **SEC. ~~31053~~ 31045. FUNDING FOR THE NATIONAL**  
13 **INSTITUTE OF CHILD HEALTH AND HUMAN**  
14 **DEVELOPMENT.**

15 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal  
16 year 2022, out of any money in the Treasury not otherwise appropriated, \$15,000,000, to remain  
17 available until expended, for carrying out section 301 of the Public Health Service Act (42  
18 U.S.C. 241) ~~and title IV of the Public Health Service Act (42 U.S.C. 281 et seq.)~~, with respect to  
19 child health and human development **and activities of the Eunice Kennedy Shriver National**  
20 **Institute of Child Health and Human Development described in section 448 of the Public**  
21 **Health Service Act (42 U.S.C. 285g)**, to conduct or support research for interventions to  
22 mitigate the effects of ~~the COVID–19 public health emergency~~ on pregnant, lactating, and  
23 postpartum individuals, with a particular focus on individuals from racial and ethnic minority  
24 groups.

25 **SEC. ~~31054~~ 31046. FUNDING FOR EXPANDING THE USE**  
26 **OF TECHNOLOGY-ENABLED COLLABORATIVE**  
27 **LEARNING AND CAPACITY BUILDING MODELS FOR**  
28 **PREGNANT AND POSTPARTUM INDIVIDUALS.**

29 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
30 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
31 \$30,000,000, to remain available until expended, for **carrying out a program to award grants**  
32 **or contracts** to community-based organizations, **Indian Tribes and Tribal organizations,**  
33 **Urban Indian organizations,** health care providers, accredited medical schools, accredited  
34 schools of nursing, teaching hospitals, accredited midwifery programs, physician assistant  
35 education programs, residency or fellowship programs, or other schools or programs determined  
36 appropriate by the Secretary, **or consortia of any such entities,** that are operating in health  
37 professional shortage areas designated under section 332 of the Public Health Service Act (42  
38 U.S.C. 254e) with high rates of adverse maternal health outcomes or significant racial and ethnic  
39 disparities in maternal health outcomes, to evaluate, develop, and expand the use of

1 technology-enabled collaborative learning **and capacity building models (as defined in section**  
2 **330N of the Public Health Service Act (42 U.S.C. 254c–20))**.

3 (b) Use of Funds.—

4 (1) ~~GRANTEES.~~—**A AWARDEES.**—A recipient of a grant **or contract** awarded pursuant to  
5 subsection (a) shall use such ~~grant~~ amounts to—

6 (A) train maternal health care providers ~~and students~~, **students, staff of**  
7 **community-based organizations, and other entities described in subsection (a)**  
8 through the use and expansion of technology-enabled collaborative learning and  
9 capacity building models, including hardware and software that—

10 (i) enables distance learning and technical support; and

11 (ii) supports the secure exchange of electronic health information; and

12 (B) conduct evaluations on the use of technology-enabled collaborative learning **and**  
13 **capacity building models** to improve maternal health outcomes.

14 (2) SECRETARY.—The Secretary shall use amounts made available pursuant to subsection  
15 (a) to provide technical assistance to recipients of grants awarded pursuant to subsection (a)  
16 on the development, use, and sustainability of technology-enabled collaborative learning  
17 and capacity building models to expand access to maternal health services provided by such  
18 entities.

19 **SEC. ~~31055~~ 31047. FUNDING FOR PROMOTING EQUITY**  
20 **IN MATERNAL HEALTH OUTCOMES THROUGH**  
21 **DIGITAL TOOLS.**

22 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
23 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
24 \$30,000,000, to remain available until expended, for **carrying out a program to award** grants  
25 **or contracts** to community-based organizations, **Indian Tribes and Tribal organizations,**  
26 **Urban Indian organizations,** health care providers, accredited medical schools, accredited  
27 schools of nursing, teaching hospitals, accredited midwifery programs, physician assistant  
28 education programs, residency or fellowship programs, or other schools or programs determined  
29 appropriate by the Secretary, **or consortia of any such entities,** that are operating in health  
30 professional shortage areas designated under section 332 of the Public Health Service Act (42  
31 U.S.C. 254e) with high rates of adverse maternal health outcomes or significant racial and ethnic  
32 disparities in maternal health outcomes to reduce racial and ethnic disparities in maternal health  
33 outcomes by increasing access to digital tools related to maternal health care.

34 (b) Use of Funds.—Amounts made available **to an awardee** pursuant to subsection (a) shall  
35 be used for the **purpose specified in such subsection, including for increasing access to**  
36 **telehealth technologies (as defined in section 330I of the Public Health Service Act (42**  
37 **U.S.C. 254c–14)) and following activities:**

38 ~~(1) Increasing access to~~ digital tools that could improve maternal health outcomes, such as  
39 wearable technologies, patient portals, telehealth services, **and web-based** and mobile phone  
40 applications, **digital health services, secure text messaging, online provider communities,**

1 **mobile clinical decision support services, and clinical tools to increase diagnostic accuracy.-**

2 ~~(2) Providing~~(c) **Technical Assistance.—Using amounts made available under subsection**  
3 **(a), the Secretary shall provide** technical assistance to recipients of grants awarded, **including**  
4 **through a grant or contract, to eligible entities receiving funding** pursuant to subsection (a)  
5 on the development, use, evaluation, and ~~postgrant~~ **post-grant** sustainability of digital tools for  
6 ~~purposes of promoting equity~~ **designed to promote equity and reduce disparities** in maternal  
7 health outcomes.

8 **SEC. ~~31056~~ 31048. FUNDING FOR ANTIDISCRIMINATION**  
9 **AND BIAS TRAINING.**

10 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
11 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
12 ~~\$25,000,000~~ **\$50,000,000**, to remain available until expended, for the purpose described in  
13 subsection (b).

14 (b) Use of Funds.—The Secretary shall, **with a focus on maternal health providers**, use  
15 amounts appropriated under subsection (a) **to carry out a program** to award competitive grants  
16 or contracts to national nonprofit organizations focused on improving health equity, accredited  
17 schools of medicine or nursing, and other health professional training programs to develop,  
18 disseminate, review, research, and evaluate training for health professionals and all staff who  
19 interact with patients to reduce discrimination and bias in the provision of health care, with a  
20 focus on maternal health care.

21 **PART ~~5—OTHER~~ 4—OTHER PUBLIC HEALTH**  
22 **INVESTMENTS**

23 **SEC. ~~31061~~ 31051. FUNDING FOR MENTAL HEALTH AND**  
24 **SUBSTANCE USE DISORDER PROFESSIONALS.**

25 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal  
26 year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain  
27 available until expended, for purposes of carrying out section 597 of the Public Health Service  
28 Act (42 U.S.C. 290ll).

29 **SEC. ~~31062~~ 31052. FUNDING TO SUPPORT PEER**  
30 **RECOVERY SPECIALISTS.**

31 In addition to amounts otherwise available, there is appropriated to the Secretary for  
32 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$25,000,000,  
33 to remain available until expended, to carry out section 509 of the Public Health Service  
34 Act (42 U.S.C. 290bb–2) with respect to strengthening recovery community organizations  
35 and their statewide network of recovery stakeholders.

36 **SEC. 31053. FUNDING FOR PROJECT AWARE.**

37 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal

1 year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$30,000,000~~  
2 **\$15,000,000**, to remain available until expended, for carrying out section 520A of the Public  
3 Health Service Act (42 U.S.C. 290bb–32) with respect to advancing wellness and resiliency in  
4 education.

5 **SEC. ~~31063~~ 31054. FUNDING FOR THE NATIONAL**  
6 **SUICIDE PREVENTION LIFELINE.**

7 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal  
8 year 2022, out of any money in the Treasury not otherwise appropriated, \$75,000,000, to remain  
9 available until expended, for advancing infrastructure for the National Suicide Prevention  
10 Lifeline program under section 520E–3 of the Public Health Service Act (42 U.S.C. 290bb–36c)  
11 in order to expand existing capabilities for response in a manner that avoids duplicating existing  
12 capabilities for text-based crisis support.

13 **SEC. ~~31064~~ 31055. FUNDING FOR COMMUNITY**  
14 **VIOLENCE AND TRAUMA INTERVENTIONS.**

15 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
16 Secretary, for fiscal year 2022, out of any money in the Treasury not otherwise appropriated  
17 **\$2,500,000,000**, to remain available until expended, for the purposes described in subsection (b):

18 ~~(1) \$150,000,000 for fiscal year 2022.~~

19 ~~(2) \$250,000,000 for fiscal year 2023.~~

20 ~~(3) \$450,000,000 for fiscal year 2024.~~

21 ~~(4) \$550,000,000 for each of fiscal years 2025, 2026, and 2027.~~

22 (b) Use of Funding.—The Secretary, acting through the Director of the Centers for Disease  
23 Control and Prevention, and in consultation with the Assistant Secretary for Mental Health and  
24 Substance Use, the Administrator of the Health Resources and Services Administration, ~~and the~~  
25 ~~Deputy Assistant Secretary for Minority Health and with public health and medical~~  
26 ~~professionals, victim services community-based organizations, and other violence reduction~~  
27 ~~experts, and the Assistant Secretary for the Administration for Children and Families, shall~~  
28 use amounts appropriated by subsection (a) to support public health ~~approaches-based~~  
29 **interventions** to reduce community violence and trauma, taking into consideration the needs of  
30 communities with high rates of, and prevalence of risk factors associated with, violence-related  
31 injuries and deaths, by—

32 (1) awarding competitive grants or contracts to local governmental entities, States,  
33 territories, Indian Tribes and Tribal organizations, Urban Indian organizations, hospitals and  
34 community health centers, nonprofit community-based organizations, culturally specific  
35 organizations, victim services providers, or other entities as determined by the Secretary (or  
36 consortia of such entities) to support evidence-based **informed**, culturally competent, and  
37 developmentally appropriate strategies to reduce community violence, including outreach  
38 and conflict mediation, hospital-based violence intervention, violence interruption, and  
39 services for victims and individuals and communities at risk for experiencing violence, such  
40 as trauma-informed mental health care and counseling, **social-emotional learning and**

1 school-based mental health services, ~~and other services~~ **workforce development services,**  
2 **and other services that prevent or mitigate the impact of trauma, build appropriate**  
3 **skills, or promote resilience;** and

4 (2) supporting training, technical assistance, **research, evaluation, public health**  
5 **surveillance systems, and data collection, and coordination among relevant stakeholders,**  
6 to facilitate support for strategies to reduce community violence and ensure safe and healthy  
7 communities.

8 (c) Supplement Not Supplant.—Amounts appropriated under this section shall be used to  
9 supplement and not supplant any Federal, State, or local funding otherwise made available for  
10 the purposes described in this section.

11 (d) **Expenditure Requirement.**—All expenditures made pursuant to subsection (a) shall  
12 **be made on or before September 30, 2031.**

### 13 **SEC. 31056** ~~SEC. 31065~~. **FUNDING FOR THE NATIONAL** 14 **CHILD TRAUMATIC STRESS NETWORK.**

15 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal  
16 year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$10,000,000~~  
17 **\$5,000,000**, to remain available until expended, for carrying out section 582 of the Public Health  
18 Service Act (42 U.S.C. 290hh–1) with respect to addressing the problem of high-risk or  
19 medically underserved persons who experience violence-related stress.

### 20 ~~SEC. 31066~~ **31057**. **FUNDING FOR HIV HEALTH CARE** 21 **SERVICES PROGRAMS.**

22 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal  
23 year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$150,000,000~~  
24 **\$75,000,000**, to remain available until expended, **for necessary expenses** for modifications to  
25 existing contracts, and supplements to existing grants and cooperative agreements under parts A,  
26 B, C, and D of title XXVI of the Public Health Service Act (~~42 U.S.C. 300ff11 et seq.~~) and  
27 section 2692(a) of such Act (42 U.S.C. 300ff–111(a)).

### 28 **SEC. 31058. FUNDING FOR CLINICAL SERVICES** 29 **DEMONSTRATION PROJECT.**

30 In addition to amounts otherwise available, there is appropriated to the Secretary for  
31 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, **\$60,000,000,**  
32 **to remain available until expended, to, acting through the Administrator of the Health**  
33 **Resources and Services Administration, carry out a program to award grants or contracts**  
34 **to public and private nonprofit clinics for the provision of clinical services, pursuant to a**  
35 **demonstration project under section 318(b)(2) of the Public Health Service Act (42 U.S.C.**  
36 **247c(b)(2)).**

### 37 **SEC. 31059. FUNDING TO SUPPORT THE LIFESPAN** 38 **RESPIRE CARE PROGRAM.**

1       \*\* 61 ~~“(iii) Funding.—In~~ In addition to amounts otherwise available, there is appropriated to  
2 the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
3 \$5,000,000, to remain available until expended, for carrying out ~~this subparagraph.”;~~ and title  
4 **XXIX of the Public Health Service Act.**

## 5 **SEC. ~~31067~~ 31060. FUNDING TO INCREASE RESEARCH** 6 **CAPACITY AT CERTAIN INSTITUTIONS.**

7       (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
8 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise  
9 appropriated, \$75,000,000, to remain available until expended, for the purposes described  
10 in subsection (b).

11       (b) Use of Funds.—The Secretary, acting through the Director of the National Institutes  
12 of Health, shall use amounts made available under subsection (a) to—

13               (1) maintain and expand programs to increase research capacity at minority-serving  
14 institutions (as described in section 371 of the Higher Education Act of 1965 (20 U.S.C.  
15 1067q)), including by supporting the Path to Excellence and Innovation program of  
16 the National Institutes of Health;

17               (2) support centers of excellence under sections 464z–4 and 736 of the Public Health  
18 Service Act (42 U.S.C. 285t–1, 293);

19               (3) support efforts to diversify the national scientific workforce and expand  
20 recruitment and retention of individuals who are—

21                       (A) underrepresented in the biomedical, clinical, behavioral, and social  
22 sciences; and

23                       (B) from disadvantaged backgrounds; and

24               (4) support and expand the activities of the Scientific Workforce Diversity Office of  
25 the National Institutes of Health.

## 26 **SEC. 31061. FUNDING FOR RESEARCH RELATED TO** 27 **DEVELOPMENTAL DELAYS.**

28       (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
29 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise  
30 appropriated, \$10,000,000, to remain available until expended, for the purpose described in  
31 subsection (b).

32       (b) Use of Funds.—The Secretary, acting through the Director of the National Institutes  
33 of Health, shall use amounts appropriated by subsection (a) to conduct or support research  
34 related to developmental delays, including speech and language delays in infants and  
35 toddlers, characterizing speech and language development and outcomes in infants and  
36 toddlers through early adolescence. Such research shall include studies, including  
37 longitudinal studies, conducted or supported by the National Institute on Deafness and  
38 Other Communication Disorders, the Eunice Kennedy Shriver National Institute of Child  
39 Health and Human Development, and other relevant institutes and centers of the National

1 **Institutes of Health.**

2 (c) **Supplement, Not Supplant.**—Amounts made available to carry out this section shall  
3 be used to supplement and not supplant other Federal, State, and local public funds  
4 expended to conduct or support research related to developmental delays, including speech  
5 and language delays, in infants, toddlers, and children.

6 **SEC. 31062. SUPPLEMENTAL FUNDING FOR THE**  
7 **WORLD TRADE CENTER HEALTH PROGRAM.**

8 (a) **In General.**—~~Title Supplemental Fund.~~—

9 ~~(1) In general.~~—Title XXXIII of the Public Health Service Act (~~42 U.S.C. 300mm et seq.~~) is  
10 amended by adding at the end the following:

11 **“SEC. 3352. SUPPLEMENTAL FUND.**

12 “(a) **In General.**—There is established a fund to be known as the World Trade Center Health  
13 Program Supplemental Fund (referred to in this section as the ‘Supplemental Fund’), consisting  
14 of amounts deposited into the Supplemental Fund under subsection (b).

15 “(b) **Amount.**—Out of any money in the Treasury not otherwise appropriated, there is  
16 appropriated for fiscal year 2022, \$2,860,000,000, for deposit into the Supplemental Fund, which  
17 amounts shall remain available through fiscal year 2031.

18 “(c) ~~Uses~~ **Use of Funds.**—Amounts deposited into the Supplemental Fund under subsection  
19 (b) shall be available, without further appropriation and without regard to any spending  
20 limitation under section 3351(c), to the WTC Program Administrator as needed at the discretion  
21 of such Administrator for carrying out any provision in this title, including sections 3303 and  
22 3341(c).

23 “(d) **Return of Funds.**—Any amounts that remain in the Supplemental Fund on September 30,  
24 2031, shall be deposited into the Treasury as miscellaneous receipts.”

25 ~~(2)(b) Conforming amendments.~~—**Title Amendments.**—**Title XXXIII** of the Public Health  
26 Service Act (~~42 U.S.C. 300mm et seq.~~) is amended—

27 ~~(A)(1)~~ in section 3311(a)(4)(B)(i)(II) (42 U.S.C. 300mm–21(a)(4)(B)(i)(II)), by striking  
28 “section 3351” and inserting “sections 3351 and 3352”;

29 ~~(B)(2)~~ in section 3321(a)(3)(B)(i)(II) (42 U.S.C. 300mm–31(a)(3)(B)(i)(II)), by striking  
30 “section 3351” and inserting “sections 3351 and 3352”;

31 ~~(C)(3)~~ in section 3331 (42 U.S.C. 300mm–41)—

32 ~~(i)(A)~~ in subsection (a), by inserting “and the World Trade Center Health Program  
33 Supplemental Fund” before the period at the end; and

34 ~~(ii)(B)~~ in subsection (d)—

35 ~~(i)(i)~~ in paragraph (1)(B), by inserting “(excluding any expenditures from  
36 amounts in the World Trade Center Health Program Supplemental Fund under  
37 section 3352)” before the period at the end; and

38 ~~(ii)(ii)~~ in paragraph (2), in the flush text following subparagraph (C), by

1 inserting “(excluding any expenditures from amounts in the World Trade Center  
2 Health Program Supplemental Fund under section 3352)” before the period at the  
3 end; and

4 ~~(D)(4)~~ in section 3351(b) (42 U.S.C. 300mm–61(b))—

5 ~~(i)(A)~~ in paragraph (2), by inserting “or as available from the World Trade Center  
6 Health Program Supplemental Fund under section 3352” before the period at the end;  
7 and

8 ~~(ii)(B)~~ in paragraph (3), by inserting “or as available from the World Trade Center  
9 Health Program Supplemental Fund under section 3352” before the period at the end.

10 ~~(b) Research Cohort for Emerging Health Impacts on Youth.—~~

11 ~~(1) In general.—Section 3341 of the Public Health Service Act~~  
12 ~~(42 U.S.C. 300mm51) is amended—~~

13 ~~(A) by redesignating subsections (c) and (d) as subsections (d)~~  
14 ~~and (e), respectively; and~~

15 ~~(B) by inserting after subsection (b) the following:~~

16 ~~“(c) Research Cohort for Emerging Health Impacts on~~  
17 ~~Youth.—The WTC Program Administrator shall establish a~~  
18 ~~research cohort of sufficient size to conduct research studies on~~  
19 ~~the health and educational impacts of exposure to airborne~~  
20 ~~toxins, or any other hazard or adverse condition, resulting from~~  
21 ~~the September 11, 2001, terrorist attacks on the population of~~  
22 ~~individuals who were 21 years of age or younger at the time of~~  
23 ~~exposure and who are enrolled in the WTC Program or~~  
24 ~~otherwise eligible for enrollment in the Program under section~~  
25 ~~3321.”.~~

26 ~~(2) Spending limitation exemption.—Section 3351(c)(5) of such~~  
27 ~~Act (42 U.S.C. 300mm61(c)(5)) is amended in the matter~~  
28 ~~preceding subparagraph (A), by inserting “(other than subsection~~  
29 ~~(c) of such section)” after “section 3341”.~~

30 ~~(3) Conforming amendment.—Section 3301(f)(2)(E) of such~~  
31 ~~Act (42 U.S.C. 300mm(f)(2)(E)) is amended by striking “section~~



1 ~~3341(a)” and inserting “subsection (a) or (c) of section 3341”.~~

2 ~~Subtitle K—Next~~ **PART 5—NATIVE HAWAIIAN**  
3 **PROVISIONS**

4 **SEC. 31071. NATIVE HAWAIIAN HEALTH CARE**  
5 **SYSTEMS.**

6 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the  
7 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise  
8 appropriated, \$50,000,000, to remain available until September 30, 2031, for the Secretary,  
9 not later than 180 days after the date of enactment of this Act, to award grants to, or enter  
10 into contracts with, Papa Ola Lokahi to support services described in section 6(c) of the  
11 Native Hawaiian Health Care Improvement Act (42 U.S.C. 11705(c)) in accordance with  
12 this section.

13 (b) **Use of Funds.**—Amounts made available to an awardee pursuant to subsection (a)  
14 shall be used for—

15 (1) the purchase, construction, alteration, renovation, or equipping of health  
16 facilities;

17 (2) maintenance and improvement projects;

18 (3) information technology, telehealth infrastructure, electric health records  
19 systems, and medical equipment; and

20 (4) awarding grants to, or entering into contracts with, Native Hawaiian health care  
21 systems (directly, or through subgrants or subcontracts) to support services described  
22 in section 6(c) of the Native Hawaiian Health Care Improvement Act (42 U.S.C.  
23 11705(c)), on the condition that such grants or contracts may only be used for the  
24 purposes and uses described in paragraphs (1) through (3).

25 (c) **Waiver of Certain Restrictions.**—Subsections (e) and (f)(4) of section 6 of the Native  
26 Hawaiian Health Care Improvement Act (42 U.S.C. 11705(e), 11705(f)(4)) shall not apply to  
27 grants (or subgrants) made using amounts made available under subsection (a).

28 (d) **Definitions.**—In this section:

29 (1) **NATIVE HAWAIIAN HEALTH CARE SYSTEM.**—The term “Native Hawaiian health  
30 care system” has the meaning given the term in section 12 of the Native Hawaiian  
31 Health Care Improvement Act (42 U.S.C. 11711).

32 (2) **PAPA OLA LOKAHI.**—The term “Papa Ola Lokahi” has the meaning given the  
33 term in section 12 of the Native Hawaiian Health Care Improvement Act (42 U.S.C.  
34 11711).

35 **SEC. 31072. NATIVE HAWAIIAN HEALTH**  
36 **IMPROVEMENT GRANTS.**

37 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the

1 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise  
2 appropriated, \$224,000,000, to remain available until September 30, 2031, to award grants  
3 to eligible Native Hawaiian entities to improve the health status of Native Hawaiians,  
4 including by providing to Native Hawaiians comprehensive health promotion services,  
5 disease prevention services, and primary health services, as described in section 6(c) of the  
6 Native Hawaiian Health Care Improvement Act (42 U.S.C. 11705(c)).

7 (b) Definition of Eligible Native Hawaiian Entity.—In this section, the term “eligible  
8 Native Hawaiian entity” means—

9 (1) Papa Ola Lokahi (as defined in section 12 of the Native Hawaiian Health Care  
10 Improvement Act (42 U.S.C. 11711));

11 (2) a Native Hawaiian health care system (as defined in section 12 of that Act (42  
12 U.S.C. 11711));

13 (3) a Native Hawaiian organization (as defined in section 12 of that Act (42 U.S.C.  
14 11711));

15 (4) a consortium of 2 or more entities described in paragraphs (1) through (3); and

16 (5) a consortium that contains at least 1 entity described in any of paragraphs (1)  
17 through (3).

## 18 **SEC. 31073. NATIVE HAWAIIAN HEALTH CARE** 19 **SYSTEMS LIABILITY COVERAGE.**

20 (a) In General.—Subject to subsections (b) and (c), the Secretary shall apply section  
21 102(d) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5321(d))  
22 to—

23 (1) a Native Hawaiian health care system that receives a grant from or enters into a  
24 contract with the Secretary under section 6 of the Native Hawaiian Health Care  
25 Improvement Act (42 U.S.C. 11705) to the same extent as section 102(d) of the Indian  
26 Self-Determination and Education Assistance Act (25 U.S.C. 5321(d)) applies to an  
27 Indian Tribe, a Tribal organization, and an Indian contractor that carries out a  
28 contract, grant agreement, or cooperative agreement, as applicable, under section 102  
29 or 103 of that Act (25 U.S.C. 5321, 5322); and

30 (2) the employees of a Native Hawaiian health care system that receives a grant  
31 from or enters into a contract with the Secretary under section 6 of the Native  
32 Hawaiian Health Care Improvement Act (42 U.S.C. 11705) to the same extent as  
33 section 102(d) of the Indian Self-Determination and Education Assistance Act (25  
34 U.S.C. 5321(d)) applies to the employees of an Indian Tribe, a Tribal organization, or  
35 an Indian contractor that carries out a contract, grant agreement, or cooperative  
36 agreement, as applicable, under section 102 or 103 of that Act (25 U.S.C. 5321, 5322).

37 (b) Effective Date.—For purposes of subsection (a), each reference to December 22, 1987,  
38 and the reference to the date of enactment of the Indian Self-Determination and Education  
39 Assistance Act Amendments of 1990 contained in section 102(d) of the Indian  
40 Self-Determination and Education Assistance Act (25 U.S.C. 5321(d)) shall be deemed to be  
41 a reference to the date of enactment of this section.

1 (c) Sunset.—This section shall cease to have force or effect on October 1, 2031.

## 2 **Subtitle J—Next Generation 9–1–1**

### 3 **SEC. 31101. DEPLOYMENT OF NEXT GENERATION**

#### 4 **9–1–1.**

5 (a) Appropriation.—

6 (1) **IN GENERAL.**—In addition to amounts otherwise available, there is appropriated to the  
7 Assistant Secretary for fiscal year 2022, out of any money in the Treasury not otherwise  
8 appropriated, ~~\$10,000,000,000~~ **\$470,000,000**, to remain available until September 30, 2030,  
9 to make grants to eligible entities for implementing ~~Next Generation 911, operating and~~  
10 ~~maintaining Next Generation 9–1–1, training directly related to implementing, maintaining,~~  
11 ~~and operating Next Generation 911, if the cost related to such training does not exceed 3-~~  
12 ~~percent of the total grant award, and planning and implementation activities, if the cost~~  
13 ~~related to such planning and implementation does not exceed 1 percent of the total grant~~  
14 ~~award.~~

15 ~~(2) Administrative expenses.—Of the amount appropriated in this subsection, in~~  
16 ~~accordance with subsection (b).~~

17 (2) **ADMINISTRATIVE EXPENSES.**—**In addition to amounts otherwise available, there**  
18 **is appropriated to the Assistant Secretary may use not more than 2 percent to implement**  
19 **and for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**  
20 **\$20,000,000, to remain available until September 30, 2030, to administer this section.**

21 ~~(3) Rulemaking required.—Not later than 180 days after the date of the enactment of this Act,~~  
22 ~~the Assistant Secretary shall, after public notice and opportunity for comment, issue rules to~~  
23 ~~implement this section.~~ (b) **Use of Funds.**—**An eligible entity may use grant funds received**  
24 **under this section for—**

25 (b) **Eligibility.**—(1) **reasonable costs associated with planning, implementation, and**  
26 **development activities, including such activities related to the grant application;**

27 (1) ~~In general.—The Assistant Secretary shall not make a grant under this section to any~~  
28 ~~eligible entity unless such entity certifies to the Assistant Secretary that—~~ (2) **deployment,**  
29 **operation, and maintenance of interoperable and reliable Next Generation 9–1–1,**  
30 **including ensuring the cybersecurity of Next Generation 9–1–1; and**

31 ~~(A) no portion~~ (3) **training of personnel related to Next Generation 9–1–1.**

32 (c) **Clawback.**—**The Assistant Secretary shall recover some or all of the grant funds**  
33 **made available to an eligible entity under this section if—**

34 (1) **the eligible entity uses the funds for any other purpose than those set forth in**  
35 **subsection (b);**

36 (2) **the eligible entity fails to establish a funding mechanism for Next Generation**  
37 **9–1–1 sufficient to cover operations, maintenance, and upgrade costs within 3 years of**  
38 **the establishment of the grant program;**

39 (3) **the eligible entity engages in the diversion of any 9–1–1 fee or charge imposed by**

1 the eligible entity, or (in the case that; or

2 (4) the eligible entity **uses funds** is not a covered State or Tribal organization) any State  
3 or taxing jurisdiction within which the eligible entity will carry out activities using grant  
4 funds, will be obligated or expended for any purpose or function other than a purpose or  
5 function for which the obligation or expenditure of such a fee or charge is acceptable (as  
6 determined by the Federal Communications Commission pursuant to the rules issued under  
7 section 6(f)(3) of the Wireless Communications and Public Safety Act of 1999 (47 U.S.C.  
8 615a1(f)(3)), as such rules are in effect on the date on which the eligible entity makes the  
9 certification) during any period during which the funds from the grant are available to the  
10 eligible entity;

11 (B) any funds received by the eligible entity will be used to support the deployment of  
12 Next Generation 911 in a manner that ensures reliability, interoperability, and requires the  
13 use of commonly accepted standards;

14 (C) the eligible entity has established, or commits to establish not later than 3 years after  
15 the date on which the funds are distributed to the eligible entity, a sustainable funding  
16 mechanism for Next Generation 911 and effective cybersecurity for Next Generation 911;  
17 and

18 (D) no funds received by the eligible entity will be used to purchase, rent, lease, or  
19 otherwise obtain covered communications equipment or services (as defined in section 9 of  
20 the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1608)).

21  
22 ~~(2) Other requirements.— The Assistant Secretary shall not make~~  
23 ~~a grant under this section to an eligible entity unless such entity~~  
24 ~~certifies to the Assistant Secretary that—~~

25 ~~(A) the eligible entity, and (in the case that the eligible entity is~~  
26 ~~not a covered State or Tribal organization) any covered State~~  
27 ~~within which the eligible entity will carry out activities using~~  
28 ~~grant funds, has designated a single officer or governmental~~  
29 ~~body to serve as the point of contact to coordinate the~~  
30 ~~implementation of Next Generation 911 for such covered State~~  
31 ~~or Tribal organization; and~~

32 ~~(B) the eligible entity has developed and submitted a plan for the~~  
33 ~~coordination and implementation of Next Generation 911~~  
34 ~~consistent with the requirements of the Assistant Secretary that,~~  
35 ~~at a minimum—~~

- 1 ~~(i) ensures interoperability, reliability, resiliency, and the use of~~  
2 ~~commonly accepted standards;~~
- 3 ~~(ii) enables emergency communications centers to process,~~  
4 ~~analyze, and store multimedia, data, and other information;~~
- 5 ~~(iii) incorporates cybersecurity tools, including intrusion-~~  
6 ~~detection and prevention measures;~~
- 7 ~~(iv) includes strategies for coordinating cybersecurity-~~  
8 ~~information sharing between Federal, covered State, Tribal, and~~  
9 ~~local government partners;~~
- 10 ~~(v) includes a governance body or bodies, either by creation of a~~  
11 ~~new body or bodies or use of an existing body or bodies, for the~~  
12 ~~development and deployment of Next Generation 911;~~
- 13 ~~(vi) creates efficiencies related to Next Generation 911-~~  
14 ~~functions, including the virtualization and sharing of~~  
15 ~~infrastructure, equipment, and services; and~~
- 16 ~~(vii) utilizes an effective, competitive approach to establishing~~  
17 ~~authentication, credentialing, secure connections, and access in~~  
18 ~~deploying Next Generation 911, including by—~~
  - 19 ~~(I) requiring certificate authorities to be capable of~~  
20 ~~cross-certification with other authorities;~~
  - 21 ~~(II) avoiding risk of a single point of failure or vulnerability; and~~
  - 22 ~~(III) adhering to Federal agency best practices such as those~~  
23 ~~promulgated by the National Institute of Standards and~~  
24 ~~Technology.~~
- 25 ~~(3) Return of funding.— If, after making a grant award to an~~  
26 ~~eligible entity under subsection (a), the Assistant Secretary~~  
27 ~~determines that such eligible entity has acted in a manner not in~~  
28 ~~accordance with the certifications required under this subsection,~~

1 ~~the Assistant Secretary shall, after affording due process, rescind~~  
2 ~~such grant award and recoup funds from such eligible entity.~~

3 ~~(c) Oversight.— In addition to amounts otherwise available,~~  
4 ~~there is appropriated to the Inspector General of the Department~~  
5 ~~of Commerce for fiscal year 2022, out of any money in the~~  
6 ~~Treasury not otherwise appropriated, \$10,000,000, to remain~~  
7 ~~available until September 30, 2030, to conduct oversight to~~  
8 ~~combat waste, fraud, and abuse of grant awards made under this~~  
9 ~~section.~~

10 **SEC. 31102. ESTABLISHMENT OF NEXT GENERATION**  
11 **9–1–1 CYBERSECURITY CENTER.**

12 In addition to amounts otherwise available, there is appropriated to the ~~Assistant Secretary~~  
13 **National Telecommunications and Information Administration** for fiscal year 2022, out of  
14 any money in the Treasury not otherwise appropriated, ~~\$80,000,000~~ **\$9,000,000**, to remain  
15 available until September 30, 2030, ~~to establish for the establishment of~~ a Next Generation  
16 9–1–1 Cybersecurity Center to coordinate with ~~covered~~ State, local, and regional governments  
17 on the sharing of cybersecurity information about, the analysis of cybersecurity threats to, and  
18 ~~guidelines for~~ strategies to detect and prevent cybersecurity intrusions relating to, Next  
19 Generation 9–1–1.

20 **SEC. 31103. PUBLIC SAFETY NEXT GENERATION 9–1–1**  
21 **ADVISORY BOARD.**

22 In addition to amounts otherwise available, there is appropriated to the ~~Assistant Secretary~~  
23 **National Telecommunications and Information Administration** for fiscal year 2022, out of  
24 any money in the Treasury not otherwise appropriated, ~~\$10,000,000~~ **\$1,000,000**, to remain  
25 available until September 30, 2030, to establish a 16-member Public Safety Next Generation  
26 9–1–1 Advisory Board (~~in this section referred to as the “Board”~~), ~~to be comprised of~~  
27 ~~representatives of public safety organizations,~~ **consisting of public safety officials and 9–1–1**  
28 **professionals from diverse backgrounds and with the necessary technical expertise**, to  
29 provide recommendations to the Assistant Secretary with respect to carrying out the duties and  
30 responsibilities of the Assistant Secretary related to Next Generation 9–1–1, including with  
31 respect to the grant program established ~~pursuant to~~ **under** section 31101.

32 **SEC. 31104. DEFINITIONS.**

33 In this subtitle:

34 (1) 9–1–1 FEE OR CHARGE.—The term “9–1–1 fee or charge” has the meaning given ~~such~~  
35 **the** term in section 6(f)(3)(D) of the Wireless Communications and Public Safety Act of  
36 1999 (47 U.S.C. 615a–1(f)(3)(D)).

1 (2) ASSISTANT SECRETARY.—The term “Assistant Secretary” means the Assistant  
2 Secretary of Commerce for Communications and Information.

3 (3) COMMONLY ACCEPTED STANDARDS.—The term “commonly accepted standards”  
4 means the technical standards followed by the communications industry for network,  
5 device, and Internet Protocol connectivity that—

6 (A) ~~enable interoperability;~~ and **ensure interoperability by enabling emergency**  
7 **communications centers to receive, process, and analyze all types of 9–1–1**  
8 **requests for emergency assistance (including multimedia and data) and share**  
9 **such requests with other emergency communications centers and emergency**  
10 **response providers without the need for proprietary interfaces and regardless of**  
11 **jurisdiction, equipment, device, software, service provider, or any other factor;**  
12 **and**

13 ~~(B) are—~~

14 ~~(i)~~**(B) are** developed and approved by a standards development organization that is  
15 accredited by a United States or international standards body ~~in a process that—~~  
16 **through a process—**

17 ~~(i) is open to the public, including~~**(i) that is consensus-based and** open for  
18 participation ~~by any organization;~~ and, **provides conflict resolution, and invites**  
19 **comment; and**

20 ~~(ii) provides for a conflict resolution process;~~

21 ~~(ii) subject to an open comment and input process before being finalized by the~~  
22 ~~standards development organization;~~

23 ~~(iii) consensus-based; and~~

24 ~~(iv)~~**(ii) through which standards are** made publicly available once approved.

25 (4) ~~COST RELATED TO PLANNING AND IMPLEMENTATION.—THE TERM “COST RELATED TO~~  
26 ~~PLANNING AND IMPLEMENTATION” MEANS ANY COST INCURRED BY AN ELIGIBLE ENTITY~~  
27 ~~RELATED TO PLANNING FOR AND PREPARING AN APPLICATION AND RELATED MATERIALS AS~~  
28 ~~REQUIRED UNDER THIS TITLE. ELIGIBLE ENTITY.—The term “eligible entity” means a~~  
29 **State or a Tribal organization that has—**

30 **(A) named a single point of contact to coordinate the implementation of Next**  
31 **Generation 9–1–1; and**

32 **(B) developed and submitted a plan for the coordination and implementation of**  
33 **Next Generation 9–1–1 consistent with any requirements of the Assistant**  
34 **Secretary.**

35  
36 ~~\* 62 (5) Covered state.—The term “covered State” means any State of the United States,~~  
37 ~~the District of Columbia, Puerto Rico, American Samoa, Guam, the United States Virgin~~  
38 ~~Islands, the Northern Mariana Islands, and any other territory or possession of the United~~  
39 ~~States.~~

40 ~~(6) Eligible entity.—The term “eligible entity”~~

1           (A) means a covered State or a Tribal organization; and

2           (B) may be an entity, including a public authority, board, or commission, established by  
3 one or more entities described in subparagraph (A).

4           ~~(7) Emergency communications center.—~~

5           (A) In general.—The term “emergency communications center” —

6           (i) means a facility that —

7           (I) is designated to receive a 911 request for emergency assistance; and

8           (II) performs one or more of the functions described in subparagraph (B); and

9           (ii) may be a public safety answering point, as defined in section 222 of the  
10 Communications Act of 1934 (47 U.S.C. 222).

11           (B) Functions described.—The functions described in this subparagraph are the  
12 following:

13           (i) Process and analyze 911 requests for emergency assistance and information and data  
14 related to such requests.

15           (ii) Dispatch appropriate emergency response providers.

16           (iii) Transfer or exchange 911 requests for emergency assistance and information and  
17 data related to such requests with one or more facilities described under this paragraph and  
18 emergency response providers.

19           (iv) Analyze any communications received from emergency response providers.

20           (v) Support incident command functions.

21           (8) Interoperable; interoperability.—The term “interoperable” or “interoperability” means  
22 the capability of emergency communications centers to receive 911 requests for emergency  
23 assistance and information and data related to such requests, such as location information  
24 and callback numbers from a person initiating the request, and then process and share the  
25 911 requests for emergency assistance and information and data related to such requests  
26 with other emergency communications centers and emergency response providers without  
27 the need for proprietary interfaces and regardless of jurisdiction, equipment, device,  
28 software, service provider, or other factors.

29           (9)(5) NEXT GENERATION 9–1–1.—The term “Next Generation 9–1–1” means an  
30 interoperable, secure, Internet Protocol-based system that—

31           (A) employs commonly accepted standards;

32           (B) enables emergency communications centers to receive, process, and analyze all  
33 types of 9–1–1 requests for emergency assistance;

34           (C) acquires and integrates additional information useful to handling 9–1–1 requests  
35 for emergency assistance; ~~and~~

36  
37           (D) supports sharing information related to 9–1–1 requests for emergency assistance  
38 among emergency communications centers and emergency response providers **without**



1 the need for proprietary interfaces and regardless of jurisdiction, equipment,  
2 device, software, service provider, or any other factor; and

3 (E) ensures reliability by enabling ongoing operation-

4 ~~(10) Public safety organization.—The term “public safety organization” means an~~  
5 ~~organization that represents the interests of personnel in—~~

6 ~~(A) local law enforcement;~~

7 ~~(B) fire and rescue;~~

8 ~~(C) emergency medical service; or~~

9 ~~(D) 911 services.~~

10 ~~(11) Reliability.—The term “reliability” means the employment of sufficient~~  
11 ~~measures to ensure the ongoing operation of Next Generation 911, including through~~  
12 ~~the use of geo-diverse, device -and network -agnostic elements that provide more than~~  
13 ~~one 1 physical route between end points with no common points where a single failure~~  
14 ~~at that point would cause the operation of Next Generation 9–1–1 to fail.~~

15  
16 ~~(12) State or taxing jurisdiction.—The term “State or taxing jurisdiction” has the meaning~~  
17 ~~given such term in section 6(f)(3)(D) of the Wireless Communications and Public Safety~~  
18 ~~Act of 1999 (47 U.S.C. 615a1(f)(3)(D)).~~

19 ~~(13) Sustainable funding mechanism.—The term “sustainable funding mechanism”~~  
20 ~~means a funding mechanism that provides adequate revenues to cover ongoing expenses,~~  
21 ~~including operations, maintenance, and upgrades.~~

22 ~~Subtitle L—Spectrum Auctions~~

23 ~~SEC. 31201. SPECTRUM AUCTIONS AND INNOVATION.~~

24 ~~\*\* 62 (5) Covered state.—The term “covered State”~~  
25 ~~(6) STATE.—The term “State”~~  
26 ~~means any State of the United States, the District of Columbia, Puerto Rico, American~~  
27 ~~Samoa, Guam, the United States Virgin Islands, the Northern Mariana Islands, and any~~  
~~other territory or possession of the United States.~~

## 28 **Subtitle K—Other Matters Related to Connectivity**

### 29 **SEC. 31201. OUTREACH.**

30 **In addition to amounts otherwise available, there is appropriated to the Federal**  
31 **Communications Commission for fiscal year 2022, out of any money in the Treasury not**  
32 **otherwise appropriated, \$100,000,000, to remain available until September 30, 2031, to**  
33 **conduct outreach and provide education to the public regarding the broadband and**  
34 **communications affordability programs of the Federal Communications Commission to**  
35 **raise awareness about the programs and help consumers access the programs.**

### 36 **SEC. 31202. FUTURE OF TELECOMMUNICATIONS** 37 **COUNCIL.**

1 In addition to amounts otherwise available, there is appropriated to the Secretary of  
2 Commerce for fiscal year 2022, out of any money in the Treasury not otherwise  
3 appropriated, \$7,000,000, to remain available until September 30, 2031, to establish a  
4 council of 14 members in coordination with the Committee on Commerce, Science, and  
5 Transportation of the Senate, the Committee on Energy and Commerce of the House of  
6 Representatives, the Deputy Secretary of Commerce, the Assistant Secretary of Commerce  
7 for Communications and Information, the Under Secretary of Commerce for Standards  
8 and Technology, the Chair of the Federal Communications Commission, the Director of the  
9 National Science Foundation, the Majority Leader of the Senate, and the Speaker of the  
10 House of Representatives, to be known as the “Future of Telecommunications Council”, to  
11 advise Congress on the development and adoption of 6G and other advanced wireless  
12 communications technologies, including ensuring equity in access to those technologies for  
13 communities of color and rural communities.

## 14 **SEC. 31203. AFFORDABILITY.**

15 (a) Definitions.—In this section:

16 (1) **BROADBAND; BROADBAND SERVICE.**—The term “broadband” or “broadband  
17 service” has the meaning given the term “broadband internet access service” in section  
18 8.1 of title 47, Code of Federal Regulations, or any successor regulation.

19 (2) **COVERED BROADBAND SERVICE.**—The term “covered broadband service” means  
20 broadband service being delivered through a broadband network that can easily scale  
21 speeds over time to—

22 (A) meet the evolving connectivity needs of households and businesses; and

23 (B) support the deployment of 5G, successor wireless technologies, and other  
24 advanced services.

25 (3) **COVERED PUBLIC-PRIVATE PARTNERSHIP.**—The term “covered public-private  
26 partnership” means a partnership between—

27 (A) a State, 1 or more political subdivisions of a State, a utility (including a  
28 utility cooperative), a public utility district, a nonprofit organization, a regional  
29 planning council, or an economic development authority; and

30 (B) a provider of covered broadband service.

31 (4) **STATE.**—The term “State” means any State of the United States, the District of  
32 Columbia, Puerto Rico, American Samoa, Guam, the United States Virgin Islands, the  
33 Northern Mariana Islands, and any other territory or possession of the United States.

34 (b) Funding.—

35 (1) **PILOT PROJECTS.**—In addition to amounts otherwise available, there is  
36 appropriated to the National Telecommunications and Information Administration for  
37 fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
38 \$280,000,000, to remain available until September 30, 2031, for grants to covered  
39 public-private partnerships for pilot projects to increase access to affordable covered  
40 broadband service in urban communities, including communities of color and for low-  
41 and middle-income consumers, through long-term solutions for such affordability.

1           (2) ADMINISTRATION.—In addition to amounts otherwise available, there is  
2           appropriated to the National Telecommunications and Information Administration for  
3           fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
4           \$15,000,000, to remain available until September 30, 2031, to administer this section.

5           (3) ADVISORY COMMITTEE.—In addition to amounts otherwise available, there is  
6           appropriated to the National Telecommunications and Information Administration for  
7           fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
8           \$5,000,000, to remain available until September 30, 2031, to establish an advisory  
9           committee of 12 members consisting of experts on broadband affordability from  
10          diverse backgrounds, to be known as the “Affordable Urban and Suburban  
11          Broadband Advisory Committee”, to advise the National Telecommunications and  
12          Information Administration, the Federal Communications Commission, and Congress  
13          on ways to make broadband more affordable for urban and suburban broadband  
14          subscribers, including for communities of color and low- and middle-income  
15          consumers, through long-term solutions for such affordability.

## 16   **SEC. 31204. ACCESS TO DEVICES.**

### 17   **(a) Definitions.—In this section:**

18          (1) ASSISTANT SECRETARY.—The term “Assistant Secretary” means the Assistant  
19          Secretary of Commerce for Communications and Information.

20          (2) COMMISSION.—~~THE TERM “COMMISSION” MEANS THE FEDERAL COMMUNICATIONS-~~  
21          ~~COMMISSION.~~

22          (3) COVERED BAND.—~~THE TERM “COVERED BAND” MEANS THE BAND OF FREQUENCIES-~~  
23          ~~BETWEEN 3100 MEGAHERTZ AND 3450 MEGAHERTZ, INCLUSIVE.~~

24          (4) RELEVANT CONGRESSIONAL COMMITTEES.—~~THE TERM “RELEVANT CONGRESSIONAL-~~  
25          ~~COMMITTEES” MEANS —~~

26          ~~(A) THE COMMITTEE ON ENERGY AND COMMERCE OF THE HOUSE OF REPRESENTATIVES;~~  
27          ~~AND~~

28          ~~(B) THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION OF THE SENATE.~~

29          (5) SECRETARY.—~~THE TERM “SECRETARY” MEANS THE SECRETARY OF COMMERCE.~~

30          ~~(B) 3.13.45 GHZ BAND.—~~

31          (1) ~~PRE AUCTION FUNDING.—~~

32          ~~(A) IN GENERAL.—ON THE DATE OF ENACTMENT OF THIS ACT, THE DIRECTOR OF THE~~  
33          ~~OFFICE OF MANAGEMENT AND BUDGET SHALL TRANSFER \$50,000,000 FROM THE SPECTRUM-~~  
34          ~~RELOCATION FUND ESTABLISHED UNDER SECTION 118 OF THE NATIONAL~~  
35          ~~TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION ORGANIZATION ACT (47-~~  
36          ~~U.S.C. 928) TO THE SECRETARY FOR THE PURPOSE OF ENGINEERING STUDIES, ECONOMIC~~  
37          ~~ANALYSES, ACTIVITIES WITH RESPECT TO SYSTEMS, OR OTHER PLANNING ACTIVITIES TO~~  
38          ~~IMPROVE EFFICIENCY AND EFFECTIVENESS OF FEDERAL SPECTRUM USE IN ORDER TO MAKE~~  
39          ~~AVAILABLE —~~

40          ~~(I) FREQUENCIES IN THE COVERED BAND FOR IDENTIFICATION BY THE SECRETARY UNDER~~

1       ~~PARAGRAPH (2)(A); AND~~

2           ~~(H) FREQUENCIES IN THE COVERED BAND FOR IDENTIFICATION BY THE SECRETARY UNDER~~  
3       ~~PARAGRAPH (2)(B).~~

4           ~~(B) EXEMPTION.— SECTION 118(G) OF THE NATIONAL TELECOMMUNICATIONS AND~~  
5       ~~INFORMATION ADMINISTRATION ORGANIZATION ACT (47 U.S.C. 928(G)) SHALL NOT APPLY~~  
6       ~~WITH RESPECT TO THE PAYMENT REQUIRED UNDER SUBPARAGRAPH (A).~~

7           ~~(C) PLAN.— NOT LATER THAN 180 DAYS AFTER THE DATE OF ENACTMENT OF THIS ACT,~~  
8       ~~THE ASSISTANT SECRETARY, IN COORDINATION WITH THE SECRETARY OF DEFENSE AND THE~~  
9       ~~EXECUTIVE OFFICE OF THE PRESIDENT, SHALL DEVELOP A PLAN FOR CONDUCTING THE~~  
10       ~~ENGINEERING STUDIES, ECONOMIC ANALYSES, ACTIVITIES WITH RESPECT TO SYSTEMS, OR~~  
11       ~~OTHER PLANNING ACTIVITIES DESCRIBED IN SUBPARAGRAPH (A).~~

12           ~~(D) CONSIDERATION OF COMMON PLATFORM.— IN DEVELOPING THE PLAN REQUIRED BY~~  
13       ~~SUBPARAGRAPH (C), THE ASSISTANT SECRETARY SHALL CONSIDER FACILITATING THE~~  
14       ~~SHARING OF SPECTRUM BETWEEN FEDERAL AND NON FEDERAL USERS IMPLEMENTED~~  
15       ~~THROUGH A FEDERAL USER INFORMING COMMON PLATFORM DEVELOPED BY THE ASSISTANT~~  
16       ~~SECRETARY, IN COORDINATION WITH THE COMMISSION.~~

17           ~~(E) OVERSIGHT.— THE ASSISTANT SECRETARY AND THE EXECUTIVE OFFICE OF THE~~  
18       ~~PRESIDENT SHALL CONTINUOUSLY REVIEW AND PROVIDE OVERSIGHT OF THE EXECUTION OF~~  
19       ~~THE PLAN REQUIRED BY SUBPARAGRAPH (C).~~

20           ~~(F) REPORT TO SECRETARY OF COMMERCE AND CONGRESS.— NOT LATER THAN 18 MONTHS~~  
21       ~~AFTER THE DATE OF ENACTMENT OF THIS ACT, FOR THE PURPOSES OF AIDING THE SECRETARY~~  
22       ~~IN MAKING THE IDENTIFICATION UNDER PARAGRAPH (2) AND INFORMED BY THE FINDINGS OF~~  
23       ~~THE ENGINEERING STUDIES, ECONOMIC ANALYSES, ACTIVITIES WITH RESPECT TO SYSTEMS, OR~~  
24       ~~OTHER PLANNING ACTIVITIES DESCRIBED IN SUBPARAGRAPH (A), THE ASSISTANT SECRETARY,~~  
25       ~~IN CONSULTATION WITH THE SECRETARY OF DEFENSE, SHALL SUBMIT TO THE SECRETARY~~  
26       ~~AND THE RELEVANT CONGRESSIONAL COMMITTEES A REPORT THAT —~~

27           ~~(i) CONTAINS SUCH FINDINGS; AND~~

28           ~~(ii) RECOMMENDS —~~

29           ~~(I) FREQUENCIES IN THE COVERED BAND FOR IDENTIFICATION BY THE SECRETARY UNDER~~  
30       ~~PARAGRAPH (2)(A); AND~~

31           ~~(II) FREQUENCIES IN THE COVERED BAND FOR IDENTIFICATION BY THE SECRETARY UNDER~~  
32       ~~PARAGRAPH (2)(B).~~

33           ~~(2) IDENTIFICATION.— NOT LATER THAN 24 MONTHS AFTER THE DATE OF ENACTMENT OF~~  
34       ~~THIS ACT, INFORMED BY THE FINDINGS OF THE ENGINEERING STUDIES, ECONOMIC ANALYSES,~~  
35       ~~ACTIVITIES WITH RESPECT TO SYSTEMS, OR OTHER PLANNING ACTIVITIES DESCRIBED IN~~  
36       ~~PARAGRAPH (1)(A) AND THE REPORT REQUIRED UNDER PARAGRAPH (1)(F), THE SECRETARY,~~  
37       ~~IN CONSULTATION WITH THE SECRETARY OF DEFENSE, THE DIRECTOR OF THE OFFICE OF~~  
38       ~~SCIENCE AND TECHNOLOGY POLICY, AND THE COMMISSION, SHALL SUBMIT TO THE~~  
39       ~~PRESIDENT, THE COMMISSION, AND THE RELEVANT CONGRESSIONAL COMMITTEES A REPORT~~  
40       ~~THAT —~~

41           ~~(A) IDENTIFIES FOR INCLUSION IN A SYSTEM OF COMPETITIVE BIDDING UNDER PARAGRAPH~~

1 ~~(3) AT LEAST 200 MEGAHERTZ OF FREQUENCIES IN THE COVERED BAND FOR NON-FEDERAL-~~  
2 ~~USE, SHARED FEDERAL AND NON-FEDERAL USE, OR A COMBINATION THEREOF; AND~~

3 ~~(B) IDENTIFIES ADDITIONAL FREQUENCIES OF ELECTROMAGNETIC SPECTRUM IN THE-~~  
4 ~~COVERED BAND THAT COULD BE MADE AVAILABLE FOR NON-FEDERAL USE, SHARED FEDERAL-~~  
5 ~~AND NON-FEDERAL USE, OR A COMBINATION THEREOF.~~

6 ~~(3) AUCTION.—~~

7 ~~(A) IN GENERAL.— NOT LATER THAN 7 YEARS AFTER THE DATE OF ENACTMENT OF THIS-~~  
8 ~~ACT, THE COMMISSION, IN COORDINATION WITH THE ASSISTANT SECRETARY, SHALL~~  
9 ~~COMMENCE A SYSTEM OF COMPETITIVE BIDDING UNDER SECTION 309(J) OF THE~~  
10 ~~COMMUNICATIONS ACT OF 1934 (47 U.S.C. 309(j)), IN ACCORDANCE WITH PARAGRAPH (2)-~~  
11 ~~OF THIS SUBSECTION, OF THE FREQUENCIES IDENTIFIED UNDER SUBPARAGRAPH (A) OF THAT~~  
12 ~~PARAGRAPH.~~

13 ~~(B) PROHIBITION.— NO ENTITY THAT IS ON THE LIST REQUIRED BY SECTION 2 OF THE~~  
14 ~~SECURE AND TRUSTED COMMUNICATIONS NETWORKS ACT OF 2019 (47 U.S.C. 1601) MAY~~  
15 ~~PARTICIPATE IN THE SYSTEM OF COMPETITIVE BIDDING REQUIRED BY SUBPARAGRAPH (A).~~

16 ~~(4) PREPARING SPECTRUM FOR AUCTION.—~~

17 ~~(A) IN GENERAL.— THE PRESIDENT SHALL MODIFY OR WITHDRAW ANY ASSIGNMENT TO A~~  
18 ~~FEDERAL GOVERNMENT STATION OF THE FREQUENCIES IDENTIFIED UNDER PARAGRAPH (2)(A)~~  
19 ~~TO ACCOMMODATE NON-FEDERAL USE OR SHARED FEDERAL AND NON-FEDERAL USE IN~~  
20 ~~ACCORDANCE WITH THAT PARAGRAPH.~~

21 ~~(B) TIMING.— THE PRESIDENT MAY NOT MODIFY OR WITHDRAW ANY ASSIGNMENT TO A~~  
22 ~~FEDERAL GOVERNMENT STATION AS DESCRIBED IN SUBPARAGRAPH (A) BEFORE NOVEMBER-~~  
23 ~~30, 2024.~~

24 ~~(5) AUCTION PROCEEDS TO COVER 110 PERCENT OF FEDERAL RELOCATION OR SHARING-~~  
25 ~~COSTS.— NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO RELIEVE THE COMMISSION~~  
26 ~~FROM THE REQUIREMENTS UNDER SECTION 309(J)(16)(B) OF THE COMMUNICATIONS ACT OF~~  
27 ~~1934 (47 U.S.C. 309(j)(16)(B)).~~

28 ~~(6) RULES AUTHORIZING ADDITIONAL USE OF SPECTRUM IN COVERED BAND.— NOT LATER-~~  
29 ~~THAN 4 YEARS AFTER THE DATE OF ENACTMENT OF THIS ACT, THE COMMISSION, IN~~  
30 ~~CONSULTATION WITH THE ASSISTANT SECRETARY, SHALL ADOPT RULES THAT AUTHORIZE THE~~  
31 ~~USE OF SPECTRUM IN THE COVERED BAND IDENTIFIED UNDER PARAGRAPH (2)(B) FOR~~  
32 ~~NON-FEDERAL USE, SHARED FEDERAL AND NON-FEDERAL USE, OR A COMBINATION THEREOF.~~

33 ~~(7) OPPORTUNISTIC USE OF IDENTIFIED FREQUENCIES.— NOT LATER THAN 4 YEARS AFTER-~~  
34 ~~THE DATE OF ENACTMENT OF THIS ACT, IF THE PRESIDENT MODIFIES OR WITHDRAWS~~  
35 ~~ASSIGNMENTS UNDER PARAGRAPH (4), OR IF PRESIDENT ACCOMMODATES THE USE DESCRIBED~~  
36 ~~IN PARAGRAPH (2)(A) WITHOUT SUCH MODIFICATION OR WITHDRAWAL, THE COMMISSION, IN~~  
37 ~~COORDINATION WITH THE ASSISTANT SECRETARY, SHALL ALLOW FOR THE OPPORTUNISTIC~~  
38 ~~USE OF THE FREQUENCIES IDENTIFIED UNDER SUCH PARAGRAPH BEFORE THE AUCTION-~~  
39 ~~REQUIRED BY PARAGRAPH (3) IS CONDUCTED. OPPORTUNISTIC USE, IF SUCH USE IS~~  
40 ~~INCONSISTENT WITH THE RIGHTS OF LICENSEES THAT OBTAINED LICENSES THROUGH SUCH~~  
41 ~~AUCTION, SHALL CEASE UPON THE ISSUANCE BY THE COMMISSION OF SUCH LICENSES.~~

42 ~~(c) FCC AUCTION AUTHORITY.—~~

1           ~~(1) TERMINATION.—SECTION 309(J)(11) OF THE COMMUNICATIONS ACT OF 1934 (47~~  
2           ~~U.S.C. 309(J)(11)) IS AMENDED BY INSERTING AFTER “2025” THE FOLLOWING: “, AND WITH~~  
3           ~~RESPECT TO THE ELECTROMAGNETIC SPECTRUM IDENTIFIED UNDER SECTION 31201(B)(2)(A)~~  
4           ~~OF THE ACT TO PROVIDE FOR RECONCILIATION PURSUANT TO TITLE II OF S. CON. RES. 14,~~  
5           ~~SUCH AUTHORITY SHALL EXPIRE ON THE DATE THAT IS 7 YEARS AFTER THE DATE OF~~  
6           ~~ENACTMENT OF THAT ACT”.~~

7           ~~(2) SPECTRUM PIPELINE ACT OF 2015.—THE SPECTRUM PIPELINE ACT OF 2015 (PUBLIC~~  
8           ~~LAW 11474; 129 STAT. 621) IS AMENDED—~~

9           ~~(A) IN SECTION 1004—~~

10           ~~(I) IN SUBSECTION (A), BY STRIKING “2022” AND INSERTING “2024”; AND~~

11           ~~(H) IN SUBSECTION (B)(1), BY STRIKING “2022” AND INSERTING “2024”; AND~~

12           ~~(B) IN SECTION 1006(C)(1), BY STRIKING “2022” AND INSERTING “2024”.~~

13           ~~SUBTITLE M—DISTANCE CONNECTED DEVICE.—The term “connected device” means~~  
14           ~~any of the following devices that meets minimum standards established by the~~  
15           ~~Assistant Secretary:~~

16                   ~~(A) A WiFi-enabled desktop computer.~~

17                   ~~(B) A WiFi-enabled laptop computer.~~

18                   ~~(C) A WiFi-enabled tablet computer.~~

19                   ~~(D) Any similar WiFi-enabled device (except for a telephone or smartphone).~~

20           ~~(3) CONNECTED DEVICE DISTRIBUTION PROGRAM.—The term “connected device~~  
21           ~~distribution program” means a program approved by the Assistant Secretary that~~  
22           ~~makes available connected devices for free or at a low cost to an eligible household.~~

23           ~~(4) ELIGIBLE HOUSEHOLD.—The term “eligible household” means a household in~~  
24           ~~which—~~

25                   ~~(A) at least one member of the household meets the qualifications for the~~  
26                   ~~Lifeline program of the Federal Communications Commission, except that a~~  
27                   ~~household shall be deemed to meet the income component of those qualifications~~  
28                   ~~if the household’s income is at or below 200 percent of the Federal Poverty~~  
29                   ~~Guidelines for a household of that size;~~

30                   ~~(B) at least one member of the household has applied for and been approved to~~  
31                   ~~receive benefits under the free and reduced price lunch program or the school~~  
32                   ~~breakfast program;~~

33                   ~~(C) at least one member of the household has received a Federal Pell Grant in~~  
34                   ~~the current award year, if such award is verifiable through the National Verifier~~  
35                   ~~or National Lifeline Accountability Database or a connected device distribution~~  
36                   ~~program verifies eligibility; or~~

37                   ~~(D) at least one member of the household receives assistance through the special~~  
38                   ~~supplemental nutritional program for women, infants, and children.~~

39           ~~(b) Connected Device Grant Program.—~~

1           **(1) APPROPRIATIONS.—**

2           **(A) IN GENERAL.—**In addition to amounts otherwise available, there is  
3           **appropriated to the Assistant Secretary for fiscal year 2022, out of any money in**  
4           **the Treasury not otherwise appropriated, \$475,000,000, to remain available until**  
5           **September 30, 2031, for the awarding of grants to connected device distribution**  
6           **programs in accordance with this section.**

7           **(B) ADMINISTRATION.—**In addition to amounts otherwise available, there is  
8           **appropriated to the Assistant Secretary for fiscal year 2022, out of any money in**  
9           **the Treasury not otherwise appropriated, \$20,000,000, to remain available until**  
10           **September 30, 2031, to administer this section, including providing technical**  
11           **assistance to a connected device distribution program.**

12           **(C) OUTREACH.—**In addition to amounts otherwise available, there is  
13           **appropriated to the Assistant Secretary for fiscal year 2022, out of any money in**  
14           **the Treasury not otherwise appropriated, \$5,000,000, to remain available until**  
15           **September 30, 2031, to conduct outreach related to the availability of grants**  
16           **under this section.**

17           **(2) USE OF FUNDS.—**

18           **(A) IN GENERAL.—**A connected device distribution program shall use grant  
19           **funds received under this section for—**

20                   **(i) the reasonable purchase or refurbishment cost of connected devices for**  
21                   **distribution to eligible households consistent with this section; and**

22                   **(ii) the reasonable administrative costs associated with the distribution of**  
23                   **connected devices described in clause (i).**

24           **(B) LIMITATION.—**A connected device distribution program may use grant  
25           **funds received under this section to provide not more than—**

26                   **(i) 1 connected device to an eligible household that includes not more than**  
27                   **2 members over the age of 6; or**

28                   **(ii) 2 connected devices to an eligible household that includes not fewer**  
29                   **than 3 members over the age of 6.**

30           **(3) CLAWBACK.—**If a connected device distribution program is found to have used  
31           **grant funds awarded under this section in a manner not permitted under this section**  
32           **or is found to have otherwise violated a requirement under this section, the Assistant**  
33           **Secretary shall recover from the program some or all of the grant funds awarded to**  
34           **the program.**

35           **Subtitle L—Distance Learning**

36           **SEC. 31301. ADDITIONAL SUPPORT FOR DISTANCE**  
37           **LEARNING.**

1 \* 8 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated for  
2 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

3 (1) ~~\$4,000,000,000~~ **(a) Appropriation.—In addition to amounts otherwise available, there**  
4 **is appropriated** to the Emergency Connectivity Fund established under subsection (c)(1) of  
5 section 7402 of the American Rescue Plan Act of 2021 (Public Law 117–2) **for fiscal year 2022,**  
6 **out of any money in the Treasury not otherwise appropriated, \$300,000,000, to remain**  
7 **available until September 30, 2030,** to provide support under the covered regulations  
8 promulgated under subsection (a) of ~~such that~~ **that** section, except that ~~such that~~ amount shall be  
9 used to provide support under the covered regulations for costs incurred after the date of  
10 enactment of this Act but before June 30, 2030, regardless of whether those costs are incurred  
11 during a COVID–19 emergency period (as defined in subsection (d) of **that section**). ~~such~~  
12 ~~section); and~~

13 (2) ~~\$500,000 to the Inspector General of the Federal Communications Commission to conduct~~  
14 ~~oversight of support provided under the covered regulations.~~

15 Amounts appropriated by this subsection shall remain available until September 30, 2030.

16 (b) Limitation.—None of the funds appropriated by **under** subsection (a)(1) may be used to  
17 purchase, rent, lease, or otherwise obtain any covered communications equipment or service (as  
18 defined in section 9 of the Secure and Trusted Communications Networks Act of 2019 (47  
19 U.S.C. 1608)).

## 20 Subtitle N—~~Manufacturing~~ **M—Manufacturing** Supply Chain 21 **and Tourism**

### 22 SEC. 31401. ~~CRITICAL~~ MANUFACTURING SUPPLY 23 CHAIN RESILIENCE.

24 (a) Appropriation.—~~In~~ **In** addition to amounts otherwise ~~made~~ available, there is appropriated  
25 ~~to the Department of Commerce~~ for fiscal year 2022, out of any money in the Treasury not  
26 otherwise appropriated, ~~\$10,000,000,000~~ **\$5,000,000,000,** to remain available until ~~expended,~~  
27 ~~except that no amounts may be expended after September 30, 2031~~ **September 30, 2026, to the**  
28 **Office of the Secretary of Commerce,** to support the resilience, ~~diversity, security, and strength~~  
29 ~~of critical of~~ manufacturing supply chains affecting interstate commerce and related  
30 administrative costs, **by—**

31 (b) Purposes.—The amount under subsection (a) shall be available to the Secretary of  
32 Commerce for—

33 (1) ~~critical manufacturing supply chain~~ **(1) mapping and monitoring, which may include**  
34 **providing grants and other financial assistance as appropriate to eligible entities for private-**  
35 **and public sector-led mapping, monitoring, and forecasting; manufacturing supply**  
36 **chains;**

37 (2) facilitating and supporting the establishment of voluntary standards, guidelines, and  
38 best practices ~~to reduce risks~~ **relevant** to the resilience, ~~diversity, security, and strength~~ of  
39 ~~critical of~~ manufacturing supply chains;

40 (3) identifying, accelerating, promoting, ~~and~~ **demonstrating, and deploying** technological



1 advances for ~~critical~~ manufacturing supply chains; and

2 (4) providing grants ~~and other financial assistance as appropriate that support the~~  
3 ~~resilience, diversity, security, or strength of a critical,~~ **loans, and loan guarantees to**  
4 **maintain and improve** manufacturing supply chain ~~to eligible entities for activities that~~  
5 ~~may include enhancements to a domestic manufacturing facility, process, or practice, the~~  
6 ~~preservation of surge capacity, the provision of goods, or other activities at the~~  
7 ~~determination of the Secretary.~~ **resiliency.**

8 ~~(c) Limitation.—Of the amounts made available~~ **SEC. 31402.**  
9 **DESTINATION MARKETING ORGANIZATION GRANT**  
10 **PROGRAM TO PROMOTE SAFE DOMESTIC TRAVEL.**

11 (a) **Grants for Domestic Marketing Organizations.**—In addition to amounts otherwise  
12 available, there is appropriated for fiscal year 2022, out of any money in the Treasury not  
13 otherwise appropriated, \$47,500,000, to remain available until September 30, 2024, to the  
14 Secretary of Commerce to award grants to destination marketing organizations, including  
15 public or public-private entities that perform the functions of a destination marketing  
16 organization as determined by the Secretary, to conduct marketing activities to promote  
17 domestic travel within the United States, including with respect to current travel  
18 requirements and safe travel practices, with preference to destination marketing  
19 organizations promoting a town, city, State, or region where the civilian labor force in the  
20 accommodation, leisure, and hospitality sector has suffered, and continues to suffer,  
21 significant job losses as a result of the COVID–19 pandemic, as determined by the  
22 Secretary.

23 (b) **Administrative Costs.**—In addition to amounts otherwise available, there is  
24 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise  
25 appropriated, \$1,500,000, to remain available until September 30, 2027, to the Secretary of  
26 Commerce for administrative costs associated with providing grants under subsection (a),  
27 not more than 3 percent may be used for related administrative expenses.

28 ~~(d) Eligible Entity Defined.—The term “eligible entity” means—~~(c) **Data on Domestic**  
29 **Travel and Tourism.**—In addition to amounts otherwise available, there is appropriated  
30 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
31 \$1,000,000, to remain available until September 30, 2027, to the Secretary of Commerce to  
32 collect data on domestic travel and tourism in the United States, including the impact of the  
33 COVID–19 pandemic on domestic travel and tourism.

34 ~~(1) a domestic enterprise;~~

35 ~~(2) a domestic manufacturer;~~

36 ~~(3) a State, local, or Tribal government entity;~~

37 ~~(4) a domestic regional technology and manufacturing hub;~~

38 ~~(5) a domestic institution of higher education;~~

1 ~~(6) a domestic public or private nonprofit organization or~~  
2 ~~association; or~~

3 ~~(7) a consortium of any of the entities described in paragraphs~~  
4 ~~(1) through (6).~~

5 ~~Subtitle O—FTC~~ **Subtitle N—FTC Privacy Enforcement**

6 **SEC. 31501. FEDERAL TRADE COMMISSION FUNDING**  
7 **FOR A PRIVACY BUREAU AND RELATED EXPENSES.**

8  
9 ~~\* 9 (a) Appropriation.— In addition to amounts otherwise available, there is appropriated to~~  
10 ~~the Federal Trade Commission for fiscal year 2022, out of any money in the Treasury not~~  
11 ~~otherwise appropriated, \$1,000,000,000, to remain available until September 30, 2031, for~~  
12 ~~carrying out this section.~~

13 ~~(b) Purposes.— The~~ **In addition to amounts otherwise available, there is appropriated for**  
14 **fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**  
15 **\$500,000,000, to remain available until September 30, 2029, to the** Federal Trade  
16 Commission ~~shall use the funds appropriated under subsection (a) to create and operate a bureau,~~  
17 including by hiring and retaining technologists, user experience designers, and other experts as  
18 the Commission considers appropriate, to accomplish ~~the its work of the Commission~~ related to  
19 unfair or deceptive acts or practices relating to privacy, data security, identity theft, data abuses,  
20 and related matters.

21 **SEC. 31502. FEDERAL TRADE COMMISSION.**

22 **Section 5(m)(1)(A) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)(A)) is**  
23 **amended—**

24 **(1) by inserting “this Act’s prohibition of unfair or deceptive acts or practices or”**  
25 **after “violates” the first place it appears; and**

26 **(2) by inserting “a violation of this Act or” after “unfair or deceptive and”.**

27 ~~Subtitle O—Department~~ **Subtitle P—Department of**  
28 **Commerce Inspector General**

29 **SEC. 31601. FUNDING FOR THE OFFICE OF THE**  
30 **INSPECTOR GENERAL OF THE DEPARTMENT OF**  
31 **COMMERCE.**

32 ~~In addition to amounts otherwise available, there is appropriated to the Office of the Inspector~~  
33 ~~General of the Department of Commerce for fiscal year 2022, out of any money in the Treasury~~  
34 ~~not otherwise appropriated, \$10,000,000~~ **\$5,000,000**, to remain available until September 30,

House Office of Legislative Counsel

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TITLE\ENCOMM\_HR5376\_T3.XML and G:\U\LMANDERSON\TITLE3\_EC.XML

- 1 ~~2031~~, **2030**, to the **Office of Inspector General of the Department of Commerce** for oversight
- 2 of activities supported with funds appropriated to the Department of Commerce in this Act.

**House Office of Legislative Counsel**

**CompareRite of C:\USERS\LMANDERSON\DESKTOP\HR5376-REPORTED BY BUDGET\_SPLIT BY TITLE\FS\_HR5376\_T4.XML and G:\U\LMANDERSON\TITLE4\_FS.XML**

1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the  
2 differences between -  
3 original document : C:\TEMP\C\USERS\LMANDERSON\DESKTOP\HR5376-REPORTED  
4 BY BUDGET\_SPLIT BY TITLE\FS\_HR5376\_T4.RTF  
5 and revised document: C:\TEMP\G\U\LMANDERSON\TITLE4\_FS.RTF  
6  
7 CompareRite found 689 change(s) and 5 move(s) in the text  
8  
9 Deletions appear as Overstrike text  
10 Additions appear as Bold text  
11

1 Title: To—  
2  
3

4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled,~~

## 6 TITLE IV—COMMITTEE ON FINANCIAL SERVICES

### 7 Subtitle A—Creating and Preserving Affordable, Equitable and 8 Accessible Housing for the 21st Century

#### 9 SEC. 40001. PUBLIC HOUSING INVESTMENTS.

10 (a) Appropriation.—In addition to amounts otherwise made available, there is appropriated to  
11 the Secretary of Housing and Urban Development (in this section referred to as the “Secretary”)  
12 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

13 (1) ~~\$10,000,000,000~~, **to remain available until September 30, 2031**, for the Capital  
14 Fund under section 9(d) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d))  
15 pursuant to the same formula as in fiscal year 2021, to be made available within 60 days of  
16 the date of the enactment of this Act;

17 (2) ~~\$66,500,000,000~~ **\$53,000,000,000, to remain available until September 30, 2026**,  
18 for eligible activities under section 9(d)(1) of the United States Housing Act of 1937 (42  
19 U.S.C. 1437g(d)(1)) for priority investments as determined by the Secretary to repair,  
20 replace, or construct properties assisted under such section 9;

21 (3) ~~\$2,750,000,000~~ **\$1,200,000,000, to remain available until September 30, 2026**, for  
22 competitive grants under section 24 of the United States Housing Act of 1937 (42 U.S.C.  
23 1437v) (in this section referred to as “section 24”), under the terms and conditions in  
24 subsection (b), for transformation, rehabilitation, and replacement housing needs of public  
25 **and assisted** housing, **and** to transform neighborhoods of poverty into functioning,  
26 sustainable mixed-income neighborhoods; ~~and~~

27 (4) ~~\$750,000,000~~, **to remain available until September 30, 2031**, for the costs to the  
28 Secretary of administering and overseeing the implementation of this section and the Public  
29 Housing Capital Fund and the section 24 grant program generally, including information  
30 technology, financial reporting, research and evaluation, other cross-program costs in  
31 support of programs administered by the Secretary in this title, and other costs; ~~the~~  
32 ~~Secretary may transfer and merge amounts set aside under this subparagraph to section~~  
33 ~~40301. and~~

34 ~~Amounts appropriated by this section shall~~ **(5) \$50,000,000, to remain available until**  
35 **September 30, 2031, to make new awards or increase prior awards to existing technical**  
36 **assistance providers to provide an increase in capacity building and technical**  
37 **assistance available to entities eligible for funding for activities or projects consistent**  
38 **with this section.**

39 (b) Terms and Conditions for Section 24 Grants.—Grants awarded under subsection (a)(3)  
40 shall be subject to terms and conditions determined by the Secretary, which shall include the

1 following:

2 (1) USE.—Grant funds may be used for resident and community services, community  
3 development and revitalization, and affordable housing needs in the community.

4 (2) APPLICANTS.—Eligible recipients of grants shall include lead applicants and joint  
5 applicants, as follows:

6 (A) LEAD APPLICANTS.—A lead applicant shall be a local government ~~or~~, a public  
7 housing agency, **or an owner of an assisted housing property.**

8 (B) JOINT APPLICANTS.—A nonprofit organization or a for-profit developer may  
9 apply jointly as a joint applicant with such public entities specified in subparagraph

10 (A). **A local government must be a joint applicant with an owner of an assisted  
11 housing property specified in subparagraph (A).**

12 (3) PERIOD OF AFFORDABILITY.—Grantees shall commit to a period of affordability  
13 determined by the Secretary of not fewer than 20 years, but the Secretary may specify a  
14 period of affordability that is fewer than 20 years with respect to homeownership units  
15 developed with section 24 grants.

16 (4) ENVIRONMENTAL REVIEW.—For purposes of environmental review, a grantee shall be  
17 treated as a public housing agency under section 26 of the United States Housing Act of  
18 1937 (42 U.S.C. 1437x) ~~and grants from amounts made available under this heading shall  
19 be subject to the regulations issued by the Secretary to implement such section.~~

20 ~~(5) Partnerships.—Grantees shall create partnerships with other local organizations,  
21 included assisted housing owners, service agencies, and resident organizations.~~

22 ~~(6) Unobligated balances.—The Secretary may, until September 30, 2031, obligate any  
23 available unobligated balances made available under subsection (a)(3).~~

24 ~~(7) Low income~~ **(5) LOW-INCOME AND AFFORDABLE HOUSING.**—Amounts made  
25 available under this section shall be used for low-income housing (as such term is defined  
26 under section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))),  
27 **HUD-assisted housing**, and affordable housing, which shall be housing for which the  
28 owner ~~or purchaser~~ of the project ~~has recorded~~ **shall record** an affordability use restriction  
29 approved by the Secretary for households earning up to 120 percent of the area median  
30 income ~~for no fewer than 20 years.~~ **and is subject to the period of affordability under  
31 paragraph (3) of this subsection.**

32 (c) Other Terms and Conditions.—Grants awarded under this section shall be subject to the  
33 following terms and conditions:

34 (1) LIMITATION.—Amounts provided pursuant to this section may not be used for  
35 operating costs or rental assistance.

36 (2) DEVELOPMENT OF NEW UNITS.—Paragraph (3) of section 9(g) of the United States  
37 Housing Act of 1937 (42 U.S.C. 1437g(g)(3)) shall not apply to new funds made available  
38 under this section.

39 (3) HEALTH AND SAFETY.—Amounts made available under this section shall be used to  
40 address health, safety, and environmental hazards, including lead, fire, carbon monoxide,  
41 mold, asbestos, radon, pest infestation, and other hazards as defined by the Secretary.

1 (4) ENERGY EFFICIENCY AND RESILIENCE.—Amounts made available under this section  
2 shall advance improvements to energy and water efficiency or climate and disaster  
3 resilience in housing assisted under this section.

4 ~~(5) Alternative deadlines.—The Secretary shall establish, by notice, alternative deadlines~~  
5 ~~to those established in section 9(j) of the United States Housing Act of 1937 (42 U.S.C.~~  
6 ~~1437g(j)) to provide public housing agencies reasonable periods of time to obligate and~~  
7 ~~expend funds provided under paragraphs (1) and (2) of subsection (a).~~

8 ~~(6) RECAPTURE.—If the Secretary recaptures funding allocated by formula from a public~~  
9 ~~housing agency under paragraph subsection (a)(1), such recaptured amounts shall be added~~  
10 ~~to the amounts available under paragraph subsection (a)(2), and shall be obligated by the~~  
11 ~~Secretary prior to the expiration of such funds.~~

12 ~~(7)(6) SUPPLEMENTATION OF FUNDS.—The Secretary shall ensure that amounts provided~~  
13 ~~pursuant to this section shall serve to supplement and not supplant other amounts generated~~  
14 ~~by a recipient of such amounts or amounts provided by other Federal, State, or local~~  
15 ~~sources.~~

16 ~~(8)(7) WAIVERS AND ALTERNATIVE REQUIREMENTS.—The Secretary may waive or specify~~  
17 ~~alternative requirements for subsections (d)(1), (d)(2), (e), and (j) of section 9 of the United~~  
18 ~~States Housing Act of 1937 (42 U.S.C. 1437g) and associated regulations in connection~~  
19 ~~with the use of amounts made available under this section other than requirements related to~~  
20 ~~tenant rights and protections, fair housing, nondiscrimination, labor standards, and the~~  
21 ~~environment, upon a finding that the waiver or alternative requirement is necessary to~~  
22 ~~facilitate the use of amounts made available under this section.~~

23 (d) Implementation.—The Secretary shall have authority to issue such regulations or ~~other~~  
24 notices, **or other** guidance, forms, instructions, and publications ~~as may be necessary or~~  
25 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
26 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
27 effective manner.

## 28 SEC. 40002. INVESTMENTS IN AFFORDABLE AND 29 ACCESSIBLE HOUSING PRODUCTION.

30 (a) Appropriation.—In addition to amounts otherwise made available, there is appropriated to  
31 the Secretary of Housing and Urban Development (in this section referred to as the “Secretary”)  
32 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

33 (1) ~~\$34,770,000,000~~ **\$9,925,000,000, to remain available until September 30, 2026**, for  
34 activities and assistance for the HOME Investment Partnerships Program (in this section  
35 referred to as the “HOME program”), as authorized under ~~title II sections 201 through 253~~  
36 **and 255 through 290** of the Cranston-Gonzalez National Affordable Housing Act (42  
37 U.S.C. 12721 et seq.) ~~-12753, 42 U.S.C. 12755-12840~~ (in this section referred to as  
38 “NAHA”);

39 ~~(2) \$36,770,000,000 for activities and assistance for the HOME Investment Partnerships~~  
40 ~~Program, as authorized under title II of NAHA, subject to the terms and conditions in~~  
41 ~~paragraphs (1) paragraph (1)(A) of subsection (b);~~

1           (2) **\$14,925,000,000, to remain available until September 30, 2026, for activities and**  
2 **assistance for the HOME Investment Partnerships Program, as authorized under**  
3 **sections 201 through 253 and 255 through 290 of the Cranston-Gonzalez National**  
4 **Affordable Housing Act (42 U.S.C. 12721-12753, 42 U.S.C. 12755-12840), subject to**  
5 **the terms and conditions in paragraphs (1)(B) and (2) of subsection (b);**

6           (3) ~~\$100,000,000~~ **\$50,000,000, to remain available until September 30, 2031,** to make  
7 new awards or increase prior awards to existing technical assistance providers, ~~except that~~  
8 ~~increases to prior awards do not exceed 10 percent of the amount made available under this~~  
9 ~~subparagraph,~~ to provide an increase in capacity building and technical assistance available  
10 to any grantees implementing activities or projects consistent with this section, ~~except that~~  
11 ~~the Secretary may use not more than 10 percent of the amount made available under this~~  
12 ~~paragraph to increase prior awards to existing technical assistance providers to provide an~~  
13 ~~immediate increase in capacity building and technical assistance; and; and~~

14           ~~(4) \$360,000,000~~ **(4) \$100,000,000, to remain available until September 30, 2031,** for  
15 the costs to the Secretary of administering and overseeing the implementation of this section  
16 and the HOME and Housing Trust Fund programs generally, including information  
17 technology, financial reporting, research and evaluations, **and** other cross-program costs in  
18 support of programs administered by the Secretary in this title, and other costs.

19 ~~The Secretary may transfer and merge amounts appropriated under this paragraph to section~~  
20 ~~40301.~~ **(b) Terms and Conditions.—**

21 ~~Amounts appropriated by this section shall remain available until September 30, 2031.~~ **(1)**  
22 **FORMULAS.—**

23           ~~(b) Terms and Condition.—~~ **(A) The Secretary shall allocate amounts made**  
24 **available under subsection (a)(1) pursuant to section 217 of NAHA (42 U.S.C.**  
25 **12747) to grantees that received allocations pursuant to that same formula in**  
26 **fiscal year 2021 and shall make such allocations within 60 days of the enactment**  
27 **of this Act.**

28           ~~(1) Formula.—~~ **(B) The Secretary shall allocate amounts made available under**  
29 **subsection (a)(2) pursuant to the formula specified in section 1338(c)(3) of the Federal**  
30 **Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C.**  
31 **4568(c)(3)) to grantees that received Housing Trust Fund allocations pursuant to that**  
32 **same formula in fiscal year 2021 and shall make such allocations within 60 days of the**  
33 **date of the enactment of this Act.**

34           (2) **ELIGIBLE ACTIVITIES.—**Other than as provided in paragraph (5) of this subsection,  
35 funds made available under subsection (a)(2) may only be used for eligible activities  
36 described in subparagraphs (A) through (B)(i) of section 1338(c)(7) of the Federal Housing  
37 Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568(c)(7)), except that  
38 not more than 10 percent of funds made available may be used for activities under such  
39 subparagraph (B)(i).

40           (3) **FUNDING RESTRICTIONS.—**The commitment requirements in section 218(g) (42  
41 U.S.C. 12748(g)) of NAHA, the matching requirements in section 220 (42 U.S.C. 12750) of  
42 NAHA, and the set-aside for housing developed, sponsored, or owned by community  
43 housing development organizations required in section 231 of NAHA (42 U.S.C. 12771)



1 shall not apply for amounts made available under this section.

2 (4) REALLOCATION.—For funds provided under paragraphs (1) and (2) of subsection (a),  
3 the Secretary may recapture certain amounts remaining available to a grantee under this  
4 section or amounts declined by a grantee, and reallocate such amounts to other grantees  
5 under that paragraph to ensure fund expenditure, geographic diversity, and availability of  
6 funding to communities within the State from which the funds have been recaptured.

7 (5) ADMINISTRATION.— Notwithstanding subsections (c) and (d)(1) of section 212 of  
8 NAHA (42 U.S.C. 12742), ~~eligible~~ grantees may use not more than 15 percent of their  
9 allocations under this section for administrative and planning costs.

10 (c) Waivers.—The Secretary may waive or specify alternative requirements for any provision  
11 of NAHA (42 U.S.C. 12701 et seq.) **the Cranston-Gonzalez National Affordable Housing Act**  
12 **specified in subsection (a)(1) or (a)(2)** or regulation for the administration of the amounts made  
13 available under this section other than requirements related to **tenant rights and protections**,  
14 fair housing, nondiscrimination, labor standards, and the environment, upon a finding that the  
15 waiver or alternative requirement is necessary to ~~expedite or~~ facilitate the use of amounts made  
16 available under this section.

17 (d) Implementation.—The Secretary shall have authority to issue such regulations ~~or other~~,  
18 notices, **or other** guidance, forms, instructions, and publications ~~as may be necessary or~~  
19 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
20 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
21 effective manner.

## 22 SEC. 40003. HOUSING INVESTMENT FUND.

23 (a) Establishment.— ~~There is established in the Treasury of the United States a fund to be~~  
24 ~~known as the Housing Investment Fund, which shall be within the Community Development~~  
25 ~~Financial Institutions Fund (in this section referred to as the “CDFI Fund”), to—~~

26 ~~(1) increase and preserve the affordability and quality of housing;~~

27 ~~(2) increase the availability of affordable, accessible housing;~~

28 ~~(3) improve the energy and water efficiency and resiliency of affordable housing;~~

29 ~~(4) enhance economic opportunities for residents, by financing or supporting affordable~~  
30 ~~housing located within proximity to public transportation, as defined in section 5302 of title 49,~~  
31 ~~United States Code, or centers of employment, and education, and critical community services;~~

32 ~~(5) match the creation of housing supply to existing demand and projected demand growth in~~  
33 ~~the area, to the benefit of existing residents and with attention to preventing displacement of~~  
34 ~~residents; and~~

35 ~~(6) further fair housing purposes addressing historic disinvestment, the concentration of~~  
36 ~~poverty, and housing segregation on the basis of race, color, religion, natural origin, sex,~~  
37 ~~disability, or familial status.~~

38 (b) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal  
39 year 2022, out of any money in the Treasury not otherwise ~~appropriated—~~ **appropriated, to**  
40 **remain available until September 30, 2026—**

1           ~~(1) \$9,640,000,000 to~~ **(1) \$740,000,000 to the Department of the Treasury to establish**  
2           the Housing Investment Fund established by this section ~~;~~ **and within the Community**  
3           **Development Financial Institutions Fund (in this section referred to as the “CDFI**  
4           **Fund”)** to make grants to increase investment in the development, preservation,  
5           rehabilitation, financing, or purchase of affordable housing primarily for low-,  
6           very-low, and extremely low-income families who are renters, and for homeowners  
7           with incomes up to 120 percent of the area median income, and for economic  
8           development and community facilities related to such housing and to further fair  
9           housing; and

10           ~~(2) \$360,000,000~~ **(2) \$10,000,000** for the costs to the CDFI Fund of administering and  
11           overseeing the implementation of this section, including information technology, financial  
12           reporting, research and evaluations, ~~fair housing compliance, and other costs.~~ **and other**  
13           **costs.**

14           ~~Amounts appropriated by this section shall remain available until September 30, 2031.~~

15           ~~(c) Expenditures From Fund.—Amounts in the Housing Investment Fund shall be available to~~  
16           ~~the CDFI Fund to make grants to increase investment in the development, preservation,~~  
17           ~~rehabilitation, financing, or purchase of affordable housing primarily for low-, very low-, and~~  
18           ~~extremely low-income families, and for homeowners with incomes up to 120 percent of the~~  
19           ~~area median income. The CDFI Fund may impose such conditions as it deems necessary to~~  
20           ~~achieve the program goals, including coordinating with the Secretary of Housing and Urban~~  
21           ~~Development to housing achieve the purposes of subsection (a)(6).~~

22           ~~(d)(b) Eligible Grantees.—A grant under this section may be made, pursuant to such~~  
23           ~~requirements as the CDFI Fund shall establish for experience and success in carrying out the~~  
24           ~~types of activities proposed under the application of the grantee, only to—~~

25           (1) a CDFI Fund certified community development financial institution, as such term is  
26           defined in section 103 of the Riegle Community Development and Regulatory Improvement  
27           Act of 1994 (12 U.S.C. 4702) ~~that is not found to be out of compliance with the obligation~~  
28           ~~to affirmatively further fair housing, as applicable;~~

29           (2) a nonprofit organization having as one of its principal purposes the creation,  
30           development, or preservation of affordable housing ~~and that is not found to be out of~~  
31           ~~compliance with the obligation to affirmatively further fair housing, as applicable, including~~  
32           a subsidiary of a public housing authority; or

33           (3) a consortium comprised of certified community development financial institutions,  
34           eligible nonprofit housing organizations, or a combination of both.

35           ~~(e)(c) Eligible Uses.—Grant Uses.—Eligible uses for grant amounts awarded from the~~  
36           ~~Housing Investment Fund pursuant to this section may be used for the purposes described in~~  
37           ~~subsection (c), including for the following uses: shall—~~

38           ~~(1) To~~ **(1) be reasonably expected to result in eligible affordable housing activities**  
39           **that support or sustain affordable housing funded by a grant under this section and**  
40           **capital from other public and private sources; and**

41           **(2) include activities—**

42           **(A) to provide loan loss reserves;**

1           ~~(2) To (B) to~~ capitalize an acquisition fund to acquire residential, industrial, or  
2 commercial property and land for the purpose of the preservation, development, or  
3 rehabilitation of affordable, ~~accessible~~ housing, including to support the creation,  
4 preservation, or rehabilitation of resident-owned manufactured housing communities;

5           ~~(3) To (C) to~~ capitalize an affordable housing fund, for development, preservation,  
6 rehabilitation, or financing of affordable housing and economic development activities,  
7 including community facilities, if part of a mixed-use project, or activities described in  
8 this paragraph related to transit-oriented development, which may also be designated  
9 as a focus of such a fund;

10           ~~(4) To (D) to~~ capitalize an affordable housing mortgage fund, to facilitate the  
11 origination of mortgages to buyers that may experience significant barriers to  
12 accessing affordable mortgage credit, including mortgages having low original  
13 principal obligations;

14           ~~(5) For (E) for~~ risk-sharing loans;

15           ~~(6) To (F) to~~ provide loan guarantees; **and**.

16           ~~(7) To (G) to~~ fund rental housing operations.

17  
18           ~~(f) Applications.—The CDFI Fund shall provide, an application process, for eligible grantees~~  
19 ~~under subsection (d) to submit applications for Housing Investment Fund grants to the CDFI~~  
20 ~~Fund at such time and in such manner as the CDFI Fund shall determine.~~

21           ~~(g) Grant Limitation.—~~

22           ~~(1) In general.—The CDFI Fund shall establish limitations on aggregate funds available for an~~  
23 ~~eligible grantee and its subsidiaries and affiliates, and eligible uses and activities as appropriate.~~

24           ~~(2) Leverage of funds.—Each grant from the Housing Investment Fund awarded under this~~  
25 ~~section shall be reasonably expected to result in eligible affordable housing activities that support~~  
26 ~~or sustain affordable housing funded by a grant under this section and capital from other public~~  
27 ~~and private sources.~~

28           ~~(h) Direct Hiring Authority.—The CDFI Fund may use direct hiring authority to hire~~  
29 ~~employees to administer the Housing Investment Fund.~~

30           ~~(i)(d) Implementation.—The CDFI Fund shall have the authority to issue such regulations,~~  
31 **notice**, or other guidance, forms, instructions, and publications ~~as may be necessary or~~  
32 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
33 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
34 effective manner.

## 35 SEC. 40004. SECTION 811 SUPPORTIVE HOUSING FOR 36 PEOPLE WITH DISABILITIES.

37           (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
38 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for  
39 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

1 (1) ~~\$898,000,000~~ **\$450,000,000** for capital advances, including amendments to capital  
2 advance contracts, for supportive housing for persons with disabilities, as authorized by  
3 section 811(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C.  
4 8013)(b)(2)) (in this section referred to as the “Act”), **and subject to subsections (a)**  
5 **through (h)(4), (h)(6) through (i)(1)(C), and (i)(2) through (m) of such section 811 (42**  
6 **U.S.C. 8013(a)-42 U.S.C. 8013(h)(4), 42 U.S.C. 8013(h)(6)-42 U.S.C. 8013(i)(1)(C), 42**  
7 **U.S.C. 8013(i)(2)-42 U.S.C. 8013(m))**, and for project rental assistance for supportive  
8 housing for persons with disabilities under section 811(d)(2) of the Act and for project  
9 assistance contracts pursuant to section 202(h) of the Housing Act of 1959 (Public Law  
10 86–372; 73 Stat. 667), for project rental assistance to State housing finance agencies and  
11 other appropriate entities as authorized under section 811(b)(3) of the Act, for State housing  
12 finance agencies;

13 (2) ~~\$15,000,000~~ **\$7,500,000** for providing technical assistance to support State-level  
14 efforts to integrate housing assistance and voluntary supportive services for residents of  
15 housing receiving such assistance, which funding may also be used to provide technical  
16 assistance to applicants and potential applicants to understand program requirements and  
17 develop effective applications; and the Secretary may use ~~up to 10 percent of such~~ amounts  
18 made available under this paragraph to increase prior awards to existing technical assistance  
19 providers to provide an immediate increase in capacity building and technical assistance;  
20 and

21 (3) ~~\$87,000,000~~ **\$42,500,000** for the costs to the Secretary of administering and  
22 overseeing the implementation of this section and the Supportive Housing for Persons with  
23 Disabilities program generally, including information technology, financial reporting,  
24 research and evaluations, other cross-program costs in support of programs administered by  
25 the Secretary in this title, and other costs; ~~the Secretary may transfer and merge amounts~~  
26 ~~appropriated under this paragraph to section 40304.~~

27 Amounts appropriated by this section shall remain available until September 30, 2031.

28 (b) **Limitations on Costs.**—When awarding grants under paragraph (1) of subsection (a),  
29 **the Secretary shall establish and assess reasonable development cost limitations by market**  
30 **area for various types and sizes of supportive housing for persons with disabilities. The**  
31 **Secretary shall not count owner or sponsor contributions of other funding or assistance**  
32 **against the overall cost of a project.**

33 (c) **Occupancy Standards.**—**The owner or sponsor of housing assisted with funds**  
34 **provided under this section may, with the approval of the Secretary, limit occupancy with**  
35 **the housing to persons with disabilities who can benefit from the supportive services**  
36 **offered in connection with the housing.**

37 (d) **Waivers.**—The Secretary may waive or specify alternative requirements for ~~any provision~~  
38 ~~of section 811(b)(3) of the Act (42 U.S.C. 8013(b)(3)), or regulation that the Secretary~~  
39 ~~administers that is applicable to such statute other than requirements related to fair housing,~~  
40 ~~nondiscrimination, labor standards, and the environment, subsection (c) or (bb) of section 8 of~~  
41 **the United States Housing Act of 1937 (42 U.S.C. 1437f (c), 1437f(bb))** upon a finding that the  
42 waiver or alternative requirement is necessary to facilitate the use of amounts made available  
43 under this section.

1 ~~(e)~~(e) Implementation.—The Secretary shall have authority to issue such regulations ~~or other,~~  
2 notices, ~~or other~~ guidance, forms, instructions, and publications as ~~may be necessary or~~  
3 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
4 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
5 effective manner.

## 6 SEC. 40005. SECTION 202 SUPPORTIVE HOUSING FOR 7 THE ELDERLY PROGRAM.

8 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
9 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for  
10 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

11 (1) ~~\$2,360,000,000~~ **\$450,000,000** for the Supportive Housing for the Elderly Program  
12 authorized under section 202 of the Housing Act of 1959 (~~42 U.S.C. 1701q~~), **and subject to**  
13 **subsections (a) through (g), (h)(2) through (h)(5), and (i) through (m) of such section**  
14 **202 (12 U.S.C. 1701q(a)-12 U.S.C. 1701q(g), 12 U.S.C. 1701q(h)(2)-12 U.S.C.**  
15 **1701q(h)(5), 12 U.S.C. 1701q(i)-12 U.S.C. 1701q(m))** (in this section referred to as the  
16 “Act”), which shall be used—

17 (A) for capital advance awards in accordance with section 202(c)(1) of the Act to  
18 recipients that are eligible under the Act;

19 (B) for **new** section 8 project-based rental assistance contracts ~~in accordance with~~  
20 ~~subsection (b) of this section and section 8~~ **under section 8(b)** of the United States  
21 Housing Act of 1937 (~~42 U.S.C. 1437f~~), (~~in this section referred to as the “1937 Act”~~)  
22 ~~for capital advance projects, including new Act (42 U.S.C. 1437f(b)), subject to~~  
23 **subsection (c) of this section, with the Secretary setting the terms of such**  
24 project-based rental assistance contracts ~~under section 8 of the 1937 Act for capital-~~  
25 ~~advance projects notwithstanding subsections (b) and (c) of section 202 of the Act (12-~~  
26 ~~U.S.C. 1701q) and section 8 of the 1937 Act (42 U.S.C. 1437f), with the Secretary-~~  
27 ~~setting the terms of such project-based rental assistance contracts, including the~~  
28 ~~duration and provisions regarding rent setting and rent adjustment,~~ **to support the**  
29 **capital advance projects funded under this section;** and

30 (C) for service coordinators;

31 (2) ~~\$15,000,000~~ **\$7,500,000**, to provide technical assistance to support State-level efforts  
32 to improve the design and delivery of voluntary supportive services for residents of any  
33 housing assisted under the Act and other housing supporting low-income older adults, in  
34 order to support residents to age-in-place and avoid institutional care, as well as to assist  
35 applicants and potential applicants with project-specific design; and the Secretary may use  
36 ~~up to 10 percent of such~~ amounts made available under this paragraph to increase prior  
37 awards to existing technical assistance providers to provide an immediate increase in  
38 capacity building and technical assistance; and

39 (3) ~~\$125,000,000~~ **\$42,500,000** for the costs to the Secretary of administering and  
40 overseeing the implementation of this section and the Supportive Housing for the Elderly  
41 program generally, including information technology, financial reporting, research and  
42 evaluation, other cross-program costs in support of programs administered by the Secretary

1 in this title, and other costs; ~~the Secretary may transfer and merge amounts appropriated~~  
2 ~~under this paragraph to section 40301.~~

3 Amounts appropriated by this section shall remain available until September 30, 2031.

4 **(b) Limitation on Costs.—When awarding grants under paragraph (1) of subsection (a),**  
5 **the Secretary shall establish and assess reasonable development cost limitations by market**  
6 **area for various types and sizes of supportive housing for the elderly. The Secretary shall**  
7 **not count owner or sponsor contributions of other funding or assistance against the overall**  
8 **cost of a project.**

9 **(c) Waivers.—The Secretary may waive or specify alternative requirements for any provision**  
10 **of section 202 of the Act (12 U.S.C. 1701q), section 8 of the 1937 Act (42 U.S.C. 1437f), or**  
11 **regulation that the Secretary administers that is applicable to such statutes other than**  
12 **requirements related to fair housing, nondiscrimination, labor standards, and the environment,**  
13 **subsection (c) or (bb) of section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f**  
14 **(c), 1437f(bb)) upon a finding that the waiver or alternative requirement is necessary to facilitate**  
15 **the use of amounts made available under this section.**

16 ~~(e)(d)~~ **(d) Implementation.—The Secretary shall have authority to issue such regulations or other,**  
17 **notices, or other guidance, forms, instructions, and publications as may be necessary or**  
18 **appropriate to carry out the programs, projects, or activities authorized under this section,**  
19 **including to ensure that such programs, projects, or activities are completed in a timely and**  
20 **effective manner.**

## 21 SEC. 40006. IMPROVING ENERGY EFFICIENCY OR 22 WATER EFFICIENCY OR CLIMATE RESILIENCE OF 23 AFFORDABLE HOUSING.

24 **(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the**  
25 **Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for**  
26 **fiscal year 2022, out of any money in the Treasury not otherwise appropriated—**

27 **(1) \$5,314,000,000 for \$1,770,000,000, to remain available until September 30, 2028,**  
28 **for the cost of providing direct loans, which may be forgivable, and grants, including the**  
29 **costs of modifying such loans, and for grants, as provided for and subject to terms and**  
30 **conditions, including affordability requirements, determined by the Secretary in subsection**  
31 **(b), including to subsidize gross obligations for the principal amount of direct loans,**  
32 **not to exceed \$4,000,000,000, to fund projects that improve the energy or water efficiency,**  
33 **indoor air quality and sustainability improvements, implement low-emission**  
34 **technologies, materials, or processes, including zero-emission electricity generation, energy**  
35 **storage, or building electrification, electric car charging station installations, or address**  
36 **climate resilience of multifamily properties;**

37  
38 **(2) \$76,000,000 for the costs to the Secretary of administering and overseeing the**  
39 **implementation of this section, including information technology, financial reporting,**  
40 **research and evaluation, other cross program costs in support of programs administered by**  
41 **the Secretary in this title, and other costs; and the Secretary may transfer and merge**

1 amounts appropriated under this paragraph to section 40301;

2 ~~\*\* 1 (2) \$500,000 for~~ **\$25,000,000, to remain available until September 30, 2030, for**  
3 **the** costs to the Secretary of administering and overseeing the implementation of this  
4 section, including information technology, financial reporting, research and ~~evaluations, fair~~  
5 ~~lending compliance, and evaluation~~, other cross-program costs in support of programs  
6 administered by the Secretary in this title, and other costs.;

7 (3) ~~\$360,000,000~~ **\$120,000,000, to remain available until September 30, 2029**, for  
8 expenses of contracts administered by the Secretary, including to carry out property climate  
9 risk, energy, or water assessments, due diligence, and underwriting functions for such grant  
10 and direct loan program; and

11 (4) ~~\$250,000,000~~ **\$85,000,000, to remain available until September 30, 2028**, for  
12 energy and water benchmarking of properties eligible to receive grants or loans under this  
13 section, regardless of whether they actually received such grants, along with associated data  
14 analysis and evaluation at the property and portfolio level, including the development of  
15 information technology systems necessary for the collection, evaluation, and analysis of  
16 such data.

17 ~~Amounts appropriated by this section shall remain available until September 30, 2031.~~

18 ~~(b) Eligible Recipients.—Amounts~~ **(b) Loan and Grant Terms and Conditions.—Amounts**  
19 made available under this section shall be for direct loans, grants, and direct loans that can be  
20 converted to grants to ~~properties~~ **eligible recipients that agree to an extended period of**  
21 **affordability for the property.**

22 **(c) Definitions.—As used in this section—**

23 **(1) the term “eligible recipient” means any owner or sponsor of an eligible property;**  
24 **and**

25 **(2) the term “eligible property” means a property receiving project-based assistance**  
26 **pursuant to—**

27 **(A) section 202 of the Housing Act of 1959 (12 U.S.C. 1701q);;**

28 **(B) section 811 of the Cranston-Gonzalez National Affordable Housing Act (42**  
29 **U.S.C. 8013);; or**

30 **(C) section 8(b) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b));-**

31 ~~(e) Costs.—The costs of direct loans provided under this section, including the cost~~  
32 ~~of modifying such direct loans or converting direct loans into grants, shall be as~~  
33 ~~defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a).~~

34 **(d) Waiver.—The Secretary may waive or specify alternative requirements for any provision**  
35 **of section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), section 811 of the**  
36 **Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), subsection (c) or (bb)**  
37 **of section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), or any regulation**  
38 **applicable to such statutes other than requirements related to tenant rights and protections, rent-**  
39 **setting, fair housing, nondiscrimination, labor standards, and the environment, (c), 1437f(bb))**  
40 **upon a finding that the waiver or alternative requirement is necessary to facilitate the use of such**  
41 **amounts amounts made available under this section.**

1       \*\* 2 ~~(b)~~(e) Implementation.—The Secretary shall have authority to issue such regulations ~~or~~  
2 ~~other~~, notices, **or other** guidance, forms, instructions, and publications ~~as may be necessary or~~  
3 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
4 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
5 effective manner.

## 6 SEC. 40007. REVITALIZATION OF DISTRESSED 7 MULTIFAMILY PROPERTIES.

8       (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
9 Secretary of Housing and Urban Development **(in this section referred to as the “Secretary”)**  
10 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

11           (1) ~~\$3,870,000,000~~ **\$1,550,000,000** for providing direct loans, which may be forgivable,  
12 to owners of distressed properties for the purpose of making necessary physical  
13 improvements, including to subsidize gross obligations for the principal amount of direct  
14 loans not to exceed \$6,000,000,000, subject to the terms and conditions in subsection (b);  
15 and

16           (2) ~~\$130,000,000~~ **\$50,000,000** for the costs to the Secretary of administering and  
17 overseeing the implementation of this section and the Office of Housing programs  
18 generally, including information technology, financial reporting, research and evaluations,  
19 other cross-program costs in support of programs administered by the Secretary in this title,  
20 and other costs; ~~the Secretary may transfer and merge amounts appropriated under this~~  
21 ~~paragraph to section 40301.~~

22 Amounts appropriated by this section shall remain available until September 30, ~~2031~~ **2029**.

23       (b) Loan Terms and Conditions.—

24           (1) ELIGIBILITY.—Owners ~~of distressed or sponsors of~~ multifamily housing projects who  
25 meet each of the following requirements shall be eligible for loan assistance under this  
26 section:

27                   (A) **The multifamily housing project, including any project from which**  
28 **assistance has been approved to be transferred has deficiencies that cause the**  
29 **project to be at risk of physical obsolescence or economic non-viability.**

30                   (B) The actual rents received by the owner **or sponsor** of the distressed property  
31 would not adequately sustain the debt needed to make necessary physical  
32 improvements.

33                   ~~(B) Any~~(C) **The owner or sponsor meets any** such additional eligibility criteria as  
34 the Secretary determines to be appropriate, ~~including~~ **considering** factors that  
35 contributed to the ~~property’s distressed state~~ **project’s deficiencies**.

36           (2) USE OF LOAN FUNDS.—Each recipient of loan assistance under this section may only  
37 use such loan assistance to make necessary physical improvements ~~to a distressed property~~.

38           (3) LOAN AVAILABILITY.—The Secretary shall only provide loan assistance to an owner  
39 ~~of a distressed property~~ **or sponsor of a multifamily housing project** when such  
40 assistance, considered with other financial resources available to the owner, ~~is necessary to~~



1 ~~remove the property from a distressed state. The Secretary may provide assistance in any~~  
2 ~~amount that the Secretary determines or sponsor,~~ is needed to make the necessary physical  
3 improvements ~~that will correct the deficiencies of the distressed property.~~

4 (4) INTEREST RATES AND LENGTH.—Loans provided under this section shall bear interest  
5 at 1 percent, and at origination shall have a repayment period coterminous with the  
6 affordability period established under paragraph ~~(5)~~(6), with the frequency and amount of  
7 repayments to be determined by requirements established by the Secretary.

8 (5) LOAN MODIFICATIONS OR FORGIVENESS.—With respect to loans provided under this  
9 section, the Secretary may take any of the following actions if the Secretary determines that  
10 doing so will preserve affordability of the ~~property~~ **project**:

11 (A) Waive any due on sale or due on refinancing restriction.

12 (B) Consent to the terms of new ~~owner~~ debt to which the loans may be subordinate,  
13 even if such new debt would impact the ~~rate of~~ repayment of the loans.

14 (C) Extend the term of the loan.

15 (D) Forgive the loan in whole or in part.

16 (6) EXTENDED AFFORDABILITY PERIOD.—Each recipient of loan assistance under this  
17 section shall agree to an extended affordability period for the ~~property~~ **project** that is  
18 subject to the loan by extending any existing affordable housing use agreements for an  
19 additional 30 years or, if the ~~property~~ **project** is not currently subject to a use agreement  
20 establishing affordability requirements, by establishing a use agreement for 30 years.

21 (7) MATCHING CONTRIBUTION.—Each recipient of loan assistance under this section shall  
22 secure at least 20 percent of the total cost needed to make the necessary physical  
23 improvements from non-Federal sources ~~other than under this section~~, except in cases  
24 where the Secretary determines that a lack of financial resources qualifies a loan recipient  
25 for—

26 (A) a reduced contribution below 20 percent; or

27 (B) an exemption to the matching contribution requirement.

28 (8) ADDITIONAL LOAN CONDITIONS.—The Secretary may establish additional conditions  
29 for loan eligibility provided under this section as the Secretary determines to be appropriate.

30 (9) PROPERTIES INSURED UNDER NATIONAL HOUSING ACT.—~~IN THE CASE OF A LOAN~~  
31 ~~ISSUED BY THE SECRETARY.—In the case of any property with respect to which~~  
32 **assistance is provided** under this section that is secured by a property with insurance under  
33 title II of the National Housing Act (12 U.S.C. 1707 et seq.) **has a mortgage insured by**  
34 **the Secretary**, the Secretary may use funds available under this section as necessary to pay  
35 for the costs of modifying such loan ~~in accordance with section 502 of the Congressional~~  
36 ~~Budget Act of 1974 (2 U.S.C. 661a).~~

37 (10) Costs.—~~The costs of direct loans provided under this section, including the cost of~~  
38 ~~modifying such direct loans, shall be as defined in section 502 of the Congressional Budget~~  
39 ~~Act of 1974 (2 U.S.C. 661a).~~

40 (c) Definitions.—As used in this section—

1 (1) the term “multifamily housing project” means a project consisting of **five or more**  
2 ~~than four~~ dwelling units assisted **or approved to receive a transfer of assistance**, insured,  
3 or with a loan held by the Secretary or a State or State agency in part or in whole pursuant  
4 to—

5 (A) section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), not  
6 including ~~under~~ subsection (o)(13) of such section;

7 (B) section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), as amended by  
8 section 801 of the Cranston-Gonzalez National Affordable Housing Act;

9 (C) section 202 of the Housing Act of 1959 (former 12 U.S.C. 1701q), as such  
10 section existed before the enactment of the Cranston-Gonzalez National Affordable  
11 Housing Act;

12 (D) section 811 of the Cranston-Gonzalez National Affordable Housing Act (42  
13 U.S.C. 8013); or

14 (E) section 236 of the National Housing Act (12 U.S.C. 1715z-1); ~~and (2) the term~~  
15 ~~“distressed property” means a multifamily housing project that has deficiencies that~~  
16 ~~cause the property to be at risk of physical obsolescence or economic non-viability;~~

17 ~~(3) the term “Secretary” means the Secretary of Housing and Urban Development; and~~

18 ~~(4)~~(2) the term “necessary physical improvements” means **new construction or** capital  
19 improvements **to an existing multifamily housing project** that the Secretary determines  
20 are necessary to address the ~~conditions making a property a distressed property~~ **deficiencies**  
21 or that rise to such a level that delaying physical improvements to the ~~property~~ **project**  
22 would be detrimental to the longevity of the ~~property~~ **project** as suitable housing for  
23 occupancy.

24 (d) **Waiver.**—**The Secretary may waive or specify alternative requirements for any**  
25 **provision of subsection (c) or (bb) of section 8 of the United States Housing Act of 1937 (42**  
26 **U.S.C. 1437f(c), 1437f(bb)) upon a finding that the waiver or alternative requirement is**  
27 **necessary to facilitate the use of amounts made available under this section.**

28 (e) Implementation.—The Secretary shall have the authority to issue such regulations ~~or other,~~  
29 notices, **or other** guidance, forms, instructions, and publications ~~as may be necessary or~~  
30 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
31 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
32 effective manner.

## 33 SEC. 40008. INVESTMENTS IN RURAL RENTAL 34 HOUSING.

35 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
36 Secretary of Agriculture (in this section referred to as the “Secretary”) **Rural Housing Service**  
37 **of the Department of Agriculture** for fiscal year 2022, out of any money in the Treasury not  
38 otherwise appropriated—

39 (1) ~~\$4,360,000,000~~ **\$1,800,000,000**, to remain available until ~~expended, for carrying out~~  
40 **September 30, 2029, for the Administrator of the Rural Housing Service for making**

1        **loans and grants for** new construction, improvements to energy and water efficiency or  
2        climate resilience, the removal of health and safety hazards, and the preservation and  
3        revitalization of housing ~~authorized under sections 514, 515, and 516 for other purposes~~  
4        **described under section 514** of the Housing Act of 1949 (42 U.S.C. 1484, 1485, and  
5        ~~1486)), subsections (a)(1) through (a)(2), (b)(1) through (b)(3), (b)(5) through~~  
6        **(aa)(2)(A), and (aa)(4) of section 515 of such Act (42 U.S.C. 1485(a)(1)-42 U.S.C.**  
7        **1485(a)(2), 42 U.S.C. 1485(b)(1)-(b)(3), 42 U.S.C. 1485(b)(5)-42 U.S.C. 1485(aa)(2)(A),**  
8        **42 U.S.C. 1485(aa)(4)), and 516 of such act (42 U.S.C. 1486),** subject to the terms and  
9        conditions in subsection (b);

10        (2) ~~\$200,000,000~~ **\$100,000,000**, to remain available until September 30, 2024, ~~to provide~~  
11        ~~grants under section 521(a)(2) of the Housing Act of 1949 (42 U.S.C. 1490a(a)(2)) or~~  
12        ~~agreements entered into in lieu of debt forgiveness or payments for eligible households as~~  
13        ~~authorized by section 502(e)(5)(D) of the Housing Act of 1949 (42 U.S.C. 1472(e)(5)(D))~~  
14        **2029**, to provide continued assistance ~~to households assisted pursuant to Section section~~  
15        **3203 of the American Rescue Plan Act of 2021; and**

16        (3) ~~\$240,000,000~~ **\$100,000,000**, to remain available until ~~expended~~ **September 30, 2030**,  
17        for the costs to the ~~Secretary~~ **Rural Housing Service of the Department of Agriculture** of  
18        administering and overseeing the implementation of this section, including information  
19        technology, financial reporting, research and evaluations, other cross-program costs in  
20        support of programs administered by the Secretary in this title, and other costs.

21        (b) Preservation and Revitalization Terms and Conditions.—

22        (1) **LOANS AND GRANTS AND OTHER ASSISTANCE.**—The ~~Secretary~~ **Administrator of the**  
23        **Rural Housing Service of the Department of Agriculture** shall provide direct loans and  
24        grants, including the cost of modifying loans, ~~as defined in section 502 of the Congressional~~  
25        ~~Budget Act of 1974 (2 U.S.C. 661a),~~ to restructure existing Department of Agriculture  
26        multi-family housing loans expressly for the purposes of ensuring the project has sufficient  
27        resources to preserve the project for the purpose of providing safe and affordable housing  
28        for low-income residents and farm laborers, including—

29                (A) reducing or eliminating interest;

30                (B) deferring loan payments;

31                (C) subordinating, reducing, or re-amortizing loan debt; and

32                (D) providing other financial assistance, including advances, payments, and  
33                incentives (including the ability of owners to obtain reasonable returns on investment)  
34                required by the Secretary, including such assistance to non-profit entities and public  
35                housing authorities.

36        (2) **RESTRICTIVE USE AGREEMENT.**—The ~~Secretary~~ **Administrator of the Rural Housing**  
37        **Service of the Department of Agriculture** shall as part of the preservation and  
38        revitalization agreement obtain a restrictive use agreement consistent with the terms of the  
39        restructuring.

40        (c) **Implementation.**—The ~~Secretary~~ **Administrator of the Rural Housing Service of the**  
41        **Department of Agriculture** shall have authority to issue such regulations ~~or other~~, notices, ~~or~~  
42        **other** guidance, forms, instructions, and publications ~~as may be necessary or appropriate~~ to carry

1 out the programs, projects, or activities authorized under this section, ~~including~~ to ensure that  
2 such programs, projects, or activities are completed in a timely and effective manner.

### 3 SEC. 40009. HOUSING VOUCHERS.

4 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
5 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for  
6 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

7 (1) ~~\$48,460,000,000~~ **\$15,000,000,000, to remain available until September 30, 2029,**  
8 for—

9 (A) incremental tenant-based rental assistance for extremely low-income families  
10 under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o));

11 (B) renewals of such tenant-based rental assistance; and

12 (C) fees for the costs of administering tenant-based rental assistance and other  
13 ~~eligible expenses, as determined by the Secretary, such as security deposit assistance~~  
14 ~~and other costs related to the retention and support of participating owners; expenses~~  
15 **related to the utilization of voucher assistance under subparagraph (A), which**  
16 **may include the cost of facilitating the use of voucher assistance provided under**  
17 **paragraph (5);**

18 (2) ~~\$24,000,000,000~~ **(2) \$7,100,000,000, to remain available until September 30, 2029,**  
19 for—

20 (A) incremental tenant-based rental assistance under section 8(o) of the United  
21 States Housing Act of 1937 (42 U.S.C. 1437f(o)) for households experiencing or at  
22 risk of homelessness, survivors of domestic violence, dating violence, sexual assault,  
23 and stalking, and survivors of trafficking families;

24 (B) renewals of such tenant-based rental assistance; and

25 (C) fees for the costs of administering tenant-based rental assistance and other  
26 ~~eligible expenses, as determined by the Secretary, such as security deposit assistance~~  
27 ~~and other costs related to the retention and support of participating owners; expenses~~  
28 **related to the utilization of voucher assistance under subparagraph (A), which**  
29 **may include the cost of facilitating the use of voucher assistance provided under**  
30 **paragraph (5);**

31 (3) ~~\$500,000,000~~ **(3) \$1,000,000,000, to remain available until September 30, 2031,**  
32 for—

33 (A) tenant protection vouchers for relocation and replacement of public housing  
34 units demolished or disposed of pursuant to section 18 of the United States Housing  
35 Act of 1937 (42 U.S.C. 1437p) as part of a public housing preservation or  
36 project-based replacement transaction using funds made available under this Act **title;**

37 (B) renewals of such tenant-based rental assistance; and

38 (C) fees for the costs of administering tenant-based rental assistance and other  
39 ~~eligible expenses, as determined by the Secretary, such as security deposit assistance~~  
40 ~~and other costs related to the retention and support of participating owners; expenses~~

1           **related to the utilization of voucher assistance under subparagraph (A), which**  
2           **may include the cost of facilitating the use of voucher assistance provided under**  
3           **paragraph (5);**

4           ~~(4) \$750,000,000~~ **(4) \$300,000,000, to remain available until September 30, 2031,** for  
5 competitive grants, subject to terms and conditions determined by the Secretary, to public  
6 housing agencies for mobility-related services for voucher families, including families with  
7 children, and service coordination;

8           ~~(5) \$500,000,000~~ **(5) \$230,000,000, to remain available until September 30, 2031,** for  
9 eligible expenses to facilitate the use of voucher assistance under this section and for other  
10 voucher assistance under section 8(o) of the United States Housing Act of 1937, as  
11 determined by the Secretary, **in addition to amounts otherwise available for such**  
12 **expenses,** including property owner outreach and retention activities such as incentive  
13 payments, security deposit payments and loss reserves, landlord liaisons, and other uses of  
14 funds designed primarily—

15           (A) to recruit owners of dwelling units, particularly dwelling units in census tracts  
16 with a poverty rate of less than 20 percent, to enter into housing assistance payment  
17 contracts; and

18           (B) to encourage owners that enter into housing assistance payment contracts as  
19 described in subparagraph (A) to continue to lease their dwelling units to tenants  
20 assisted under section 8(o) of the United States Housing Act of 1937;

21           ~~(6) \$750,000,000~~ **(6) \$300,000,000, to remain available until September 30, 2031,** for the  
22 costs to the Secretary of administering and overseeing the implementation of this section  
23 and the Housing Choice Voucher program generally, including information technology,  
24 financial reporting, research and evaluations, other cross-program costs in support of  
25 programs administered by the Secretary in this title, and other costs; and

26           ~~(7) \$40,000,000~~ **(7) \$70,000,000, to remain available until September 30, 2031,** for  
27 making new awards or increasing prior awards to existing technical assistance providers to  
28 provide an increase in capacity building and technical assistance available to public housing  
29 agencies, ~~except that the Secretary may use not more than 10 percent of the amount made~~  
30 ~~available under this paragraph to increase prior awards to existing technical assistance~~  
31 ~~providers to provide an immediate increase in capacity building and technical assistance.~~

32 (b) Terms and Conditions.—

33           (1) ALLOCATION.—The Secretary shall allocate initial incremental assistance provided  
34 for rental assistance under subsection (a)(1) and (2) in each fiscal year commencing in 2022  
35 and ending in 2026 in accordance with a formula ~~or formulas~~ **that includes include**  
36 measures of severe housing need among extremely low-income renters and public housing  
37 agency capacity, and ensures geographic diversity among public housing agencies  
38 administering the Housing Choice Voucher program.

39           (2) ELECTION TO ADMINISTER.—The Secretary shall establish a procedure for public  
40 housing agencies to accept or decline the incremental vouchers made available under this  
41 section.

42           (3) FAILURE TO USE VOUCHERS PROMPTLY.—If a public housing agency fails to lease the

1 authorized vouchers it has received under this subsection on behalf of eligible families  
2 within a reasonable period of time, the Secretary may offset the agency's voucher renewal  
3 allocations ~~or~~ **and may** revoke and redistribute any unleased vouchers and associated funds,  
4 ~~including which may include~~ administrative fees and ~~other expenses referred to in~~  
5 **amounts allocated under** subsections (a)(3) and (a)(4), to other public housing agencies.

6 (4) ~~PROHIBITION LIMITATION OF USE UNDER MOVING TO WORK PROGRAM.—~~ **OF FUNDS.—**  
7 Public housing agencies ~~designated as Moving to Work agencies shall be eligible for an~~  
8 ~~allocation may use funds received~~ under this section, ~~but may only use such amounts~~ for  
9 the activities listed in ~~subsections~~ **subsection** (a) for which the funds were provided to such  
10 agency.

11 (5) **CAP ON PROJECT-BASED VOUCHERS FOR VULNERABLE POPULATIONS.—** Upon request  
12 by a public housing agency, the Secretary may designate a number of the public housing  
13 agency's vouchers allocated under this section as excepted units that do not count against  
14 the percentage limitation on the number of authorized units a public housing agency may  
15 project-base under section 8(o)(13)(B) of the United States Housing Act of 1937, in  
16 accordance with the conditions established by the Secretary. This paragraph may not be  
17 construed to waive, limit, or specify alternative requirements, or permit such waivers,  
18 limitations, or alternative requirements, related to fair housing and nondiscrimination,  
19 including the requirement to provide housing and services to individuals with disabilities in  
20 integrated settings.

21 (6) **HOMELESS WAIVER AUTHORITY.—** In administering the voucher assistance  
22 **targeted for households experiencing or at risk of homelessness, survivors of domestic**  
23 **violence, dating violence sexual assault, and stalking, and survivors of trafficking**  
24 **under subsection (a)(2), the Secretary may, upon a finding that a waiver or alternative**  
25 **requirement is necessary to facilitate the use of such assistance, waive or specify**  
26 **alternative requirements for—**

27 (A) **section 8(o)(6)(A) of the United States Housing Act of 1937 (42 U.S.C.**  
28 **1437f(o)(6)(A)) and regulatory provisions related to the administration of waiting**  
29 **lists and local preferences;**

30 (B) **section 214(d)(2) of the Housing and Community Development Act of 1980**  
31 **(42 U.S.C. 1436a(d)(2)), section 576(a), (b), and (c) of the Quality Housing and**  
32 **Work Responsibility Act of 1998 (42 U.S.C. 13661(a), (b), and (c)), and regulatory**  
33 **provisions related to the verification of eligibility, eligibility requirements, and the**  
34 **admissions process;**

35 (C) **section 8(o)(7)(A) of the United States Housing Act of 1937 (42 U.S.C.**  
36 **1437f(o)(7)(A)) and regulatory provisions related to the initial lease term;**

37 (D) **section 8(r)(B)(i) of the United States Housing Act of 1937 (42 U.S.C.**  
38 **1437f(r)(B)(i)) and regulatory provisions related to portability moves by**  
39 **non-resident applicants; and**

40 (E) **regulatory provisions related to the establishment of payment standards.**

41 (c) Implementation.—The Secretary shall have authority to issue such regulations ~~or other,~~  
42 notices, **or other** guidance, forms, instructions, and publications ~~as may be necessary or~~  
43 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,

1 including to ensure that such programs, projects, or activities are completed in a timely and  
2 effective manner.

### 3 SEC. 40010. PROJECT-BASED RENTAL ASSISTANCE.

4 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
5 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for  
6 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

7 (1) ~~\$14,760,000,000~~ **\$880,000,000** for the project-based rental assistance program, as  
8 authorized under section 8(b) of the United States Housing Act of 1937 (42 U.S.C.  
9 1437f(b)), (in this section referred to as the “Act”), subject to the terms and conditions of  
10 subsection (b) of this section;

11 (2) ~~\$40,000,000~~ **\$20,000,000** for providing technical assistance to recipients of or  
12 applicants for project-based rental assistance or to States allocating the project-based rental  
13 assistance; and

14 (3) ~~\$200,000,000~~ **\$100,000,000** for the costs to the Secretary of administering and  
15 overseeing the implementation of this section and the section 8 project-based rental  
16 assistance program generally, including information technology, financial reporting,  
17 research and evaluations, ~~and~~ other cross-program costs in support of programs  
18 administered by the Secretary in this title, and other costs; ~~and the Secretary may transfer~~  
19 ~~and merge amounts appropriated under this subparagraph to section 40301.~~

20 Amounts appropriated by this section shall remain available until September 30, 2031.

21 (b) Terms and Conditions.—

22 (1) AUTHORITY.—Notwithstanding section 8(a) the Act (42 U.S.C. 1437f(a)), the  
23 Secretary may use amounts made available under this section to provide assistance  
24 payments with respect to newly constructed housing, existing housing, or substantially  
25 rehabilitated non-housing structures for use as new multifamily housing in accordance with  
26 this section and the provisions of section 8 of the Act. In addition, the Secretary may use  
27 amounts made available under this section for performance-based contract administrators  
28 for section 8 project-based assistance, for carrying out this section and section 8 of the Act.

29 (2) PROJECT-BASED RENTAL ASSISTANCE.—The Secretary may make assistance payments  
30 using amounts made available under this section pursuant to contracts with owners or  
31 prospective owners who agree to construct housing, to substantially rehabilitate existing  
32 housing, to substantially rehabilitate non-housing structures for use as new multifamily  
33 housing, or to attach the assistance to newly constructed housing in which some or all of the  
34 units shall be available for occupancy by very low-income families in accordance with the  
35 provisions of section 8 of the Act. In awarding contracts pursuant to this section, the  
36 Secretary shall give priority to owners or prospective owners of multifamily housing  
37 projects located or to be located in areas of high opportunity, as defined by the Secretary, in  
38 areas experiencing economic growth or rising housing prices to prevent displacement or  
39 secure affordable housing for low-income households, or that serve people at risk of  
40 homelessness or that integrate additional units that are accessible for persons with mobility  
41 impairments and persons with hearing or visual impairments beyond those required by  
42 applicable Federal accessibility standards.

1           (3) ALLOCATION.—The Secretary ~~may use various~~ **shall make awards with amounts**  
2 **made available under this section using the following** mechanisms, alone or in  
3 combination, ~~to award grants with amounts made available under this section, including—~~:

4           ~~(A) using a~~ **(A) A** competitive process, which the Secretary may carry out in multiple  
5 rounds of competition, each of which may have its own selection, performance, and  
6 reporting criteria as established by the Secretary;

7           ~~(B) selecting~~ **Selecting** proposals submitted through FHA loan applications that  
8 meet specified criteria;

9           ~~(C) delegating~~ **Delegating** to States ~~and territories~~ the awarding of contracts,  
10 including related determinations such as the maximum monthly rent, subject to the  
11 requirements of section 8 of the Act, as determined by the Secretary.; ~~and~~

12           ~~(D) using any other means that the Secretary determines to be reasonable to~~  
13 ~~accomplish the purposes of this section.~~

14           (4) CONTRACT TERM, RENT SETTING, AND RENT ADJUSTMENTS.—The Secretary may set  
15 the terms of the contract, including the duration and provisions regarding rent setting and  
16 rent adjustments.

17           (c) Waivers.—The Secretary may waive or specify alternative requirements for any provision  
18 of section 8 of the Act (42 U.S.C. 1437f) ~~or regulation that the Secretary administers that is~~  
19 ~~applicable to such statute other than requirements related to tenant rights and protections, rent~~  
20 ~~setting, fair housing, nondiscrimination, labor standards, and the environment, subsection (c) or~~  
21 **(bb) of section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f(c), 1437f(bb))**  
22 upon a finding that the waiver or alternative requirement is necessary to ~~expedite or~~ facilitate the  
23 use of amounts made available under this section.

24           (d) Implementation.—The Secretary shall have the authority to issue such regulations ~~or other,~~  
25 notices, **or other** guidance, forms, instructions, and publications ~~as may be necessary or~~  
26 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
27 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
28 effective manner.

## 29 SEC. 40011. INVESTMENTS IN NATIVE AMERICAN 30 COMMUNITIES.

31           (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
32 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for  
33 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

34           (1) ~~\$784,375,000 for grants under title I~~ **\$277,500,000 for formula grants for eligible**  
35 **affordable housing activities described in section 202** of the Native American Housing  
36 Assistance and Self-Determination Act of 1996 (in this section referred to as “NAHASDA”)  
37 (25 U.S.C. 4101 et seq.), ~~and the Secretary shall distribute such amount according to the~~  
38 ~~same funding formula used in fiscal year 2021;~~ **4132), which shall be distributed**  
39 **according to the most recent fiscal year funding formula for the Indian Housing Block**  
40 **Grant;**

41           (2) ~~\$7,000,000 for grants under title VIII~~ **(2) \$200,000,000 for—**



1 (A) affordable housing activities authorized under section 810(a) of NAHASDA  
2 (25 U.S.C. 4221 et seq.); **4229**;

3 ~~(3) \$784,375,000 for competitive grants to eligible recipients authorized under title-~~  
4 ~~I~~**(B) community-wide infrastructure and infrastructure improvement projects**  
5 **carried out on Hawaiian Home Lands pursuant to section 810(b)(5) of NAHASDA**  
6 **(25 U.S.C. 4111 et seq.), which may be used for— 4229(b)(5)); and**

7 ~~(A) new construction and rehabilitation of affordable housing;~~**(C) rental assistance**  
8 **to Native Hawaiians (as defined in section 801 of NAHASDA (25 U.S.C. 4221)) on**  
9 **and off Hawaiian Home Lands;**

10 ~~(B) improving water or energy efficiency or increasing resilience to natural hazards for~~  
11 ~~housing assisted by amounts made available under this subsection; or~~

12 ~~(C) other~~**(3) \$277,500,000 for competitive grants for eligible affordable housing**  
13 **activities under NAHASDA; described in section 202 of NAHASDA (25 U.S.C. 4132);**

14 ~~(4) \$334,250,000~~**(4) \$200,000,000** for—

15 (A) competitive single-purpose Indian community development block grants for  
16 Indian tribes under title I of the Housing and Community Development Act of 1974  
17 ~~(42 U.S.C. 5301 et seq.); and~~

18 (B) imminent threat ~~grants under title I of the Housing and Community-~~  
19 ~~Development Act of 1974 (42 U.S.C. 5301 et seq.)~~ **Indian community development**  
20 **block grants, including for long-term environmental threats and relocation,** for  
21 Indian tribes, or a tribal organization, governmental entity, or nonprofit organization  
22 designated by the Indian tribe to apply for a grant on its behalf, ~~which may be used-~~  
23 ~~to—;~~

24 ~~(i) address environmental threats, including long-term environmental threats;~~

25 ~~(ii) assist Indian tribes with relocating a portion of or entire communities due to changes-~~  
26 ~~to the local environment; or~~

27 ~~(iii) assist Indian tribes with addressing other threats to health and safety;~~

28 ~~(5) \$50,000,000~~**(5) \$25,000,000** for the costs to the Secretary of administering and  
29 overseeing the implementation of this section and **Indian and Native American Hawaiian**  
30 **programs generally administered by the Secretary,** including information technology,  
31 financial reporting, research and evaluations, other cross-program costs in support of  
32 programs administered by the Secretary in this Act **title,** and other costs; and

33 ~~(6) \$40,000,000~~ **\$20,000,000** to make new awards or increase prior awards to ~~existing~~  
34 ~~technical assistance providers to provide an immediate increase in capacity building and~~  
35 ~~technical assistance to grantees; and the Secretary may use not more than 10 percent of the~~  
36 ~~amount under this paragraph to increase prior awards to existing technical assistance-~~  
37 ~~providers to provide an immediate increase in capacity building and technical assistance.~~

38 Amounts appropriated by this section shall remain available until September 30, 2031.

39 (b) ~~Grantee Eligibility.—Notwithstanding any other provision of this section, of NAHASDA-~~  
40 ~~(25 U.S.C. 4101 et seq.), or of the provisions of title I of the Housing and Community-~~

1 Development Act of 1974 (42 U.S.C. 5301 et seq) applicable to the Indian community-  
2 development block grant program, an Indian tribe shall be ineligible to receive grants with-  
3 amounts made available under this section if the Secretary determines that the Indian tribe is not  
4 in compliance with obligations under its 1866 treaty with the United States as it relates to the  
5 inclusion of persons who are lineal descendants of Freedmen as having the rights of the citizens-  
6 of such tribes, unless a Federal court has issued a final order that determines the treaty-  
7 obligations with respect to including Freedmen as citizens. For purposes of this subsection, a  
8 court order is not considered final if time remains for an appeal or application for discretionary  
9 review with respect to the order.

10 (c) Preliminary Funding.—

11 (1) Use of imminent threat grant amounts.—Of any amounts made available in subsection-  
12 (a)(4)(B), and in consultation with the Department of the Interior, the Secretary may award  
13 preliminary grants of up to \$2,000,000 each to applicants that have applied for a grant under  
14 subsection (a)(4)(B) before making a final determination as to whether to award a grant under  
15 subsection (a)(4)(B) to such applicant.

16 (2) Need and capacity.—Prior to awarding a preliminary grant under this subsection, the  
17 Secretary must determine, based on a preliminary assessment of need and administrative  
18 capacity, that the applicant is likely able to carry out the grant successfully but would need  
19 additional administrative and planning resources to develop a comprehensive implementation  
20 plan and additional administrative capacity in order to successfully administer a grant under  
21 subsection (a)(4)(B).

22 (3) Eligible activities.—Such preliminary grants shall be used for eligible program activities,  
23 as defined by the Secretary, that the Secretary determines will allow the applicant to successfully  
24 implement the grant.

25 (4) Inapplicability.—Such preliminary grants are not subject to administrative and planning  
26 caps.

27 (5) Funding determinations.—The determination of whether to award a final grant under  
28 subsection (a)(4)(B) to an applicant after preliminary funding was granted to an applicant shall  
29 not be subject to review.

30 (d) Reallocation.—Amounts made available under subsection (a)(1) that are not accepted  
31 within a time specified by the Secretary, are voluntarily returned, or are otherwise recaptured for  
32 any reason ~~may~~ **shall** be used to fund grants under paragraph (3) or (4) of subsection (a).

33 (e) Waivers.—The Secretary may waive or specify alternative requirements for any  
34 ~~provision~~ **(c) Undisbursed Funds.—Amounts provided under this Act that remain**  
35 **undisbursed may not be used as a basis to reduce any grant allocation under section 302 of**  
36 **NAHASDA (25 U.S.C. 4101 et seq.), title I of the Housing and Community Development Act of**  
37 **1974 (42 U.S.C. 5301 et seq), or regulation that the Secretary administers that is applicable to**  
38 **such statutes 4152) to an Indian tribe in any fiscal year.**

39 (d) Prohibition on Investments.—Amounts made available under this section may not be  
40 invested in investment securities and other obligations.

41 (e) Waivers.—With respect to amounts made available under this section, the Secretary  
42 may, upon a finding that a waiver or alternative requirement is necessary to facilitate the

1 use of such amounts, waive or specify alternative requirements for any Indian housing  
2 block grants, Native Hawaiian housing block grants, or Indian community development  
3 block grants issued pursuant to this section, other than requirements related to fair housing,  
4 nondiscrimination, labor standards, and the environment, ~~upon a finding that the waiver or~~  
5 ~~alternative requirement is necessary to expedite or facilitate the use of amounts made available~~  
6 ~~under this section.~~

7 (f) Implementation.—The Secretary shall have authority to issue such regulations ~~or other,~~  
8 notices, **or other** guidance, forms, instructions, and publications ~~as may be necessary or~~  
9 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
10 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
11 effective manner.

## 12 **SEC. 40012. INCREASED AFFORDABLE HOUSING** 13 **PROGRAM INVESTMENT.**

14 Notwithstanding subsection (j)(5)(C) of section 10 of the Federal Home Loan Bank Act  
15 (12 U.S.C. 1430), in 2022 and every year thereafter until 2027, each Federal Home Loan  
16 Bank shall annually contribute 15 percent of the preceding year’s net income of the Federal  
17 Home Bank, or such prorated sums as may be required to assure that the aggregate  
18 contribution of the Federal Home Loan Banks shall not be less than \$100,000,000 for each  
19 such year, to support grants or subsidized advances through the Affordable Housing  
20 Programs established and carried out under subparagraphs (j)(1), (2), (3)(A), (3)(C), and  
21 (4) through (13) of section 10 of such Act.

## 22 Subtitle B—21st Century Sustainable and Equitable 23 Communities

## 24 **SEC. 40101. COMMUNITY DEVELOPMENT BLOCK** 25 **GRANT FUNDING FOR AFFORDABLE HOUSING AND** 26 **INFRASTRUCTURE.**

27 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
28 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for  
29 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

30 (1) ~~\$6,600,000,000 for grants to grantees under section 106~~ **\$1,735,000,000 for grants in**  
31 **accordance with sections 101, 102, 103, 104(a) through 104(i), 104(l), 104(m), 105(a)**  
32 **through 105(g), 106(a)(2), 106(a)(4), 106(b) through 106(f), 109, 110, 111, 113, 115, 116,**  
33 **120, and 122** of the Housing and Community Development Act of 1974 ~~(42 U.S.C. 5306)~~  
34 ~~under the community development block grant program under title I of such Act~~ **U.S.C.**  
35 **5301, 5302, 5303, 5304(a)-(i), 5304(l), 5304(m), 5305(a)-(g), 5306(a)(2), 5306(a)(4),**  
36 **5306(b)-(f), 5309, 5310, 5311, 5313, 5314, 5315, 5316, 5319, and 5321) to grantees under**  
37 **subsections (a)(2) and (4) and (d) of section 106 of such Act (42 U.S.C. 5306(a)(2),**  
38 **(a)(4), and (d)),** subject to subsection (b) of this section, except that for purposes of  
39 amounts made available by this paragraph, paragraph (2) of such section 106(a) shall be  
40 applied by substituting “\$70,000,000” for “\$7,000,000”;

1           (2) ~~\$1,000,000,000 for assistance~~ **\$700,000,000 for grants in accordance with sections**  
2           **101, 102, 103, 104(a) through 104(i), 104(l), 104(m), 105(a) through 105(g), 106(a)(2),**  
3           **106(a)(4), 106(b) through 106(f), 109, 110, 111, 113, 115, 116, 120, and 122 of title I of**  
4           **the Housing and Community Development Act of 1974 (42 U.S.C. 5301, 5302, 5303,**  
5           **5304(a)-(i), 5304(l), 5304(m), 5305(a)-(g), 5306(a)(2), 5306(a)(4), 5306(b)-(f), 5309,**  
6           **5310, 5311, 5313, 5314, 5315, 5316, 5319, and 5321)** to community development block  
7           grant grantees, as determined by the Secretary, under ~~section 106 of the Housing and~~  
8           ~~Community Development Act of 1974 (42 U.S.C. 5306)~~ **subsections (a)(4) and (b**  
9           **through (f) of section 106 of such Act (5306(a)(4) and 5306(b)-(f)),** only for colonias, to  
10          address the community and housing infrastructure needs of existing colonia residents based  
11          on a formula that takes into account persons in poverty in the colonia areas, except that  
12          grantees may use funds in colonias outside of the 150-mile border area upon approval of the  
13          Secretary;

14          (3) ~~\$500,000,000 for grants under the community development block grant program~~  
15          ~~under in accordance with sections 101, 102, 103, 104(a) through 104(i), 104(l), 104(m),~~  
16          ~~105(a) through 105(g), 106(a)(2), 106(a)(4), 106(b) through 106(f), 109, 110, 111, 113,~~  
17          ~~115, 116, 120, and 122 of title I of the Housing and Community Development Act of 1974~~  
18          ~~(42 U.S.C. 5301 et seq.), 5302, 5303, 5304(a)-(i), 5304(l), 5304(m), 5305(a)-(g),~~  
19          ~~5306(a)(2), 5306(a)(4), 5306(b)-(f), 5309, 5310, 5311, 5313, 5314, 5315, 5316, 5319, and~~  
20          ~~5321),~~ to eligible recipients under subsection ~~(d)~~(c) of this section for manufactured housing  
21          infrastructure improvements in eligible manufactured home communities;

22          (4) ~~\$300,000,000~~ **\$87,500,000** for the costs to the Secretary of administering and  
23          overseeing the implementation of this section, the Community Development Block Grant  
24          program, and the manufactured home construction and safety standards program generally,  
25          including information technology, financial reporting, research and evaluations, ~~fair housing~~  
26          ~~compliance,~~ other cross-program costs in support of programs administered by the Secretary  
27          in this title, and other costs; and

28          ~~the Secretary may transfer and merge amounts set aside under this paragraph to section~~  
29          ~~40301; and~~

30          ~~(5) \$100,000,000~~ **(5) \$27,500,000** for providing technical assistance to recipients of or  
31          applicants for grants under this section.

32          Amounts appropriated by this section shall remain available until September 30, 2031.

33          (b) Housing Construction.—Expenditures on new construction of housing shall be an eligible  
34          expense for a recipient of funds made available under this section that is not a recipient of funds  
35          under ~~title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 42 U.S.C.~~  
36          ~~12721 et seq.).~~ **section 4002 of this title.**

37          (c) Manufactured Housing Community Improvement Grant Program.—

38                  (1) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall carry out  
39                  a competitive grant program to award funds appropriated under subsection ~~(a)(4)~~(a)(3) to  
40                  eligible recipients to carry out eligible projects for improvements in eligible manufactured  
41                  home communities.

42                  (2) ELIGIBLE PROJECTS.—Amounts from grants under this subsection shall be used ~~only~~  
43                  to assist in carrying out a project for construction, reconstruction, repair, or clearance of

1 housing, facilities and improvements in or serving a manufactured housing community **that**  
2 **is necessary that—**

3 ~~(A) is critically needed to protect the health and safety of the residents of the~~  
4 ~~manufactured housing community and the long-term sustainability of the community;~~

5 ~~(B) can be commenced expeditiously assisted by a grant under this subsection; and~~

6 ~~(C) includes activities—~~

7 ~~(i) eligible under the community development block grant program under~~ **(d) Waivers.—The**  
8 **Secretary may waive or specify alternative requirements for any provision of title I of the**  
9 **Housing and Community Development Act of 1974 specified in subsection (a)(1), (a)(2), or**  
10 **(a)(3), (42 U.S.C. 5301 et seq.);**

11 ~~(ii) to facilitate installation, including foundation construction for new manufactured homes,~~  
12 ~~as defined in section 603 of the National Manufactured Construction and Safety Standards Act of~~  
13 ~~1974 (42 U.S.C. 5402) and regulated under associated regulations, and previously sold certified-~~  
14 ~~manufactured homes; or~~

15 ~~(iii) to mitigate flood risk.~~

16 ~~(3) Criteria.—The Secretary shall prioritize awards under this section by the extent to which~~  
17 ~~the project will assist low-income families and preserve long-term housing affordability for~~  
18 ~~residents of an eligible manufactured home community.~~

19 ~~(d) Waivers.—The Secretary may waive or specify alternative requirements for any provision~~  
20 ~~of title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) or~~  
21 ~~regulation that the Secretary administers in connection with use of amounts made available under~~  
22 ~~this section other than requirements related to fair housing, nondiscrimination, labor standards,~~  
23 ~~and the environment, upon a finding that the waiver or alternative requirement is necessary to~~  
24 ~~expedite or~~ **not inconsistent with the overall purposes of such Act and that the waiver or**  
25 **alternative requirement is necessary to** facilitate the use of amounts made available under this  
26 section.

27 (e) Definitions.—For purposes of this section, the following definitions shall apply:

28 (1) COLONIA AREA.—The term “colonia area” means any census tract that—

29 (A) is an area of the United States within 150 miles of the contiguous border  
30 between the United States and Mexico, except as otherwise determined by the  
31 Secretary; and

32 (B) lacks potable water supply, adequate sewage systems, ~~and lack of~~ **or** decent,  
33 safe, sanitary housing, ~~and or~~ other objective criteria as approved by the Secretary.

34 (2) ELIGIBLE MANUFACTURED HOME COMMUNITY.—The term “eligible manufactured  
35 home community” means a community that—

36 (A) ~~meets the affordable housing safe harbor requirements of the Internal Revenue-~~  
37 ~~Service under section 601.201 of title 26, Code of Federal Regulations~~ **is affordable to**  
38 **low- and moderate-income persons (as such term is defined in section 102(a) of**  
39 **the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a))**); and

40 (B)(i) is owned by the residents of the manufactured housing community through a

1 resident-controlled entity, as defined by the Secretary, in which at least two-thirds of  
2 residents are member-owners of the land-owning entity; or

3 ~~(ii) the Secretary otherwise determines is subject to such binding agreements as are~~  
4 ~~necessary to ensure that the manufactured housing community will be maintained as~~  
5 such a community, and **remain** affordable for low- income families ~~(as such term is~~  
6 ~~defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42-~~  
7 ~~U.S.C. 12704)), on a long-term basis. **and moderate-income families, to the**~~  
8 **maximum extent practicable and for the longest period feasible.**

9 (3) ELIGIBLE RECIPIENT.—The term “eligible recipient” means a partnership of—

10 (A) a grantee under ~~section 106~~ **paragraph (2) or (4) of section 106(a) or section**  
11 **106(d)** of the Housing and Community Development Act of 1974 (42 U.S.C.5306)  
12 **U.S.C. 5306(a)(2), (a)(4), and (d));** and

13 (B) an eligible manufactured home community, a nonprofit entity, or a consortia of  
14 nonprofit entities working with an eligible manufactured home community.

15 (4) MANUFACTURED HOME COMMUNITY.—The term “manufactured home community”  
16 means any community, court, or park equipped to accommodate manufactured homes for  
17 which pad sites, with or without existing manufactured homes or other allowed homes, or  
18 other suitable sites, are used primarily for residential purposes, with any additional  
19 requirements as determined by the Secretary, including any manufactured housing  
20 community as such term is used for purposes of the program of the Federal National  
21 Mortgage Association for multifamily loans for manufactured housing communities and the  
22 program of the Federal Home Loan Mortgage Corporation for loans for manufactured  
23 housing communities.

24 (f) Implementation.—The Secretary shall have authority to issue such regulations ~~or other,~~  
25 notices, **or other** guidance, forms, instructions, and publications ~~as may be necessary or~~  
26 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
27 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
28 effective manner.

29 **SEC. 40102. LEAD-BASED PAINT HAZARD CONTROL**  
30 **AND HOUSING-RELATED HEALTH AND SAFETY**  
31 **HAZARD MITIGATION IN HOUSING OF FAMILIES WITH**  
32 **LOWER INCOMES.**

33 (a) Appropriation.—In addition to amounts otherwise made available, there is appropriated to  
34 the Secretary of Housing and Urban Development (in this section referred to as the “Secretary”)  
35 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

36 (1) ~~\$6,430,000,000~~ **\$3,425,000,000** for grants to States, units of general local  
37 government, Indian tribes or their tribally designated housing entities, and nonprofit  
38 organizations for the activities under subsection (c) in target housing units **that do not**  
39 **receive Federal housing assistance other than assistance provided under subsection**  
40 **8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)), excluding**  
41 **paragraph (o)(13) of such section,** and common areas servicing such units, where

1 low-income families reside or are expected to reside ~~that is not public housing, housing-~~  
2 ~~assisted by project-based rental assistance under section 8 of the United States Housing Act~~  
3 ~~of 1937 (42 U.S.C. 1437f), including under subsection (o)(13) of such section, nor housing-~~  
4 ~~assisted under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) or section 811 of~~  
5 ~~the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013);~~

6 ~~(2) \$500,000,000 for grants to State or local governments~~ **(2) \$250,000,000 for grants to**  
7 **States or units of general local government** or nonprofit entities for the activities in  
8 subsection (c) in target housing units, and common areas servicing such units, that are being  
9 assisted under the Weatherization Assistance Program authorized under **part A of title IV**  
10 of the Energy Conservation and Production Act (42 U.S.C. 6851 et seq.) ~~but are not public-~~  
11 ~~housing, housing-assisted by 6861-6872) but are not assisted under any other Federal~~  
12 **housing program other than subsection 8(o) of the United States Housing Act of 1937**  
13 **(42 U.S.C. 1437f(o)), excluding paragraph 8(o)(13) of such section;**

14 **(3) \$1,000,000,000 for grants to owners of a property receiving** project-based rental  
15 assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f),  
16 including under subsection (o)(13) of such section, ~~nor housing-assisted under section 202-~~  
17 ~~of the Housing Act of 1959 (12 U.S.C. 1701q) or section 811 of the Cranston-Gonzalez-~~  
18 ~~National Affordable Housing Act (42 U.S.C. 8013);~~

19 ~~(3) \$2,000,000,000 for grants to owners of a property receiving project-based rental-~~  
20 ~~assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f),-~~  
21 ~~including under subsection (o)(13) of such section,~~ that meets the definition of target  
22 housing and that has not received a grant for similar purposes under this Act, for the  
23 activities in subsection (c), except ~~subsection (e)(2),~~ **for abatement of lead-based paint by**  
24 **enclosure or encapsulation, or interim controls of lead-based paint hazards** in target  
25 housing units receiving such assistance and common areas servicing such units;

26 ~~(4) \$810,000,000~~ **\$75,000,000** for costs related to training and technical assistance to  
27 support identification and mitigation of lead and housing-related health and safety hazards,  
28 research, and evaluation ~~related to activities under this section; and;~~ **and**

29 ~~(5) \$260,000,000~~ **(5) \$250,000,000** for the costs to the Secretary of administering and  
30 overseeing the implementation of this section, and the Secretary's lead hazard reduction and  
31 related programs generally including information technology, financial reporting, research  
32 and evaluations, other cross-program costs in support of programs administered by the  
33 Secretary in this Act, ~~and other costs; the Secretary may transfer and merge amounts-~~  
34 ~~appropriated under this paragraph to section 40301.~~ **title, and other costs.**

35 Amounts appropriated by this section shall remain available until September 30, 2031.

36 (b) Terms and Conditions.—

37 ~~(1) INCOME ELIGIBILITY DETERMINATIONS.— NOTWITHSTANDING ANY INCONSISTENT-~~  
38 ~~REQUIREMENTS, THE DETERMINATIONS.—~~ **The Secretary may make income determinations**  
39 **of eligibility for enrollment of housing units for assistance under this section that are**  
40 **consistent with eligibility requirements for grants awarded under other Federal**  
41 **means-tested programs, provided such determination does not require additional**  
42 **action by other Federal agencies.** ~~grants awarded under—~~

43 ~~(A) subsection (a)(1) using criteria under title I of the Housing and Community-~~

1 ~~Development Act of 1974 (42 U.S.C. 5301 et seq.), title II of the Cranston-Gonzalez-~~  
2 ~~National Affordable Housing Act (42 U.S.C. 12701 et seq.), section 8 of the United States-~~  
3 ~~Housing Act of 1937 (42 U.S.C. 1437f), title IV of the Energy Conservation and Production-~~  
4 ~~Act (42 U.S.C. 6851 et seq.), section 2605 of the Low Income Home Energy Assistance Act~~  
5 ~~of 1981 (42 U.S.C. 8624), or section 2044 of title 38, United States Code, as determined-~~  
6 ~~appropriate by the Secretary;~~

7 ~~(B) subsection (a)(2) using criteria under section 8 of the United States Housing Act of~~  
8 ~~1937 (42 U.S.C. 1437f) or title IV of the Energy Conservation and Production Act (42-~~  
9 ~~U.S.C. 6851 et seq.).~~

10 (2) HOUSING FAMILIES WITH YOUNG CHILDREN.—An owner of rental property that  
11 receives assistance under subsection (a)(3) shall give priority in renting units for which the  
12 lead-based paint has been abated pursuant to subsection (a)(3), for not less than 3 years  
13 following the completion of lead abatement activities, to families with a child under the age  
14 of 6 years.

15 (3) ADMINISTRATIVE EXPENSES.—A recipient of a grant under this section may use up to  
16 10 percent of the grant for administrative expenses associated with the activities funded by  
17 this section.

18 (c) Eligible Activities.—Grants awarded under this section shall be used **for purposes of**  
19 **building capacity and conducting activities relating to testing, evaluating, and mitigating**  
20 **lead-based paint, for—**

21 ~~(1) abatement of lead-based paint in target housing;~~

22 ~~(2) interim controls of lead-based paint hazards, and in target housing;~~

23 ~~(3) lead-based paint inspections;~~

24 ~~(4) lead risk assessments;~~

25 ~~(5) lead hazard control clearance examinations;~~

26 ~~(6) testing for housing-related health and safety hazards; outreach, education,~~

27 ~~(7) mitigation of housing-related health and safety hazards, including lead faucets, fixtures,~~  
28 ~~and interior lines;~~

29 ~~(8) technical assistance;~~

30 ~~(9) providing work practices training to local residents;~~

31 ~~(10) outreach~~ and engagement with community stakeholders, including stakeholders in  
32 disadvantaged communities;

33 ~~(11) capacity building;~~

34 ~~(12) program evaluation and research; grant administration, and other(13) environmental-~~  
35 ~~reviews; or~~

36 ~~(14) activities that directly or indirectly support the work under this section, as applicable, that~~  
37 ~~without which such activities could not be conducted.~~

38 (d) Environmental Review.—For purposes of environmental review pursuant to the National  
39 Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that



1 further the purposes of such Act, a grant under subsection (a) of this section shall be considered  
2 funds for a special project for purposes of section 305(c) of the Multifamily Housing Property  
3 Disposition Reform Act of 1994 (42 U.S.C. 3547), provided that references in such section  
4 305(c) to “State or unit of general local government” shall be deemed to include Indian tribes.

5 (e) Definitions.—For purposes of this section, the following definitions, and definitions in  
6 **paragraphs (1), (2), (3), (5), (6), (7), (10) through (17), and (20) through (27)** of section 1004  
7 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851b)(1)-(3), **42**  
8 **U.S.C. 4851b(5)-(7), 42 U.S.C. 4851b(10)-(17). 42 U.S.C. 4851b(20)-(27)**, shall apply:

9 (1) NONPROFIT; NONPROFIT ORGANIZATION.—The terms “nonprofit” and “nonprofit  
10 organization” mean a corporation, community chest, fund, or foundation not organized for  
11 profit, but organized and operated exclusively for religious, charitable, scientific, testing for  
12 public safety, literary, or educational purposes; or an organization not organized for profit  
13 but operated exclusively for the promotion of social welfare.

14 (2) PUBLIC HOUSING; PUBLIC HOUSING AGENCY; LOW-INCOME FAMILY.—The terms  
15 “public housing”, “public housing agency”, and “low-income ~~family~~” **family**” have the  
16 same meaning given such terms in section 3(b) of the United States Housing Act of 1937  
17 (42 U.S.C. 1437a(b)).

18 (3) ~~TRIBALLY DESIGNATED HOUSING ENTITY; INDIAN TRIBE.—THE TERMS “TRIBALLY~~  
19 ~~DESIGNATED HOUSING ENTITY” AND “INDIAN TRIBE” STATE; UNIT OF GENERAL LOCAL~~  
20 **GOVERNMENT.—The terms “State” and “unit of general local government”** have the  
21 same meaning given such terms in section 4 of the Native American Housing Assistance  
22 and Self-Determination Act of 1996 (25 U.S.C. 4103).

23 (4) ~~Unit of general local government.—The term “unit of general local government” has~~  
24 ~~the same meaning given such term in section 102 of the Housing and Community~~  
25 ~~Development Act of 1974 (42 U.S.C. 5302).~~

26 (e) **Grant Compliance.—For any grant of assistance under this section, a State or unit of**  
27 **general local government may assume responsibilities for elements of grant compliance,**  
28 **regardless of whether it is the grant recipient, if the State or unit of general local**  
29 **government is permitted to assume responsibility for the applicable element of grant**  
30 **compliance for grants for which it is the recipient under section 1011 of the Residential**  
31 **Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4852).**

32 (f) Implementation.—The Secretary shall have the authority to issue such regulations ~~or other,~~  
33 notices, **or other** guidance, forms, instructions, and publications ~~as may be necessary or~~  
34 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
35 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
36 effective manner.

## 37 SEC. 40103. UNLOCKING POSSIBILITIES PROGRAM.

38 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
39 Secretary of Housing and Urban Development for fiscal year 2022, out of any money in the  
40 Treasury not otherwise appropriated—

41 (1) ~~\$4,260,000,000 for awarding planning grants under this section to develop and~~  
42 ~~evaluate housing policy plans and substantially improve housing strategies; \$1,646,000,000~~

1 for awarding grants under section 101, 102, 103, 104(a) through 104(i), 104(l), 104(m),  
2 105(a) through 105(g), 106(a)(2), 106(a)(4), 106(b) through 106(f), 109, 110, 111, 113,  
3 115, 116, 120, and 122 of the Housing and Community Development Act of 1974 (42  
4 U.S.C. 5301, 5302, 5303, 5304(a)-(i), 5304(l), 5304(m), 5305(a)-(g), 5306(a)(2),  
5 5306(a)(4), 5306(b)-(f), 5309, 5310, 5311, 5313, 5314, 5315, 5316, 5319, and 5321)  
6 awarded on a competitive basis to eligible recipients to carry out grants under  
7 subsection (c) of this section;

8 (2) ~~\$20,000,000~~ (2) **\$8,000,000** for research and evaluation related to housing policy  
9 planning and other associated costs;

10 (3) ~~\$70,000,000~~ **\$30,000,000** to provide technical assistance to grantees or applicants for  
11 grants made available by this section; and

12 (4) ~~\$150,000,000~~ **\$66,000,000** for the costs to the Secretary of administering and  
13 overseeing the implementation of this section **and community and economic development**  
14 **programs overseen by the Secretary generally**, including information technology,  
15 financial reporting, research and evaluations, ~~fair housing compliance~~, and other  
16 cross-program costs in support of programs administered by the Secretary in this title; ~~the~~  
17 ~~Secretary may transfer and merge amounts appropriated under this paragraph to section~~  
18 ~~40301-~~, **and other costs.**

19 Amounts appropriated by this section shall remain available until September 30, 2031.

20 (b) Program Establishment.—The Secretary of Housing and Urban Development shall  
21 establish a competitive grant program for—

22 (1) planning grants to develop and evaluate housing ~~policy~~ plans and substantially  
23 improve housing strategies;

24 (2) streamlining regulatory requirements and shorten processes, reform zoning codes,  
25 **increasing capacity to conduct housing inspections**, or other initiatives that reduce  
26 barriers to housing supply elasticity and affordability;

27 (3) developing and evaluating local or regional plans for ~~urban~~ **community** development  
28 to substantially improve ~~urban~~ **community** development strategies related to sustainability,  
29 fair housing, and location efficiency;

30 (4) implementation and livable community investment grants; and

31 (5) research and evaluation.

32 (c) Grants.—

33 (1) PLANNING GRANTS.—The Secretary shall, under selection criteria determined by the  
34 Secretary, award grants under this paragraph on a competitive basis to eligible entities to  
35 ~~finance~~ **assist** planning activities, including **administration of such activities**, engagement  
36 with community stakeholders and housing practitioners, to—

37 (A) develop housing ~~policy~~ plans;

38 (B) substantially improve State or local housing strategies;

39 (C) develop new regulatory requirements and processes, reform zoning codes,  
40 **increasing capacity to conduct housing inspections**, or undertake other initiatives to

1 reduce barriers to housing supply elasticity and affordability;

2 (D) develop local or regional plans for ~~urban~~ **community** development; and

3 (E) substantially improve ~~urban~~ **community** development strategies, including  
4 strategies to increase availability and access to affordable housing, to further access to  
5 public transportation or to advance other sustainable or location-efficient ~~urban~~  
6 **community** development goals.

7 (2) IMPLEMENTATION AND LIVABLE COMMUNITY INVESTMENT GRANTS.—The Secretary  
8 shall award implementation grants under this paragraph on a competitive basis to eligible  
9 entities for the purpose of ~~implementing~~— **implementing and administering**—

10 (A) completed housing strategies and housing ~~policy~~ plans and any planning to  
11 affirmatively further fair housing within the meaning of subsections (d) and (e) of  
12 section 808 of the Fair Housing Act (42 U.S.C. 608) and applicable regulations and for  
13 community investments that support the goals identified in such housing strategies or  
14 housing ~~policy~~ plans;

15 (B) new regulatory requirements and processes, reformed zoning codes, **increased**  
16 **capacity to conduct housing inspections**, or other initiatives to reduce barriers to  
17 housing supply elasticity and affordability that are consistent with a plan under  
18 subparagraph (A);

19 (C) completed local or regional plans for ~~urban~~ **community** development and any  
20 planning to increase availability and access to affordable housing, access to public  
21 transportation and other sustainable or location-efficient ~~urban~~ **community**  
22 development goals.

23 (d) Coordination With FTA Administrator.—To the extent practicable, the Secretary shall  
24 coordinate with the Federal Transit Administrator in carrying out this section.

25 (e) Definitions.—For purposes of this section, the following definitions apply:

26 (1) ELIGIBLE ENTITY.—The term “eligible entity” means—

27 (A) a State, insular area, metropolitan city, or urban county, as such terms are  
28 defined in section 102 of the Housing and Community Development Act of 1974 (42  
29 U.S.C. 5302); or

30 (B) for purposes of grants under subsection (b)(1), a regional planning agency or  
31 consortia.

32 (2) HOUSING ~~POLICY~~ PLAN; HOUSING STRATEGY.—

33 (A) HOUSING ~~POLICY~~ PLAN.—The term “housing ~~policy~~ plan” means a plan of an  
34 eligible entity to, with respect to the area within the jurisdiction of the eligible entity—

35 (i) match the creation of housing supply to existing demand and projected  
36 demand growth in the area, with attention to preventing displacement of residents,  
37 reducing the concentration of poverty, and meaningfully reducing and not  
38 perpetuating housing segregation on the basis of race, color, religion, natural  
39 origin, sex, disability, or familial status;

40 (ii) increase the affordability of housing in the area, increase the accessibility of

1 housing in the area for people with disabilities, including location-efficient  
2 housing, and preserve or improve the quality of housing in the area;

3 (iii) reduce barriers to housing development in the area, with consideration for  
4 location efficiency, affordability, and accessibility; and

5 (iv) coordinate with the metropolitan transportation plan of the area under the  
6 jurisdiction of the eligible entity, or other regional plan.

7 (B) HOUSING STRATEGY.—The term “housing strategy” means the housing strategy  
8 required under section 105 of the Cranston-Gonzalez National Affordable Housing Act  
9 (42 U.S.C. 12705).

10 (f) Costs to Grantees.—Up to 15 percent of a recipient’s grant may be used for administrative  
11 costs.

12 (g) Rules of Construction.—

13 (1) IN GENERAL.— Except as otherwise provided by this section, amounts appropriated or  
14 otherwise made available under this section shall be subject to the community development  
15 block grant program requirements under title I of the Housing and Community  
16 Development Act of 1974 (42 U.S.C. 5301 ~~et seq.~~ **5321**).

17 (2) EXCEPTIONS.—

18 (A) HOUSING CONSTRUCTION.—Expenditures on new construction of housing shall  
19 be an eligible expense under this section.

20 (B) BUILDINGS FOR GENERAL CONDUCT OF GOVERNMENT.—~~EXPENDITURES~~  
21 **GOVERNMENT.**—**Expenditures** on building for the general conduct of government,  
22 other than the Federal Government, shall be eligible under this section when necessary  
23 and appropriate as a part of a natural hazard mitigation project.

24 (h) Waivers.—The Secretary may waive or specify alternative requirements for any provision  
25 of ~~title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.)~~  
26 **subsection (a)(1)** or regulation for the administration of the amounts made available under this  
27 section other than requirements related to fair housing, nondiscrimination, labor standards, and  
28 the environment, upon a finding that the waiver or alternative requirement is ~~necessary to~~  
29 ~~expedite or~~ **not inconsistent with the overall purposes of such Act and that the waiver or**  
30 **alternative requirement is necessary to** facilitate the use of amounts made available under this  
31 section.

32 (i) Implementation.—The Secretary shall have the authority to issue such regulations **notices,**  
33 or other ~~notices,~~ guidance, forms, instructions, and publications ~~as may be necessary or~~  
34 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
35 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
36 effective manner.

## 37 SEC. 40104. STRENGTHENING RESILIENCE UNDER 38 NATIONAL FLOOD INSURANCE PROGRAM.

39 (a) ~~Program Debt.~~ **NFIP Program Activities.**—

1           ~~(1) Cancellation.—Subject only to paragraphs (2) and (3) and notwithstanding any other~~  
2 ~~provision of law, all~~**(1) CANCELLATION.—All** indebtedness of the Administrator of the  
3 Federal Emergency Management Agency under any notes or other obligations issued  
4 pursuant to section 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 7  
5 4016(a)) and section 15(e) of the Federal Insurance Act of 1956 (42 U.S.C. 2414(e)), and  
6 outstanding as of the date of the enactment of this Act, is hereby ~~canceled~~ **cancelled**, the  
7 Administrator and the National Flood Insurance Fund are relieved of all liability ~~to the~~  
8 ~~Secretary of the Treasury~~ under any such notes or other obligations, including for any  
9 ~~capitalized interest due under such notes or other obligations,~~ **including capitalized**  
10 **interest**, and any other fees and charges payable in connection with such notes and  
11 obligations, ~~and the total amount of notes and obligations issued by the Administrator~~  
12 ~~pursuant to such section shall be considered to be reduced by such amount for purposes of~~  
13 ~~the limitation on such total amount under such section.~~

14           ~~(2) Use of savings.—Effective on and after October 1, 2031, the Administrator of the~~  
15 ~~Federal Emergency Management Agency shall use any savings accruing from the~~  
16 ~~cancellation of~~**(2) USE OF SAVINGS FOR FLOOD MAPPING.—In addition to amounts**  
17 **otherwise available, for each of fiscal years 2022 and 2023, an amount equal to the**  
18 **interest the National Flood Insurance Program would have accrued from servicing the**  
19 **canceled** debt under paragraph (1), ~~including any amounts of interest payments avoided~~  
20 ~~from such cancellation, only for deposit in and use under the National Flood Insurance~~  
21 ~~Reserve Fund under section 1310A in that fiscal year, which shall be derived from~~  
22 **offsetting amounts collected under section 1310(d) of the National Flood Insurance Act**  
23 **of 1968 (42 U.S.C. 4017(d)) and shall 4017A).**

24           ~~(3) Treatment of canceled debt.—The amount of the indebtedness canceled under~~  
25 ~~paragraph (1) may be treated as a public debt of the United States.~~

26           ~~(b) Flood Hazard Mapping and Risk Analysis.—In addition to amounts otherwise~~  
27 ~~available, there is appropriated to the Administrator of the Federal Emergency Management~~  
28 ~~Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,~~  
29 ~~\$3,000,000,000, to remain available until expended, for necessary expenses for flood hazard~~  
30 ~~mapping and risk analysis, which shall be in addition to, and shall supplement—~~

31           ~~(1) amounts otherwise available for those purposes, including amounts appropriated to~~  
32 ~~the National Flood Insurance Fund established under section 1310 of such Act (42 U.S.C.~~  
33 ~~4017); and~~

34           ~~(2) any funds provided to the Administrator by States and local governments under~~  
35 ~~section 1360(f)(2) of such Act (42 U.S.C. 4101(f)(2)).~~

36           ~~(e) for activities identified in section 100216 (b)(1)(A) of the Biggert-Waters Flood~~  
37 ~~Insurance Reform Act of 2012 (42 U.S.C. 4101b(b)(1)(A)) and related salaries and~~  
38 ~~administrative expenses.~~

39 **(b) Means-tested Assistance for National Flood Insurance Program Policyholders.—**

40           (1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to  
41 the Administrator of the Federal Emergency Management Agency for fiscal year 2022, out  
42 of any money in the Treasury not otherwise appropriated, ~~\$1,000,000,000~~ **\$600,000,000**, to  
43 remain available until September 30, 2026, to ~~carry out a means-tested program under~~

1 which the Administrator provides **provide** assistance to eligible policyholders in the form of  
2 graduated discounts for insurance costs with respect to covered properties.

3 (2) TERMS AND CONDITIONS.—

4 (A) DISCOUNTS.—The Administrator shall use funds provided under this subsection  
5 to establish graduated discounts available to eligible policyholders under this  
6 subsection, with respect to covered properties, which may be based on the following  
7 factors:

8 (i) The percentage by which the household income of the eligible policyholder  
9 is equal to, or less than, 120 percent of the area median income for the area in  
10 which the property to which the policy applies is located.

11 (ii) The number of eligible policyholders participating in the program  
12 authorized under this subsection.

13 (iii) The availability of funding.

14 ~~(iv) Any other factor that the Administrator finds reasonable and necessary to carry~~  
15 ~~out the purposes of this subsection~~

16 (B) DISTRIBUTION OF PREMIUM.—With respect to the amount of the discounts  
17 provided under this subsection in a fiscal year, and any administrative expenses  
18 incurred in carrying out this subsection for that fiscal year, the Administrator shall,  
19 from amounts made available to carry out this subsection for that fiscal year, deposit in  
20 the National Flood Insurance Fund established under section 1310 of the National  
21 Flood Insurance Act of 1968 (42 U.S.C. 4017) an amount equal to those discounts and  
22 administrative expenses, except to the extent that section 1310A of the National Flood  
23 Insurance Act of 1968 (42 U.S.C. 4017a) applies to any portion of those discounts or  
24 administrative expenses, in which case the Administrator shall deposit an amount equal  
25 to those amounts to which such section 1310A applies in the National Flood Insurance  
26 Reserve Fund established under such section 1310A.

27 (C) REQUIREMENT ON TIMING.—Not later than 21 months after the date of the  
28 enactment of this section, the Administrator shall issue interim guidance to implement  
29 this subsection which shall expire on the later of—

30 (i) the date that is 60 months after the date of the enactment of this section; or

31 (ii) the date on which a final rule issued to implement this subsection takes  
32 effect.

33 (3) DEFINITIONS.—In this subsection:

34 (A) ADMINISTRATOR.—The term “Administrator” means the Administrator of the  
35 Federal Emergency Management Agency.

36 (B) COVERED PROPERTY.—The term “covered property” means—

37 (i) a primary residential dwelling designed for the occupancy of from 1 to 4  
38 families; or

39 (ii) personal property relating to a dwelling described in clause (i) **or personal**  
40 **property in the primary residential dwelling of a renter.**

1 (C) ELIGIBLE POLICYHOLDER.—The term “eligible policyholder” means a  
2 policyholder with a household income that is not more than 120 percent of the area  
3 median income for the area in which the property to which the policy applies is  
4 located.

5 (D) INSURANCE COSTS.—The term “insurance costs” means **insurance premiums,**  
6 **fees, and surcharges charged under the National Flood Insurance Program,** with  
7 respect to a covered property for a **year.** ~~year—~~

8 ~~(i) risk premiums and fees estimated under section 1307 of the National Flood~~  
9 ~~Insurance Act of 1968 (42 U.S.C. 4014) and charged under section 1308 of such Act~~  
10 ~~(42 U.S.C. 4015);~~

11 ~~(ii) surcharges assessed under sections 1304 and 1308A of such Act (42 U.S.C.~~  
12 ~~4011, 4015a); and~~

13 ~~(iii) any amount established under section 1310A(c) of such Act (42 U.S.C. 4017a).~~

## 14 SEC. 40105. COMMUNITY RESTORATION AND 15 REVITALIZATION FUND.

16 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
17 Community Restoration and Revitalization Fund established under subsection (b) for fiscal year  
18 2022, out of any money in the Treasury not otherwise ~~appropriated—~~ **appropriated, to remain**  
19 **available until September 30, 2031—**

20 ~~(1) \$5,700,000,000~~ **(1) \$2,000,000,000** for awards of planning and implementation grants  
21 **under section 101, 102, 103, 104(a) through 104(i), 104(l), 104(m), 105(a) through**  
22 **105(g), 106(a)(2), 106(a)(4), 106(b) through 106(f), 109, 110, 111, 113, 115, 116, 120,**  
23 **and 122 of the Housing and Community Development Act of 1974 (42 U.S.C. 5301,**  
24 **5302, 5303, 5304(a)-(i), 5304(l), 5304(m), 5305(a)-(g), 5306(a)(2), 5306(a)(4),**  
25 **5306(b)-(f), 5309, 5310, 5311, 5313, 5314, 5315, 5316, 5319, and 5321), awarded on a**  
26 **competitive basis to eligible recipients, as defined under subsection (c)(2) of this section,**  
27 ~~to carry out community-led projects to stabilize neighborhoods and increase access to~~  
28 ~~economic opportunity for residents by creating~~ **create** equitable civic infrastructure and  
29 ~~creating or preserving~~ **create or preserve** affordable, accessible housing, **including**  
30 **creating, expanding, and maintaining community land trusts and shared equity**  
31 **homeownership programs;**

32 (2) ~~\$500,000,000~~ for awards of ~~grants~~ **planning and implementation grants under**  
33 **section 101, 102, 103, 104(a) through 104(i), 104(l), 104(m), 105(a) through 105(g),**  
34 **106(a)(2), 106(a)(4), 106(b) through 106(f), 109, 110, 111, 113, 115, 116, 120, and 122 of**  
35 **the Housing and Community Development Act of 1974 (42 U.S.C. 5301, 5302, 5303,**  
36 **5304(a)-(i), 5304(l), 5304(m), 5305(a)-(g), 5306(a)(2) 5306(a)(4), 5306(b)-(f), 5309, 5310,**  
37 **5311, 5313, 5314, 5315, 5316, 5319, and 5321), awarded on a competitive basis to**  
38 **eligible recipients to create, expand, and maintain community land trusts and shared equity**  
39 **homeownership, including through the acquisition, rehabilitation, and new construction of**  
40 **affordable, accessible housing;**

41 (3) ~~\$1,000,000,000~~ **\$400,000,000** for the Secretary to provide technical assistance,  
42 capacity building, **and** program support to applicants, potential applicants, and recipients of

1 amounts appropriated for grants under this section; and

2 (4) ~~\$300,000,000~~ **\$100,000,000** for the costs to the Secretary of administering and  
3 overseeing the implementation of this section **and community and economic development**  
4 **programs overseen by the Secretary generally**, including information technology,  
5 financial reporting, research and evaluations, ~~fair housing compliance~~, and other  
6 cross-program costs in support of programs administered by the Secretary in this title, **and**  
7 **other costs.**; ~~the Secretary may transfer and merge amounts appropriated under this~~  
8 ~~paragraph to section 40301.~~

9 ~~Amounts appropriated by this section shall remain available until September 30, 2031.~~

10 (b) Establishment of Fund.—The Secretary of Housing and Urban Development (in this  
11 section referred to as the “Secretary”) shall establish a Community Restoration and  
12 Revitalization Fund (in this section referred to as the “Fund”) to award planning and  
13 implementation grants on a competitive basis to eligible recipients as defined in this section for  
14 activities authorized under ~~title I~~ **subsections (a) through (g) of section 105** of the Housing and  
15 Community Development Act of 1974 (42 U.S.C. 5301 et seq.) **5305) and under this section**  
16 for community-led projects that create **affordable housing and** civic infrastructure to support a  
17 ~~community’s social, economic, and civic fabric, create fair, affordable and accessible housing~~  
18 ~~opportunities, prevent residential displacement, acquire and remediate blighted properties, and~~  
19 ~~promote quality job creation and retention.~~ **projects.**

20 ~~(e) Grants.~~—(c) **Eligible Geographical Areas, Recipients, and Applicants.**—

21 (1) GEOGRAPHICAL AREAS.—The Secretary shall award grants from the Fund to eligible  
22 recipients within geographical areas at the neighborhood, county, ~~census tract~~, or census  
23 tract level, including census tracts adjacent to the project area that are areas in need of  
24 investment, ~~and that have at least two of the following indicators:~~ **as demonstrated by two**  
25 **or more of the following factors:**

26 ~~(A)~~(A) **High and persistent rates of poverty.**

27 **(B) Population at risk of displacement due to rising housing costs.**

28 **(C) Dwelling unit sales prices that are lower than the cost to acquire and rehabilitate,**  
29 **or build, a new dwelling unit.**

30 ~~(B)~~(D) **High proportions of residential and commercial properties that are vacant**  
31 **due to foreclosure, eviction, abandonment, or other causes.**

32 ~~(C)~~(E) **Low rates of homeownership by race and ethnicity, relative to the national**  
33 **homeownership rate.**

34 ~~(2).~~

35 ~~(D) Disparities in racial and ethnic homeownership rates.~~

36 ~~(E) High and persistent rates of poverty.~~

37 ~~(F) High rates of unemployment and underemployment.~~

38 ~~(G) Population at risk of displacement due to rising housing costs.~~

39 ~~(H) Historic population loss.~~



1           (I) ~~Lack of private sector lending on fair and competitive terms for individuals to~~  
2           ~~purchase homes or start small businesses.~~

3           (J) ~~Other indicators of economic distress.~~

4           ~~(d) Eligible Recipients and Applicants.—~~

5           (4) ELIGIBLE RECIPIENT.—An eligible recipient of a **planning or implementation** grant  
6           under subsection (b)(1) **or an implementation grant under subsection (b)(2)** shall be a  
7           local partnership of a lead applicant and one or more joint applicants with the ability to  
8           administer the grant. An eligible recipient of a **planning** grant under subsection (b)(2) shall  
9           be a lead applicant with the ability to administer the grant, including a regional, **State**, or  
10          national nonprofit, ~~that may include a joint applicant.~~

11        (2)(d) **Eligible Recipients and Applicants.—**

12          (1) LEAD APPLICANT.—An eligible lead applicant for a grant awarded under this section  
13          shall **be an entity that be—**

14          (A)(i) ~~a nonprofit organization that—~~

15           ~~(I) demonstrates a commitment to anti-displacement efforts and has expertise in~~  
16           ~~community planning, engagement, organizing, housing and community development, or~~  
17           ~~neighborhood revitalization; and~~

18           ~~(II) is located within or serves the geographical~~ **geographic** area of the project, or that  
19           derives its mission and operational priorities from the needs of the **geographic** ~~geographical~~  
20           ~~area of the project; or~~

21           ~~(ii) if the geographical area of the project is located in any area where no such local~~  
22           ~~nonprofit organization exists, a national nonprofit organization with such expertise;~~

23          ~~(B) a community development corporation, that is located within or serves the~~  
24          ~~geographical area of the project and can demonstrate a track record of making investments~~  
25          ~~in the geographical area of the project, and demonstrates a commitment to~~  
26          ~~anti-displacement efforts;~~

27          ~~(C) a community housing development organization, defined in section 104 of the~~  
28          ~~Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) or a~~  
29          ~~community-based development organization, that is located within or serves the~~  
30          ~~geographical area of the project and experienced in neighborhood revitalization,~~  
31          ~~community-based economic development, housing development activities, and~~  
32          ~~demonstrates a commitment to anti-displacement efforts; or~~

33          ~~(D) a community development financial institution, as defined by section 103 of the~~  
34          ~~Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C.~~  
35          ~~4702), that is located within or serves the geographical area of the project, demonstrates a~~  
36          ~~commitment to anti-displacement efforts, and has a track record of making investments in~~  
37          ~~the geographic project area. that is—~~

38           (3) Joint applicants.—A joint applicant shall be a local, regional or national entity  
39           that is—(A) **a nonprofit organization that has expertise in community planning,**  
40           **engagement, organizing, housing and community development;**

1           ~~(A) an organization that qualifies as a lead applicant;~~ **(B) a community**  
2           **development corporation;**

3           **(C) a community housing development organization;**

4           **(D) a community-based development organization; or**

5           \*\* ~~3 (K)~~ **(E)** a community development financial institution, as defined by section  
6           103 of the Riegle Community Development and Regulatory Improvement Act of 1994  
7           (12 U.S.C. 4702); ~~or.~~

8           **(2) JOINT APPLICANTS.—A joint applicant shall be an entity eligible to be a lead**  
9           **applicant in paragraph (1), or a local, regional, or national—**

10           **(A) nonprofit organization;**

11           **(B) community development financial institution;**

12           **(C) unit of general local government;**

13           **(D) Indian tribe;**

14           **(E) State housing finance agency;**

15           **(F) land bank;**

17           ~~\* 4 (B) a unit of general local government, as defined in section 102 of the Housing-~~  
18           ~~and Community Development Act of 1974 (42 U.S.C. 5302);~~

19           ~~(C) an Indian tribe, as defined in section 102 of the Housing and Community-~~  
20           ~~Development Act of 1974 (42 U.S.C. 5302);~~

21           ~~(D) a nonprofit organization;~~

22           ~~(E) a community development corporation;~~

23           ~~(F) an anchor institution;~~

24           ~~(G) a State housing finance agency (as such term is defined in section 106(h) of the~~  
25           ~~Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(h))) or a related State~~  
26           ~~agency;~~

27           ~~(H) a land bank;~~

28           ~~(I) a~~ **(G)** fair housing enforcement organization (as such term is defined in section  
29           561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a));

30           ~~(J) a~~ **(H)** public housing agency (as such term is defined in section 3(b) of the United  
31           States Housing Act of 1937 (42 U.S.C. 1437a(b)));;

32           **(I) tribally designated housing entity; or**

33           **(J) philanthropic organization.**

34           **(3) LACK OF LOCAL ENTITY.—A regional, State, or national nonprofit organization**  
35           **may serve as a lead entity if there is no local entity that meets the geographic**  
36           **requirements in paragraph (1).**

1 (e) Uses of Funds.—

2 (1) **IN GENERAL.**—**Planning and implementation grants awarded under this section**  
3 **shall be used to support civic infrastructure and housing-related activities.**

4  
5 ~~\* 3 (K) a community development financial institution, as defined by section 103 of the~~  
6 ~~Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C.~~  
7 ~~4702); or~~

8 ~~(L) a philanthropic organization.~~

9 (e) Eligible Uses.—

10 ~~(1) In general.~~—~~Grants awarded under this section may be used to support civic-~~  
11 ~~infrastructure and housing-related activities. Projects must include at least one civic-~~  
12 ~~infrastructure and at least one housing-related activity.~~

13 ~~(2) Planning grants.~~—~~Planning grants awarded under this section may be used for civic-~~  
14 ~~infrastructure and housing-related activities, including—~~

15 ~~(A) fair housing planning, to affirmatively further fair housing;~~

16 ~~(B) planning to prevent displacement especially of extremely low, very low, low and~~  
17 ~~moderate income homeowners, renters, and people experiencing homelessness;~~

18 ~~(C) community planning and outreach;~~

19 ~~(D) neighborhood engagement with resident leaders and community groups;~~

20 ~~(E) pre-development activities;~~

21 ~~(F) community engagement processes;~~

22 ~~(G) market analysis;~~

23 ~~(H) financial planning and feasibility; and~~

24 ~~(I) site surveys.~~

25 ~~(3)~~**(2) IMPLEMENTATION GRANTS.**—**Implementation grants awarded under this section**  
26 **may be used for activities eligible under subsections (a) through (g) of section 105 of the**  
27 **Housing and Community Development Act of 1974 (42 U.S.C. 5305) and other activities to**  
28 **support civic infrastructure and housing-related activities, including—**

29 (A) new construction of housing;

30 (B) demolition of abandoned or distressed structures, but only if such activity is part  
31 of a strategy that incorporates rehabilitation or new construction, anti-displacement  
32 efforts such as tenants' right to return and right of first refusal to purchase, and efforts  
33 to increase affordable, accessible housing and homeownership, except that not more  
34 than 10 percent of any grant made under this section may be used for activities under  
35 this subparagraph unless the Secretary determines that such use is to the benefit of  
36 existing residents;

37 (C) facilitating the creation, maintenance, or availability of rental units, including  
38 units in mixed-use properties, affordable and accessible to a household whose income

1 does not exceed 80 percent of the median income for the area, as determined by the  
2 Secretary, for a period of not less than 30 years;

3 (D) facilitating the creation, maintenance, or availability of homeownership units  
4 affordable and accessible to households whose incomes do not exceed 120 percent of  
5 the median income for the area, as determined by the Secretary;

6 (E) establishing or operating land banks; and

7 (F) providing assistance to existing residents experiencing economic distress or at  
8 risk of displacement, including purchasing nonperforming mortgages and clearing and  
9 obtaining formal title.

10 ~~(4)~~**(3) COMMUNITY LAND TRUST GRANTS AND SHARED EQUITY HOMEOWNERSHIP**  
11 **GRANTS.**—An eligible recipient of a community land trust grant awarded ~~under this section~~  
12 ~~may use such grant for activities to support civic infrastructure, including the production,~~  
13 ~~acquisition, and rehabilitation of housing for use~~ **for establishing and operating a**  
14 **community land trust or shared equity homeownership program; creation,**  
15 **subsidization, construction, acquisition, rehabilitation, and preservation of housing in**  
16 **a community land trust or shared equity homeownership program, and expanding the**  
17 **capacity of the recipient to carry out the grant.**

18 ~~(5) Costs of grantees.~~—Up to 20 percent of a recipient's grant may be used for administrative  
19 ~~costs.~~

20 ~~(f) Rules of Construction.~~—Except as otherwise provided by this section, amounts  
21 ~~appropriated or otherwise made available under this section shall be subject to the community-~~  
22 ~~development block grant program requirements under title I of the Housing and Community-~~  
23 ~~Development Act of 1974 (42 U.S.C. 5301 et seq.).~~

24 ~~(g)~~**(f) Waivers.**—The Secretary may waive or specify alternative requirements for any  
25 provision of ~~title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et~~  
26 ~~seq.)~~ **subsection (a)(1) or (a)(2),** or regulation for the administration of the amounts made  
27 available under this section other than requirements related to fair housing, nondiscrimination,  
28 labor standards, and the environment, upon a finding that the waiver or alternative requirement is  
29 **not inconsistent with the overall purposes of such Act and that the waiver or alternative**  
30 **requirement is** necessary to expedite or facilitate the use of amounts made available under this  
31 section.

32 ~~(h)~~**(g) Definitions.**—For purposes of this section, the following definitions shall apply:

33 ~~(1) Anchor institution.~~—The term “~~anchor institution~~” means a school, a library, a  
34 ~~healthcare provider, a community college or other institution of higher education, museum~~  
35 ~~or cultural institution, or another community support organization or entity.~~

36 ~~(2) COMMUNITY LAND TRUST.~~—The term “community land trust” means a nonprofit  
37 organization or State or local governments or instrumentalities that—

38 (A) use a ground lease or deed covenant with an affordability period of at least 30  
39 years or more to—

40 (i) make rental and homeownership units affordable to households; and

41 (ii) stipulate a preemptive option to purchase the affordable rentals or

1 homeownership units so that the affordability of the units is preserved for  
2 successive income-eligible households; and

3 (B) monitor properties to ensure affordability is preserved.

4 ~~(3)~~(2) LAND BANK.—The term “land bank” means a government entity, agency, or  
5 program, or a special purpose nonprofit entity formed by one or more units of government  
6 in accordance with State or local land bank enabling law, that has been designated by one or  
7 more State or local governments to acquire, steward, and dispose of vacant, abandoned, or  
8 other problem properties in accordance with locally-determined priorities and goals.

9 ~~(4)~~(3) SHARED EQUITY HOMEOWNERSHIP PROGRAM.—The term “shared equity  
10 homeownership program” means a program to facilitate affordable homeownership  
11 preservation through a resale restriction program administered by a community land trust,  
12 other nonprofit organization, or State or local government or instrumentalities and that  
13 utilizes a ground lease, deed restriction, subordinate loan, or similar legal mechanism that  
14 includes provisions ensuring that the program shall—

15 (A) maintain the home as affordable for subsequent very low-, low-, or  
16 moderate-income families for an affordability term of at least 30 years after  
17 recordation;

18 (B) apply a resale formula that limits the homeowner’s proceeds upon resale; and

19 (C) provide the program administrator or such administrator’s assignee a preemptive  
20 option to purchase the homeownership unit from the homeowner at resale.

21 **(h) Implementation.—The Secretary shall have authority to issue such regulations,**  
22 **notices, or other guidance, forms, instructions, and publications to carry out the programs,**  
23 **projects, or activities authorized under this section to ensure that such programs, projects,**  
24 **or activities are completed in a timely and effective manner.**

## 25 SEC. 40106. FAIR HOUSING ACTIVITIES AND 26 INVESTIGATIONS.

27 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
28 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for  
29 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

30 (1) ~~\$770,000,000~~ **\$540,000,000, to remain available until September 30, 2026**, for the  
31 Fair Housing Initiatives Program under section 561 of the Housing and Community  
32 Development Act of 1987 (42 U.S.C. 3616a) to ensure existing and new fair housing  
33 organizations have expanded and strengthened capacity to address fair housing inquiries  
34 and complaints, conduct local, regional, and national testing and investigations, conduct  
35 education and outreach activities, and address costs of delivering or adapting services to  
36 meet increased housing market activity and evolving business practices in the housing,  
37 housing-related, and lending markets. Amounts made available under this section shall  
38 support greater organizational continuity and capacity, including through up to 10-year  
39 grants; and

40 (2) ~~\$230,000,000~~ **\$160,000,000, to remain available until September 30, 2031**, for the  
41 costs to the Secretary of administering and overseeing the implementation of this section

1 and the Fair Housing Initiatives and Fair Housing Assistance Programs generally, including  
2 information technology, financial reporting, research and evaluations, other cross-program  
3 costs in support of programs administered by the Secretary in this title, and other costs. ~~The~~  
4 ~~Secretary may transfer and merge amounts set aside under this paragraph to section 40301.~~

5 ~~Amounts appropriated by this section shall remain available until September 30, 2031.~~

6 (b) Implementation.—The Secretary shall have authority to issue such regulations ~~or other,~~  
7 notices, **or other** guidance, forms, instructions, and publications ~~as may be necessary or~~  
8 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
9 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
10 effective manner.

## 11 SEC. 40107. INTERGOVERNMENTAL FAIR HOUSING 12 ACTIVITIES AND INVESTIGATIONS.

13 (a) ~~Appropriation.~~—~~In~~ **In** addition to amounts otherwise available, there is appropriated to the  
14 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for  
15 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

16 (1) ~~\$184,000,000~~ **\$75,000,000** for support for cooperative efforts with State and local  
17 agencies administering fair housing laws under section 817 of the Fair Housing Act (42  
18 U.S.C. 3616) to assist the Secretary to affirmatively further fair housing, and for Fair  
19 Housing Assistance Program cooperative agreements with interim certified and certified  
20 State and local agencies, under the requirements of subpart C of part 115 of title 24, Code of  
21 Federal Regulations, to ensure expanded and strengthened capacity of substantially  
22 equivalent agencies to assume a greater share of the responsibility for the administration  
23 and enforcement of fair housing laws; ~~the Secretary may transfer and merge amounts~~  
24 ~~appropriated by this paragraph to section 40301; and~~ **and**

25 (2) ~~\$66,000,000~~ (2) **\$25,000,000** for the costs to the Secretary of administering and  
26 overseeing the implementation of this section and the Fair Housing Assistance and Fair  
27 Housing Initiatives Programs generally, including information technology, financial  
28 reporting, research and evaluations, other cross-program costs in support of programs  
29 administered by the Secretary in this title, and other costs; ~~the Secretary may transfer and~~  
30 ~~merge amounts appropriated by this paragraph to section 40301.~~

31 ~~Amounts appropriated by this section shall remain available until September 30, 2031.~~

32  
33 ~~\* 2 (b) Implementation.—The Secretary shall have authority to~~  
34 ~~issue such regulations or other notices, guidance, forms,~~  
35 ~~instructions, and publications as may be necessary or~~  
36 ~~appropriate to carry out the programs, projects, or activities~~  
37 ~~authorized under this section, including to ensure that such~~  
38 ~~programs, projects, or activities are completed in a timely and~~

1 ~~effective manner.~~

## 2 Subtitle C—Homeownership Investments

### 3 SEC. 40201. FIRST-GENERATION DOWNPAYMENT 4 ASSISTANCE.

5 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
6 First Generation Downpayment Fund **to increase equal access to homeownership**, established  
7 under subsection (b) for fiscal year 2022, out of any money in the Treasury not otherwise  
8 appropriated—

9 (1) \$6,825,000,000, **to remain available until September 30, 2026**, for the  
10 First-Generation Downpayment Assistance Fund under this section for allocation ~~among~~  
11 ~~States that the Secretary of Housing and Urban Development has not found to be out of~~  
12 ~~compliance with the obligation to affirmatively further fair housing~~, **to each State** in  
13 accordance with a formula established by the Secretary, which shall take into consideration  
14 ~~adult population size excluding homeowners~~, **best available data to approximate the**  
15 **number of potential qualified homebuyers as defined in subsection (e)(7) as well as**  
16 ~~median area home prices, and racial disparities in homeownership rates~~, to carry out the  
17 eligible uses of the Fund as described in subsection (c);

18 (2) \$2,275,000,000, **to remain available until September 30, 2026**, for the  
19 First-Generation Downpayment Assistance Program under this section for competitive  
20 grants to eligible entities ~~that the Secretary has not found to be out of compliance with the~~  
21 ~~obligation to affirmatively further fair housing~~, to carry out the eligible uses of the Fund as  
22 described in subsection (d);

23 (3) \$500,000,000, **to remain available until September 30, 2031**, for the costs of  
24 providing housing counseling required under the First-Generation Downpayment Assistance  
25 Program under subsection (c)(1); and

26 (4) \$400,000,000, **to remain available until September 30, 2031**, for the costs to the  
27 Secretary **of Housing and Urban Development** of administering and overseeing the  
28 implementation of the First-Generation Downpayment Assistance Program, including  
29 information technology, financial reporting, programmatic reporting, ~~ensuring fair housing~~  
30 ~~and fair lending compliance~~, research and evaluations, **which shall include the program’s**  
31 **impact on racial and ethnic disparities in homeownership rates**, technical assistance to  
32 recipients of amounts under this section, and other cross-program costs in support ~~to~~ **of**  
33 programs administered by the Secretary in this Act, and other costs; ~~the Secretary may~~  
34 ~~transfer and merge accounts set aside under this clause to section 40301.~~

35 ~~Amounts appropriated by this section shall remain available until September 30, 2031.~~

36 (b) Establishment.—The Secretary of Housing and Urban Development shall establish and  
37 manage a fund to be known as the First Generation Downpayment Fund (in this section referred  
38 to as the “Fund”) for the uses set forth in subsection (d).

39 (c) Allocation of Funds.—

40 (1) INITIAL ALLOCATION.—The Secretary shall allocate and award funding provided by

1 subsection (a) as provided under such subsection not later than 12 months after the date of  
2 the enactment of this section.

3 (2) ~~REALLOCATION OF FUNDS.—~~ **IF REALLOCATION.—** If a State or eligible entity does not  
4 demonstrate the capacity to expend grant funds provided under this section, the Secretary  
5 shall ~~reallocate the grant funds of such grantee among States and eligible entities that~~  
6 ~~demonstrate to the Secretary~~ **may recapture amounts remaining available to a grantee**  
7 **that has not demonstrated** the capacity to expend such ~~amounts and that are satisfactorily~~  
8 ~~meeting the goals~~ **funds in a manner that furthers the purposes of this section and shall**  
9 **reallocate such amounts among any other States or eligible entities that have**  
10 **demonstrated to the Secretary the capacity to expend such amounts in a manner that**  
11 **furthers the purposes** of this section.

12 (d) Terms and Conditions of Grants Allocated or Awarded From Fund.—

13 (1) USES OF FUNDS.—States and eligible entities receiving grants from the Fund **shall**  
14 ~~shall—~~

15 (A) use such grants to provide assistance **to or** on behalf of a qualified homebuyer who  
16 has completed a program of housing counseling ~~before entering into a sales purchase~~  
17 ~~agreement, as the Secretary shall require,~~ provided through a housing counseling agency  
18 approved by the Secretary ~~for—~~ **or other adequate homebuyer education before**  
19 **entering into a sales purchase agreement for—**

20 (i) (A) costs in connection with the acquisition, involving an eligible mortgage loan,  
21 of an eligible home, including downpayment costs, closing costs, and costs to reduce  
22 the rates of interest on eligible mortgage loans;

23 (ii) (B) subsidies to make shared equity homes affordable to eligible homebuyers ~~by~~  
24 ~~discounting the price for which the home will be sold and to preserve the home's~~  
25 ~~affordability for subsequent homebuyers; and; and~~

26 (iii) (C) pre-occupancy home modifications ~~that may be necessary to meet required~~  
27 ~~property standards or to~~ accommodate qualified homebuyers or members of their  
28 household with disabilities;

29 (B) ~~use not more than 10 percent of their grant allocation or award for administrative~~  
30 ~~costs and training for carrying out the program of the State or eligible entity to provide~~  
31 ~~assistance with such grant amounts, as well as to develop the capacity to track and monitor~~  
32 ~~program outcomes in consultation with community-based and nonprofit organizations that~~  
33 ~~have as their mission to advance fair housing and fair lending; and~~

34 (C) ~~comply with the obligation to affirmatively further fair housing, as defined by the~~  
35 ~~Secretary to implement section 808(e)(5) of the Fair Housing Act (42 U.S.C. 3608(e)(5)), in~~  
36 ~~any program or activity related to the use of such funds.~~

37 (2) ~~Amount and layering~~ (2) AMOUNT OF ASSISTANCE.—Assistance under this section—

38 (A) may be provided to or on behalf of any qualified homebuyer ~~only once;~~

39 (B) **may be provided to or on behalf of any qualified homebuyer only once in**  
40 **the form of grants or forgivable, non-amortizing, non-interest-bearing loans that**  
41 **may only be required to be repaid pursuant to paragraph (d)(4); and**



1 (C) may not exceed the greater of \$20,000 or 10 percent of the purchase price in the  
2 case of a qualified homebuyer, not to include assistance received under subsection  
3 ~~(d)(1)(A)(iii)~~**(d)(1)(C)** for disability related home modifications, except that the  
4 Secretary may increase such maximum limitation amounts ~~in the case of a~~ **for**  
5 qualified ~~homebuyer~~ **homebuyers** who ~~is~~ **are** economically disadvantaged; ~~and.~~

6 ~~(C) may be provided to or on behalf of a qualified homebuyer who is receiving assistance~~  
7 ~~from other sources, including other State, Federal, local, private, public, and nonprofit~~  
8 ~~sources, for acquisition of an eligible home.~~

9 ~~(3) Prohibition of priority.—~~**In(3) PROHIBITION OF PRIORITY OR RECOUPMENT OF**  
10 **FUNDS.—****In** selecting qualified homebuyers for assistance with grant amounts under this  
11 section, a State or eligible entity may not provide any priority or preference for homebuyers  
12 who are acquiring eligible homes with a mortgage loan made, insured, guaranteed, or  
13 otherwise assisted by the State housing finance agency for the State, any other housing  
14 agency of the State, or an eligible entity when applicable, **nor may the State or eligible**  
15 **entity seek to recoup any funds associated with the provision of downpayment**  
16 **assistance to the qualified homebuyer, whether through premium pricing or otherwise,**  
17 **except as provided in paragraph (4) of this subsection or otherwise authorized by the**  
18 **Secretary.**

19 (4) REPAYMENT OF ASSISTANCE.—

20 (A) REQUIREMENT.—The Secretary shall require that, if a homebuyer to or on behalf  
21 of whom assistance is provided from grant amounts under this section fails or ceases to  
22 occupy the property acquired using such assistance as the primary residence of the  
23 homebuyer, except in the case of assistance ~~is~~ provided in connection with the  
24 purchase of a principal residence through a shared equity homeownership program, the  
25 homebuyer shall repay to the State or eligible entity, as applicable, in a proportional  
26 amount of the assistance the homebuyer receives based on the number of years they  
27 have occupied the eligible home up to 5 years, except that no assistance shall be repaid  
28 if the qualified homebuyer occupies the eligible home as a primary residence for 5  
29 years or more.

30 (B) LIMITATION.—Notwithstanding subparagraph (A), a homebuyer to or on behalf  
31 of whom assistance is provided from grant amounts under this section shall not be  
32 liable to the State or eligible entity for the repayment of the amount of such shortage if  
33 the homebuyer fails or ceases to occupy the property acquired using such assistance as  
34 the principal residence of the homebuyer at least in part because of a hardship, ~~such as~~  
35 ~~death or military deployment; a financial hardship, such as a significant reduction in~~  
36 ~~income, or increase in medical expenses; relocation for a reason related to domestic~~  
37 ~~violence, dating violence, sexual assault, or stalking, as defined in the Secretary's~~  
38 ~~regulations implementing the Violence Against Women Act; or relocation for a reason~~  
39 ~~related to the homebuyer or a member of the household's disabilities; or another~~  
40 ~~hardships based on criteria established by the Secretary,~~ or sells the property acquired  
41 with such assistance before the expiration of the 60-month period beginning on such  
42 date of acquisition and the capital gains from such sale to a bona fide purchaser in an  
43 arm's length transaction are less than the amount the homebuyer is required to repay  
44 the State or eligible entity under subparagraph (A).

1           ~~(5) COMMUNITY LAND TRUSTS AND SHARED EQUITY HOMEOWNERSHIP PROGRAMS.—IF~~  
2           ~~ASSISTANCE FROM GRANT AMOUNTS UNDER THIS SECTION IS PROVIDED IN CONNECTION WITH~~  
3           ~~AN ELIGIBLE HOME MADE AVAILABLE THROUGH A COMMUNITY LAND TRUST OR SHARED-~~  
4           ~~EQUITY HOMEOWNERSHIP PROGRAM, SUCH ASSISTANCE SHALL REMAIN IN THE COMMUNITY-~~  
5           ~~LAND TRUST OR SHARED EQUITY PROPERTY UPON TRANSFER OF THE PROPERTY TO KEEP THE~~  
6           ~~HOME AFFORDABLE TO THE NEXT ELIGIBLE COMMUNITY LAND TRUST OR SHARED EQUITY-~~  
7           ~~HOME BUYER.~~

8           ~~(6) RELIANCE ON BORROWER ATTESTATIONS.—No additional documentation beyond the~~  
9           ~~borrower’s attestation shall be required to demonstrate eligibility under subparagraphs (B)~~  
10           ~~and (C) of subsection (e)(6)(e)(7) and no State, eligible entity, or creditor shall be subject to~~  
11           ~~liability, including monetary penalties or requirements to indemnify a Federal agency or~~  
12           ~~repurchase a loan that has been sold or securitized, based on the provision of assistance~~  
13           ~~under this section to or on behalf of a borrower who does not meet the eligibility~~  
14           ~~requirements under such subparagraphs if the creditor does so in good faith reliance on~~  
15           ~~borrower attestations of eligibility required under such subparagraphs.~~

16           ~~(7) Reporting.—The Secretary may require the reporting of such information on the use~~  
17           ~~of grants provided from the Fund as the Secretary may require to carry out this subsection.~~  
18           ~~based on the accuracy of such attestation.~~

19           **(6) COSTS TO GRANTEE.—States and eligible entities receiving grants from the Fund**  
20           **may use a portion of such grants for administrative costs up to the limit specified by**  
21           **the Secretary.**

22           (e) Definitions.—For purposes of this section, the following definitions shall apply:

23           ~~(1) Community land trust.—The term “community land trust” means a nonprofit~~  
24           ~~organization or State or local government, agencies or instrumentalities thereof, that —~~

25           ~~(A) use a ground lease or deed covenant with an affordability period of at least 30 years~~  
26           ~~to —~~

27           ~~(i) make homeownership units affordable to households; and~~

28           ~~(ii) stipulate a preemptive option to purchase the affordable homeownership units so that~~  
29           ~~the affordability of the units is preserved for successive income eligible households; and~~

30           ~~(B) monitor properties to ensure affordability is preserved.~~

31           ~~(2) ELIGIBLE ENTITY.—The term “eligible entity” means —~~

32           ~~(A) a minority depository institution, as such term is defined in section 308 of the~~  
33           ~~Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C.~~  
34           ~~1463 note);~~

35           ~~(B) a community development financial institution, as such term is defined in~~  
36           ~~section 103 of the Riegle Community Development and Regulatory Improvement Act~~  
37           ~~of 1994 (12 U.S.C. 4702), that is certified by the Secretary of the Treasury and targets~~  
38           ~~services to **minority and** low-income ~~and socially disadvantaged~~ populations ~~and or~~~~  
39           ~~provides services in neighborhoods having high concentrations of minority; **and**~~  
40           ~~low-income ~~and socially disadvantaged~~ populations; ~~and~~~~

41           ~~(C) any other nonprofit, ~~mission-driven~~ entity that the Secretary finds has a track~~

1 record of providing assistance to homeowners, targets services to **minority and**  
2 ~~low-income and socially disadvantaged populations, and or~~ provides services in  
3 neighborhoods having high concentrations of minority, ~~low income, or socially~~  
4 ~~disadvantaged populations.~~

5 (3) Eligible home.—The term “eligible home” means a residential dwelling,  
6 including a unit in a condominium or cooperative project or a manufactured housing  
7 unit, that — **and low-income populations; and**

8 \*\* 4 (B)(D) a unit of general local government, as **such term is** defined in section  
9 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302);

10 (2) ELIGIBLE HOME.—The term “eligible home” means a residential dwelling that—

11 (A) consists of 1 to 4 dwelling units; and

12 (B) will be occupied by the qualified homebuyer, ~~in accordance with such~~  
13 ~~assurances and commitments as the Secretary shall require~~, as the primary residence of  
14 the homebuyer.

15 (4)(3) ELIGIBLE MORTGAGE LOAN.—The term “eligible mortgage loan” means a  
16 single-family residential mortgage loan that—

17 (A) meets the underwriting requirements and dollar amount limitations for  
18 acquisition by the Federal National Mortgage Association or the Federal Home Loan  
19 Mortgage Corporation;

20 (B) is made, insured, or guaranteed under any program administered by the  
21 Secretary;

22 (C) is made, insured, or guaranteed ~~under title V of the Housing Act of 1949 (42-~~  
23 ~~U.S.C. 1471 et seq.);~~ **by the Rural Housing Administrator of the Department of**  
24 **Agriculture;**

25 (D) is a qualified mortgage, as such term is defined in section 129C(b)(2) of the  
26 Truth in Lending Act (15 U.S.C. 1639c(b)(2)); or

27 (E) is made, insured, or guaranteed for the benefit of a veteran.

28 (5)(4) FIRST GENERATION HOMEBUYER.—The term “first-generation homebuyer” means a  
29 homebuyer that is, as attested by the homebuyer—

30 (A) an individual—

31 (i) whose ~~living~~ parents or legal guardians do not, **or did not at the time of**  
32 **their death**, to the best of the individual’s knowledge, have any present fee-  
33 ~~simple~~ ownership interest in a ~~principal~~ residence in any State, excluding  
34 ownership of their property **or ownership of chattel; and;**

35 (ii) ~~who, if no parents or legal guardians are living upon acquisition of the~~  
36 ~~eligible home to be acquired using such assistance, to the best of the individual’s~~  
37 ~~knowledge, their parents or legal guardians did not have any ownership interest in~~  
38 ~~a principal residence in any State at the time of their death, excluding ownership~~  
39 ~~of their property; and~~

40 (iii)(ii) whose spouse or domestic partner has not, during the 3-year period

1 ending upon acquisition of the eligible home to be acquired using such assistance,  
2 had any present ownership interest in a ~~principal~~ residence in any State, excluding  
3 ownership of heir property **or ownership of chattel**, whether the individual is a  
4 co-borrower on the loan or not;

5 (B) an individual who has at any time been placed in foster care or institutional care  
6 whose spouse or domestic partner has not, during the 3-year period ending upon  
7 acquisition of the eligible home to be acquired using such assistance, had any  
8 ownership interest in a ~~principal~~ residence in any State, excluding ownership of heir  
9 property **or ownership of chattel**, whether such individuals are co-borrowers on the  
10 loan or not.

11 **\*\* 5 (10)(5) HEIR PROPERTY.**—The term “heir property” means residential property for  
12 which title passed by operation of law through intestacy and is held by two or more heirs as  
13 tenants in common.

14 **(6) OWNERSHIP INTEREST .**—The term “ownership interest” means any ownership,  
15 excluding any interest in heir property, in—

16 (A) real estate in fee simple;

17 (B) a leasehold on real estate under a lease for not less than ninety-nine years  
18 which is renewable; or

19 (C) a fee interest in, or long-term leasehold interest in, real estate consisting of a  
20 one-family unit in a multifamily project, including a project in which the dwelling  
21 units are attached, or are manufactured housing units, semi-detached, or  
22 detached, and an undivided interest in the common areas and facilities which  
23 serve the project.

24 **(7) QUALIFIED HOMEBUYER.**—The term “qualified homebuyer” means a homebuyer—

25 (A) having an annual household income that is less than or equal to—

26 (i) 120 percent of median income, as determined by the Secretary, for—

27 (I) the area in which the home to be acquired using such assistance is  
28 located; or

29 (II) the area in which the place of residence of the homebuyer is located;  
30 or

31 (ii) 140 percent of the median income, as determined by the Secretary, for the  
32 area within which the eligible home to be acquired using such assistance is  
33 located if the homebuyer is acquiring an eligible home located in a high-cost area;

34 (B) who is a first-time homebuyer, as such term is defined at 42 U.S.C. 12704, in  
35 section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C.  
36 12704), except that for the purposes of this section the reference in such section  
37 104 to title II shall be considered to refer to this section, and except that ownership  
38 of heir property shall not be treated as owning a home for purposes of determining  
39 whether a borrower qualifies as a first-time homebuyer; and

40 (C) who is a first-generation homebuyer.

1           ~~(7)~~**(8)** SECRETARY.—The term “Secretary” means the Secretary of Housing and Urban  
2           Development.

3           ~~(8)~~**(9)** SHARED EQUITY HOMEOWNERSHIP PROGRAM.—

4           (A) IN GENERAL.—The term “shared equity homeownership program” means  
5           affordable homeownership preservation through a resale restriction program  
6           administered by a community land trust, other nonprofit organization, or State or local  
7           government or instrumentalities.

8           (B) AFFORDABILITY REQUIREMENTS.—Any such program under subparagraph (A)  
9           shall—

10                   (i) provide affordable homeownership opportunities to households; and

11                   (ii) utilize a ground lease, deed restriction, subordinate loan, or similar legal  
12                   mechanism that includes provisions ensuring that the program shall—

13                           (I) maintain the homeownership unit as affordable for subsequent very  
14                           low-, low-, or moderate-income families for an affordability term of at least  
15                           30 years after recordation;

16                           (II) apply a resale formula that limits the homeowner’s proceeds upon  
17                           resale; and

18                           (III) provide the program administrator or such administrator’s assignee a  
19                           preemptive option to purchase the homeownership unit from the homeowner  
20                           at resale.

21           ~~(9)~~**(10)** STATE.—The term “State” means any State of the United States, the District of  
22           Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the  
23           Commonwealth of the Northern Mariana Islands, and American Samoa.

24  
25           ~~\* 5 (10) Heir property.—The term “heir property” means residential property for which title~~  
26           ~~passed by operation of law through intestacy and is held by two or more heirs as tenants in~~  
27           ~~common.~~

28           (f) Implementation.—The Secretary shall have authority to issue such regulations ~~or other,~~  
29           notices, ~~or other~~ guidance, forms, instructions, and publications ~~as may be necessary or~~  
30           ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
31           ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
32           effective manner.

## 33   SEC. 40202. ~~WEALTH BUILDING~~ HOME LOAN 34   PROGRAM.

35           (a) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal  
36           year 2022, out of any amounts in the Treasury not otherwise ~~appropriated~~— **appropriated, to**  
37           **remain available until September 30, 2031**—

38                   ~~(1) \$480,000,000~~**(1) \$4,000,000,000** to the Secretary of Housing and Urban Development  
39                   for **the cost of guaranteed or insured loans and other obligations, including the cost of**

1       **modifying such loans, under subsection (e)(1)(A);**

2           **(2) \$500,000,000 to the Secretary of Housing and Urban Development for costs of**  
3 carrying out the program established under subsection ~~(b)~~ **paragraph (1)** and programs of  
4 the Federal Housing Administration and the Government National Mortgage Association  
5 generally, including information technology, financial reporting, **and** other cross-program  
6 costs in support of programs administered by the Secretary in this Act, ~~other costs, and title,~~  
7 **and other costs;**

8           **(3) \$150,000,000 to the Secretary of Agriculture for the cost of guaranteed and**  
9 **insured loans and other obligations; and, including the cost of modifying such loans,**  
10 **under subsection (e)(1)(B);**

11       ~~(2) \$20,000,000~~ **(4) \$50,000,000** to the Secretary of Agriculture for **the costs of** carrying  
12 out the program established under subsection ~~(b)~~ **paragraph (3)** and programs of the Rural  
13 Housing Service generally, including information technology and financial reporting in  
14 support of the Program administered by the Secretary of Agriculture in this Act, ~~other costs,~~  
15 ~~and for the cost of guaranteed loans and other obligations.~~

16       ~~Amounts appropriated by this section shall remain available until September 30, 2031.~~

17       ~~(b) Establishment of LIFT HOME FUNDS.—~~

18       ~~(1) In general.—There is established in each Loan Guarantee Agency a fund to be known~~  
19 ~~as the LIFT HOME Fund, into which amounts appropriated under this section shall be~~  
20 ~~deposited and which shall be used by each Department for carrying out the purposes of this~~  
21 ~~section.~~

22       ~~(2) Management of fund.—The LIFT HOME Fund of each Loan Guarantee Agency shall~~  
23 ~~be administered and managed by the respective Secretary, who shall establish reasonable~~  
24 ~~and prudent criteria for the management and operation of any amounts in the Fund.~~

25       ~~(c) Use of Funds.—~~

26       ~~(1) Transfer of amounts to treasury.—Such portions of the appropriation to~~ **title; and**

27       **(5) \$300,000,000 to the Secretary of Treasury for the costs of carrying out the**  
28 **program under this section.**

29       **(b) Use of Funds.—**

30       **(1) IN GENERAL.—**

31           **(A) The Secretary of Housing and Urban Development and the Secretary of**  
32 **Agriculture shall use the funds provided under subsections (a)(1), (a)(2), (a)(3),**  
33 **and (a)(4) to carry out the programs under subsections (a)(1) and (a)(3) to make**  
34 **covered mortgage loans.**

35           **(B) The Secretary of the Treasury shall use the funds provided under**  
36 **subsections (a)(5) and (b)(2) to—**

37               **(i) purchase, on behalf of** the Secretary of Housing and Urban Development,  
38 ~~shall be transferred by the Secretary of Housing and Urban Development to the~~  
39 ~~Department of the Treasury in an amount equal to, as determined by the Secretary~~  
40 ~~of the Treasury, in consultation with the Secretary of Housing and Urban~~

1           Development—

2           (A) the amount the Secretary of the Treasury estimates to be necessary for the  
3 purchase of securities under the Program during the period for which the funds  
4 are intended to be available;

5           (B) the difference between—

6           (i) the Secretary of the Treasury's receipts from the sale or other disposition of  
7 securities acquired under the Program; and

8           (ii) the Secretary of the Treasury's costs in purchasing such securities; and

9           (C) the Department of the Treasury's administrative expenses related to the  
10 Program.

11           (2) Credit subsidy.—Such portion of the appropriation to each Secretary as may  
12 be necessary may be used for the cost to the respective Loan Guarantee Agency of  
13 guaranteed loans under this section. Such costs, including the costs of modifying  
14 such loans, shall be as defined in section 502 of the Congressional Budget Act of  
15 1974 (2 U.S.C. 661a).

16           (d) Establishment of the LIFT HOME Program.—Each Secretary shall  
17 establish, and carry out, with respect to any mortgage with a case number issued  
18 on or before December 31, 2025, that is subsequently insured or guaranteed by  
19 such Secretary, a program to make covered mortgage loans available to eligible  
20 homebuyers to purchase a single family residence for use as their principal  
21 residence (referred to in this section as the “Program”), under which—

22           (1) the Secretary of the Treasury—

23           (A) shall act as a purchaser, on behalf of the Secretary of Housing and Urban  
24 Development, of securities that are secured by covered mortgage loans, **and sell,**  
25 **manage, and exercise any rights received in connection with, any financial**  
26 **instruments or assets acquired pursuant to the authorities granted under this**  
27 **section, including, as appropriate, establishing and using vehicles to**  
28 **purchase, hold, and sell such financial instruments or assets;;**

29           (B) may designate financial institutions, including banks, savings associations,  
30 trust companies, **(ii) designate one or more banks,** security brokers or dealers,  
31 asset managers, **or** investment advisers, and other institutions and such  
32 institutions shall—

33           (i) perform all reasonable duties related to this section as a financial agent of  
34 the United States as may be required; and **Federal Government to perform**  
35 **duties related to authorities granted under this section; and**

36           (ii) be paid for such duties using appropriations available to the Secretary of the  
37 Treasury to reimburse financial institutions in their capacity as financial agents of  
38 the United States;

39           (C) may **(iii)** use the services of any agency or instrumentality of the United  
40 States or component thereof **the Department of Housing and Urban**  
41 **Development** on a reimbursable basis, and any such agency or instrumentality or

1 component thereof **the Secretary of Housing and Urban Development** is  
2 authorized to provide services as requested by the Secretary of Treasury using all  
3 authorities vested in or delegated to that agency, instrumentality, or component;  
4 **the Department of Housing and Urban Development.**

5 ~~(D) may manage, and exercise any rights received in connection with, any financial~~  
6 ~~instruments or assets purchased or acquired pursuant to the authorities granted under this~~  
7 ~~section;~~

8 ~~(E) may establish and use vehicles to purchase, hold, and sell financial instruments and~~  
9 ~~other assets; and~~

10 ~~(F) may issue such regulations and other guidance as may be necessary or appropriate to~~  
11 ~~carry out the authorities or purposes of this section;~~

12 ~~(2) each Secretary of a Loan Guarantee Agency shall—~~

13 ~~(A) establish pricing terms for covered mortgage loans such that the covered mortgage~~  
14 ~~loans carry a monthly mortgage payment of principal and interest that is not more than 110~~  
15 ~~percent and not less than 100 percent of the monthly payment of principal, interest, and~~  
16 ~~periodic mortgage insurance premium or loan guarantee fee associated with a newly~~  
17 ~~originated 30-year mortgage loan with the same loan balance insured or guaranteed by the~~  
18 ~~Loan Guarantee Agency as determined by each Secretary, or such pricing terms as are~~  
19 ~~determined by each Secretary to be necessary to develop liquidity for securities backed by~~  
20 ~~covered mortgage loans and expand Program participation by eligible homebuyers; and~~

21 ~~(B) establish an outreach and counseling program to increase stakeholder awareness of~~  
22 ~~the Program; and~~

23 ~~(3)(2) TRANSFER OF AMOUNTS TO TREASURY.—Such portions of the appropriation to~~  
24 ~~the Secretary of Housing and Urban Development shall be transferred by the Secretary~~  
25 ~~of Housing and Urban Development to the Department of the Treasury from~~  
26 ~~time-to-time in an amount equal to, as determined by the Secretary of the Treasury~~  
27 ~~shall—~~

28 ~~(A) in consultation with the Secretary of Treasury, establish the pricing terms~~ **Housing**  
29 **and Urban Development, the amount necessary** for the purchase of securities ~~guaranteed~~  
30 ~~by the Association secured by covered mortgage loans such that the covered mortgage loans~~  
31 ~~carry a monthly mortgage payment of principal and interest that is not more than 110~~  
32 ~~percent and not less than 100 percent of the monthly payment of principal, interest, and~~  
33 ~~periodic mortgage insurance premium or loan guarantee fee associated with a newly~~  
34 ~~originated 30-year mortgage loan with the same loan balance insured or guaranteed by the~~  
35 ~~Loan Guarantee Agency, or such pricing terms as are determined by the Secretaries to be~~  
36 ~~necessary to develop liquidity for securities backed by covered mortgage loans and expand~~  
37 ~~Program participation by eligible homebuyers; **under the Program during the period for**~~  
38 **which the funds are intended to be available.**

39 ~~(B) have the authority to designate mortgage bankers, financial institutions, including~~  
40 ~~banks, savings associations, trust companies, security brokers or dealers, asset managers,~~  
41 ~~investment advisers, and other institutions and such institutions shall—~~

42 ~~(i) perform all reasonable duties related to this section as an agent of the United States as~~



1 may be required; and

2 (ii) be paid for such duties using appropriations available under this section to the  
3 Secretary of Housing and Urban Development to reimburse these entities in their capacity  
4 as agents of the United States;

5 (C) have the authority to use the services of any agency or instrumentality of the United  
6 States or component thereof on a reimbursable basis, and any such agency or  
7 instrumentality or component thereof is authorized to provide services as requested by the  
8 Secretary of Housing and Urban Development using all authorities vested in or delegated to  
9 that agency, instrumentality, or component;

10 (D) operate the Program in coordination with the Association, the Federal Housing  
11 Administration, the Rural Housing Service, and **(3) USE OF PROCEEDS.—Revenues of and**  
12 **proceeds from the sale, exercise, or surrender of assets purchased or acquired under**  
13 **the Program under this section shall be available to** the Secretary of the Treasury ~~so as to~~  
14 ~~demonstrate feasibility and workability to market participants, including—~~ **through**  
15 **September 30, 2031, for purposes of purchases under subsection (b)(1)(B)(i).**

16 (i) originators and servicers of mortgages;

17 (ii) issuers of mortgage-backed securities; and

18 (iii) investors; and

19 (E) gain price discovery experience by instructing the Secretary of the Treasury, following  
20 consultation with the Secretary of Treasury to sell acquired securities described in subparagraph  
21 (A) as soon as practicable, thereby hastening the development of liquidity for securities backed  
22 by covered mortgage loans.

23 ~~(3) Limitation on aggregate loan guarantee authority.—The~~ **(c) Limitation on Aggregate**  
24 **Loan Insurance or Guarantee Authority.—The** aggregate original principal obligation of all  
25 covered mortgage loans under this section for each Loan Guarantee Agency may not exceed  
26 \$5,000,000,000. **insured or guaranteed under subsection (e)(1)(A) of this section may not**  
27 **exceed \$48,000,000,000, and under section (e)(1)(B) may not exceed \$12,000,000,000.**

28 ~~(4) GNMA guarantee authority.—To~~ **(d) GNMA Guarantee Authority and Fee.—To** carry  
29 out the purposes of this section, the **Government National Mortgage** Association may enter  
30 into new commitments to issue guarantees of securities based on or backed by mortgages insured  
31 **or guaranteed** under this section, not exceeding **\$60,000,000,000, and shall \$10,000,000,000.**

32 ~~(5) GNMA guaranty fee.—To~~ carry out the purposes of this section, the Association may  
33 collect guaranty fees consistent with section 306(g)(1) of the National Housing Act (12 U.S.C.  
34 1721(g)(1)) that are paid at securitization.

35 (e) Definitions.—In this section:

36 (1) Association.—The term “Association” means the Government National Mortgage  
37 Association.

38 ~~(2) COVERED MORTGAGE LOAN.—~~

39 (A) IN GENERAL.—The term “covered mortgage loan” means, for purposes of the  
40 Program established by the Secretary of Housing and Urban Development, a mortgage

1 loan that—

2 (i) is insured ~~or guaranteed~~ by the Federal Housing Administration pursuant to  
3 section 203(b) of the National Housing Act, subject to the eligibility criteria set  
4 forth in this subsection, and has a case number issued on or before December 31,  
5 ~~2025~~ **2029**;

6 (ii) is made for an original term of 20 years ~~or for an original term with a~~  
7 **monthly mortgage payment of principal and interest that is not more than**  
8 **110 percent and not less than 100 percent of the monthly payment of**  
9 **principal, interest, and periodic mortgage insurance premium associated**  
10 **with a newly originated 30-year mortgage loan with the same loan balance**  
11 **insured by the agency as determined by the Secretary to be necessary to develop**  
12 **liquidity for securities backed by covered mortgage loans and expand Program**  
13 **participation by eligible homebuyers;**

14 (iii) subject to subparagraph (C) of this paragraph and notwithstanding section  
15 ~~203(b)(2)(C)~~ **203(c)(2)** of the National Housing Act (12 U.S.C. ~~1709(b)(2)(C))~~  
16 **1709(c)(2)**), has a mortgage insurance premium of not more than 4 percent of the  
17 loan balance that is paid at closing, financed into the principal balance of the loan,  
18 paid through an annual premium, or a combination thereof;

19 (iv) involves a rate of interest that is fixed over the term of the mortgage loan;  
20 and

21 (v) is secured by a single-family residence that is the principal residence of an  
22 eligible homebuyer.

23 (B) The term “covered mortgage loan” means, for purposes of the Program  
24 established by the Secretary of Agriculture, a loan guaranteed under section 502(h) of  
25 the Housing Act of 1949 (42 U.S.C. 1472(h)) that—

26 (i) notwithstanding section 502(h)(7)(A) of the Housing Act of 1949 (42 U.S.C.  
27 1472(h)(7)(A)), is made for an original term of 20 years ~~or for an original term~~  
28 **with a monthly mortgage payment of principal and interest that is not more**  
29 **than 110 percent and not less than 100 percent of the monthly payment of**  
30 **principal, interest, and loan guarantee fee associated with a newly originated**  
31 **30-year mortgage loan with the same loan balance guaranteed by the agency**  
32 **as determined by the Secretary to be necessary to develop liquidity for securities**  
33 **backed by covered mortgage loans and expand Program participation by eligible**  
34 **homebuyers; and**

35 (ii) subject to subparagraph (C) of this paragraph and notwithstanding section  
36 502(h)(8)(A) of the Housing Act of 1949 (42 U.S.C. 1472(h)(8)(A)), has a loan  
37 guarantee fee of not more than 4 percent of the principal obligation of the loan.

38 (C) ~~WAIVER OF MORTGAGE INSURANCE PREMIUM REQUIREMENT.—EACH SECRETARY~~  
39 ~~AND ALTERNATIVE REQUIREMENTS.—~~**The Secretary of Housing and Urban**  
40 **Development and the Secretary of Agriculture**, in consultation with the Secretary of  
41 the Treasury, and notwithstanding **paragraph (8)(A) of** section 502(h)(~~8)(A)~~ of the  
42 Housing Act of 1949 (42 U.S.C. 1472(h)(8)(A)) for purposes of the Program  
43 established by the Secretary of Agriculture, may waive ~~the mortgage insurance-~~

1 ~~premium cap or loan guarantee fee cap under subparagraphs (A)(iii) and (B)(ii) with~~  
2 ~~respect to~~ **or specify alternative requirements for subsection (e)(1)(A)(ii) or**  
3 **(e)(1)(B)(i) for covered mortgage loans insured or guaranteed by the Loan Guarantee**  
4 ~~Agency of which that Secretary is the head if necessary to protect the solvency of the~~  
5 ~~associated insurance fund.~~ **in connection with the use of amounts made available**  
6 **under this section upon a finding that the waiver or alternative requirement is**  
7 **necessary to facilitate the use of amounts made available under this section.**

8 ~~(3) Department.—Unless otherwise specified, the term “Department” means the~~  
9 ~~Department of Housing and Urban Development or the Department of Agriculture, as~~  
10 ~~appropriate.~~

11 ~~(4)~~**(2)** ELIGIBLE HOMEBUYER.—The term “eligible homebuyer” means an individual  
12 who—

13 (A) for purposes of the Program established by the Secretary of Housing and Urban  
14 Development—

15 (i) has an annual household income that is less than or equal to—

16 (I) 120 percent of median income for the area, as determined by the  
17 Secretary of Housing and Urban Development for—

18 (aa) the area in which the home to be acquired using such assistance  
19 is located; or

20 (bb) the area in which the place of residence of the homebuyer is  
21 located; or

22 (II) if the homebuyer is acquiring an eligible home that is located in a  
23 high-cost area, 140 percent of the median income, as determined by the  
24 Secretary, for the area within which the eligible home to be acquired using  
25 assistance provided under this section is located;

26 (ii) is a first-time homebuyer, as defined in paragraph ~~(6)~~**(4)** of this subsection;  
27 and

28 ~~(iii)~~**(iii)** is a first-generation homebuyer as defined in paragraph ~~(5)~~**(3)** of this  
29 subsection;

30 (B) for purposes of the Program established by the Secretary of Agriculture—

31 (i) meets the applicable requirements in section 502(h) of the Housing Act of  
32 1949 (42 U.S.C. 1472(h)); and

33 (ii) is a first-time homebuyer as defined in paragraph ~~(6)~~**(4)** of this subsection  
34 and a first-generation homebuyer as defined in paragraph ~~(5)~~**(3)** of this subsection.

35 ~~(5)~~**(3)** FIRST-GENERATION HOMEBUYER.—The term “first-generation homebuyer” means a  
36 homebuyer that, as attested by the homebuyer, is—

37 (A) an individual—

38 (i) whose ~~living~~ parents or legal guardians do not, **or did not at the time of**  
39 **their death**, to the best of the individual’s knowledge, have any present ~~fee-~~  
40 ~~simple~~ ownership interest in a ~~principal~~ residence in any State **or ownership of**

1           **chattel**, excluding ownership of heir property; **and**

2           ~~(ii) if no parents or legal guardians are living upon acquisition of the eligible~~  
3 ~~home to be acquired using such assistance, to the best of the individual's~~  
4 ~~knowledge, whose parents or legal guardians did not have any ownership interest~~  
5 ~~in a principal residence in any State at the time of their death, excluding~~  
6 ~~ownership of heir property; and~~

7           ~~(iii)~~**(ii)** whose spouse, or domestic partner has not, during the 3-year period  
8 ending upon acquisition of the eligible home to be acquired using such assistance,  
9 ~~had~~ **have** any present ownership interest in a ~~principal~~ residence in any State,  
10 excluding ownership of heir property **or ownership of chattel**, whether the  
11 individual is a co-borrower on the loan or not; or

12           (B) an individual who has at any time been placed in foster care or institutional care  
13 whose spouse or domestic partner has not, during the 3-year period ending upon  
14 acquisition of the eligible home to be acquired using such assistance, had any  
15 ownership interest in a ~~principal~~ residence in any State, excluding ownership of heir  
16 property **or ownership of chattel**, whether such individuals are co-borrowers on the  
17 loan or not.

18           ~~(6)~~**(4)** FIRST-TIME HOMEBUYER.—The term “first-time homebuyer” means a homebuyer  
19 as defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42  
20 U.S.C. 12704), **except that for the purposes of this section the reference in such section**  
21 **12704(14) to title II shall be considered to refer to this section, and** except that  
22 ownership of heir property shall not be treated as owning a home for purposes of  
23 determining whether a borrower qualifies as a first-time homebuyer.

24           ~~(7)~~**(5)** HEIR PROPERTY.—The term “heir property” means residential property for which  
25 title passed by operation of law through intestacy and is held by two or more heirs as  
26 tenants in common.

27           ~~(8) Loan guarantee agency.—Unless otherwise specified, the term “Loan Guarantee~~  
28 ~~Agency” means the Federal Housing Administration of the Department of Housing and~~  
29 ~~Urban Development or the Rural Housing Service of the Department of Agriculture, as~~  
30 ~~appropriate.~~**(6) OWNERSHIP INTEREST.—The term “ownership interest” means any**  
31 **ownership, excluding any interest in heir property, in—**

32           ~~(9) Secretary.—Unless otherwise specified, the term “Secretary” means the~~  
33 ~~Secretary of Housing and Urban Development or the Secretary of Agriculture, as~~  
34 ~~appropriate.~~**(A) real estate in fee simple;**

35           **(B) a leasehold on real estate under a lease for not less than ninety-nine years**  
36 **which is renewable; or**

37           **(C) a fee interest in, or long-term leasehold interest in, real estate consisting of a**  
38 **one-family unit in a multifamily project, including a project in which the dwelling**  
39 **units are attached, or are manufactured housing units, semi-detached, or**  
40 **detached, and an undivided interest in the common areas and facilities which**  
41 **serve the project.**

42           **(7) STATE.—The term “State” means the States of the United States, the District of**

1           **Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern**  
2           **Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of**  
3           **the Pacific Islands, and any other territory or possession of the United States.**

4           (f) Reliance on Borrower Attestations.—No additional documentation beyond the borrower’s  
5           attestation shall be required to demonstrate eligibility under ~~paragraph (4) clauses (ii) and (iii) of~~  
6           subsection (e)(2)(A) **and clause (ii) of subsection (e)(2)(B)** and no State, eligible entity, or  
7           creditor shall be subject to liability, ~~including monetary penalties or requirements to indemnify a~~  
8           **Federal agency or repurchase a loan that has been sold or securitized, based on the provision of**  
9           ~~assistance under this section to a borrower who does not meet the eligibility requirements under~~  
10          ~~paragraph (4) of subsection (e) if the creditor does so in good faith reliance on borrower~~  
11          ~~attestations of eligibility required under such paragraph.~~ **based on the accuracy of such**  
12          **attestation.**

13          (g) Implementation.—The Secretary of Housing and Urban Development, the Secretary of  
14          Agriculture, and the Secretary of Treasury shall have authority to issue such regulations ~~or other,~~  
15          **or other** notices, **or other** guidance, forms, instructions, and publications as ~~may be necessary or~~  
16          ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
17          ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
18          effective manner.

19          **SEC. 40203. HUD-INSURED SMALL DOLLAR**  
20          **MORTGAGE DEMONSTRATION PROGRAM.**

21          (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
22          Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for  
23          fiscal year 2022, out of any money in the Treasury not otherwise ~~appropriated~~— **appropriated,**  
24          **to remain available until September 30, 2031—**

25               (1) \$76,000,000 for a program to increase access to small-dollar mortgages, as defined in  
26               subsection (b), which may include payment of incentives to lenders, adjustments to terms  
27               and costs, individual financial assistance, technical assistance to lenders and certain  
28               financial institutions to help originate loans, lender and borrower outreach, and other  
29               activities;

30               (2) \$10,000,000 for the cost of insured or guaranteed loans, including the cost of  
31               modifying loans, ~~as defined in section 502 of the Congressional Budget Act of 1974 (2-~~  
32               ~~U.S.C. 661a); and~~

33               (3) \$14,000,000 for the costs to the Secretary of administering and overseeing the  
34               implementation of this section and programs in the Office of Housing generally, including  
35               information technology, financial reporting, research and evaluations, **fair housing and fair**  
36               **lending compliance,** and other cross-program costs in support of programs administered by  
37               the Secretary in this title, and other costs.; ~~the Secretary may transfer and merge amounts~~  
38               ~~appropriated by this paragraph to section 40301.~~

39               ~~Amounts appropriated by this section shall remain available until September 30, 2031.~~

40          (b) Small-dollar Mortgage.—For purposes of this section, the term “small-dollar mortgage”  
41          means a forward mortgage that—

1 (1) has an original principal balance of \$100,000 or less;

2 (2) is secured by a one- to four-unit property that is the mortgagor's principal residence;  
3 and

4 (3) is insured by the Secretary pursuant to title II of the National Housing Act (12 U.S.C.  
5 1707 et seq.); or guaranteed by the Secretary pursuant to section 184 or 184A of the  
6 Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a, 1715z-13b).

7 (c) Implementation.—The Secretary shall have authority to issue such regulations or other,  
8 notices, or other guidance, forms, instructions, and publications as may be necessary or  
9 appropriate to carry out the programs, projects, or activities authorized under this section,  
10 including to ensure that such programs, projects, or activities are completed in a timely and  
11 effective manner.

## 12 SEC. 40204. INVESTMENTS IN RURAL 13 HOMEOWNERSHIP.

14 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
15 Secretary of Agriculture (in this section referred to as the “Secretary”) **Rural Housing Service**  
16 **of the Department of Agriculture for fiscal year 2022**, out of any money in the Treasury not  
17 otherwise appropriated— **appropriated, to remain available until expended—**

18 (1) ~~\$70,000,000 for direct loans made under section 502 of the Housing Act of 1949 (42-~~  
19 ~~U.S.C. 1472);~~

20 (2) ~~\$95,000,000~~ **(1) \$90,000,000** for providing single family housing repair grants under  
21 section 504 of the Housing Act of 1949 (42 U.S.C. 1474), subject to the terms and  
22 conditions in subsection (b) of this section;

23 (3) ~~\$25,000,000 for grants under section 523 of the Housing Act of 1949 (42 U.S.C.~~  
24 ~~1490c); and~~

25 (4) ~~(2)~~ **(2)** \$10,000,000 for administrative expenses of the Secretary **Rural Housing Service**  
26 **of the Department of Agriculture** that in whole or in part support activities funded by this  
27 section and related activities.

28  
29 ~~Amounts appropriated by this section shall remain available until expended.~~

30 (b) Terms and Conditions.—

31 (1) ELIGIBILITY.—Eligibility for grants from amounts made available by subsection  
32 ~~(a)(2)(a)(1)~~ **(1)** shall not be subject to the limitations in section 3550.103(b) of title 7, Code of  
33 Federal Regulations.

34 (2) USES.—Notwithstanding the limitations in section 3550.102(a) of title 7, Code of  
35 Federal Regulations, grants from amounts made available by subsection (a)(2) shall be  
36 available for the eligible purposes in section 3550.102(b) of title 7, Code of Federal  
37 Regulations.

38 ~~SEC. 40205. SELF HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM.~~(c)  
39 **Implementation.—The Administrator of the Rural Housing Service shall have authority to**

1 issue such regulations, notices, or other guidance, forms, instructions, and publications to  
2 carry out the programs, projects, or activities authorized under this section to ensure that  
3 such programs, projects, or activities are completed in a timely and effective manner.

4 ~~In addition to amounts otherwise available, there is appropriated~~  
5 ~~for fiscal year 2022, out of any amounts in the Treasury not~~  
6 ~~otherwise appropriated, to the Secretary of Housing and Urban~~  
7 ~~Development—~~

8 ~~(1) \$49,500,000 for grants under section 11 of the Housing~~  
9 ~~Opportunity Program Extension Act of 1996 (42 U.S.C. 12805-~~  
10 ~~note); and Subtitle D—HUD Administration, Capacity~~  
11 ~~Building, Technical Assistance, and Agency Oversight~~

12  
13 ~~\* 1 (2) \$500,000 for costs to the Secretary of administering and~~  
14 ~~overseeing the implementation of this section, including~~  
15 ~~information technology, financial reporting, research and~~  
16 ~~evaluations, fair lending compliance, and other cross-program~~  
17 ~~costs in support of programs administered by the Secretary in~~  
18 ~~this title, and other costs.~~

19 ~~Amounts appropriated by this section shall remain available~~  
20 ~~until September 30, 2031.~~

21 ~~Subtitle D—HUD and Community Capacity Building~~

22 ~~SEC. 40301. PROGRAM ADMINISTRATION, TRAINING,~~  
23 ~~TECHNICAL ASSISTANCE, CAPACITY BUILDING, AND~~  
24 ~~USICH OVERSIGHT.~~

25 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal  
26 year 2022, out of any money in the Treasury not otherwise appropriated,—

27 (1) ~~\$1,985,000,000~~ **\$949,250,000** to the Secretary of Housing and Urban Development  
28 for—

29 (A) the costs to the Secretary of administering and overseeing the implementation of  
30 this title and the Department's programs generally, including information technology,  
31 inspections of housing units, research and evaluation, financial reporting, and other  
32 costs; and

1 (B) new awards or increasing prior awards to provide training, technical assistance,  
2 and capacity building related to the Department’s programs, including direct program  
3 support to program recipients throughout the country, including insular areas, that  
4 require such assistance with daily operations;

5 (2) ~~\$43,250,000 to the Office of Inspector General of the Department \$5,000,000 to~~  
6 ~~the United States Interagency Council on Homelessness for necessary expenses in carrying~~  
7 ~~out the functions of the Council pursuant to title II of the McKinney-Vento Homeless-~~  
8 ~~Assistance Act (42 U.S.C. 11311 et seq.); and~~

9 (3) ~~\$10,000,000 to the Secretary of Housing and Urban Development for necessary~~  
10 ~~salaries and expenses of the Office of the~~ **for conducting oversight of amounts provided**  
11 **by this title;**

12 (3) ~~\$5,000,000 to the Office of Inspector General of the Department of Housing and~~  
13 ~~Urban Development in carrying out the Inspector General Act of 1978.~~ **the Treasury for**  
14 **necessary salaries and expenses for conducting oversight of amounts provided by this**  
15 **title; and**

16 (4) ~~\$2,500,000 to the Office of Inspector General of the Department of the~~  
17 ~~Agriculture for necessary salaries and expenses for conducting oversight of amounts~~  
18 ~~provided by this title.~~

19 Amounts appropriated by this section shall remain available until September 30, 2031.

20 (b) Implementation.—The Secretary **of Housing and Urban Development** shall have  
21 authority to issue such regulations ~~or other~~, notices, **or other** guidance, forms, instructions, and  
22 publications ~~as may be necessary or appropriate~~ to carry out the programs, projects, or activities  
23 authorized under this section, ~~including~~ to ensure that such programs, projects, or activities are  
24 completed in a timely and effective manner.

## 25 SEC. 40302. COMMUNITY-LED CAPACITY BUILDING.

26 (a) Appropriation.—In addition to amounts otherwise made available, there is appropriated to  
27 the Secretary of Housing and Urban Development (in this section referred to as the “Secretary”)  
28 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

29 (1) \$90,000,000 for competitively awarded funds for technical assistance and capacity  
30 building to non-Federal entities, including **grants awarded to** nonprofit organizations ~~that~~  
31 ~~can~~ **to** provide technical assistance activities to community development corporations,  
32 community housing development organizations, community land trusts, nonprofit  
33 organizations in insular areas, and other mission-driven and nonprofit organizations that  
34 target services to low-income and socially disadvantaged populations, and provide services  
35 in neighborhoods having high concentrations of minority, low-income, or socially  
36 disadvantaged populations to—

37 (A) provide training, education, support, and advice to enhance the technical and  
38 administrative capabilities of community development corporations, community  
39 housing development organizations, community land trusts, and other mission-driven  
40 and nonprofit organizations ~~seeking to undertake~~ **undertaking** affordable housing  
41 development, acquisition, preservation, or rehabilitation activities;



1 (B) provide ~~grants or~~ predevelopment assistance to community development  
2 corporations, community housing development organizations, and other  
3 mission-driven and nonprofit organizations ~~seeking to undertake~~ **undertaking**  
4 affordable housing development, acquisition, preservation, or rehabilitation activities;  
5 and

6 (C) carry out such other activities as may be determined by the grantees in  
7 consultation with the Secretary; and

8 (2) \$10,000,000 for the costs to the Secretary of administering and overseeing the  
9 implementation of this section and the Department's technical assistance programs  
10 generally, including information technology, research and evaluations, financial reporting,  
11 ~~fair housing compliance~~, and other cross-program costs in support of programs administered  
12 by the Secretary in this title and other costs; ~~the Secretary may transfer and merge amounts~~  
13 ~~set aside under this subsection to section 40301.~~

14 Amounts appropriated by this section shall remain available until September 30, 2031.

15 (b) Implementation.—The Secretary shall have authority to issue such regulations ~~or other~~,  
16 notices, **or other** guidance, forms, instructions, and publications ~~as may be necessary or~~  
17 ~~appropriate~~ to carry out the programs, projects, or activities authorized under this section,  
18 ~~including~~ to ensure that such programs, projects, or activities are completed in a timely and  
19 effective manner.

## 20 Subtitle E—Economic Development

### 21 SEC. 40401. MINORITY BUSINESS DEVELOPMENT 22 AGENCY.

23 ~~(a) Appropriation.—In~~ **In** addition to amounts otherwise available, there is appropriated to the  
24 Minority Business Development Agency **of the Department of Commerce** for fiscal year 2022,  
25 out of ~~amounts~~ **any money** in the Treasury not otherwise appropriated—

26 (1) \$200,000,000, to remain available until September 30, 2026, for ~~carrying out~~  
27 ~~subsection (b)(1);~~ **entering into agreements with minority-serving institutions of higher**  
28 **education or consortiums of institutions of higher education that are led by**  
29 **minority-serving institutions of higher education to operate a rural business center to**  
30 **assist minority business enterprises located in rural areas, priority for which shall be**  
31 **given to institutions that have financial need and are located in areas that have a**  
32 **significant population of socially or economically disadvantaged individuals; and**

33 ~~(2) \$1,200,000,000~~ **(2) \$1,000,000,000**, to remain available until September 30, ~~2029, for~~  
34 ~~carrying out subparagraphs (A), (B), (C), (D), (E), (F), and (H) of subsection (b)(2);~~ **2026,**  
35 **for entering into grants and agreements to—**

36 ~~(3) \$50,000,000~~ **(A) assist the formation and growth of minority business**  
37 **enterprises;**

38 **(B) establish and provide Federal assistance to minority business centers,**  
39 **specialty centers, and minority business enterprises;**

40 **(C) make grants to private, nonprofit organizations that can demonstrate that a**

1 primary activity of the organization is to provide services to minority business  
2 enterprises, priority for which shall be given to organizations located in a  
3 Federally recognized area of economic distress; and

4 (D) provide grants and assistance to minority-serving institutions of higher  
5 education to develop and implement entrepreneurship curricula and participate  
6 in the business center program of the Minority Business Development Agency;  
7 and

8 (3) ~~\$400,000,000~~, to remain available until September 30, 2026, for carrying out  
9 subparagraph (G) of subsection (b)(2); 2029, to—

10 ~~(4) \$1,500,000,000~~(A) establish not less than 5 regional offices of the Minority  
11 Business Development Agency, 1 of which shall be established in each region of  
12 the United States, as determined by the Secretary;

13 (B) assist the formation and growth of minority business enterprises;

14 (C) collect data relating to the needs and development of minority business  
15 enterprises;

16 (D) annually review the status of problems and programs relating to capital  
17 formation by minority business enterprises; and

18 (E) carry out this section.

## 19 SEC. 40402. ENHANCED USE OF DEFENSE 20 PRODUCTION ACT OF 1950.

21 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated  
22 for fiscal year 2022, out of any money at the Treasury not otherwise appropriated,  
23 \$500,000,000, to remain available until September 30, 2026, for carrying out subsection (b)(3);  
24 and

25 ~~(5) \$150,000,000, to remain available until September 30, 2029, for administrative costs~~  
26 ~~associated with carrying out subsection (b)(3).~~

27 (b) Minority Business Development Agency.—

28 ~~(1) Rural business centers.—The Director of the Minority Business Development Agency may~~  
29 ~~enter into agreements with one or more rural Business Centers of the Agency that are operated~~  
30 ~~by a minority-serving institution of higher education or by a consortium of institutions of higher~~  
31 ~~education that is led by a minority-serving institution of higher education. Under such an~~  
32 ~~agreement, a rural Business Center shall provide assistance primarily to eligible business~~  
33 ~~enterprises located within a rural area, as defined by the Director.~~

34 ~~(2) Other activities.—The Director of the Minority Business Development Agency shall—~~

35 ~~(A) pay salaries and related costs for employees;~~

36 ~~(B) pay for administrative and other costs to support initiatives that assist the formation,~~  
37 ~~growth, and expansion of eligible business enterprises;~~

38 ~~(C) establish and provide assistance to Business Centers and specialty Business Centers,~~  
39 ~~prioritizing for such establishment in States or regions that lack a Business Center and have a~~

- 1 significant population of members of an underrepresented community;
- 2 (D) establish not fewer than 5 regional offices, in locations determined by the Director;
- 3 (E) conduct an annual forum between the Federal Government and businesses to review  
4 existing programs and current challenges relating to capital formation by eligible business  
5 enterprises;
- 6 (F) establish a program to assist small, underserved manufacturers in accessing private capital  
7 by accelerating technology adoption and providing training and support in supply chain  
8 integration;
- 9 (G) provide grants to minority serving institutions of higher education to develop and  
10 implement entrepreneurship curricula; and
- 11 (H) collect data and develop research and policies regarding the needs and development of  
12 eligible business enterprises.
- 13 (3) Grants.—
- 14 (A) In general.—The Director of the Minority Business Development Agency may provide  
15 grants to—
- 16 (i) a eligible business enterprise; and
- 17 (ii) an eligible nonprofit organization that will make subgrants to eligible business enterprises  
18 located in areas with significant populations of members of underrepresented communities.
- 19 (B) Application.—In making grants and subgrants to eligible business enterprises and eligible  
20 nonprofit organizations under this section, the Director shall establish an application process and  
21 selection criteria, which shall include—
- 22 (i) assurances that the eligible business enterprise and eligible nonprofit organization will use  
23 such grants and subgrants to address gaps in access to capital, assist with startup costs, or support  
24 business expansion;
- 25 (ii) criteria for determining the size of grant or subgrant award for the eligible business  
26 enterprise and eligible nonprofit organization; and
- 27 (iii) other criteria as determined by the Director.
- 28 (C) Eligible nonprofit organizations.—An eligible nonprofit organization that receives a grant  
29 under this section shall, when making a subgrant to an eligible business enterprise described  
30 under subparagraph (A)(ii), also use such grant to provide support to the eligible business  
31 enterprise in one or more of the following ways:
- 32 (i) Providing resources, which may include physical workspace and facilities, to startups and  
33 established eligible business enterprises.
- 34 (ii) Providing supports to accelerate the growth and success of eligible business enterprises  
35 through a variety of services, including—
- 36 (I) access to capital, business education, and counseling;
- 37 (II) networking opportunities;
- 38 (III) mentorship opportunities;

1 ~~(IV) advising on market analysis, company strategy, revenue, growth, commercialization, and~~  
2 ~~securing funding; and~~

3 ~~(V) other services intended to aid in developing eligible business enterprises.~~

4 ~~(D) Business identifiers. — In accepting applications for grants to eligible business enterprises~~  
5 ~~or subgrants to eligible business enterprises under this subsection, the Director shall allow each~~  
6 ~~grantee or subgrantee to use existing business identifiers of the subgrantee instead of other forms~~  
7 ~~of registration or identification.~~

8 ~~(E) Eligible nonprofit organization. — In this paragraph, the term “eligible nonprofit~~  
9 ~~organization” means an organization that is described in paragraph (3) or (6) of section 501(c) of~~  
10 ~~the Internal Revenue Code of 1986 and that is exempt from taxation under section 501(a) of such~~  
11 ~~Code for which a primary activity of the organization is to provide services or financial support~~  
12 ~~to eligible business enterprises located in areas with significant populations of members of~~  
13 ~~underrepresented communities.~~

14 ~~(4) Returning funds. — If an entity that receives a grant or assistance under this subsection fails~~  
15 ~~to use all the funds or permanently ceases operations on or before September 30, 2031, the entity~~  
16 ~~shall return the funds to the Minority Business Development Agency. The Minority Business~~  
17 ~~Development Agency shall return all such funds to the Treasury if not expended by September~~  
18 ~~30, 2031.~~

19 ~~(5) Penalties for failure to abide by terms or conditions of award. — At the discretion of the~~  
20 ~~Director and in addition to any other civil or criminal consequences, the Director shall withhold~~  
21 ~~payments to an eligible applicant or order the eligible applicant to return any assistance provided~~  
22 ~~under this section for failure to abide by the terms and conditions of such assistance.~~

23 ~~(c) Definitions. — In this section:~~

24 ~~(1) Business center. — The term “Business Center” means any business center that —~~

25 ~~(A) is established by the Minority Business Development Agency; and~~

26 ~~(B) provides technical business assistance to minority business enterprises.~~

27 ~~(2) Eligible business enterprise. — The term “eligible business enterprise” means a business-~~  
28 ~~owned or controlled by one or more members of an underrepresented community.~~

29 ~~(3) Member of an underrepresented community. — The term “member of an underrepresented~~  
30 ~~community” means an individual who is —~~

31 ~~(A) a resident of —~~

32 ~~(i) a low income community, as defined in section 45D(e) of the Internal Revenue Code of~~  
33 ~~1986;~~

34 ~~(ii) a low income rural community; or~~

35 ~~(iii) a HUBZone, as defined in section 31(b) of the Small Business Act (15 U.S.C. 657a);~~

36 ~~(B) a member of an Indian or Alaska Native tribe, band, nation, pueblo, village, community,~~  
37 ~~component band, or component reservation, individually identified (including parenthetically) in~~  
38 ~~the most recent list published pursuant to section 104 of the Federally Recognized Indian Tribe~~  
39 ~~List Act of 1994 (25 U.S.C. 5131);~~

1 ~~(C) an individual with a disability, as defined in section 3 of the Americans with Disabilities~~  
2 ~~Act of 1990 (42 U.S.C. 12102);~~

3 ~~(D) a veteran, as defined in section 101 of title 38, United States Code;~~

4 ~~(E) an individual who completed a term of imprisonment;~~

5 ~~(F) an Afghan refugee, including an individual who has received a Special Immigrant Visa, a~~  
6 ~~P2 classification, or special parole status; or~~

7 ~~(G) an individual otherwise identified by the Director.~~

8 ~~(4) Minority serving institution of higher education.—The term “minority serving institution~~  
9 ~~of higher education” means—~~

10 ~~(A) an institution described in section 371(a) of the Higher Education Act of 1965 (20 U.S.C.~~  
11 ~~1067q(a)); or~~

12 ~~(B) a junior or community college, as defined in section 312 of the Higher Education Act of~~  
13 ~~1965 (20 U.S.C. 1058).~~

14 ~~(5) Specialty business center.—The term “specialty Business Center” means a Business Center~~  
15 ~~that provides specialty services focusing on specific business needs, including assistance relating~~  
16 ~~to—~~

17 ~~(A) capital access;~~

18 ~~(B) Federal procurement;~~

19 ~~(C) entrepreneurship;~~

20 ~~(D) technology transfer; or~~

21 ~~(E) any other area determined necessary or appropriate based on the priorities of the Director~~  
22 ~~of the Minority Business Development Agency.~~

23 ~~SEC. 40402. MANUFACTURING FACILITY.~~

24 ~~(a) In General.—The State Small Business Credit Initiative Act of 2010 (12 U.S.C. 5701 et~~  
25 ~~seq.) is amended—~~

26 ~~(1) in section 3003—~~

27 ~~(A) in subsection (b), by adding at the end the following:~~

28 ~~“(3) 2022 allocation.—~~

29 ~~“(A) In general.—Not later than 30 days after the date of enactment of this paragraph, the~~  
30 ~~Secretary shall allocate Federal funds to participating States so that each State is eligible to~~  
31 ~~receive an amount equal to what the State would receive under the 2022 allocation, as~~  
32 ~~determined under subparagraph (B).~~

33 ~~“(B) 2022 allocation formula.—~~

34 ~~“(i) In general.—With respect to States, the Secretary shall determine the 2022 allocation by~~  
35 ~~allocating Federal funds among the States based on the manufacturing job losses per State over~~  
36 ~~the 30-year period ending on the date of enactment of this paragraph.~~

37 ~~“(ii) Manufacturing job loss data.—If the Secretary determines that manufacturing job loss~~

1 data with respect to a State is unavailable from the Bureau of Labor Statistics of the Department  
2 of Labor, the Secretary shall consider such other economic and employment data that is  
3 otherwise available for purposes of determining the employment data of such State.”; and

4 (B) by adding at the end the following:

5 “(g) Rules for the 2022 Allocation.—With respect to the 2022 allocation:

6 “(1) Transfer of allocation.—The Secretary shall transfer the full amount of each allocation to  
7 a State in a single transfer and shall complete such transfer before September 30, 2022.

8 “(2) Use of transferred funds.—States may use allocations of amounts appropriated for fiscal-  
9 year 2022 to carry out the Program only—

10 “(A) for making Federal contributions to, or for the account of, an approved State program, for  
11 the purposes of, as determined by the Secretary of the Treasury—

12 “(i) maintaining the economic competitiveness of the United States;

13 “(ii) maintaining a strong manufacturing base in the United States, including promoting  
14 advanced manufacturing technology and innovative technology;

15 “(iii) increasing the supply and innovation of factory built housing for affordability,  
16 accessibility, efficiency, and resilience; or

17 “(iv) helping the United States transition to clean energy or clean manufacturing processes to  
18 combat climate change or to invest in innovation for climate change adapted production  
19 processes;

20 “(B) as collateral for a qualifying loan or swap funding facility, for the purposes described  
21 under subparagraph (A); and

22 “(C) for paying administrative costs incurred by the State in implementing an approved State  
23 program in an amount not to exceed 5 percent of such State’s allocation.

24 “(3) Special permission for certain municipalities.—Section 3004(d) shall apply to the 2022  
25 allocation to the same extent as such provision applies to an allocation made under subsection  
26 (d), except that—

27 “(A) paragraph (1) of section 3004(d) shall be applied by substituting ‘6 months’ for ‘9  
28 months’; and

29 “(B) paragraph (2) of section 3004(d) shall be applied by substituting ‘9 months’ for ‘12  
30 months’.”; and

31 (2) in section 3009(e), by striking “7-year period” and inserting “10-year period”. 2025, to  
32 carry out the Defense Production Act of 1950 in accordance with subsection (b).

33 (b) Use.—Amounts appropriated by subsection (a) shall be used to create, maintain,  
34 protect, expand, or restore the domestic industrial base capabilities essential for national  
35 and economic security.

## 36 **SEC. 40403. SUPPORTING FACTORY-BUILT HOUSING** 37 **THROUGH SSBCI.**

38 (a) In General.—Section 3009 of the State Small Business Credit Initiative Act of 2010

1 (12 U.S.C. 5708) is amended—

2 (1) in subsection (c), by striking “at the end of the 7-year period beginning on March  
3 11, 2021” and inserting “on September 30, 2030”; and

4 (2) by adding at the end the following:

5 “(f) **Additional Technical Assistance With Respect to Factory-built Housing**  
6 **Sector.**—The Secretary shall contract with legal, accounting, and financial advisory firms  
7 to provide technical assistance to existing and prospective business enterprises within the  
8 factory-built housing sector applying to—

9 “(1) State programs under the Program; and

10 “(2) other State or Federal programs that support small businesses.”.

11 (b) Appropriation.—In addition to amounts otherwise available, there is hereby appropriated  
12 to the Secretary of the Treasury for fiscal year 2022, out of any money in the Treasury not  
13 otherwise appropriated, ~~\$1,000,000,000~~ **\$25,000,000**, to remain available until September 30,  
14 ~~2031~~ **2030**, to carry out the amendments made by subsection (a).

15 ~~(c) Rule of Application.—The amendments made by this section shall apply with respect to~~  
16 ~~funds appropriated on the date of enactment of this section.~~

**House Office of Legislative Counsel**

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2 differences between -  
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1 Title: To-  
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4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled,~~

6 **TITLE V—COMMITTEE ON HOMELAND SECURITY**  
7 **SEC. 50001. CYBERSECURITY AND INFRASTRUCTURE**  
8 **SECURITY AGENCY.**

9 **(a) Improving Federal System Cybersecurity.**—In addition to amounts otherwise made  
10 available, there is appropriated to the Cybersecurity and Infrastructure Security Agency for  
11 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$100,000,000, to  
12 remain available until September 30, 2031— 2031, for improving the cybersecurity of Federal  
13 information systems that are not national security systems (as defined in paragraph (6) of  
14 section 3552 of title 44, United States Code) and necessary mission support activities.

15 ~~(1) \$50,000,000~~**(b) Cybersecurity Training.**—In addition to amounts otherwise made  
16 available, there is appropriated to the Cybersecurity and Infrastructure Security Agency for  
17 support of the Multi-State Information Sharing and Analysis Center; fiscal year 2022, out of  
18 any money in the Treasury not otherwise appropriated, \$15,000,000, to remain available  
19 until September 30, 2031, for the Cybersecurity Education and Training Assistance  
20 Program, Federal assistance grants under the Cybersecurity Education and Training  
21 Assistance Program, and necessary mission support activities.

22 ~~(2) \$25,000,000~~**(c) Cybersecurity Awareness, Training, and Workforce**  
23 **Development.**—In addition to amounts otherwise made available, there is appropriated to  
24 the Cybersecurity and Infrastructure Security Agency for ~~operating a cyber range;~~ fiscal year  
25 2022, out of any money in the Treasury not otherwise appropriated, \$100,000,000, to  
26 remain available until September 30, 2031, for improving cybersecurity awareness,  
27 training, and workforce development, including necessary mission support activities.

28 ~~(3) \$25,000,000~~**(d) Multi-State Information Sharing and Analysis Center.**—In addition to  
29 amounts otherwise made available, there is appropriated to the Cybersecurity and  
30 Infrastructure Security Agency for the execution of a national multi-factor authentication-  
31 campaign; fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
32 \$35,000,000, to remain available until September 30, 2031, for Federal assistance through  
33 cooperative agreements with the Multi-State Information Sharing and Analysis Center.

34 ~~(4) \$400,000,000~~**(e) Cybersentry.**—In addition to amounts otherwise made available,  
35 there is appropriated to the Cybersecurity and Infrastructure Security Agency for the-  
36 implementation of Executive Order 14028 (86 Fed. Reg. 26633; relating to improving the  
37 cybersecurity of the United States), including the implementation of multi-factor authentication,  
38 endpoint detection and response, improved logging, and securing cloud systems; fiscal year  
39 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain  
40 available until September 30, 2031, for the purpose of protecting critical infrastructure  
41 industrial control systems and the CyberSentry program.

1       ~~(5) \$50,000,000~~(f) **Cloud Security.**—**In addition to amounts otherwise made available,**  
2 **there is appropriated** to the Cybersecurity and Infrastructure Security Agency for **fiscal year**  
3 **2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain**  
4 **available until September 30, 2031, for the purpose of executing the secure cloud**  
5 **architecture activities, expansion and operation of the Crossfeed program;**

6       ~~(6) \$75,000,000~~ to the Cybersecurity and Infrastructure Security Agency for expansion and  
7 operation of the CyberSentry program;

8       ~~(7) \$10,000,000~~ to the Cybersecurity and Infrastructure Security Agency for performing  
9 activities in support of the development of the continuity of the economy plan required under  
10 section 9603(a) of title XCVI of the William M. (Mac) Thornberry National Defense  
11 Authorization Act for Fiscal Year 2021 (Public Law 116283; 6 U.S.C. 322);

12       ~~(8) \$20,000,000~~ to the Cybersecurity and Infrastructure Security Agency for expanding  
13 programs working with international partners on the protection of critical infrastructure;

14       ~~(9) \$50,000,000~~ to the Cybersecurity and Infrastructure Agency for researching and  
15 developing means to secure operational technology, including industrial control systems, against  
16 cybersecurity vulnerabilities;

17       ~~(10) \$100,000,000~~ to the Cybersecurity and Infrastructure Security Agency for cybersecurity  
18 workforce development and education, including providing education, training, and capacity  
19 development, including in collaboration with historically Black colleges and universities, other  
20 minority serving institutions, and community colleges, and to the Cybersecurity Education and  
21 Training Program, to be used for purposes that include—

22       ~~(A) cybersecurity training and upskilling veterans;~~

23       ~~(B) implementing cybersecurity apprenticeships at the Agency; and~~

24       ~~(C) cybersecurity programs for underserved communities, as a focus for activities authorized~~  
25 ~~under section 2217 of the Homeland Security Act of 2002 (6 U.S.C. 665f); and~~

26       ~~(11) \$60,000,000~~ to the Cybersecurity and Infrastructure Security Agency for enhancing the  
27 cloud architecture, migration advisory services, and cloud threat hunting capabilities of the  
28 Agency. **Cybersecurity and Infrastructure Security Agency.**

29       **(g) Industrial Control Systems Security.**—**In addition to amounts otherwise made**  
30 **available, there is appropriated to the Cybersecurity and Infrastructure Security Agency**  
31 **for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**  
32 **\$50,000,000, to remain available until September 30, 2031, for the purpose of researching**  
33 **and developing the means by which to secure operational technology and industrial control**  
34 **systems against security vulnerabilities (as such term is defined in section 102(17) of the**  
35 **Cybersecurity Information Sharing Act of 2015 (6 U.S.C. 1501(17)).**

## 36 **SEC. 50002. CYBERSECURITY ASSISTANCE.**

37       **(a) State and Local Cybersecurity Recruitment and Training.**—**In addition to amounts**  
38 **otherwise made available, there is appropriated for fiscal year 2022, out of any money in**  
39 **the Treasury not otherwise appropriated, \$80,000,000, to remain available until September**  
40 **30, 2031, to the Administrator of the Federal Emergency Management Agency, in**  
41 **consultation with the Cybersecurity and Infrastructure Security Agency, to award grants,**

1 contracts, or cooperative agreements to State, local, Tribal, and territorial governments for  
2 cybersecurity recruitment and training to enhance efforts to address cybersecurity risks (as  
3 defined in paragraph (2) of section 2201 of the Homeland Security Act) and cybersecurity  
4 threats (as defined in paragraph (3) of section 2201 of the Homeland Security Act).

5 (b) Migration to .gov Domain.—In addition to amounts otherwise made available, there  
6 is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise  
7 appropriated, \$20,000,000, to remain available until September 30, 2031, to the  
8 Administrator of the Federal Emergency Management Agency, in consultation with the  
9 Cybersecurity and Infrastructure Security Agency, to award grants, contracts, or  
10 cooperative agreements to State, local, Tribal, and territorial governments to carry out  
11 activities to migrating the online services of such governments to the .gov internet domain.

12 (c) Limitation.—The Administrator of the Federal Emergency Management Agency may  
13 not use amounts appropriated under this section for activities under the National Flood  
14 Insurance Act of 1968 or a function of the Federal Emergency Management Agency  
15 relating to that Act.

## 16 **SEC. 50003. NONPROFIT SECURITY GRANT** 17 **PROGRAM.**

18 (a) High-risk Urban Areas.—In addition to amounts otherwise available, there is  
19 appropriated, out of any money in the Treasury not otherwise appropriated, \$50,000,000,  
20 to remain available until September 30, 2031, to the Administrator of Federal Emergency  
21 Management Agency for the Nonprofit Security Grant Program for grants to nonprofits  
22 under the Urban Area Security Initiative.

23 (b) Other Areas.—In addition to amounts otherwise available, there is appropriated, out  
24 of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain available  
25 until September 30, 2031, to the Administrator of the Federal Emergency Management  
26 Agency for the Nonprofit Security Grant Program for grants to nonprofits under the State  
27 Homeland Security Grant Program.

28 (c) Limitation.—The Administrator of the Federal Emergency Management Agency may  
29 not use amounts appropriated under this section for activities under the National Flood  
30 Insurance Act of 1968 or a function of the Federal Emergency Management Agency  
31 relating to that Act.

## 32 **SEC. 50004. OFFICE OF CHIEF READINESS SUPPORT** 33 **OFFICER.**

34 In addition to the amounts otherwise available, there is appropriated to the Secretary of  
35 Homeland Security for fiscal year 2022, out of any money in the Treasury not otherwise  
36 appropriated, \$900,000,000, to remain available until September 30, 2028, for the Office of  
37 the Chief Readiness Support Officer to carry out sustainability and environmental  
38 programs.

**House Office of Legislative Counsel**

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1 Title: To—  
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4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled;~~

## 6 TITLE VI—COMMITTEE ON THE JUDICIARY

### 7 Subtitle A—Immigration Provisions

#### 8 ~~SEC. 60001. LAWFUL PERMANENT RESIDENCE FOR~~ 9 ~~CERTAIN ENTRANTS. PROTECTIONS AND WORK~~ 10 ~~PERMITS.~~

11 ~~(a) In General.—Chapter 5 of title H~~**(a) In General.—The Secretary of Homeland Security**  
12 ~~shall—~~

13 **(1) under section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C.**  
14 **1182(d)(5)) and consistent with this section, parole into the United States for a period**  
15 **of 5 years or until September 30, 2031, whichever is earlier** ~~(255 et seq.) is amended by~~  
16 ~~inserting after section 245A the following:~~

17 ~~“SEC. 245B. ADJUSTMENT OF STATUS OF CERTAIN ENTRANTS.~~

18 ~~“(a) In General.—Notwithstanding sections 201, 202, 203, and 245(c), and subject to~~  
19 ~~subsection (c), the Secretary of Homeland Security shall adjust to the status of an alien~~  
20 ~~lawfully admitted for permanent residence, an alien described in subsection (b), if such~~  
21 ~~alien—~~

22 ~~“(1) submits an application for adjustment of status in accordance with procedures~~  
23 ~~established by the Secretary;~~

24 ~~“(2) in addition to any administrative processing fee, pays a supplemental fee of~~  
25 ~~\$1,500; and~~

26 ~~“(3) completes, to the satisfaction of the Secretary—~~

27 ~~“(A) security and law enforcement background checks; and~~

28 ~~“(B) a medical examination consistent with section 221(d).~~

29 ~~“(b) Aliens Described.—An alien described in this subsection is an alien who—~~

30 ~~“(1)(A) has been continuously physically present in the United States since January~~  
31 ~~1, 2021;~~

32 ~~“(B) was 18 years of age or younger on the date on which the alien entered the~~  
33 ~~United States and has continuously resided in the United States since such entry; and~~

34 ~~“(C) demonstrates—~~

35 ~~“(i) a record of honorable service in the Uniformed Services of the United States;~~

36 ~~“(ii) attainment of, or completion of not less than 2 years, in good standing, of a~~

1 program leading to—

2 “(I) a degree from a United States institution of higher education; or

3 “(II) a postsecondary credential from an area career and technical education school  
4 in the United States;

5 “(iii) during the 3-year period immediately preceding the date on which the alien  
6 submits an application for adjustment of status under this section, a consistent record  
7 of earned income in the United States; or

8 “(iv)(I) enrollment in a program described in clause (ii); and

9 “(II) current employment or participation in an internship, apprenticeship, or similar  
10 training program;

11 “(2)(A) has been continuously physically present in the United States since January  
12 1, 2021; and

13 “(B) has demonstrated a consistent record of earned income in the United States in  
14 an occupation described in the guidance of the Department of Homeland Security  
15 entitled ‘Advisory Memorandum on Ensuring Essential Critical Infrastructure  
16 Workers’ Ability to Work During the COVID19 Response’, issued on August 10,  
17 2021, during the period beginning on January 31, 2020, and ending on August 24,  
18 2021;

19 “(3)(A) has been continuously physically present in the United States for not less  
20 than 3 years; and

21 “(B)(i) is a national of a foreign state (or a part of a foreign state) (or in the case of  
22 an alien having no nationality, is a person who last habitually resided in such state)  
23 with a designation under subsection (b) of section 244 on January 1, 2017;

24 “(ii) notwithstanding paragraphs (1)(A)(iv) and (3)(C) of subsection (c) of section  
25 244, had or was otherwise eligible for temporary protected status under section 244 on  
26 that date; and

27 “(iii) has not engaged in conduct since that date that would render the alien  
28 ineligible for temporary protected status under section 244(e)(2); or

29 “(4)(A) has been continuously physically present in the United States for not less  
30 than 3 years; and

31 “(B)(i) was eligible for deferred enforced departure as of January 20, 2021; and

32 “(ii) has not engaged in conduct since that date that would render the alien ineligible  
33 for deferred enforced departure.

34 “(c) Grounds of Ineligibility.—

35 “(1) In general.—Subject to paragraphs (2) and (3), an alien seeking adjustment of  
36 status under this section shall demonstrate that the alien—

37 “(A) is not inadmissible under paragraph (2), (3), (6)(E), (6)(G), (8), (10)(A),  
38 (10)(C), or (10)(D) of section 212(a);

39 “(B) has not ordered, incited, assisted, or otherwise participated in the persecution of

1 any person on account of race, religion, nationality, membership in a particular social  
2 group, or political opinion;

3 ~~“(C) has not been convicted of—~~

4 ~~“(i) any offense under Federal or State law, other than a State offense for which an~~  
5 ~~essential element is the alien’s immigration status, that is punishable by a maximum~~  
6 ~~term of imprisonment of more than 1 year; or~~

7 ~~“(ii) 3 or more offenses under Federal or State law, other than State offenses for~~  
8 ~~which an essential element is the alien’s immigration status, for which the alien was~~  
9 ~~convicted on different dates for each of the 3 offenses and imprisoned for an aggregate~~  
10 ~~of 90 days or more; and~~

11 ~~“(D) has registered under the Military Selective Service Act (50 U.S.C. 3801 et~~  
12 ~~seq.), if the alien is subject to registration under that Act.~~

13 ~~“(2) Waiver.—With respect to any benefit under this section, the Secretary of~~  
14 ~~Homeland Security may waive the grounds of inadmissibility under paragraph (2),~~  
15 ~~(6)(E), (6)(G), or (10)(D) of section 212(a) —~~

16 ~~“(A) for humanitarian purposes or family unity; or~~

17 ~~“(B) if a waiver is otherwise in the public interest.~~

18 ~~“(3) Treatment of expunged convictions.—For purposes of paragraph (1), the~~  
19 ~~Secretary —~~

20 ~~“(A) may not automatically treat an expunged conviction as a conviction; and~~

21 ~~“(B) shall evaluate expunged convictions on a case-by-case basis according to the~~  
22 ~~nature and severity of the underlying offense to determine whether, under the~~  
23 ~~circumstances, the alien should be eligible for adjustment of status.~~

24 ~~“(d) Limitation on Removal.—~~

25 ~~“(1) In general.—With respect to an alien who is in removal proceedings or subject~~  
26 ~~to a final order of removal or an order of voluntary departure, the Secretary of~~  
27 ~~Homeland Security shall provide the alien with a reasonable opportunity to apply for~~  
28 ~~relief under this section if the alien —~~

29 ~~“(A) requests an opportunity to so apply; or~~

30 ~~“(B) appears to be prima facie eligible for such relief.~~

31 ~~“(2) Stay of removal for certain children.—The Secretary of Homeland Security~~  
32 ~~shall stay the removal of an alien who —~~

33 ~~“(A) meets the requirements of subparagraphs (A) and (B) of subsection (b)(1);~~

34 ~~“(B) subject to paragraphs (2) and (3) of subsection (c), is not subject to a ground of~~  
35 ~~ineligibility under paragraph (1) of such subsection; and~~

36 ~~“(C) is enrolled in —~~

37 ~~“(i) an early childhood education program;~~

38 ~~“(ii) an elementary school;~~

1           ~~“(iii) a secondary school; or~~

2           ~~“(iv) an education program assisting students in obtaining a high school diploma or~~  
3           ~~its equivalent.~~

4           ~~“(e) Effective Date.—The section shall take effect on the earlier of—~~

5           ~~“(1) the date that is 180 days after the date of the enactment of this section; or~~

6           ~~“(2) May 1, 2022.”.~~

7           ~~(b) Conforming Amendment.—The table of contents for the Immigration and~~  
8           ~~Nationality Act (8 U.S.C. 1101 et seq.) is amended by inserting after the item relating~~  
9           ~~to 245A the following:~~

10           ~~“Sec. 245B. Adjustment of status of certain entrants.”~~ **(A) files an application for**  
11           **parole after the date of the enactment of this section;**

12                   **(B) pays an administrative fee in an amount sufficient to cover the cost of**  
13                   **processing the application; and**

14                   **(C) completes security and law enforcement background checks to the**  
15                   **satisfaction of the Secretary; and**

16           **(2) for the period during which an alien is paroled into the United States under**  
17           **paragraph (1) and any period in which such parole is extended under subsection (c)—**

18                   **(A) provide employment and travel authorization to such alien; and**

19                   **(B) deem such alien eligible for a driver’s license or identification card under**  
20                   **section 202 of the REAL ID Act of 2005 (division B of Public Law 109–13; 49**  
21                   **U.S.C. 30301 note).**

22           **(b) Aliens Described.—An alien is described in this subsection if the alien—**

23                   **(1) before January 1, 2011—**

24                           **(A) was inspected and admitted to the United States;**

25                           **(B) entered the United States without inspection; or**

26                           **(C) was paroled into the United States;**

27                   **(2) has continuously resided in the United States since such entry; and**

28                   **(3) is not inadmissible pursuant to paragraph (2), (3), (6)(E), (8), (10)(A), (10)(C), or**  
29                   **(10)(D) of section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)).**

30           **(c) Extension.—Consistent with the requirements under subsection (a), and based on the**  
31           **policies and implementing guidance issued pursuant to this section and in effect when**  
32           **parole was initially granted to the alien under this section, the Secretary of Homeland**  
33           **Security shall extend a grant of parole for an alien described in subsection (b) from the**  
34           **date the initial parole period expires until September 30, 2031.**

35           **(d) Revocation.—The Secretary of Homeland Security may not revoke parole granted to**  
36           **an alien under subsection (a) unless the Secretary determines that such alien is ineligible**  
37           **for parole under subsection (b) based on the policies and implementing guidance in effect**  
38           **when parole was initially granted to the alien under this section.**



1 (e) Clarifications.—

2 (1) IN GENERAL.—An alien paroled under this section shall not be counted for  
3 purposes of the calculation under section 201(c)(4) of the Immigration and Nationality  
4 Act (8 U.S.C. 1151(c)(4)).

5 (2) OTHER RELIEF.—Nothing in this section shall limit the existing authority of the  
6 Secretary of Homeland Security to provide administrative or statutory relief to aliens  
7 on an individual or class-wide basis.

8 (f) Confidentiality of Information.—The Secretary of Homeland Security may not  
9 disclose information provided in any application filed under this section to U.S.  
10 Immigration and Customs Enforcement, U.S. Customs and Border Protection, or any  
11 designee of either such entity or use such information for purposes of immigration  
12 enforcement.

13 (g) Interim Rules.—Not later than 90 days after the date of the enactment of this section,  
14 the Secretary of Homeland Security shall publish in the Federal Register, interim final  
15 rules implementing this section and shall, not later than 90 days after such rules are  
16 published, begin accepting and adjudicating applications for parole under subsection  
17 (a)(1)(A).

18 SEC. 60002. RECAPTURE OF UNUSED IMMIGRANT VISA  
19 NUMBERS.

20 (a) Ensuring Future Use of All Immigrant Visas.—~~Section Recapture of Unused Immigrant~~  
21 ~~Visa Numbers.—~~

22 ~~(1) Ensuring future use of all immigrant visas.—Section 201(c)(1)(B)(ii) of the Immigration~~  
23 ~~and Nationality Act (8 U.S.C. 1151(c)(1)(B)(ii)) is amended to read as follows:~~

24 “(ii) In no case shall the number computed under subparagraph (A) be less than  
25 the sum of—

26 “(I) 226,000; and

27 “(II) the number computed under paragraph (3).”.

28 ~~(2)(b) Recapturing unused visas.—Section 201 of the Immigration~~  
29 ~~and Nationality Act (8 U.S.C. 1151) is amended by adding at the end the following:~~

30 “(g) Recapturing Unused Visas.—

31 “(1) FAMILY-SPONSORED VISAS.—

32 “(A) IN GENERAL.—Notwithstanding the numerical limitations set forth in this  
33 section or in sections 202 or 203, beginning in fiscal year 2022, the number of  
34 family-sponsored immigrant visas that may be issued under section 203(a) shall be  
35 increased by the number computed under subparagraph (B).

36 “(B) UNUSED VISAS.—The number computed under this subparagraph is the  
37 difference, if any, between—

38 “(i) the difference, if any, between—

1 “(I) the number of visas that were originally made available to  
2 family-sponsored immigrants under section 201(c)(1) for fiscal years 1992  
3 through 2021, setting aside any unused visas made available to such  
4 immigrants in such fiscal years under section 201(c)(3); and

5 “(II) the number of visas described in subclause (I) that were issued under  
6 section 203(a), or, in accordance with section 201(d)(2)(C), under section  
7 203(b); and

8 “(ii) the number of visas resulting from the calculation under clause (i) issued  
9 under section 203(a) after fiscal year 2021.

10 “(2) EMPLOYMENT-BASED VISAS.—

11 “(A) IN GENERAL.—Notwithstanding the numerical limitations set forth in this  
12 section or in sections 202 or 203, beginning in fiscal year 2022, the number of  
13 employment-based immigrant visas that may be issued under section 203(b) shall be  
14 increased by the number computed under subparagraph (B).

15 “(B) UNUSED VISAS.—The number computed under this paragraph is the difference,  
16 if any, between—

17 “(i) the difference, if any, between—

18 “(I) the number of visas that were originally made available to  
19 employment-based immigrants under section 201(d)(1) for fiscal years 1992  
20 through 2021, setting aside any unused visas made available to such  
21 immigrants in such fiscal years under section 201(d)(2); and

22 “(II) the number of visas described in subclause (I) that were issued under  
23 section 203(b), or, in accordance with section 201(c)(3)(C), under section  
24 203(a); and

25 “(ii) the number of visas resulting from the calculation under clause (i) issued  
26 under section 203(b) after fiscal year 2021.

27 “(3) DIVERSITY VISAS.—Notwithstanding section 204(a)(1)(I)(ii)(II), an immigrant visa  
28 for an alien selected in accordance with section 203(e)(2) in fiscal year 2017, 2018, 2019,  
29 2020, or 2021 shall remain available to such alien (and the spouse and children of such  
30 alien) if—

31 “(A) the alien was refused a visa, prevented from seeking admission, or denied  
32 admission to the United States solely because of Executive Order 13769, Executive  
33 Order 13780, Presidential Proclamation 9645, or Presidential Proclamation 9983; or

34 “(B) because of restrictions or limitations on visa processing, visa issuance, travel,  
35 or other effects associated with the COVID–19 public health emergency—

36 “(i) the alien was unable to receive a visa interview despite submitting an  
37 Online Immigrant Visa and Alien Registration Application (Form DS–260) to the  
38 Secretary of State; or

39 “(ii) the alien was unable to seek admission or was denied admission to the  
40 United States despite being approved for a visa under section 203(c).”.

1 **SEC. 60003. ADJUSTMENT OF STATUS.**

2 Section 245 of the Immigration and Nationality Act (8 U.S.C. 1255) is amended by adding at  
3 the end the following:

4 “(n) Visa Availability.—

5 “(1) IN GENERAL.—Notwithstanding ~~section~~ **subsection** (a)(3), the Secretary of  
6 Homeland Security may accept for filing, an application for adjustment of status from an  
7 alien (and the spouse and children of such alien), if such alien—

8 “(A) is the beneficiary of an approved petition under section 204(a)(1);

9 “(B) pays a supplemental fee of \$1,500, plus \$250 for each derivative beneficiary;  
10 and

11 “(C) is otherwise eligible for such adjustment.

12 “(2) EXEMPTION.—The Secretary of ~~State~~ **Homeland Security** shall exempt an alien (and  
13 the spouse and children of such alien) from the numerical limitations described in sections  
14 201, 202, and 203, and the Secretary of Homeland Security may adjust the status of such  
15 alien (and the spouse and children of such alien) to lawful permanent resident, if such alien  
16 submits or has submitted an application for adjustment of status and—

17 “(A) such alien—

18 “(i) is the beneficiary of an approved petition under subparagraph (A)(i) or  
19 (B)(i)(I) of section 204(a)(1) that bears a priority date that is more than 2 years  
20 before the date the alien requests ~~a waiver of~~ **an exemption from** the numerical  
21 limitations; and

22 “(ii) pays a supplemental fee of \$2,500;

23 “(B) such alien—

24 “(i) is the beneficiary of an approved petition under subparagraph (E) or (F) of  
25 section 204(a)(1) that bears a priority date that is more than 2 years before the  
26 date the alien requests ~~a waiver of~~ **an exemption from** the numerical limitations;  
27 and

28 “(ii) pays a supplemental fee of \$5,000; or

29 “(C) such alien—

30 “(i) is the beneficiary of an approved petition under subparagraph (H) of  
31 section 204(a)(1) that bears a priority date that is more than 2 years before the  
32 date the alien requests ~~a waiver of~~ **an exemption from** the numerical limitations;  
33 and

34 “(ii) pays a supplemental fee of \$50,000.

35 “(3) EFFECTIVE DATE.—

36 “(A) IN GENERAL.—The provisions of this subsection—

37 “(i) shall take effect on the earlier of the date that is—

1 “(I) 180 days after the date of the enactment of this subsection; or

2 “(II) May 1, 2022; and

3 “(ii) except as provided in subparagraph (B), shall cease to have effect on  
4 September 30, 2031.

5 “(B) CONTINUATION.—Paragraph (2) shall continue in effect with respect to an alien  
6 who requested a ~~waiver~~ **an exemption** of the numerical limitations and paid the  
7 requisite fee prior to the date described in subparagraph (A)(ii), until the Secretary of  
8 Homeland Security renders a final administrative decision on such application.”.

## 9 SEC. 60004. ADDITIONAL SUPPLEMENTAL FEES.

10 (a) Treasury.—The ~~supplemental~~ fees described in ~~subsection (b)~~ of this section, ~~and in~~  
11 ~~sections 245B(a)(2) and section 60001, and section 245(n)~~ of the Immigration and Nationality  
12 Act, as added by this ~~subtitle~~, **subtitle—**

13 **(1)** shall be deposited in the general fund of the Treasury ~~of the United States;~~ **and**

14 ~~(b) Supplemental Petition Fee.—Section 204(a)(1)(2) may not be waived, in whole or in~~  
15 **part.**

16 **(b) Immigrant Visa Petitions.—In addition to any other fee collected in connection with a**  
17 **petition described in this subsection, the Secretary of Homeland Security shall collect a**  
18 **supplemental fee in the amount of—**

19 **(1) \$100 in connection with each petition filed under—**

20 **(A) section 204(a)(1)(A)(i)** of the Immigration and Nationality Act (8 U.S.C.  
21 ~~1154(a)(1)(A)(i))~~ **is amended—**

22 ~~(1) in subparagraph (A)(i), by adding at the end the following: “A petition for~~  
23 ~~classification by reason of a relationship described in under paragraph (1), (3), or (4)~~  
24 ~~of section 203(a) shall be accompanied by a supplemental fee in the amount of \$100.”;~~  
25 **of such Act (8 U.S.C. 1153(a)); and**

26 ~~(2) in subparagraph (B)(i)(I), by adding at the end the following: “Such petition shall~~  
27 ~~be accompanied by a supplemental fee in the amount of \$100.”;~~ **(B) section**  
28 **204(a)(1)(B)(i)(I) of such Act (8 U.S.C. 1154(a)(1)(B)(i)(I));**

29 ~~(3) in subparagraph (E), by adding at the end the following: “Such petition shall be~~  
30 ~~accompanied by a supplemental fee in the amount of \$800.”;~~ **(2) \$800 in connection with**  
31 **each petition filed under subparagraph (E) or (F) of section 204(a)(1) of the**  
32 **Immigration and Nationality Act (8 U.S.C. 1154(a)(1)); and**

33 ~~(4)(3) \$15,000 in connection with each petition filed under subparagraph (H) of~~  
34 **section 204(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)).**

35 **(c) Form I-94 or Form I-94W.—The Secretary of Homeland Security shall collect from**  
36 **each individual who is admitted to the United States as a nonimmigrant, and is issued an**  
37 **electronic or paper arrival/departure record (Form I-94 or Form I-94W, or any successor**  
38 **form), a fee of \$19.**

39 **(d) Student and Exchange Visitors.—In addition to any other fee collected from an**

1 approved institution of higher education, other approved educational institution, or  
2 designated exchange visitor program in the United States, in connection with  
3 nonimmigrants described in subparagraph (F), by adding at the end the following: “Such  
4 petition shall be accompanied by a supplemental fee in the amount of \$800.”; and (J), or (M) of  
5 section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)) enrolled in  
6 such institution or program, the Secretary of Homeland Security shall collect a  
7 supplemental fee of \$250 for each such nonimmigrant.

8 (5) in subparagraph (H), by adding at the end the following: “Such petition shall be  
9 accompanied by a supplemental fee in the amount of \$15,000.”. (e) **Permanent Resident Card**  
10 **Replacement.**—In addition to any other fee collected in connection with each Application  
11 to Replace Permanent Resident Card (Form I-90, or any successor form), filed for  
12 purposes of replacing an expired or expiring permanent resident card, the Secretary of  
13 Homeland Security shall collect a supplemental fee of \$500.

14 (f) **Nonimmigrant Visa Petitions.**—In addition to any other fee collected in connection  
15 with a petition filed under section 214 of the Immigration and Nationality Act (8 U.S.C.  
16 1184), the Secretary of Homeland Security shall collect a supplemental fee of \$500 in  
17 connection with each such petition for classification as a nonimmigrant under  
18 subparagraph (E), (H)(i)(b), (L), (O), or (P) of section 101(a)(15) of such Act (8 U.S.C.  
19 1101(a)(15)).

20 (g) **Extend/change Status.**—In addition to any other fee collected in connection with each  
21 Application to Extend/Change Nonimmigrant Status (Form I-539, or any successor form),  
22 the Secretary of Homeland Security shall collect a supplemental fee of \$500.

23 (h) **Employment Authorization.**—In addition to any other fee collected in connection  
24 with an application for employment authorization (Form I-765, or any successor form), the  
25 Secretary of Homeland Security shall collect a supplemental fee of \$500 for each such  
26 application filed by an individual seeking such authorization as—

27 (1) the spouse of a nonimmigrant described in subparagraph (E), (H), or (L) of  
28 section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15));

29 (2) a nonimmigrant described in section 101(a)(15)(F) of such Act (8 U.S.C.  
30 1101(a)(15)(F)) to engage in optional practical training; or

31 (3) as an applicant for adjustment of status under section 245(a) of such Act (8  
32 U.S.C. 1255(a)).

33 (i) **Effective Date.**—The fees authorized by this section shall take effect on the earlier of  
34 the date that is—

35 (1) 180 days after the date of the enactment of this Act; and

36 (2) May 1, 2022.

## 37 SEC. 60005. U.S. CITIZENSHIP AND IMMIGRATION 38 SERVICES.

39 In addition to amounts otherwise available, there is appropriated to U.S. Citizenship and  
40 Immigration Services for fiscal year 2022, out of any money in the Treasury not otherwise

1 appropriated, \$2,800,000,000, to remain available until expended, for the purpose of increasing  
2 the capacity of U.S. Citizenship and Immigration Services to **adjudicate** efficiently ~~adjudicate~~  
3 applications described in ~~sections 245B and section 60001 of this Act, and section 245(n) of the~~  
4 Immigration and Nationality Act (**8 U.S.C. 1255(n)**), as added by ~~sections 60001 and 60003 of~~  
5 this Act, ~~respectively~~, and to reduce case processing backlogs.

## 6 Subtitle B—Community Violence Prevention

### 7 **SEC. 61001. FUNDING FOR COMMUNITY-BASED** 8 **VIOLENCE INTERVENTION INITIATIVES.**

9 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
10 Attorney General for fiscal year 2022, out of any money in the Treasury not otherwise  
11 appropriated, \$2,500,000,000, to remain available until September 30, 2031, for the purposes  
12 described in subsection (b).

13 (b) Use of Funding.—The Attorney General, acting through the Assistant Attorney General of  
14 the Office of Justice Programs, the Director of the Office of Community Oriented Policing  
15 Services, and the Director of the Office on Violence Against Women, shall use amounts  
16 appropriated by subsection (a)—

17 (1) to award competitive grants or contracts to units of local government, States, **the**  
18 **District of Columbia**, Indian Tribes, nonprofit community-based organizations, victim  
19 services providers, or other entities as determined by the Attorney General, to support  
20 evidence-informed intervention strategies to reduce community violence;

21 (2) to support training, technical assistance, research, evaluation, and data collection on  
22 strategies to effectively reduce community violence and ensure public safety; and

23 (3) to support research, evaluation, and data collection on the differing impact of  
24 community violence on demographic categories.

## 25 Subtitle C—Antitrust

### 26 **SEC. 62001. ANTITRUST DIVISION.**

27 **In addition to amounts otherwise available, there is appropriated to the Attorney**  
28 **General for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**  
29 **\$500,000,000, to remain available until September 30, 2031, for necessary expenses for the**  
30 **Department of Justice Antitrust Division for carrying out work of the Division related to**  
31 **competition or enforcement of the antitrust laws.**

### 32 **SEC. 62002. FEDERAL TRADE COMMISSION FUNDING** 33 **FOR UNFAIR COMPETITION AND ANTITRUST** 34 **ENFORCEMENT WORK.**

35 **In addition to amounts otherwise available, there is appropriated to the Federal Trade**  
36 **Commission for fiscal year 2022, out of any money in the Treasury not otherwise**  
37 **appropriated, \$500,000,000 to remain available until September 30, 2031, for carrying out**

1 work of the Commission related to unfair methods of competition or enforcement of the  
2 antitrust laws.

3 **Subtitle D—Revenue Matters**

4 **SEC. 63001. ADDITIONAL APPROPRIATION FOR**  
5 **ENFORCEMENT RELATING TO FEDERAL INCOME**  
6 **TAX EVASION.**

7 **In addition to amounts otherwise available, there is appropriated to the Attorney**  
8 **General for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**  
9 **\$498,000,000, to remain available until September 30, 2030, for necessary expenses for the**  
10 **Department of Justice Tax Division for purposes of enforcing Federal laws against tax**  
11 **evasion, including by pursuing civil cases or prosecuting criminal violations.**~~(c) Expenditure~~  
12 ~~Requirement.—All expenditures made pursuant to subsection (a) shall be made on or before~~  
13 ~~September 30, 2031.~~

**House Office of Legislative Counsel**

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1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the  
2 differences between -  
3 original document : C:\TEMP\C\USERS\LMANDERSON\DESKTOP\HR5376-REPORTED  
4 BY BUDGET\_SPLIT BY TITLE\NATRES\_HR5376\_T7.RTF  
5 and revised document: C:\TEMP\G\U\LMANDERSON\TITLE7\_NR.RTF  
6  
7 CompareRite found 312 change(s) and 2 move(s) in the text  
8  
9 Deletions appear as Overstrike text  
10 Additions appear as Bold text  
11



1 Title: To—  
2  
3

4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled,~~

## 6 TITLE VII—COMMITTEE ON NATURAL RESOURCES

### 7 Subtitle A—~~Bureau of Indian Affairs and Indian Health Service~~ 8 **A—Native American and Native Hawaiian Affairs**

#### 9 ~~SEC. 70101. TRIBAL CONSULTATION.~~ **SEC. 70101.** 10 **TRIBAL CLIMATE RESILIENCE.**

11 ~~In~~(a) **Tribal Climate Resilience and Adaptation.**—In addition to amounts otherwise  
12 available, there is appropriated to the ~~Department~~ **Director** of the ~~Interior~~ **Bureau of Indian**  
13 **Affairs** for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
14 \$30,000,000 **\$441,000,000**, to remain available until September 30, 2031, ~~except that no~~  
15 ~~amounts may be expended after September 30, 2031, for the purposes of conducting consultation~~  
16 ~~with Tribal Governments.~~ **for Tribal climate resilience and adaptation programs.**

#### 17 ~~SEC. 70102. BUREAU OF INDIAN AFFAIRS.~~

18 ~~(a) BIA Road Maintenance.~~—(b) **Bureau of Indian Affairs Fish Hatcheries.**—In addition  
19 to amounts otherwise available, there is appropriated to **the Director** of the Bureau of Indian  
20 Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
21 \$300,000,000 **\$19,600,000**, to remain available until September 30, 2031, ~~except that no~~  
22 ~~amounts may be expended after September 30, 2031, for carrying out the Act of November 2,~~  
23 ~~1921 (25 U.S.C. 13; commonly known as the “Snyder Act”)~~ **for for fish hatchery operations**  
24 **and maintenance programs of the** Bureau of Indian Affairs ~~road maintenance and to address~~  
25 ~~the deferred maintenance backlog, of which no more than 2 percent shall be used for~~  
26 ~~administrative costs to carry out this subsection.~~

27 ~~(b) BIA Public Safety.~~—(c) **Administration.**—In addition to amounts otherwise available,  
28 there is appropriated to **the Director** of the Bureau of Indian Affairs for fiscal year 2022, out of  
29 any money in the Treasury not otherwise appropriated, \$200,000,000 **\$9,400,000**, to remain  
30 available until September 30, 2031, ~~except that no amounts may be expended after September~~  
31 ~~30, 2031, for carrying out the Act of November 2, 1921 (25 U.S.C. 13; commonly known as the~~  
32 ~~“Snyder Act”)~~ **for Bureau of Indian Affairs Public Safety and Justice, of which no more than 2**  
33 **percent shall be used for administrative costs to carry out this subsection.** **for the administrative**  
34 **costs of carrying out this section. None of the funds provided by this section shall be subject**  
35 **to cost-sharing or matching requirements**

36 (c) **BIA Climate Resilience.**—In addition to amounts otherwise available, there is appropriated  
37 to the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not  
38 otherwise appropriated, \$1,000,000,000, to remain available until September 30, 2031, ~~except~~  
39 ~~that no amounts may be expended after September 30, 2031, for carrying out the Act of~~  
40 ~~November 2, 1921 (25 U.S.C. 13; commonly known as the “Snyder Act”)~~ **for Tribal climate**

1 resilience and adaptation programs, of which no more than 2 percent shall be used for  
2 administrative costs to carry out this subsection.

3 ~~(d) Tribal Housing.—In addition to amounts otherwise available, there is appropriated to the~~  
4 ~~Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not otherwise~~  
5 ~~appropriated, \$500,000,000, to remain available until September 30, 2031, except that no~~  
6 ~~amounts may be expended after September 30, 2031, for carrying out the Act of November 2,~~  
7 ~~1921 (25 U.S.C. 13; commonly known as the “Snyder Act”) to improve Tribal housing, of which~~  
8 ~~no more than 2 percent shall be used for administrative costs to carry out this subsection.~~

9 ~~(e) Tribal Energy.—In addition to amounts otherwise available, there is appropriated to the~~  
10 ~~Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not otherwise~~  
11 ~~appropriated, \$35,000,000, to remain available until September 30, 2031, except that no amounts~~  
12 ~~may be expended after September 30, 2031, for carrying out the Act of November 2, 1921 (25~~  
13 ~~U.S.C. 13; commonly known as the “Snyder Act”) for Tribal energy programs, of which no more~~  
14 ~~than 2 percent shall be used for administrative costs to carry out this subsection.~~

15 ~~(f) Small and Needy Program.—Funds~~**(d) Small and Needy Program.—Amounts** made  
16 available under this section shall be excluded from the calculation of funds received by those  
17 Tribal ~~Governments~~ **governments** that participate in the “Small and Needy” program.

18 ~~(g) One Time Basis Funds.—Funds made available under this section to Tribes and Tribal~~  
19 ~~organizations under the Indian Self Determination and Education Assistance Act (25 U.S.C.~~  
20 ~~5301) shall be available on a one-time basis. Such nonrecurring funds shall not be part of the~~  
21 ~~amount required by section 106 of the Indian Self Determination and Education Assistance Act~~  
22 ~~(25 U.S.C. 5325), and such funds shall only be used for the purposes identified in this section.~~

23 **SEC. 70103(e) Distribution; Use of Funds.—Amounts made available under this section**  
24 **that are distributed to Indian Tribes and Tribal organizations for services pursuant to a**  
25 **self-determination contract (as defined in subsection (j) of section 4 of the Indian**  
26 **Self-Determination and Education Assistance Act (25 U.S.C. 5304(j))) or a self-governance**  
27 **compact entered into pursuant to subsection (a) of section 404 of the Indian**  
28 **Self-Determination and Education Assistance Act (25 U.S.C. 5364(a))—**

29 **(1) shall be distributed on a 1-time basis;**

30 **(2) shall not be part of the amount required by subsections (a) through (b) of section**  
31 **106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C.**  
32 **5325(a)–(b)); and**

33 **(3) shall only be used for the purposes identified under the applicable subsection.**

## 34 **SEC. 70102. NATIVE HAWAIIAN CLIMATE** 35 **RESILIENCE.**

36 **(a) Native Hawaiian Climate Resilience and Adaptation.—In addition to amounts**  
37 **otherwise available, there is appropriated to the Senior Program Director of the Office of**  
38 **Native Hawaiian Relations for fiscal year 2022, out of any money in the Treasury not**  
39 **otherwise appropriated, \$49,000,000, to remain available until September 30, 2031, to**  
40 **carry out, through financial assistance, technical assistance, direct expenditure, grants,**  
41 **contracts, or cooperative agreements, climate resilience and adaptation activities that serve**

1 the Native Hawaiian Community.

2 (b) Administration.—In addition to amounts otherwise available, there is appropriated  
3 to the Senior Program Director of the Office of Native Hawaiian Relations for fiscal year  
4 2022, out of any money in the Treasury not otherwise appropriated, \$1,000,000, to remain  
5 available until September 30, 2031, for the administrative costs of carrying out this section.  
6 None of the funds provided by this section shall be subject to cost-sharing or matching  
7 requirements.

## 8 **SEC. 70103. TRIBAL ELECTRIFICATION PROGRAM.**

9 (a) Tribal Electrification Program.—In addition to amounts otherwise available, there is  
10 appropriated to the Director of the Bureau of Indian Affairs for fiscal year 2022, out of any  
11 money in the Treasury not otherwise appropriated, \$294,000,000, to remain available until  
12 September 30, 2031, for—

13 (1) the provision of electricity to unelectrified Tribal homes through renewable  
14 energy systems;

15 (2) transitioning electrified Tribal homes to renewable energy systems; and

16 (3) associated home repairs and retrofitting necessary to install the renewable  
17 energy systems authorized under paragraphs (1) and (2).

18 (b) Administration.—In addition to amounts otherwise available, there is appropriated  
19 to the Director of the Bureau of Indian Affairs for fiscal year 2022, out of any money in the  
20 Treasury not otherwise appropriated, \$6,000,000, to remain available until September 30,  
21 2031, for the administrative costs of carrying out this section.

22 (c) Small and Needy Program.—Amounts made available under this section shall be  
23 excluded from the calculation of funds received by those Tribal governments that  
24 participate in the “Small and Needy” program.

25 (d) Distribution; Use of Funds.—Amounts made available under this section that are  
26 distributed to Indian Tribes and Tribal organizations for services pursuant to a  
27 self-determination contract (as defined in subsection (j) of section 4 of the Indian  
28 Self-Determination and Education Assistance Act (25 U.S.C. 5304(j))) or a self-governance  
29 compact entered into pursuant to subsection (a) of section 404 of the Indian  
30 Self-Determination and Education Assistance Act (25 U.S.C. 5364(a))—

31 (1) shall be distributed on a 1-time basis;

32 (2) shall not be part of the amount required by subsections (a) through (b) of section  
33 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C.  
34 5325(a)–(b)); and

35 (3) shall only be used for the purposes identified under the applicable subsection.

## 36 **SEC. 70104. EMERGENCY DROUGHT RELIEF FOR** 37 **TRIBES.**

38 In addition to amounts otherwise available, there is appropriated to the Commissioner of  
39 the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not

1 otherwise appropriated, \$25,000,000, to remain available until September 30, 2026, for  
2 near-term drought relief actions to mitigate drought impacts for Indian Tribes that are  
3 impacted by the operation of a Bureau of Reclamation water project, including through  
4 direct financial assistance to address drinking water shortages and to mitigate the loss of  
5 Tribal trust resources.

## 6 **SEC. 70105. NATIVE AMERICAN CONSULTATION** 7 **RESOURCE CENTER.**

8 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the  
9 Secretary of the Interior for fiscal year 2022, out of any money in the Treasury not  
10 otherwise appropriated, \$33,000,000, to remain available until September 30, 2031, to  
11 establish and administer a Native American Consultation Resource Center (the authority  
12 for which shall expire on September 30, 2031) to provide training and technical assistance  
13 to support Federal consultation and coordination responsibilities relating to—

14 (1) the protection of the natural and cultural resources of Native Americans;

15 (2) land use planning and development that impacts Tribal Governments, Alaska  
16 Native Corporations, and the Native Hawaiian Community; and

17 (3) infrastructure projects that impact Tribal Governments, Alaska Native  
18 Corporations, and the Native Hawaiian Community.

19 (b) **Definition.**—In this section:

20 (1) **ALASKA NATIVE CORPORATION.**—The term “Alaska Native Corporation” has the  
21 meaning given the term in subsection (m) of section 3 of the Alaska Native Claims  
22 Settlement Act (43 U.S.C. 1602(m)).

23 (2) **NATIVE AMERICAN.**—The term “Native American” means—

24 (A) an Indian (as defined in subsection (d) of section 4 of the Indian  
25 Self-Determination and Education Assistance Act (25 U.S.C. 5304(d)));

26 (B) a Native Hawaiian (as defined in item (10) of section 2 of the Native  
27 American Graves Protection and Repatriation Act (25 U.S.C. 3001(10))); and

28 (C) a Native (as defined in subsection (b) of section 3 of the Alaska Native  
29 Claims Settlement Act (43 U.S.C. 1602(b))).

30 (3) **TRIBAL GOVERNMENT.**—The term “Tribal Government” means the recognized  
31 governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village,  
32 community, component band, or component reservation, individually identified  
33 (including parenthetically) in the list published most recently as of the date of  
34 enactment of this paragraph pursuant to section 104 of the Federally Recognized  
35 Indian Tribe List Act of 1994 (25 U.S.C. 5131).

## 36 **SEC. 70106. INDIAN HEALTH SERVICE.**

37 (a) ~~HHS Information Technology.~~—**In Maintenance and Improvement.**—In addition to  
38 amounts otherwise available, there is appropriated to **the Director of the Indian Health Service**  
39 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$140,000,000

1 **\$945,000,000**, to remain available until September 30, 2031, except that no amounts may be  
2 expended after September 30, 2031, for carrying out the Act of August 5, 1954 (68 Stat. 674),  
3 **for maintenance and improvement of facilities operated by the Indian Health Service or**  
4 **pursuant to a self-determination contract (as defined in subsection (j) of section 4 of the**  
5 **Indian Self-Determination and Education Assistance Act, the Indian Health Care Improvement**  
6 **Act, and titles II and III of the Public Health Service Act, with respect to the Indian Health**  
7 **Service, for Indian Health Service electronic records (25 U.S.C. 1660h), telehealth, system-**  
8 **modernization, and information technology infrastructure.**

9 (b) ~~Urban Indian Health.~~—~~In (25 U.S.C. 5304(j)) or a self-governance compact entered~~  
10 **into pursuant to subsection (a) of section 404 of the Indian Self-Determination and**  
11 **Education Assistance Act (25 U.S.C. 5364(a)).**

12 (b) **Mental Health and Substance Use Disorders.**—~~In addition to amounts otherwise~~  
13 ~~available, there is appropriated to the Director of the Indian Health Service for fiscal year 2022,~~  
14 ~~out of any money in the Treasury not otherwise appropriated, \$42,000,000, to~~  
15 ~~remain available until September 30, 2031, except that no amounts may be expended after~~  
16 ~~September 30, 2031, for carrying out the Act of August 5, 1954 (68 Stat. 674), the Indian~~  
17 ~~Self-Determination and Education Assistance Act, the Indian Health Care Improvement Act, and~~  
18 ~~titles II and III of the Public Health Service Act, with respect to the Indian Health Service, for the~~  
19 ~~Urban Indian Health program for renovations, construction, expansion of facilities, including~~  
20 ~~leased facilities, which shall be in addition to other amounts made available for Urban Indian~~  
21 ~~organizations (as defined in section 4 of the Indian Health Care Improvement Act 25 U.S.C.~~  
22 ~~1603)) under this subsection.~~

23 (c) ~~IHS Facilities Maintenance.~~—~~In addition to amounts otherwise available, there is~~  
24 ~~appropriated to the Indian Health Service for fiscal year 2022, out of any money in the Treasury~~  
25 ~~not otherwise appropriated, \$610,000,000, to remain available until September 30, 2031, except~~  
26 ~~that no amounts may be expended after September 30, 2031, for carrying out the Act of August~~  
27 ~~5, 1954 (68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the Indian~~  
28 ~~Health Care Improvement Act, and titles II and III of the Public Health Service Act, with respect~~  
29 ~~to the Indian Health Service, for maintenance and improvement of Indian Health Service and~~  
30 ~~Tribal facilities.~~ **for mental health and substance use prevention and treatment services,**  
31 **including facility renovation, construction, or expansion relating to mental health and**  
32 **substance use prevention and treatment services.**

33 (d) ~~Green Infrastructure.~~—~~In addition to amounts otherwise available, there is appropriated to~~  
34 ~~the Indian Health Service for fiscal year 2022, out of any money in the Treasury not otherwise~~  
35 ~~appropriated, \$10,000,000, to remain available until September 30, 2031, except that no amounts~~  
36 ~~may be expended after September 30, 2031, for carrying out the Act of August 5, 1954 (68 Stat.~~  
37 ~~674), the Indian Self-Determination and Education Assistance Act, the Indian Health Care~~  
38 ~~Improvement Act, and titles II and III of the Public Health Service Act, with respect to the Indian~~  
39 ~~Health Service, for sustainability features for existing facilities.~~

40 (e) ~~Inpatient and Community Health Facilities.~~—~~In addition to amounts otherwise available,~~  
41 ~~there is appropriated to the Indian Health Service for fiscal year 2022, out of any money in the~~  
42 ~~Treasury not otherwise appropriated, \$40,000,000, to remain available until September 30, 2031,~~  
43 ~~except that no amounts may be expended after September 30, 2031, for carrying out the Act of~~  
44 ~~August 5, 1954 (68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the~~

1 Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act, with  
2 respect to the Indian Health Service, for Inpatient and Community Health Facilities Design,  
3 Construction, in accordance with 25 U.S.C. 1665h.

4 ~~(f) Medical Equipment.—In addition to amounts otherwise available, there is appropriated to~~  
5 ~~the Indian Health Service for fiscal year 2022, out of any money in the Treasury not otherwise~~  
6 ~~appropriated, \$150,000,000, to remain available until September 30, 2031, except that no~~  
7 ~~amounts may be expended after September 30, 2031, for carrying out the Act of August 5, 1954~~  
8 ~~(68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the Indian Health~~  
9 ~~Care Improvement Act, and titles II and III of the Public Health Service Act, with respect to the~~  
10 ~~Indian Health Service, for maintaining, upgrading, and replacing medical equipment for IHS and~~  
11 ~~Tribal facilities.~~

12 ~~(g) Small Ambulatory Construction.—In addition to amounts otherwise available, there is~~  
13 ~~appropriated to the Indian Health Service for fiscal year 2022, out of any money in the Treasury~~  
14 ~~not otherwise appropriated, \$60,000,000, to remain available until September 30, 2031, except~~  
15 ~~that no amounts may be expended after September 30, 2031, for carrying out the Act of August~~  
16 ~~5, 1954 (68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the Indian~~  
17 ~~Health Care Improvement Act, and titles II and III of the Public Health Service Act, with respect~~  
18 ~~to the Indian Health Service, for the small ambulatory construction program.~~

19 ~~(h) Personnel Quarters Construction.—In addition to amounts otherwise available, there is~~  
20 ~~appropriated to the Indian Health Service for fiscal year 2022, out of any money in the Treasury~~  
21 ~~not otherwise appropriated, \$278,000,000, to remain available until September 30, 2031, except~~  
22 ~~that no amounts may be expended after September 30, 2031, for carrying out the Act of August~~  
23 ~~5, 1954 (68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the Indian~~  
24 ~~Health Care Improvement Act, and titles II and III of the Public Health Service Act, with respect~~  
25 ~~to the Indian Health Service, for personnel quarters construction.~~

26 ~~(i) IHS(c) Priority Health Care Facilities.—In addition to amounts otherwise available, there is~~  
27 ~~appropriated to **the Director of** the Indian Health Service for fiscal year 2022, out of any money~~  
28 ~~in the Treasury not otherwise appropriated, \$2,000,000,000 **\$1,000,000,000**, to remain available~~  
29 ~~until September 30, 2031, except that no amounts may be expended after September 30, 2031,~~  
30 ~~for projects identified through the health care facility priority system established and maintained~~  
31 ~~pursuant to ~~section 301(e) subparagraph (A) of paragraph (1) of subsection (c) of section 301~~~~  
32 ~~of the Indian Health Care Improvement Act (25 U.S.C. 1631(c)(1)(A)).~~

33 ~~(j) Facilities Support.—~~~~(d) Small Ambulatory.—~~In addition to amounts otherwise  
34 available, there is appropriated to **the Director of** the Indian Health Service for fiscal year 2022,  
35 out of any money in the Treasury not otherwise appropriated, \$170,000,000 **\$40,000,000**, to  
36 remain available until September 30, 2031, for small ambulatory construction.

37 **(e) Urban Indian Organizations.—In addition to amounts otherwise available, there is**  
38 **appropriated to the Director of the Indian Health Service for fiscal year 2022, out of any**  
39 **money in the Treasury not otherwise appropriated, \$100,000,000, to remain available until**  
40 **September 30, 2031, for, notwithstanding the restrictions described in section 509 of the**  
41 **Indian Health Care Improvement Act (25 U.S.C. 1659), the renovation, construction,**  
42 **expansion, equipping, and improvement of facilities owned or leased by an Urban Indian**  
43 **organization (as defined in item (29) of section 4 of that Act (25 U.S.C. 1603(29))).**

1 (f) **Epidemiology Centers.**—In addition to amounts otherwise available, there is  
2 appropriated to the Director of the Indian Health Service for fiscal year 2022, out of any  
3 money in the Treasury not otherwise appropriated, \$25,000,000, to remain available until  
4 September 30, 2031, for the epidemiology centers established under paragraphs (1)  
5 through (2) of subsection (a) of section 214 of the Indian Health Care Improvement Act (25  
6 U.S.C. 1621m(a)(1)–(2)).

7 (g) **Environmental Health and Facilities Support Activities.**—In addition to amounts  
8 otherwise available, there is appropriated to the Director of the Indian Health Service for  
9 fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
10 \$113,284,000, to remain available until September 30, 2031, ~~except that no amounts may be~~  
11 ~~expended after September 30, 2031,~~ for environmental health and facilities support activities of  
12 the Indian Health Service.

13 ~~(k) Nonrecurring Funds.~~—~~Funds made available~~**(h) Distribution; Use of Funds.**—Amounts  
14 appropriated under this section ~~to that are distributed to Indian Tribes and Tribal~~  
15 ~~organizations under for services pursuant to a self-determination contract (as defined in~~  
16 ~~subsection (j) of section 4 of the Indian Self-Determination and Education Assistance Act (25~~  
17 ~~U.S.C. 5301 et seq.) shall be available on a one-time basis. Such nonrecurring funds shall not be~~  
18 ~~part of the amount required by section 106 5304(j)) or a self-governance compact entered~~  
19 ~~into pursuant to subsection (a) of section 404 of the Indian Self-Determination and Education~~  
20 ~~Assistance Act (25 U.S.C. 5325), and such funds 5364(a))—~~

21 (1) shall be distributed on a 1-time basis;

22 (2) shall not be part of the amount required by subsections (a) through (b) of section  
23 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C.  
24 5325(a)–(b)); and

25 (3) shall only be used for the purposes identified ~~in this section.~~ under the applicable  
26 subsection.

## 27 ~~Subtitle B—Subcommittee on National Parks, Forests, and~~ 28 ~~Public Lands~~ **SEC. 70107. TRIBAL PUBLIC SAFETY.**

### 29 ~~SEC. 70201. OAK FLAT WITHDRAWAL.~~

30 (a) **Definitions.**—In this section:

31 (1) **Disposal.**—The term “disposal” means that the lands identified are not available under the  
32 proceedings outlined under section 203 of the Federal Land Policy and Management Act of 1976  
33 (43 U.S.C. 1713).

34 (2) **Entry.**—The term “entry” has the meaning as it is used under section 103(j) of the Federal  
35 Land Policy and Management Act of 1976 (43 U.S.C. 1702(j)), in its application to lands under  
36 the jurisdiction of the Secretary.

37 (3) **Location.**—The term “location” has the meaning as it is used under section 2320 of the  
38 Revised Statutes (30 U.S.C. 23), in its application to lands under the jurisdiction of the Secretary;

39 (4) **Oak flat withdrawal area.**—the term “Oak Flat” means the approximately 2,422 acres of  
40 Forest System land in the Tonto National Forest in southeastern Arizona commonly known as

1 “Oak Flat” and generally depicted as “Oak Flat Withdrawal Area” on the map titled “Oak Flat  
2 Withdrawal” and dated June 15, 2021.

3 (5) Patent.—The term “patent” has the meaning as it is used under section 2325 of the Revised  
4 Statutes (30 U.S.C. 29), in its application to lands under the jurisdiction of the Secretary.

5 (6) Secretary.—The term “Secretary” means the Secretary of Agriculture.

6 (b) Repeal.—Section 3003 of the Carl Levin and Howard P. “Buck” McKeon National  
7 Defense Authorization Act for Fiscal Year 2015 (16 U.S.C. 539p) is repealed.

8 (c) Withdrawal.—Subject to valid rights in existence on the date of the enactment of this  
9 section, Oak Flat is withdrawn from all forms of disposal, location, entry, and patent.

10 ~~SEC. 70202. CIVILIAN CLIMATE CORPS.~~

11 ~~(a) National Park Service Civilian Climate Corps.—~~

12 ~~(1) Definitions.—With regard to this subsection:~~

13 ~~(A) Conservation project.—The term “conservation project” means a project for the~~  
14 ~~conservation, restoration, construction, or rehabilitation of natural, cultural, historic,~~  
15 ~~archaeological, recreational, or scenic resources.~~

16 ~~(B) Corps program.—The term “corps program” means a program established by a Federal,~~  
17 ~~State, Tribal, or local government, or nonprofit organization that performs conservation projects~~  
18 ~~on Public Lands.~~

19 ~~(C) Public lands.—The term “Public Lands” means lands administered by the National Park~~  
20 ~~Service.~~

21 ~~(2) In general.—In~~ **(a) Public Safety and Justice.** ~~—In~~ addition to amounts otherwise  
22 available, there is appropriated to the National Park Service **Assistant Secretary for Indian**  
23 **Affairs** for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
24 **\$1,700,000,000 \$490,000,000**, to remain available until September 30, 2031, ~~except that no~~  
25 ~~amounts may be expended after September 30, 2031, for carrying out education and job training~~  
26 ~~projects and conservation projects on Public Lands, including through the use of direct~~  
27 ~~expenditure, contracts, grants, and cooperative agreements with corps programs.~~ **for public**  
28 **safety and justice programs and construction.**

29 ~~(3) Administrative expenses.—Of the funds provided by this subsection, no more than 2-~~  
30 ~~percent shall be used for administrative costs to carry out this section.~~

31 ~~(b) Bureau of Land Management Civilian Climate Corps.—~~

32 ~~(1) Definitions.—With regard to this subsection:~~

33 ~~(A) Conservation project.—The term “conservation project” means a project for the~~  
34 ~~conservation, restoration, construction, or rehabilitation of natural, cultural, historic,~~  
35 ~~archaeological, recreational, or scenic resources.~~

36 ~~(B) Corps program.—The term “corps program” means a program established by a Federal,~~  
37 ~~State, Tribal, or local government, or nonprofit organization that performs conservation projects~~  
38 ~~on Public Lands.~~

39 ~~(C) Public lands.—The term “Public Lands” means lands administered by the Bureau of Land~~



1 Management.

2 (2) ~~In general.~~—**In(b) Administration.**—In addition to amounts otherwise available, there is  
3 appropriated to the ~~Bureau of Land Management~~ **Assistant Secretary for Indian Affairs** for  
4 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$900,000,000~~  
5 **\$10,000,000, to remain available until September 30, 2031, for the administrative costs of**  
6 **carrying out this section.**

7 (c) **Small and Needy Program.**—Amounts made available under this section shall be  
8 excluded from the calculation of funds received by those Tribal governments that  
9 participate in the “Small and Needy” program.

10 (d) **Distribution; Use of Funds.**—Amounts made available under this section that are  
11 distributed to Indian Tribes and Tribal organizations for services pursuant to a  
12 self-determination contract (as defined in subsection (j) of section 4 of the Indian  
13 Self-Determination and Education Assistance Act (25 U.S.C. 5304(j))) or a self-governance  
14 compact entered into pursuant to subsection (a) of section 404 of the Indian  
15 Self-Determination and Education Assistance Act (25 U.S.C. 5364(a))—

16 (1) shall be distributed on a 1-time basis;

17 (2) shall not be part of the amount required by subsections (a) through (b) of section  
18 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C.  
19 5325(a)–(b)); and

20 (3) shall only be used for the purposes identified under the applicable subsection.

## 21 **SEC. 70108. BUREAU OF INDIAN AFFAIRS AND** 22 **TRIBAL ROADS.**

23 (a) **Roads.**—In addition to amounts otherwise available, there is appropriated to the  
24 Director of the Bureau of Indian Affairs for fiscal year 2022, out of any money in the  
25 Treasury not otherwise appropriated, **\$715,400,000, to remain available until September 30,**  
26 ~~2031, except that no amounts may be expended after September 30, 2031, for carrying out~~  
27 ~~education and job training projects and conservation projects on Public Lands, including through~~  
28 ~~the use of 2026,~~ **for the Bureau of Indian Affairs Road System and Tribal transportation**  
29 **facilities (as defined in paragraph (31) of subsection (a) of section 101 of title 23, United**  
30 **States Code)—**

31 (1) for road maintenance;

32 (2) for planning, design, construction, and reconstruction activities; and

33 (3) to address the deferred road maintenance backlog at the Bureau of Indian  
34 Affairs.

35 (b) **Administration.**—In addition to amounts otherwise available, there is appropriated  
36 to the Director of the Bureau of Indian Affairs for fiscal year 2022, out of any money in the  
37 Treasury not otherwise appropriated, **\$14,600,000, to remain available until September 30,**  
38 **2026, for the administrative costs of carrying out this section.**

## 39 **Subtitle B—National Oceanic and Atmospheric**

## 1 Administration

### 2 SEC. 70201. INVESTING IN COASTAL COMMUNITIES 3 AND CLIMATE RESILIENCE.

4 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
5 National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money  
6 in the Treasury not otherwise appropriated, \$6,000,000,000, to remain available until  
7 September 30, 2026, to provide funding through direct expenditure, contracts, grants, and  
8 cooperative agreements, or technical assistance to coastal states (as defined in paragraph (4)  
9 of section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453(4))), the  
10 District of Columbia, Tribal Governments, nonprofit organizations, local governments, and  
11 institutions of higher education (as defined in subsection (a) of section 101 of the Higher  
12 Education Act of 1965 (20 U.S.C. 1001(a))), with corps programs.

13 (3) Administrative expenses.—Of the funds provided by this subsection, no more than 2-  
14 percent shall be used for administrative costs to carry out this section.

15 (c) United States Fish and Wildlife Service Civilian Climate Corps.—

16 (1) Definitions.—With regard to this subsection:

17 (A) Conservation project.—The term “conservation project” means a project for the  
18 conservation, restoration, construction, or rehabilitation of natural, cultural, historic,  
19 archaeological, recreational, or scenic resources. and protection of coastal and marine  
20 habitats and resources, including fisheries, to enable coastal communities to prepare for  
21 extreme storms and other changing climate conditions, and for projects that support  
22 natural resources that sustain coastal and marine resource dependent communities, and for  
23 related administrative expenses. None of the funds provided by this section shall be subject  
24 to cost-sharing or matching requirements.

25 (B) Corps program.—The term “corps program” means a program established by a Federal,  
26 State, Tribal, or local government, or nonprofit organization that performs conservation projects  
27 on Public Lands.

28 (b) Tribal Government Defined.—In this section, the term “Tribal  
29 Government” means the recognized governing body of any Indian or Alaska Native tribe,  
30 band, nation, pueblo, village, community, component band, or component reservation,  
31 individually identified (including parenthetically) in the list published most recently as of  
32 the date of enactment of this subsection pursuant to section 104 of the Federally  
33 Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

34 (C) Public lands.—The term “Public Lands” means lands  
35 administered by the United States Fish and Wildlife Service.

### 36 SEC. 70202. PACIFIC SALMON RESTORATION AND 37 CONSERVATION.

38 (2) In general.—In In addition to amounts otherwise available, there is appropriated to the  
39 United States Fish and Wildlife Service National Oceanic and Atmospheric Administration  
for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,

1 **\$1,000,000,000, to remain available until September 30, 2026, for the purposes of**  
2 **supporting the restoration and conservation of Pacific salmon and steelhead populations**  
3 **and the habitat of those populations, including by improving climate resilience and climate**  
4 **adaptation, and for related administrative expenses.**

## 5 **SEC. 70203. MARINE FISHERIES INFRASTRUCTURE.**

6 **(a) In General.—In addition to amounts otherwise available, there is appropriated to the**  
7 **National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in**  
8 **the Treasury not otherwise appropriated, \$400,000,000, to remain available until September 30,**  
9 **2031, except that no amounts may be expended after September 30, 2031, for carrying out**  
10 **education and job training projects and conservation projects on Public Lands, including through**  
11 **the use of direct expenditure, contracts, grants, and cooperative agreements with corps programs.**  
12 **2026, for grants to States and Tribal Governments, to repair, replace, and upgrade**  
13 **hatchery infrastructure for the production of a fishery (as defined in paragraph (13) of**  
14 **section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C.**  
15 **1802(13))) that is included in a fishery management plan or plan amendment approved by**  
16 **the Secretary of Commerce under subsection (a) of section 301 of the Magnuson-Stevens**  
17 **Fishery Conservation and Management Act (16 U.S.C. 1851(a)), and for related**  
18 **administrative expenses.**

19 ~~(3) Administrative expenses.—Of the funds provided by this subsection, no more than 2-~~  
20 ~~percent shall be used for administrative costs to carry out this section.~~

21 ~~(d) Tribal Civilian Climate Corps.—~~

22 ~~(1) Definitions.—With regard to this subsection:~~

23 ~~(A) Conservation project.—The term “conservation project” means any project for the~~  
24 ~~conservation, restoration, construction, or rehabilitation of natural, cultural, historic,~~  
25 ~~archaeological, recreational, or scenic resources.~~

26 ~~(B) Corps program.—The term “corps program” means a program established by a Federal,~~  
27 ~~State, Tribal, or local government, or nonprofit organization that performs appropriate~~  
28 ~~conservation projects on Public Lands.~~

29 ~~(C) Indian land.—The term “Indian land” means land of an Indian Tribe or an Indian~~  
30 ~~individual that is—~~

31 ~~(i) held in trust by the United States; or~~

32 ~~(ii) subject to a restriction against alienation imposed by the United States.~~

33 ~~(D) Indian tribe.—The term “Indian Tribe” has the meaning given the term in section 104(b)~~  
34 **Tribal Government.—In this section, the term “Tribal Government” means the recognized**  
35 **governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village,**  
36 **community, component band, or component reservation, individually identified (including**  
37 **parenthetically) in the list published most recently as of the date of enactment of this**  
38 **subsection pursuant to section 104 of the Federally Recognized Indian Tribe List Act (25-**  
39 **U.S.C. 5130). of 1994 (25 U.S.C. 5131).**

40 ~~(E) Native hawaiian.—The term “Native Hawaiian” means any-~~

~~individual who is~~ — **SEC. 70204. MARINE FISHERIES AND  
MARINE MAMMAL STOCK ASSESSMENTS, SURVEYS,  
AND RESEARCH AND MANAGEMENT.**

~~(I) a citizen of the United States; and~~

~~(ii) a descendant of the aboriginal people who, before 1778, occupied and exercised  
sovereignty in the area that now comprises the State of Hawaii, as evidenced by—~~

~~(I) genealogical records;~~

~~(II) Kupuna (elders) or Kamaaina (long term community residents) verification; or~~

~~(III) certified birth records.~~

~~(F) Native hawaiian organization.—The term “Native Hawaiian organization” means a private  
nonprofit organization that—~~

~~(I) serves the interests of Native Hawaiians;~~

~~(ii) has Native Hawaiians in substantive and policymaking positions within the organization;  
and~~

~~(iii) is recognized by the Governor of Hawaii for the purposes of planning, conducting, or  
administering programs (or portions of programs) for the benefit of Native Hawaiians.~~

~~(2) In general.—In In addition to amounts otherwise available, there is appropriated to the  
Bureau of Indian Affairs National Oceanic and Atmospheric Administration for fiscal year  
2022, out of any money in the Treasury not otherwise appropriated, \$500,000,000, to remain  
available until September 30, 2031, except that no amounts may be expended after September  
30, 2031, for carrying out education and job training projects and conservation projects,  
including through the use of direct expenditure, contracts, grants, and cooperative agreements  
with corps programs, and including projects on Indian lands, pursuant to an agreement between  
an Indian Tribe or Native Hawaiian organization and a corps program for the benefit of an Indian  
Tribe or Native Hawaiians. None of the funds provided by this subsection shall be subject to  
cost share requirements. **2026, for purposes of Federal fisheries management, marine  
fisheries conservation, and marine mammal research, including fisheries and marine  
mammal stock assessments, marine fisheries data collection, surveys, scientific research,  
and management, acquisition of electronic monitoring equipment for fishery participants,  
transitional gear research, and ecosystem-based assessments in support of marine fish  
species, including fisheries managed under section 303 of the Magnuson-Stevens Fishery  
Conservation and Management Act (16 U.S.C. 1853) and subsection (a) of section 117 of  
the Marine Mammal Protection Act of 1972 (16 U.S.C. 1386(a)).**~~

~~(3) Administrative expenses.—Of the funds provided by this  
subsection, no more than 2 percent shall be used for  
administrative costs to carry out this section. **SEC. 70205.**~~

**FACILITIES OF THE NATIONAL OCEANIC AND  
ATMOSPHERIC ADMINISTRATION AND NATIONAL**

# MARINE SANCTUARIES.

## SEC. 70203. PRESIDIO TRUST.

~~(a) Presidio Trust Defined.—With regard to this section, the term “Presidio Trust” means the entity established under section 103(a) of title I of division I of Public Law 104333 and under the requirements placed upon that entity by section 104(a) of title I of division I of Public Law 104333.~~

~~(b) In General.—~~**In(a) National Oceanic and Atmospheric Administration Facilities.—**In addition to amounts otherwise available, there is appropriated to the ~~Presidio Trust~~ **National Oceanic and Atmospheric Administration** for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$200,000,000~~ **\$300,000,000**, to remain available until September 30, 2026, for ~~carrying out projects identified by the Presidio Trust in accordance with the purposes identified under the first section of Public Law 92589 (16 U.S.C. 460bb).~~ **the construction of new facilities (including facilities in need of replacement) including piers, marine operations facilities, and fisheries laboratories.**

## SEC. 70204. GRAND CANYON.

~~(a) Definition.—In this section:~~

~~(1) Disposal.—The term “disposal” means that the lands identified are not available under the proceedings outlined under section 203 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1713).~~

~~(2) Entry.—The term “entry” has the meaning as it is used under section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(j)), in its application to lands under the jurisdiction of the Secretary.~~

~~(3) Grand canyon protection area.—The term “Grand Canyon Protection Area” means the approximately 1,054,923 acres of land depicted as “Federal Mineral Estate to be Withdrawn” on the map entitled “Grand Canyon Protection Area” and dated August 23, 2021.~~

~~(4) Location.—The term “location” has the meaning as it is used under section 2320 of the Revised Statutes (30 U.S.C. 23), in its application to lands under the jurisdiction of the Secretary.~~

~~(5) Patent.—The term “patent” has the meaning as it is used under section 2325 of the Revised Statutes (30 U.S.C. 29), in its application to lands under the jurisdiction of the Secretary.~~

~~(6) Secretary.—The term “Secretary” means the Secretary of the Interior.~~

~~(b) Withdrawal.—~~**In(b) National Marine Sanctuaries Facilities.—**In addition to amounts otherwise available, there is appropriated to the **National Oceanic and Atmospheric Administration** Bureau of Land Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$1,500,000, to remain available until September 30, 2026, to carry out, subject to valid rights in existence on the date of enactment of this section, the ~~withdrawal of the Grand Canyon Protection Area from all forms of disposal, location, entry, and patent.~~

## SEC. 70205. WILDFIRE.

~~(a) Protecting Communities and Ecosystems From Wildfire.—In addition to amounts otherwise available, there is appropriated to the Bureau of Land Management for fiscal year~~

1 2022, out of any money in the Treasury not otherwise appropriated, \$900,000,000, to remain  
2 available until September 30, 2031, except that no amounts may be expended after September  
3 30, 2031, to reduce wildfire risk on landscapes and communities through fire preparedness, fire  
4 science and research (including improved fireshed mapping and management), emergency  
5 rehabilitation, rural fire assistance, noncommercial fuels management activities in the  
6 wildland-urban interface, the renovation or construction of fire facilities, and for expenses  
7 necessary to support firefighter workforce reforms. None of the funds provided by this  
8 subsection shall be used for salvage logging.

9 (b) Tribal Wildfire Prevention.—In addition to amounts otherwise available, there is  
10 appropriated to the Bureau of Indian Affairs for fiscal year 2022, out of any money in the  
11 Treasury not otherwise appropriated, \$100,000,000, to remain available until September 30,  
12 2031, except that no amounts may be expended after September 30, 2031, For carrying out the  
13 National Indian Forest Resources Management Act (25 U.S.C. 3101 et seq.) for renewable and  
14 manageable resources, communications, economic and cultural benefits, improved fireshed  
15 mapping and management, and to protect Tribal forest lands from wildfire. **2026, for the**  
16 **construction of facilities to support the National Marine Sanctuary System established**  
17 **under subsection (c) of section 301 of the National Marine Sanctuaries Act (16 U.S.C.**  
18 **1431(c)).**

19 **(c) Forest Technology Improvements.—In SEC. 70206. NOAA**  
20 **EFFICIENT AND EFFECTIVE REVIEWS.**

21 In addition to amounts otherwise available, there is appropriated to the Office of Wildland  
22 Fire Management **National Oceanic and Atmospheric Administration** for fiscal year 2022, out  
23 of any money in the Treasury not otherwise appropriated, ~~\$1,000,000~~ **\$20,000,000**, to remain  
24 available until September 30, 2031, except that no amounts may be expended after September  
25 30, 2031, for carrying out a research, development, and testing pilot program to—

26 (1) ~~assess new technologies, including unmanned aircraft system, geospatial, or remote-~~  
27 ~~sensing technologies, across all reforestation activities;~~

28 (2) ~~accelerate the deployment and integration of such technologies into the operations of the~~  
29 ~~Secretary of the Interior; and~~

30 (3) ~~collaborate and cooperate with State, Tribal, and private geospatial information system-~~  
31 ~~organizations with respect to such technologies. **2026, to provide for the development of more**~~  
32 **efficient, accurate, and timely reviews for planning, permitting and approval processes**  
33 **through the hiring and training of personnel, the development of programmatic**  
34 **documents, the procurement of technical or scientific services for reviews, the development**  
35 **of environmental data or information systems, stakeholder and community engagement,**  
36 **the purchase of new equipment for environmental analysis, and the development of**  
37 **geographic information systems and other analysis tools, techniques, and guidance to**  
38 **improve agency transparency, accountability, and public engagement.**

39 **SEC. 70207. SEAFOOD IMPORT MONITORING**  
40 **PROGRAM.**

41 In addition to amounts otherwise available, there is appropriated to the National

1 Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the  
2 Treasury not otherwise appropriated, \$2,000,000, to remain available until September 30,  
3 2026, to implement the seafood import monitoring program of the National Oceanic and  
4 Atmospheric Administration.

## 5 **Subtitle C—United States Fish and Wildlife Service**

### 6 **SEC. 70301. ENDANGERED SPECIES ACT RECOVERY** 7 **PLANS.**

8 In addition to amounts otherwise available, there is appropriated to the United States  
9 Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury not  
10 otherwise appropriated, \$180,000,000, to remain available until expended, for the purposes  
11 of developing and implementing recovery plans under paragraphs (1), (3), and (4) of  
12 subsection (f) of section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533(f)).

### 13 **SEC. 70302. ISLAND PLANT CONSERVATION.**

14 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the  
15 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the  
16 Treasury not otherwise appropriated, \$4,850,000, to remain available until expended, to  
17 make direct expenditures, award grants, and enter into contracts and cooperative  
18 agreements for the purposes of conserving endangered species and threatened species of  
19 plants in the Hawaiian Islands and the Pacific Island Territories of the United States under  
20 paragraphs (1), (3), and (4) of subsection (f) of section 4 of the Endangered Species Act of  
21 1973 (16 U.S.C. 1533(f)).

22 (b) **Administrative Expenses.**—In addition to amounts otherwise available, there is  
23 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any  
24 money in the Treasury not otherwise appropriated, \$150,000, to remain available until  
25 September 30, 2030, for necessary administrative expenses associated with carrying out  
26 this section.

### 27 **SEC. 70303. POLLINATOR CONSERVATION.**

28 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the  
29 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the  
30 Treasury not otherwise appropriated, \$4,850,000, to remain available until expended, to  
31 make direct expenditures, award grants, and enter into contracts and cooperative  
32 agreements for the purposes of conserving endangered species and threatened species of  
33 pollinators in the United States under paragraphs (1), (3), and (4) of subsection (f) of  
34 section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533(f)).

35 (b) **Administrative Expenses.**—In addition to amounts otherwise available, there is  
36 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any  
37 money in the Treasury not otherwise appropriated, \$150,000, to remain available until  
38 September 30, 2030, for necessary administrative expenses associated with carrying out  
39 this section.

1 **SEC. 70304. MUSSEL CONSERVATION.**

2 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
3 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the  
4 Treasury not otherwise appropriated, \$4,850,000, to remain available until expended, to  
5 make direct expenditures, award grants, and enter into contracts and cooperative  
6 agreements for the purposes of conserving endangered species and threatened species of  
7 freshwater mussels in the United States under paragraphs (1), (3), and (4) of subsection (f)  
8 of section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533(f)).

9 (b) Administrative Expenses.—In addition to amounts otherwise available, there is  
10 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any  
11 money in the Treasury not otherwise appropriated, \$150,000, to remain available until  
12 September 30, 2030, for necessary administrative expenses associated with carrying out  
13 this section.

14 **SEC. 70305. DESERT FISH CONSERVATION.**

15 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
16 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the  
17 Treasury not otherwise appropriated, \$4,850,000, to remain available until expended, to  
18 make direct expenditures, award grants, and enter into contracts and cooperative  
19 agreements for the purposes of conserving endangered species and threatened species of  
20 desert fish in the United States under paragraphs (1), (3), and (4) of subsection (f) of section  
21 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533(f)).

22 (b) Administrative Expenses.—In addition to amounts otherwise available, there is  
23 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any  
24 money in the Treasury not otherwise appropriated, \$150,000, to remain available until  
25 September 30, 2030, for necessary administrative expenses associated with carrying out  
26 this section.

27 **\*\* 1 SEC. ~~70608~~ 70306. FUNDING FOR THE UNITED**  
28 **STATES FISH AND WILDLIFE SERVICE TO ADDRESS**  
29 **CLIMATE-INDUCED WEATHER EVENTS.**

30 ~~SEC. 70206~~(a) In General.—In addition to amounts otherwise available, there is  
31 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any  
32 money in the Treasury not otherwise appropriated, \$242,500,000, to remain available until  
33 September 30, 2026, to make direct expenditures, award grants, and enter into contracts  
34 and cooperative agreements for the purposes of rebuilding and restoring units of the  
35 National Wildlife Refuge System and State wildlife management areas, including by—

36 (1) addressing the threat of invasive species;

37 (2) increasing the resiliency and capacity of habitats and infrastructure to withstand  
38 climate-induced weather events; and

39 (3) reducing the amount of damage caused by climate-induced weather events.



1 (b) **Administrative Costs.**—In addition to amounts otherwise available, there is  
2 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any  
3 money in the Treasury not otherwise appropriated, \$7,500,000, to remain available until  
4 September 30, 2026, for necessary administrative expenses associated with carrying out  
5 this section.

## 6 **SEC. 70307. WILDLIFE CORRIDOR CONSERVATION.**

7 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the  
8 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the  
9 Treasury not otherwise appropriated, \$9,700,000, to remain available until expended, to  
10 carry out, through direct expenditures, contracts, grants, and cooperative agreements,  
11 activities necessary for—

12 (1) mapping wildlife corridors;

13 (2) the conservation and restoration of wildlife corridors; and

14 (3) addressing the conservation and restoration of wildlife corridors—

15 (A) on land included in the National Wildlife Refuge System; and

16 (B) on private land through—

17 (i) the Partners for Fish and Wildlife Program of the United States Fish  
18 and Wildlife Service; and

19 (ii) the Coastal Program of the United States Fish and Wildlife Service.

20 (b) **Administrative Costs.**—In addition to amounts otherwise available, there is  
21 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any  
22 money in the Treasury not otherwise appropriated, \$300,000, to remain available until  
23 September 30, 2030, for necessary administrative expenses associated with carrying out  
24 this section.

## 25 **SEC. 70308. GRASSLAND RESTORATION.**

26 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the  
27 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the  
28 Treasury not otherwise appropriated, \$38,800,000, to remain available until expended to  
29 make direct expenditures, award grants, and enter into contracts and cooperative  
30 agreements for carrying out the protection and restoration of grassland habitats.

31 (b) **Administrative Costs.**—In addition to amounts otherwise available, there is  
32 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any  
33 money in the Treasury not otherwise appropriated, \$1,200,000, to remain available until  
34 September 30, 2030, for necessary administrative expenses associated with carrying out  
35 this section.

## 36 **Subtitle D—Water Resources Research and Technology** 37 **Institutes**

1 **SEC. 70401. WATER RESOURCES RESEARCH AND**  
2 **TECHNOLOGY INSTITUTES.**

3 In addition to amounts otherwise available, there is appropriated to the United States  
4 Geological Survey for fiscal year 2022, out of any money in the Treasury not otherwise  
5 appropriated, \$50,000,000, to remain available until September 30, 2031, for grants and  
6 other financial assistance to water resources research and technology institutes, centers,  
7 and equivalent agencies.

8 **Subtitle E—Council on Environmental Quality**

9 **SEC. 70501. ENVIRONMENTAL AND CLIMATE DATA**  
10 **COLLECTION.**

11 In addition to amounts otherwise available, there is appropriated to the Chair of the  
12 Council on Environmental Quality for fiscal year 2022, out of any money in the Treasury  
13 not otherwise appropriated, \$65,000,000, to remain available until September 30, 2026—

14 (1) to support data collection efforts relating to—

15 (A) disproportionate negative environmental harms and climate impacts; and

16 (B) cumulative impacts of pollution and temperature rise;

17 (2) to establish, expand, and maintain efforts to track disproportionate burdens and  
18 cumulative impacts, including academic and workforce support for analytics and  
19 informatics infrastructure and data collection systems; and

20 (3) to support efforts to ensure that any mapping or screening tool is accessible to  
21 community-based organizations and community members.

22 **SEC. 70502. COUNCIL ON ENVIRONMENTAL**  
23 **QUALITY EFFICIENT AND EFFECTIVE**  
24 **ENVIRONMENTAL REVIEWS.**

25 In addition to amounts otherwise available, there is appropriated to the Chair of the  
26 Council on Environmental Quality for fiscal year 2022, out of any money in the Treasury  
27 not otherwise appropriated, \$15,000,000, to remain available until September 30, 2026, to  
28 carry out the Council on Environmental Quality’s functions and for the purposes of  
29 training personnel, developing programmatic environmental documents, and developing  
30 tools, guidance, and techniques to improve stakeholder and community engagement.

31 **Subtitle F—Department of the Interior Efficient and**  
32 **Effective Reviews**

33 **SEC. 70601. DEPARTMENT OF THE INTERIOR**  
34 **EFFICIENT AND EFFECTIVE REVIEWS.**

1 In addition to amounts otherwise available, there is appropriated to the Department of  
2 the Interior for fiscal year 2022, out of any money in the Treasury not otherwise  
3 appropriated, \$100,000,000, to remain available until September 30, 2026, to provide for  
4 the development of more efficient, accurate, and timely reviews for planning, permitting,  
5 and approval processes for the National Park Service, the Bureau of Land Management,  
6 the Bureau of Ocean Energy Management, the Bureau of Reclamation, the Bureau of  
7 Safety and Environmental Enforcement, and the Office of Surface Mining Reclamation  
8 and Enforcement through the hiring and training of personnel, the development of  
9 programmatic documents, the procurement of technical or scientific services for reviews,  
10 the development of environmental data or information systems, stakeholder and  
11 community engagement, the purchase of new equipment for environmental analysis, and  
12 the development of geographic information systems and other analysis tools, techniques,  
13 and guidance to improve agency transparency, accountability, and public engagement.

## 14 **Subtitle G—Public Lands**

### 15 **SEC. 70701. NATIONAL PARKS AND PUBLIC LANDS** 16 **CONSERVATION AND RESILIENCE.**

17 In addition to amounts otherwise available, there is appropriated to the Secretary of the  
18 Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
19 \$1,250,000,000, to remain available until September 30, 2031, to carry out projects for the  
20 conservation, protection, and resiliency of lands and resources administered by the  
21 National Park Service and Bureau of Land Management. None of the funds provided  
22 under this section shall be subject to cost-share or matching requirements.

### 23 **SEC. 70702. NATIONAL PARKS AND PUBLIC LANDS** 24 **CONSERVATION AND ECOSYSTEM RESTORATION.**

25 In addition to amounts otherwise available, there is appropriated to the Secretary of the  
26 Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
27 \$750,000,000, to remain available until September 30, 2031, to carry out conservation,  
28 ecosystem and habitat restoration projects on lands administered by the National Park  
29 Service and Bureau of Land Management. None of the funds provided under this section  
30 shall be subject to cost-share or matching requirements.

### 31 **SEC. 70703. LANDS PROJECTS.**

32 (a) Definitions.—With regard to this section:

33 (1) **APPROPRIATE CONSERVATION PROJECTS.**—The term “appropriate conservation  
34 projects” means any project for the conservation, restoration, construction, or  
35 rehabilitation of natural, cultural, historic, archaeological, recreational, or scenic  
36 resources on public lands administered by the National Park Service or Bureau of  
37 Land Management.

38 (2) **RESILIENCY OR RESTORATION PROJECTS.**—The term “restoration or resiliency  
39 projects” means any project funded under sections 70701 and 70702.

1 (b) In General.—In addition to amounts otherwise available, there is appropriated to the  
2 Secretary of the Interior for fiscal year 2022, out of any money in the Treasury not  
3 otherwise appropriated, \$500,000,000, to remain available until September 30, 2031, to  
4 provide funding, including all expenses necessary to provide funding, through direct  
5 expenditure, grants, contracts, or cooperative agreements, to perform appropriate  
6 conservation projects or resiliency or restoration projects, including all expenses necessary  
7 to carry out such projects, on public lands administered by the National Park Service and  
8 Bureau of Land Management. None of the funds provided under this section shall be  
9 subject to cost-share or matching requirements.

## 10 **SEC. 70704. WILDFIRE MANAGEMENT.**

11 In addition to amounts otherwise available, there is appropriated to the Secretary of the  
12 Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
13 \$500,000,000, to remain available until September 30, 2031, for wildland fire management  
14 by the Bureau of Land Management or National Park Service, including improvement,  
15 relocation, renovation, or construction of firefighting facilities; reduction of wildfire  
16 hazards to communities through fuels projects within the wildland-urban interface;  
17 burned area rehabilitation; rural fire assistance; for salaries and expenses for wildland  
18 firefighters; wildfire-related information technology and geospatial analysis; deployment of  
19 remote sensing technologies; wildfire science and research, including fireshed mapping;  
20 and, through the Office of Aviation Services, purchase, lease or contract of fixed-wing  
21 aircraft, and the assessment and deployment of technologies to limit disruptions to  
22 firefighting operations at night, in a degraded visual environment, and by unauthorized  
23 unmanned aircraft system, including the feasibility of optionally-piloted rotor-wing aircraft  
24 and containerized retardant-delivery systems.

## 25 **SEC. 70705. NATIONAL PARK SERVICE DEFERRED** 26 **MAINTENANCE AND DEPARTMENT OF THE** 27 **INTERIOR HOUSING.**

28 In addition to amounts otherwise available, there is appropriated to the Secretary of the  
29 Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
30 \$400,000,000, to remain available until September 30, 2026, for carrying out priority  
31 deferred maintenance projects, which may include resolving directly-related infrastructure  
32 deficiencies, including through direct expenditures or transfer authority, within the  
33 boundaries of the National Park System and to provide housing, including expenses  
34 necessary to provide housing, for—

35 (1) field employees of the National Park Service pursuant to subchapter III of  
36 chapter 1013 of title 54, United States Code;

37 (2) field employees of the Bureau of Land Management in a manner similar to the  
38 provision of housing under paragraph (1); and

39 (3) participants in corps programs performing appropriate conservation projects or  
40 resiliency and restoration projects under grants, contracts, or cooperative agreements  
41 with the National Park Service or the Bureau of Land Management in a manner

1 similar to the provision of housing under paragraph (1).

## 2 **SEC. 70706. URBAN PARKS.**

3 In addition to amounts otherwise available, there is appropriated to the **Director of the**  
4 **National Park Service** for fiscal year 2022, out of any ~~amounts~~ **money** in the Treasury not  
5 otherwise appropriated, \$100,000,000, to remain available until September 30, 2026, to carry out  
6 direct, competitive grants to localities **for acquisition of land or interests in land, or for**  
7 **development of recreation facilities** to create or significantly enhance access to parks or  
8 outdoor recreation **in urban areas, subject to the conditions that no property acquired or**  
9 **developed with funding under** facilities in urban areas, in accordance with the authorities  
10 outlined under section 200305(e)(2)(A) or 200305(e)(3) of title 54, United States Code, and  
11 subject to limitations outlined under section 200305(f)(3) of such title, of which no more than 2-  
12 percent shall be used for administrative costs to carry out this section.

### 13 ~~SEC. 70207. EVERY KID OUTDOORS.~~

14 (a) Definitions.—With respect to this section:

15 (1) Federal land and waters.—The term “Federal land and waters” means any Federal land or  
16 body of water under the jurisdiction of the Director to which the public has access.

17 (2) Director.—The term “Director” means the Director of the National Park Service.

18 (3) Student or students.—The term “student” or “students” means any fourth, fifth, or sixth-  
19 grader or home-schooled learner 10 years of age residing in the United States.

20 (b) In General.—~~In addition to amounts otherwise available, there is appropriated to the~~  
21 ~~National Park Service~~ for fiscal year 2022, out of any money in the Treasury not otherwise  
22 appropriated, \$100,000,000, to remain available until September 30, 2031, except that no  
23 amounts may be expended after September 30, 2031, for the carrying out of the issuance and  
24 administration of passes, effective during the period beginning on September 1 and ending on  
25 August 31 of the following year, at the request of a student, which allows access, when the  
26 student to which the pass was issued is present, to Federal lands and waters for which access is  
27 subject to an entrance, standard amenity, or day use fee, free of charge for the student and three  
28 accompanying adults, and for carrying out the purposes outlined under section 9001(b)(3)(D) of  
29 Public Law 1169.

### 30 ~~SEC. 70208. NATIONAL PARK SERVICE CLIMATE RESILIENCE.~~

31 In addition to amounts otherwise available, there is appropriated to the National Park Service  
32 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$115,000,000,  
33 to remain available until September 30, 2031, except that no amounts may be expended after  
34 September 30, 2031, for the protection, restoration, and resiliency of public lands and resources  
35 in accordance with the purposes outlined in section 100101(a) of title 54, United States Code.  
36 None of the funds provided by this section shall be subject to cost-sharing requirements.  
37 **converted to uses other than public outdoor recreation without the approval of the**  
38 **Secretary. Such approval shall require assurances as the Secretary considers necessary to**  
39 **ensure the substitution of other recreational properties of equivalent or greater fair market**  
40 **value and of equivalent usefulness and accessibility.**

## 41 ~~SEC. 70209. BUREAU OF LAND MANAGEMENT~~

1 ~~CLIMATE RESILIENCE.~~

2 ~~In addition to amounts otherwise available, there is appropriated~~  
3 ~~to the Bureau of Land Management for fiscal year 2022, out of~~  
4 ~~any money in the Treasury not otherwise appropriated,~~  
5 ~~\$110,000,000, to remain available until September 30, 2031,~~  
6 ~~except that no amounts may be expended after September 30,~~  
7 ~~2031, for the protection, restoration, and resiliency of public~~  
8 ~~lands and resources in accordance with the purposes outlined in~~  
9 ~~section 102(a)(8) of the Federal Land Policy and Management~~  
10 ~~Act of 1976 (43 U.S.C. 1701(a)(8). None of the funds provided~~  
11 ~~by this section shall be subject to cost sharing requirements.~~

12 ~~SEC. 70210~~ **SEC. 70707. HISTORIC PRESERVATION.**

13 (a) ~~In General.~~—~~In addition to amounts otherwise available, there is appropriated to the~~  
14 ~~Director of the National Park Service for fiscal year 2022, out of any money in the Treasury not~~  
15 ~~otherwise appropriated, \$75,000,000~~ **\$25,000,000**, ~~to remain available until September 30, 2031,~~  
16 ~~except that no amounts may be expended after September 30, 2031,~~ **2026, to provide funding**  
17 **through direct expenditure, contracts, grants, cooperative agreements, or technical**  
18 **assistance to States, Indian Tribes, the District of Columbia, and Territories** ~~to carry out~~  
19 ~~preservation or historic preservation as defined by section 300315 of title 54, United States Code.~~

20 ~~(b) Administrative Expenses.~~—~~Of the funds provided by this~~  
21 ~~section, no more than 2 percent shall be used for administrative~~  
22 ~~costs to carry out this section.~~ **SEC. 70708. NATIONAL**  
23 **HERITAGE AREAS.**

24 ~~SEC. 70211. THOMPSON DIVIDE.~~

25 ~~(a) Thompson Divide Withdrawal.~~—

26 ~~(1) Thompson divide withdrawal and protection area defined.~~—~~For the purposes of this~~  
27 ~~subsection, the term “Thompson Divide Withdrawal and Protection area” means the Federal land~~  
28 ~~and minerals generally depicted as the “Thompson Divide Withdrawal and Protection Area” on~~  
29 ~~the map entitled “Greater Thompson Divide Area Map” and dated June 13, 2019.~~

30 ~~(2) Withdrawal.~~—~~Subject to valid rights in existence on the date of the enactment of this~~  
31 ~~section, the Thompson Divide Withdrawal and Protection Area is withdrawn from—~~

32 ~~(A) entry, appropriation, and disposal under the public land laws;~~

33 ~~(B) location, entry, and patent under the mining laws; and~~

34 ~~(C) operation of the mineral leasing, mineral materials, and geothermal leasing laws.~~

1 (b) ~~Thompson Divide Lease Payments.~~—

2 (1) ~~Thompson divide withdrawal and protection area defined.~~—With regard to this subsection,  
3 the term “~~Thompson Divide Withdrawal and Protection Area~~” means the ~~Federal land and~~  
4 ~~minerals generally depicted as the “Thompson Divide Withdrawal and Protection Area” on the~~  
5 ~~map entitled “Greater Thompson Divide Area Map” and dated June 13, 2019.~~

6 (2) ~~In general.~~—~~In~~ **In** addition to amounts otherwise available, there is appropriated to the  
7 ~~Bureau of Land Management~~ **Director of the National Park Service** for fiscal year 2022, out of  
8 any money in the Treasury not otherwise appropriated, ~~\$500,000~~ **\$50,000,000**, to remain  
9 available until September 30, 2026, to ~~acquire, from willing sellers, the rights to oil or gas leases~~  
10 ~~within the Thompson Divide Withdrawal and Protection Area, provided such leases are in effect~~  
11 ~~on the date of enactment of this subsection. All rights acquired under this subsection shall be~~  
12 ~~permanently cancelled and unavailable for reissue.~~ **carry out funding for National Heritage**  
13 **Area Partnerships, including funding in fiscal year 2022 for any national heritage area,**  
14 **national heritage corridor, cultural heritage corridor, national heritage partnership,**  
15 **national heritage canalway, national heritage route, and battlefields national historic**  
16 **district authorized to receive Federal funds as of September 1, 2021.**

17 (3) ~~Administrative expenses.~~—~~Of the funds provided by this~~  
18 ~~subsection, no more than 2 percent shall be used for~~  
19 ~~administrative costs to carry out this subsection.~~ **SEC. 70709.**  
20 **WITHDRAWALS.**

21 (c) ~~Fugitive Coal Mine Methane Use Pilot Program.~~—

22 (1) ~~Pilot program area defined.~~—For the purposes of this subsection, the term “~~pilot program~~  
23 ~~area~~” means the areas identified as “~~Coal Mine Methane Capture Areas~~” on the map entitled  
24 “~~Greater Thompson Divide Fugitive Coal Mine Methane Use Pilot Program Area~~” and dated  
25 ~~June 17, 2019.~~

26 (2) ~~In general.~~—~~In~~ addition to amounts otherwise available, there is appropriated to ~~The~~  
27 **Secretary of the Interior shall, on or before June 30, 2024, withdraw, permanently or for a**  
28 **set term and subject to valid existing rights, lands or interest in lands administered by the**  
29 **Bureau of Land Management from entry, appropriation, disposal, location, leasing,**  
30 **permitting, and patent. Withdrawals made under this section shall result in an aggregate**  
31 **reduction of receipts payable to the Treasury between the date of the enactment of this**  
32 **section and the end of fiscal year 2031 of \$10,000,000.**

## 33 **SEC. 70710. NATIONAL PARK SERVICE EMPLOYEES.**

34 **In addition to amounts otherwise available, there is appropriated to the Secretary of the**  
35 **Interior** for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
36 ~~\$1,000,000~~ **\$500,000,000**, to remain available until September 30, 2026, for carrying out a pilot  
37 program in the pilot program area to inventory and, subject to valid existing rights, to lease,  
38 capture, mitigate or sequester methane emissions that would leak or be vented into the  
39 atmosphere from an active, inactive, or abandoned underground coal mine. **through September**  
40 **30, 2030, to hire employees in units of the National Park System.**

1 ~~SEC. 70212. CHACO CANYON.~~

2 ~~(a) Definitions.— For the purposes of this section:~~

3 ~~(1) Chaco cultural heritage withdrawal area.— The term “Chaco-~~  
4 ~~Cultural Heritage Withdrawal Area” means the Federal land-~~  
5 ~~generally depicted as the “Chaco Cultural Heritage Withdrawal-~~  
6 ~~Area” on the map entitled “Chaco Cultural Heritage Withdrawal-~~  
7 ~~Area” and dated April 2, 2019.~~

8 ~~(2) Non-producing leases.— The term “non-producing leases”~~  
9 ~~means any oil and gas lease on Federal land within the Chaco-~~  
10 ~~Cultural Heritage Withdrawal Area—~~

11 ~~(A) on which drilling operations have not been commenced-~~  
12 ~~before the end of the primary term of the applicable lease;~~

13 ~~(B) that is not producing oil and gas in paying quantities; and,~~

14 ~~(C) that is not subject to a valid cooperative or unit plan of-~~  
15 ~~development.~~

16 ~~(b) Withdrawal.— Subject to valid rights in existence on the date-~~  
17 ~~of enactment of this section, the Chaco Cultural Heritage-~~  
18 ~~Withdrawal Area is withdrawn from—~~

19 ~~(1) entry and disposal under the public land laws;~~

20 ~~(2) location, entry, and patent under the mining laws; and~~

21 ~~(3) operation of the mineral leasing, mineral materials, and-~~  
22 ~~geothermal leasing laws.~~

23 ~~(c) Non-producing Leases.— A non-producing lease shall-~~  
24 ~~terminate pursuant to section 17(e) of the Mineral Leasing Act-~~  
25 ~~(30 U.S.C. 226(e)) and subpart 3108 of title 43, Code of Federal-~~  
26 ~~Regulations, and may not be extended.~~

27 ~~Subtitle C—Drought~~ **Subtitle H—Drought Response and**



1 Preparedness

2 ~~SEC. 70301~~ **70801. BUREAU OF RECLAMATION WATER**  
3 ~~SETTLEMENT FUNDING.~~ **DOMESTIC WATER SUPPLY**  
4 **PROJECTS.**

5 Section 10501 of the Omnibus Public Land Management Act of 2009 (43 U.S.C. 407) is  
6 amended as follows:

7 (1) ~~In subsection (b), by adding at the end the following:~~

8 “~~(3) Additional deposits.—~~**In (a) Funding for Domestic Water Supply Projects.—****In**  
9 **addition to amounts otherwise available, there is appropriated to the Commissioner of the**  
10 **Bureau of Reclamation appropriated—**

11 “~~(A) for fiscal year 2032 and each fiscal year thereafter out of any money in the Treasury not~~  
12 ~~otherwise appropriated, \$370,000,000, for deposit in the Fund, to remain available until~~  
13 ~~expended; and~~

14 “~~(B) for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,~~  
15 ~~\$2,000,000,000, for deposit in the Fund~~ **\$550,000,000**, to remain available until **expended, for**  
16 **grants, contracts, or financial assistance agreements for September 30, 2031, except that no**  
17 **amounts may be expended after September 30, 2031.”.**

18 (2) ~~In subsection (c)(1)—~~

19 (A) ~~in subparagraph (A), by striking “for each of fiscal years 2020 through 2034, the Secretary~~  
20 ~~may expend from the Fund an amount not to exceed \$120,000,000,” and inserting “for fiscal year~~  
21 ~~2022 and each fiscal year thereafter, the Secretary may expend from the Fund an amount not to~~  
22 ~~exceed \$370,000,000”;~~

23 (B) ~~in subparagraph (B), by striking “more than \$120,000,000, for any fiscal year if such~~  
24 ~~amounts are available in the Fund due to expenditures not reaching \$120,000,000” and inserting~~  
25 ~~“more than \$370,000,000 for any fiscal year if such amounts are available in the Fund, for the~~  
26 ~~fiscal year in which expenditures are made pursuant to subparagraph (D) and paragraphs (2) and~~  
27 ~~(3)”;~~ and

28 (C) ~~by adding at the end the following:~~

29 “~~(C) The Secretary shall expend all amounts in the Fund available from deposits made under~~  
30 ~~subsection (b)(1) and subsection (b)(3)(B) not later than the end of fiscal year 2031.~~

31 “~~(D) If, in the judgment of the Secretary on an annual basis, the Secretary is unlikely to~~  
32 ~~expend the amounts as required under subparagraph (C) because expenditures cannot be made~~  
33 ~~for activities authorized under paragraph (2), the Secretary shall expend from the Fund on an~~  
34 ~~annual basis any projected unspent amounts by not later than the end of fiscal year 2031 on~~  
35 ~~grants to disadvantaged communities (identified according to criteria adopted by the Secretary)~~  
36 ~~or on grants to Indian Tribes (as defined in section 4 of the Indian Self-Determination and~~  
37 ~~Education Assistance Act (25 U.S.C. 5304)),~~ **Commissioner** in a manner as determined by the  
38 **Secretary, Commissioner** for up to 100 percent of the cost of the planning, design, or  
39 construction of water projects the primary purpose of which is to provide **potable domestic** water

1 supplies to communities or households that do not have reliable access to ~~potable~~ **domestic** water  
2 **supplies** in a State or territory described in the first section of the Act of June 17, 1902 (43  
3 U.S.C. 391; 32 Stat. 388, chapter 4093).” **1093).**

4 (3) ~~In subsection (c), by amending paragraph (2) to read as follows:~~

5 “(2) Authority.—

6 “(A) ~~Non-tribal settlement expenditures.—The Secretary may expend money from the Fund to~~  
7 ~~implement a settlement agreement approved by Congress that resolves, in whole or in part,~~  
8 ~~litigation involving the United States and a party that is not an Indian Tribe (as defined in section~~  
9 ~~4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)), if the~~  
10 ~~settlement agreement or implementing legislation requires the Bureau of Reclamation to provide~~  
11 ~~financial assistance for, or plan, design, and construct—~~

12 “(i) ~~water supply infrastructure; or~~

13 “(ii) ~~a project—~~

14 “(I) ~~to rehabilitate a water delivery system to conserve water; or~~

15 “(II) ~~to restore habitat or otherwise improve environmental conditions associated with or~~  
16 ~~affected by, or located within the same river basin as, a Federal reclamation project that is in~~  
17 ~~existence on March 30, 2009.~~

18 “(B) ~~Tribal expenditures.—The Secretary may expend money from the Fund to implement a~~  
19 ~~settlement agreement approved by Congress that resolves, in whole or in part, claims concerning~~  
20 ~~Indian water resources, if the settlement agreement or implementing legislation authorizes the~~  
21 ~~Secretary to provide financial assistance for, or plan, design, and construct—~~

22 “(i) ~~water supply infrastructure; or~~

23 “(ii) ~~a project—~~

24 “(I) ~~to rehabilitate a water delivery system to conserve water; or~~

25 “(II) ~~to restore habitat or otherwise improve environmental conditions associated with or~~  
26 ~~affected by, or located within the same river basin as, a Federal reclamation project.”~~

27 (5) ~~In subsection (c)(3)(C), by striking “for any authorized use” and inserting “for any use~~  
28 ~~authorized under paragraph (2) or paragraph (1)(D)”.~~

29 (6) ~~By striking subsection (f).~~

30 ~~SEC. 70302. EMERGENCY DROUGHT RELIEF.~~

31 (a) ~~In General.—~~ **In (b) Additional Funding.—** **In** addition to amounts otherwise available,  
32 there is appropriated to the **Commissioner of the** Bureau of Reclamation for fiscal year **2022**  
33 **2032 and each fiscal year thereafter**, out of any money in the Treasury not otherwise  
34 appropriated, \$1,000,000,000, ~~to remain available until September 30, 2026, except that no~~  
35 ~~amounts shall be expended after September 30, 2026, for near-term drought relief actions carried~~  
36 ~~out under—~~

37 (1) ~~the Reclamation States Emergency Drought Relief Act of 1991 (Public Law 102250);~~

38 (2) ~~the Klamath Basin Water Supply Enhancement Act of 2000 (Public Law 106498);~~

1       ~~(3) section 201 of division D of Public Law 1087; or~~

2       ~~(4) section 1109 of division FF of Public Law 116260.~~

3       ~~(b) Administrative Expenses.—Of the funds provided by this section, no more than 2 percent~~  
4 ~~may be used for administrative costs to carry out this section.~~

5       ~~SEC. 70303. EMERGENCY DROUGHT RELIEF FOR TRIBES.~~

6       ~~In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation~~  
7 ~~for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$150,000,000,~~  
8 ~~to remain available until September 30, 2026, except that no amounts may be expended after~~  
9 ~~September 30, 2026, for near-term drought relief actions to mitigate drought impacts for Indian~~  
10 ~~Tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act~~  
11 ~~(25 U.S.C. 5304)) that are impacted by the operation of a Bureau of Reclamation water project,~~  
12 ~~including through direct financial assistance to address drinking water shortages and to mitigate~~  
13 ~~for the loss of Tribal trust resources.~~

14       ~~SEC. 70304. SALTON SEA PROJECTS.~~

15       ~~(a) Appropriation.—~~

16       ~~(1) In general.—In addition to amounts otherwise available, there is appropriated to the~~  
17 ~~Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise~~  
18 ~~appropriated, \$250,000,000, to remain available until September 30, 2031, except that no~~  
19 ~~amounts may be expended after September 30, 2031, to provide grants and enter into contracts~~  
20 ~~and cooperative agreements to carry out projects located in the area of the Salton Sea in Southern~~  
21 ~~California to improve air quality, habitat, and water quality, in partnership with—~~

22       ~~(A) State, Tribal, and local governments;~~

23       ~~(B) water districts;~~

24       ~~(C) joint powers authorities;~~

25       ~~(D) nonprofit organizations; and~~

26       ~~(E) institutions of higher education.~~

27       ~~(2) Cost share.—The non-Federal share of the cost of a project under this subsection shall be~~  
28 ~~50 percent of the cost of the project.~~

29       ~~(b) Included Activities.—The projects described in subsection (a) may include—~~

30       ~~(1) construction, operation, maintenance, permitting, and design activities required for such~~  
31 ~~projects; and~~

32       ~~(2) dust suppression projects.~~

33       ~~(c) Funding Eligibility.—To be eligible to receive funding, non-Tribal grantees must~~  
34 ~~demonstrate compliance with prevailing wage requirements.~~

35       ~~(d) Administrative Expenses.—Of the funds provided by this section, no more than 2 percent~~  
36 ~~shall be used for administrative costs to carry out this section.~~

37       ~~SEC. 70305. WATER RESOURCES RESEARCH AND TECHNOLOGY INSTITUTES.~~

38       ~~(a) In General.—In addition to amounts otherwise available, there is appropriated to the~~

1 United States Geological Survey for fiscal year 2022, out of any money in the Treasury not  
2 otherwise appropriated, \$75,000,000, to remain available until September 30, 2031, except that  
3 no amounts may be expended after September 30, 2031, for carrying out section 104 of the  
4 Water Resources Research Act of 1984 (42 U.S.C. 10303).

5 (b) Administrative Expenses.—Of the funds provided by this section, no more than 2 percent  
6 shall be used for administrative costs to carry out this section.

7 ~~SEC. 70306. FEDERAL PRIORITY STREAMGAGES.~~

8 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
9 United States Geological Survey for fiscal year 2022, out of any money in the Treasury not  
10 otherwise appropriated, \$150,000,000, to remain available until September 30, 2031, except that  
11 no amounts may be expended after September 30, 2031, for making operational streamgages that  
12 are identified by the Secretary of the Interior as Federal priority streamgages.

13 (b) Collaboration With Non-federal Partners.—The United States Geological Survey shall  
14 prioritize the expenditure of funds available under subsection (a) in a manner that seeks to  
15 leverage the use of non-Federal funds made available through streamgage funding agreements  
16 with States and local agencies to improve environmental quality and water supply reliability.

17 (c) Administrative Expenses.—Of the funds provided by this section, no more than 2 percent  
18 shall be used for administrative costs to carry out this section.

19 ~~SEC. 70307. SNOW WATER SUPPLY FORECASTING.~~

20 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
21 Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise  
22 appropriated, \$50,000,000, to remain available until September 30, 2031, except that no amounts  
23 may be expended after September 30, 2031, for carrying out section 1111 of division FF of the  
24 Consolidated Appropriations Act, 2021 (Public Law 116260).

25 (b) Administrative Expenses.—Of the funds provided by this section, no more than 2 percent  
26 shall be used for administrative costs to carry out this section.

27 ~~SEC. 70308. WATER TECHNOLOGY INVESTMENT.~~

28 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
29 Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise  
30 appropriated, \$50,000,000, to remain available until September 30, 2031, except that no amounts  
31 may be expended after September 30, 2031, for carrying out section 1112 of division FF of the  
32 Consolidated Appropriations Act, 2021 (Public Law 116260).

33 (b) Administrative Expenses.—Of the funds provided by this section, no more than 2 percent  
34 shall be used for administrative costs to carry out this section.

35 ~~SEC. 70309. AQUATIC ECOSYSTEM RESTORATION.~~

36 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
37 Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise  
38 appropriated, \$250,000,000, to remain available until September 30, 2031, except that no  
39 amounts may be expended before fiscal year 2027 or after September 30, 2031, for carrying out  
40 section 1109 of division FF of the Consolidated Appropriations Act, 2021 (Public Law 116260).

1 (b) Administrative Expenses.—Of the funds provided by this section, no more than 2 percent  
2 shall be used for administrative costs to carry out this section.

3 ~~SEC. 70310~~ **\$50,000,000, to remain available until expended, for grants, contracts, or**  
4 **financial assistance agreements for disadvantaged communities (identified according to**  
5 **criteria adopted by the Commissioner) in a manner as determined by the Commissioner**  
6 **for up to 100 percent of the cost of the planning, design, or construction of water projects**  
7 **the primary purpose of which is to provide domestic water supplies to communities or**  
8 **households that do not have reliable access to domestic water supplies in a United States**  
9 **territory or a Western State (as described in item (6) of section 3002 of the Western Water**  
10 **Policy Review Act of 1992).**

## 11 **SEC. 70802. LARGE SCALE WATER REUSE.**

12 (a) Definitions.—In this section:

13 (1) ELIGIBLE ENTITY.—The term “eligible entity” means—

14 (A) a State, Indian Tribe, municipality, irrigation district, water district, wastewater  
15 district, or other organization with water or power delivery authority;

16 (B) a State, regional, or local authority, the members of which include 1 or more  
17 organizations with water or power delivery authority; or

18 (C) an agency established under State law for the joint exercise of powers or a  
19 combination of entities described in subparagraphs (A) ~~through (B)~~: **and (B).**

20 ~~(2) Indian tribe.—The term “Indian Tribe” has the meaning given the term in section 4 of~~  
21 ~~the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).~~

22 ~~(3)~~**(2) RECLAMATION STATE.**—The term “Reclamation State” means a State or territory  
23 described in the first section of the Act of June 17, 1902 (32 Stat. 388, chapter 1093; 43  
24 U.S.C. 391).

25 (b) In General.—In addition to amounts otherwise available, there is appropriated to the  
26 Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise  
27 appropriated, \$100,000,000, to remain available until September 30, 2031, ~~except that no~~  
28 ~~amounts may be expended before fiscal year 2027 or after September 30, 2031,~~ to provide  
29 nonreimbursable grants on a competitive basis to eligible entities that shall not exceed 25 percent  
30 of the total cost of an eligible project unless the project advances at least a proportionate share of  
31 **authorized** nonreimbursable benefits ~~authorized under the reclamation laws (including fish and~~  
32 ~~wildlife benefits provided through measurable reductions in water diversions from imperiled~~  
33 ~~ecosystems)~~ **a river basin that is associated with or affected by, or located within the same**  
34 **river basin as a Federal reclamation project)** up to a maximum 75 percent of the total costs of  
35 an eligible project, to carry out the planning, design, and construction of projects to reclaim and  
36 reuse municipal, industrial, domestic, or agricultural wastewater or impaired ground or surface  
37 waters that have a total estimated cost of more than \$500,000,000 and that provide ~~substantial~~  
38 ~~water supply and other~~ benefits to drought stricken regions within the Reclamation States for the  
39 purposes of—

40 (1) helping to advance water management plans across a multi-state area, such as drought  
41 contingency plans in the Colorado River Basin; **and**

1 (2) providing multiple benefits, including water supply reliability benefits for  
2 drought-stricken States, **Indian Tribes**, and communities, **and benefits from fish and**  
3 **wildlife benefits, and water quality improvements; and**

4 ~~(3) reducing impacts on environmental resources from water projects owned or operated~~  
5 ~~by Federal and State agencies, including through measurable reductions in water diversions~~  
6 ~~from imperiled ecosystems.~~

7 ~~(e) Total Dollar Cap.—The~~ **The** Bureau of Reclamation shall not impose a total dollar cap on  
8 Federal contributions that applies to all individual projects funded under this section. ~~An~~  
9 ~~Funding Eligibility.—An~~ eligible project shall not be considered ineligible for assistance under  
10 this section because the project has received assistance authorized under title XVI of Public Law  
11 102–575 or section 4009 of Public Law 114–322. ~~The~~~~(e) Treatment of Conveyance.—The~~  
12 Bureau of Reclamation shall consider the planning, design, and construction of an eligible  
13 project’s conveyance system to be eligible for grant funding under this section.

14 ~~SEC. 70311. CONVEYANCE REPAIRS AND BUILD BACK~~  
15 ~~BETTER FUNDS FOR SOLAR CANAL INTEGRATION.~~  
16 **70803. ADDRESSING REDUCED WATER**  
17 **AVAILABILITY FOR INLAND WATER BODIES.**

18 **In addition to amounts otherwise available, there is appropriated to the Bureau of**  
19 **Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise**  
20 **appropriated, \$100,000,000, to remain available until September 30, 2031, to provide**  
21 **grants and enter into contracts and cooperative agreements to carry out projects to**  
22 **mitigate the impact of reduced water inflows into inland water bodies associated with,**  
23 **affected by, or located within the same river basin as a Bureau of Reclamation water**  
24 **project, to cover up to 50 percent of the total cost of the project, in partnership with a**  
25 **State, Indian Tribe, municipality, irrigation district, water district, wastewater district,**  
26 **nonprofit organization, institution of higher learning, or an agency established under State**  
27 **law for the joint exercise of powers.**

28 **SEC. 70804. CANAL REPAIR AND IMPROVEMENT**  
29 **PROJECTS.**

30 (a) Conveyance Repairs.—In addition to amounts otherwise available, there is appropriated to  
31 the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise  
32 appropriated, ~~\$100,000,000~~ **\$25,000,000**, to remain available until September 30, 2031, ~~except~~  
33 ~~that no amounts may be expended after September 30, 2031,~~ to provide nonreimbursable grants  
34 in a manner as determined by the Secretary of the Interior (in this section referred to as the  
35 “Secretary”) on a competitive basis to eligible entities that in aggregate shall not exceed 33  
36 percent of the total cost of an eligible project to carry out the planning, design, and construction  
37 of projects to make major, non-recurring maintenance repairs to water conveyance facilities that  
38 do not enlarge the carrying capacity of a conveyance facility beyond the capacity as previously  
39 constructed for conveyance facilities in need of emergency capacity restoration due to  
40 subsidence and experiencing exceptional drought for the purposes of increasing drought  
41 resiliency, primarily through groundwater recharge.

1 (b) ~~Build Back Better Funds~~ for Solar Canal Integration.—In addition to amounts otherwise  
2 available, there is appropriated to the Bureau of Reclamation for fiscal year 2022, out of any  
3 money in the Treasury not otherwise appropriated, ~~\$100,000,000~~ **\$25,000,000**, to remain  
4 available until September 30, 2031, ~~except that no amounts may be expended after September~~  
5 ~~30, 2031~~, for the design, study, and implementation of projects (including pilot and  
6 demonstration projects) to cover conveyance facilities receiving grants under ~~subparagraph~~  
7 **subsection** (a) with solar panels to generate renewable energy in a manner as determined by the  
8 Secretary or for other solar projects associated with Bureau of Reclamation projects that increase  
9 water efficiency and assist in implementation of clean energy goals.

## 10 **Subtitle I—Insular Affairs**

### 11 **SEC. 70901. INSULAR AFFAIRS CRITICAL ~~SEC. 70312.~~** 12 **~~RIO GRANDE PUEBLOS IRRIGATION~~** 13 **~~INFRASTRUCTURE GRANTS FUNDING.~~**

14 In addition to amounts otherwise available, there is appropriated to the ~~Bureau of Reclamation~~  
15 **Department of the Interior Office of Insular Affairs** for fiscal year 2022, out of any money in  
16 the Treasury not otherwise appropriated, ~~\$200,000,000~~ **\$1,000,000,000**, to remain available until  
17 September 30, 2031, ~~except that no amounts may be expended after September 30, 2031, for~~  
18 ~~carrying out section 9106(d) of the Omnibus Public Land Management Act of 2009 (Public Law~~  
19 ~~1111).~~

#### 20 ~~Subtitle D—Efficient and Effective NEPA Implementation~~

#### 21 ~~SEC. 70401. EFFICIENT AND EFFECTIVE NEPA IMPLEMENTATION.~~

22 ~~In addition to amounts otherwise available, there is appropriated to the Department of the~~  
23 ~~Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,~~  
24 ~~\$150,000,000, to remain available until September 30, 2031, except that no amounts may be~~  
25 ~~expended after September 30, 2031, to provide for more efficient and more effective~~  
26 ~~environmental reviews under the National Environmental Policy Act of 1969 through the hiring~~  
27 ~~and training of additional personnel, the development of programmatic assessments or templates,~~  
28 ~~the procurement of technical or scientific services, the development of data or technology~~  
29 ~~systems, stakeholder and community engagement, and the purchase of new equipment.~~

#### 30 ~~Subtitle E—National Oceanic and Atmospheric Administration~~

#### 31 ~~SEC. 70501. COASTAL AND GREAT LAKES RESTORATION AND TECHNICAL~~ 32 ~~ASSISTANCE.~~

33 (a) ~~In General.~~—In addition to amounts otherwise available, there is appropriated to the  
34 National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the  
35 Treasury not otherwise appropriated, ~~\$9,500,000,000~~, to remain available until September 30,  
36 2031, ~~except that no amounts may be expended after September 30, 2031, through direct~~  
37 ~~expenditure, contracts, grants, and cooperative agreements to provide funding and technical~~  
38 ~~assistance for the purposes of restoring a marine, estuarine, coastal, or Great Lake habitat; or~~  
39 ~~providing adaptation to climate change, including by protecting, restoring, or establishing~~  
40 ~~ecological features that protects coastal communities from sea level rise, coastal storms, or~~  
41 ~~flooding; or designing or implementing blue carbon projects. None of the funds provided by this~~

1 ~~section shall be subject to cost share or matching requirements.~~

2 (b) ~~Administrative Expenses.~~—Of the funds provided by this section, no more than 2 percent  
3 shall be used for administrative costs to carry out this section.

4 ~~SEC. 70502. PACIFIC COASTAL SALMON RECOVERY FUND.~~

5 (a) ~~In General.~~—In addition to amounts otherwise available, there is appropriated to the  
6 National Oceanic and Atmospheric Administration for fiscal year 2022, out of funds in the  
7 Treasury not otherwise appropriated \$400,000,000, to remain available until 2026, for the  
8 purposes of climate resilience, habitat protection, and other habitat restoration projects to recover  
9 Pacific salmon. None of the funds provided by this section shall be subject to cost sharing or  
10 matching requirements.

11 (b) ~~Administrative Expenses.~~—Of the funds provided by this section, no more than 2 percent  
12 shall be used for administrative costs to carry out this section.

13 ~~SEC. 70503. NOAA STOCK ASSESSMENTS.~~

14 (a) ~~Stock Assessments.~~—In addition to amounts otherwise available, there is appropriated to  
15 the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in  
16 the Treasury not otherwise appropriated, \$200,000,000, to remain available until September 30,  
17 2031, except that no amount may be expended after September 30, 2031, for carrying out section  
18 401 of the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of  
19 2006 (16 U.S.C. 1881) and, section 117 of the Marine Mammal Protection Act of 1972 (16  
20 U.S.C. 1386) for fisheries data collections, surveys, and science, management, and  
21 ecosystem-based assessments in support of federally managed marine fisheries.

22 (b) ~~Administrative Expenses.~~—Of the funds provided by this section, no more than 2 percent  
23 shall be used for administrative costs to carry out this section.

24 ~~SEC. 70504. COASTAL HAZARDS AND SEA LEVEL RISE.~~

25 In addition to amounts otherwise available, there is appropriated to the National Oceanic and  
26 Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not  
27 otherwise appropriated, \$500,000,000, to remain available until September 30, 2031, except that  
28 no amounts may be expended after September 30, 2031, for carrying out the provisions of  
29 section 12304 of the Integrated Coastal and Ocean Observation System Act of 2009 (33 U.S.C.  
30 3603), section 4 of the Digital Coast Act (16 U.S.C. 1467), section 310 of the Coastal Zone  
31 Management Act of 1972 (16 U.S.C. 1456c), section 303 of the Hydrographic Services  
32 Improvement Act of 1988 (33 U.S.C. 892a), and the first section and section 2 of the Act of  
33 August 6, 1947 (chapter 504; 33 U.S.C. 883a and 33 U.S.C. 883b), popularly known as the Coast  
34 and Geodetic Survey Act of 1947; for the purposes of making upgrades to the Integrated Ocean  
35 Observing System; making upgrades to the Shoreline Mapping Program; developing products,  
36 services, and coordinated decision support frameworks with respect to coastal floods, sea level  
37 rise, Great Lakes water level, and vertical land motion data and conducting the research and  
38 development necessary to support such products and services; producing and maintaining  
39 authoritative and timely data, maps, charts, tidal and water level observations and information  
40 services for communities to plan for present and future coastal flood risks and to sustain the  
41 economic viability of ports and marine transportation system; and providing technical assistance  
42 to States, Insular areas, local governments, and end user at risk communities.



1       ~~SEC. 70505. BLUE CARBON.~~

2       ~~In addition to amounts otherwise available, there is appropriated to the National Oceanic and~~  
3 ~~Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not~~  
4 ~~otherwise appropriated, \$95,000,000, to remain available until September 30, 2031, except that~~  
5 ~~no amounts may be expended after September 30, 2031, for carrying out the provisions of~~  
6 ~~section 117 of the Magnuson-Stevens Fishery Conservation and Management Reauthorization~~  
7 ~~Act of 2006 (16 U.S.C. 1891a); and section 309 of the National Marine Sanctuaries Act (16~~  
8 ~~U.S.C. 1440); for research and extension activities to characterize, quantify, map, and study blue~~  
9 ~~carbon ecosystems or protection and restoration efforts in blue carbon ecosystems, which include~~  
10 ~~marine and coastal freshwater, brackish, and saltwater-fed ecosystems, such as coastal wetland~~  
11 ~~forest and other tidal or historically tidal wetlands that have the capacity to sequester carbon~~  
12 ~~from the atmosphere for a period of not less than 100 years in the Gulf of Mexico region.~~

13       ~~SEC. 70506. COASTAL HAZARDS IN UNITED STATES INSULAR AREAS.~~

14       ~~In addition to amounts otherwise available, there is appropriated to the National Oceanic and~~  
15 ~~Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not~~  
16 ~~otherwise appropriated, \$50,000,000, to remain available until September 30, 2031, except that~~  
17 ~~no amounts may be expended after September 30, 2031, for carrying out the provisions of the~~  
18 ~~Integrated Coastal and Ocean Observation System Act of 2009 (33 U.S.C. 3601), section 4 of the~~  
19 ~~Digital Coast Act (16 U.S.C. 1467, and section 303 of the Hydrographic Services Improvement~~  
20 ~~Act (33 U.S.C. 892a) to improve weather data collection and provide science, data, information,~~  
21 ~~and impact-based decision support services to reduce tsunami, hurricane, typhoon, drought, tide,~~  
22 ~~and sea level rise impacts in Insular Areas.~~

23       ~~SEC. 70507. NMFS SHORESIDE FACILITIES.~~

24       ~~In addition to amounts otherwise available, there is appropriated to the National Oceanic and~~  
25 ~~Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not~~  
26 ~~otherwise appropriated, \$150,000,000, to remain available until September 30, 2031, except that~~  
27 ~~no amounts may be expended after September 30, 2031, for carrying out the provisions of~~  
28 ~~sections 404 through 408 of the Magnuson-Stevens Fishery Conservation and Management Act~~  
29 ~~(16 U.S.C. 1881c-1884), to replace, renovate, or maintain aging facilities in need of repair or~~  
30 ~~replacement including piers, fisheries laboratories, and laboratory facilities.~~

31       ~~SEC. 70508. NOAA VESSEL RECAPITALIZATION.~~

32       ~~In addition to amounts otherwise available, there is appropriated to the National Oceanic and~~  
33 ~~Atmospheric Administration for fiscal year 2022, out of any money in the treasury not otherwise~~  
34 ~~appropriated, \$300,000,000, to remain available until September 30, 2031, except that no~~  
35 ~~amounts may be expended after September 30, 2031, for vessel recapitalization needs.~~

36       ~~SEC. 70509. CIVILIAN CLIMATE CORPS AT NOAA.~~

37       ~~(a) NOAA Civilian Climate Corps.—In addition to amounts otherwise available, there is~~  
38 ~~appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out~~  
39 ~~of any money in the Treasury not otherwise appropriated, \$120,000,000, to remain available~~  
40 ~~until September 30, 2026, to carry out education and job training projects that conserve, restore,~~  
41 ~~construct, or rehabilitate natural, cultural, historic, archaeological, recreational, or scenic~~  
42 ~~resources through direct expenditure, contracts, grants, and cooperative agreements. None of the~~  
43 ~~funds provided by this section shall be subject to cost-sharing or matching requirements.~~

1 (b) Administrative Expenses.—Of the funds provided by this section, no more than 2 percent  
2 shall be used for administrative costs to carry out this section.

3 ~~SEC. 70510. NOAA HATCHERIES.~~

4 (a) ~~NOAA Hatcheries.~~—In addition to amounts otherwise available, there is appropriated to  
5 the National Oceanic and Atmospheric Administration, for fiscal year 2022, out of any money in  
6 the Treasury not otherwise appropriated, \$250,000,000, to remain available until September 30,  
7 2026, for grants to States and Indian Tribes (as defined in section 4 of the Indian  
8 Self-Determination and Education Assistance Act (25 U.S.C. 5304), to repair, replace, and  
9 upgrade hatchery infrastructure for production of a marine fishery. None of the funds provided  
10 by this section shall be subject to cost-sharing or matching requirements.

11 (b) ~~Funding Eligibility.~~—To be eligible to receive funding under this section, non-Tribal  
12 grantees must demonstrate compliance with prevailing wage requirements.

13 ~~SEC. 70511. ELECTRONIC MONITORING.~~

14 (a) ~~Electronic Monitoring.~~—In addition to amounts otherwise available, there is appropriated  
15 to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money  
16 in the Treasury not otherwise appropriated, \$75,000,000, to remain available until September 30,  
17 2031, except that no amounts may be expended after September 30, 2031, for the purposes of  
18 supporting the continued and timely implementation of electronic monitoring and fishing effort  
19 reporting.

20 (b) ~~Administrative Expenses.~~—Of the funds provided by this section, no more than 2 percent  
21 shall be used for administrative costs to carry out this section.

22 ~~SEC. 70512. WORKING WATERFRONTS.~~

23 (a) ~~Working Waterfronts.~~—In addition to amounts otherwise available, there is appropriated to  
24 the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in  
25 the Treasury not otherwise appropriated, \$160,000,000, to remain available until September 30,  
26 2031, except that no amounts may be expended after September 30, 2031, for carrying out the  
27 provisions of section 309 of the Coastal Zone Management Act (16 U.S.C. 1456b) through direct  
28 expenditure, contracts, grants, and cooperative agreements for projects that preserve and protect  
29 coastal access for water-dependent commercial activities.

30 (b) ~~Funding Eligibility.~~—To be eligible to receive funding under this section, the grantee must  
31 demonstrate compliance with prevailing wage requirements.

32 ~~SEC. 70513. MARINE SANCTUARY AND NATIONAL ESTUARINE RESEARCH~~  
33 ~~RESERVE MAINTENANCE BACKLOG.~~

34 In addition to amounts otherwise available, there is appropriated to the National Oceanic and  
35 Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not  
36 otherwise appropriated, \$98,000,000, to remain available until September 30, 2031, except that  
37 no amounts may be expended after September 30, 2031, for carrying out the provisions of the  
38 National Marine Sanctuary Act (16 U.S.C. 1431) and the Coastal Zone Management Act (16  
39 U.S.C. 1461) for construction, maintenance, and renovation of facilities of National Marine  
40 Sanctuaries and National Estuarine Research Reserves.

41 ~~SEC. 70514. SEAFOOD IMPORT MONITORING PROGRAM EXPANSION.~~

1 In addition to amounts otherwise available, there is appropriated to the National Oceanic and  
2 Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not  
3 otherwise appropriated, \$2,000,000, to remain available until September 30, 2031, except that no  
4 amounts may be expended after September 30, 2031, for carrying out the provisions of section  
5 307 of the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act (16  
6 U.S.C. 1857(1)(Q)), to expand the Seafood Import Monitoring Program to apply to all seafood  
7 and seafood products.

8 Subtitle F—United States Fish and Wildlife Service

9 ~~SEC. 70601. ENDANGERED SPECIES ACT RECOVERY PLANS.~~

10 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
11 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury  
12 not otherwise appropriated, \$75,000,000, to remain available until September 30, 2031, except  
13 that no amounts may be expended after September 30, 2031, for the development and  
14 implementation of recovery plans under section 4(f) of the Endangered Species Act of 1973 (16  
15 U.S.C. 1533(f)).

16 (b) Candidate Conservation.—In addition to the amounts otherwise available, there is  
17 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any  
18 money in the Treasury not otherwise appropriated, \$75,000,000, to remain available until  
19 September 30, 2031, except that no amounts may be expended after September 30, 2031, for  
20 developing Candidate Conservation Agreements and Candidate Conservation Agreements with  
21 Assurances for candidate and other at-risk species pursuant section 10 of the Endangered Species  
22 Act (16 U.S.C. 1539).

23 ~~SEC. 70602. ENDANGERED SPECIES ACT HABITAT CONSERVATION.~~

24 In addition to amounts otherwise available, there is appropriated to the United States Fish and  
25 Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise  
26 appropriated, \$50,000,000, to remain available until September 30, 2031, except that no amounts  
27 may be expended after September 30, 2031, for United States Fish and Wildlife Service  
28 responsibilities in the development, review, and permitting of Habitat Conservation Plans under  
29 section 10(a)(2) of the Endangered Species Act of 1973 (16 U.S.C. 1539(a)(2)) and for State  
30 programs under section 6(d) of the Endangered Species Act of 1973 (16 U.S.C. 1535(d)).

31 ~~SEC. 70603. ENDANGERED SPECIES ACT INTERAGENCY CONSULTATIONS.~~

32 In addition to amounts otherwise available, there is appropriated to the United States Fish and  
33 Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise  
34 appropriated, \$40,000,000, to remain available until September 30, 2031, except that no amounts  
35 may be expended after September 30, 2031, for carrying out consultations with Federal agencies  
36 that undertake agency actions affecting endangered species and threatened species under section  
37 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536).

38 ~~SEC. 70604. FUNDING FOR ISLAND PLANT CONSERVATION.~~

39 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
40 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury  
41 not otherwise appropriated, \$25,000,000, to remain available until September 30, 2031, except  
42 that no amounts may be expended after September 30, 2031, for the conservation of endangered

1 species and threatened species of plants in the Hawaiian Islands and the Pacific Island Territories  
2 of the United States as authorized by section 4 of the Endangered Species Act of 1973 (16 U.S.C.  
3 1533).

4 (b) Administrative Expenses. — Of the funds provided by this section, no more than 2 percent  
5 shall be used for administrative costs to carry out this section.

6 ~~SEC. 70605. FUNDING FOR POLLINATOR CONSERVATION.~~

7 (a) In General. — In addition to amounts otherwise available, there is appropriated to the  
8 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury  
9 not otherwise appropriated, \$25,000,000, to remain available until September 30, 2031, except  
10 that no amounts may be expended after September 30, 2031, for the conservation of endangered  
11 species and threatened species of pollinators in the United States as authorized by section 4 of  
12 the Endangered Species Act of 1973 (16 U.S.C. 1533).

13 (b) Administrative Expenses. — Of the funds provided by this section, no more than 2 percent  
14 shall be used for administrative costs to carry out this section.

15 ~~SEC. 70606. FUNDING FOR MUSSEL CONSERVATION.~~

16 (a) In General. — In addition to amounts otherwise available, there is appropriated to the  
17 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury  
18 not otherwise appropriated, \$25,000,000, to remain available until September 30, 2031, except  
19 that no amounts may be expended after September 30, 2031, for the conservation of endangered  
20 species and threatened species of freshwater mussels in the United States as authorized by  
21 section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533).

22 (b) Administrative Expenses. — Of the funds provided by this section, no more than 2 percent  
23 shall be used for administrative costs to carry out this section.

24 ~~SEC. 70607. FUNDING FOR DESERT FISH CONSERVATION.~~

25 (a) In General. — In addition to amounts otherwise available, there is appropriated to the  
26 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury  
27 not otherwise appropriated, \$25,000,000, to remain available until September 30, 2031, except  
28 that no amounts may be expended after September 30, 2031, for the conservation of endangered  
29 species and threatened species of desert fish in the Southwestern United States as authorized by  
30 section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533).

31 (b) Administrative Expenses. — Of the funds provided by this section, no more than 2 percent  
32 shall be used for administrative costs to carry out this section. **2026, for critical infrastructure**  
33 **in the territories. Amounts made available under this section shall be distributed under**  
34 **section 701 of the Covenant approved under Public Law 94–241 in the manner provided**  
35 **under the heading “ASSISTANCE TO TERRITORIES” in title I of the Department of the**  
36 **Interior and Related Agencies Appropriations Act, 1996, as enacted by Public Law 104-134**  
37 **(110 Stat. 1321-173).**

38  
39 ~~\* 1 SEC. 70608. FUNDING FOR THE UNITED STATES~~  
40 ~~FISH AND WILDLIFE SERVICE TO ADDRESS~~

1 ~~CLIMATE INDUCED WEATHER EVENTS.~~

2 ~~(a) In General. In addition to amounts otherwise available,~~  
3 ~~there is appropriated to the United States Fish and Wildlife~~  
4 ~~Service for fiscal year 2022, out of any money in the Treasury~~  
5 ~~not otherwise appropriated, \$100,000,000, to remain available~~  
6 ~~until September 30, 2031, except that no amounts may be~~  
7 ~~expended after September 30, 2031, for the purposes of carrying~~  
8 ~~out the Fish and Wildlife Act of 1956 (16 U.S.C. 742a) and the~~  
9 ~~Fish and Wildlife Coordination Act (16 U.S.C. 661), through~~  
10 ~~direct expenditure, contracts, grants, and cooperative~~  
11 ~~agreements, for the purposes of rebuilding and restoring units of~~  
12 ~~the National Wildlife Refuge System, other Federal public~~  
13 ~~assets, and State wildlife management areas including by~~  
14 ~~addressing the threat of invasive species, increasing the~~  
15 ~~resiliency and capacity of habitats and infrastructure to~~  
16 ~~withstand weather events, or reducing the amount of damage~~  
17 ~~caused by those events. None of the funds provided by this~~  
18 ~~section shall be subject to cost share requirements.~~

19 ~~(b) Administrative Expenses. Of the funds provided by this~~  
20 ~~section, no more than 2 percent shall be used for administrative~~  
21 ~~costs to carry out this section.~~

22 ~~SEC. 70609. FUNDING FOR THE UNITED STATES FISH~~  
23 ~~AND WILDLIFE SERVICE FOR WILDLIFE CORRIDOR~~  
24 ~~CONSERVATION.~~

25 ~~In addition to amounts otherwise available, there is appropriated~~  
26 ~~to the United States Fish and Wildlife Service for fiscal year~~  
27 ~~2022, out of any money in the Treasury not otherwise~~  
28 ~~appropriated, \$10,000,000, to remain available until September~~  
29 ~~30, 2026, except that no amounts may be expended after~~  
30 ~~September 30, 2026, to carry out the provisions of the Fish and~~

~~Wildlife Act of 1956 (16 U.S.C. 742a) and the Fish and Wildlife  
Coordination Act (16 U.S.C. 661) through direct expenditure,  
contracts, grants, and cooperative agreements, for mapping  
wildlife corridors and providing assistance to States and Indian  
Tribes as defined in section 4 of the Indian Self-Determination  
and Education Assistance Act (25 U.S.C. 5304) for the  
conservation and restoration of wildlife corridors.~~

~~SEC. 70610. FUNDING FOR THE UNITED STATES FISH  
AND WILDLIFE SERVICE FOR GRASSLAND  
RESTORATION.~~

~~In addition to amounts otherwise available, there is appropriated  
to the United States Fish and Wildlife Service for fiscal year  
2022, out of any money in the Treasury not otherwise  
appropriated, \$100,000,000, to remain available until September  
30, 2026, except that no amounts may be expended after  
September 30, 2026, to carry out the provisions of the Fish and  
Wildlife Act of 1956 (16 U.S.C. 742a) and the Fish and Wildlife  
Coordination Act (16 U.S.C. 661) through direct expenditure,  
contracts, grants, and cooperative agreements, for the protection  
and restoration of grassland habitats.~~

~~Subtitle G—Insular Affairs~~

~~SEC. 70701. INSULAR AFFAIRS HOSPITAL AND OTHER  
CRITICAL HEALTH INFRASTRUCTURE FUNDING.~~

~~In addition to amounts otherwise available, there is appropriated  
to the Department of the Interior Office of Insular Affairs for  
fiscal year 2022, out of any money in the Treasury not otherwise  
appropriated, \$993,000,000, to remain available until September  
30, 2031, except that no amounts may be expended after  
September 30, 2031, for hospitals and other critical health~~

1 ~~infrastructure in the territories. Amounts made available under~~  
2 ~~this section shall be divided among the territories in accordance~~  
3 ~~with needs identified by assessments completed by the~~  
4 ~~Department of the Interior, Office of Insular Affairs, of health-~~  
5 ~~care facilities in each territory, but not less than 35 percent shall~~  
6 ~~be provided to Guam, not less than 35 percent shall be provided~~  
7 ~~to the United States Virgin Islands, not less than 20 percent shall~~  
8 ~~be provided to the Commonwealth of the Northern Mariana~~  
9 ~~Islands, and not less than 10 percent shall be provided to~~  
10 ~~American Samoa.~~

11 ~~SEC. 70702~~ **SEC. 70902. OFFICE OF INSULAR AFFAIRS**  
12 **CLIMATE CHANGE TECHNICAL ASSISTANCE.**

13 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
14 Department of the Interior Office of Insular Affairs for fiscal year 2022, out of any money in the  
15 Treasury not otherwise appropriated, ~~\$25,000,000~~ **\$29,100,000**, to remain available until  
16 September 30, 2026, to provide technical assistance for climate -change planning, mitigation,  
17 adaptation, and resilience to United States ~~-affiliated~~ Insular Areas under the Office of Insular  
18 Affairs.

19 (b) Administrative ~~Expenses.~~ **Expenses.**—~~Of the funds provided by this section, not more~~  
20 ~~than 2 percent shall be used for administrative costs to carry out this section.~~

21 ~~SEC. 70703. SETTLEMENT OF CLAIMS AGAINST THE UNITED STATES FOR~~  
22 ~~CERTAIN RESIDENTS OF THE ISLAND OF VIEQUES, PUERTO RICO.~~

23 (a) ~~In General.~~—~~In~~ addition to amounts otherwise available, there is appropriated to the  
24 Department of the Interior Office of Insular Affairs, for fiscal year 2022, out of any money in the  
25 Treasury not otherwise appropriated, ~~\$300,000,000~~ **\$900,000**, to remain available until  
26 September 30, **2026, for necessary administrative expenses associated with carrying 2031,**  
27 ~~except that no amounts may be made available after September 30, 2031, to compensate through~~  
28 ~~the appointment of a Special Master, the municipality of Vieques, and an individual claimant~~  
29 ~~who is or was a resident, the child of a resident, or an immediate heir (as determined by the laws~~  
30 ~~of Puerto Rico) of a deceased claimant who was a resident on the island of Vieques, Puerto Rico,~~  
31 ~~in the period or after the United States Government used the island of Vieques, Puerto Rico, for~~  
32 ~~military readiness.~~

33 (b) Administrative ~~Expenses.~~—~~Of the funds provided by this section, not more than 2 percent~~  
34 ~~shall be used for administrative costs to carry out this section.~~

35 ~~SEC. 70704.~~ **70903. DEFINITIONS.**

36 For the purposes of this subtitle:

1 (1) ~~Freely associated states.—The term “Freely Associated States” means the Republic of~~  
2 ~~the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.~~

3 (2) ~~United states affiliated insular areas.—The term “United States affiliated Insular~~  
4 ~~Areas” means the territories and Freely Associated States.~~

5 (3) ~~TERRITORIES.—The term “territories” means American Samoa, the Commonwealth of~~  
6 ~~the Northern Mariana Islands, Guam, Puerto Rico, and the Virgin Islands of the United~~  
7 ~~States.~~

8 (4) ~~Territory.—The term “territory”~~ (2) **UNITED STATES INSULAR AREAS.—The term**  
9 **“United States Insular Areas”** means American Samoa, the Commonwealth of the  
10 Northern Mariana Islands, Guam, Puerto Rico, or the Virgin Islands of the United States.

## 11 ~~Subtitle H—Energy and Mineral Resources~~ **J—Offshore Wind**

### 12 ~~SEC. 70801~~ **SEC. 71001. RENEWABLE ENERGY**

### 13 **LEASING ON THE OUTER CONTINENTAL SHELF.**

14 **The Secretary of the Interior shall grant leases, easements, and rights-of-way, to produce**  
15 **or support production, transportation, or transmission of electricity from renewable**  
16 **energy facilities on the Outer Continental Shelf in the areas identified on the map entitled**  
17 **“Outer Continental Shelf Lower 48 States Planning Areas” and dated October 18, 2021, as**  
18 **the Mid Atlantic Planning Area, the South Atlantic Planning Area, the Straits of Florida**  
19 **Planning Area, and the Eastern Gulf of Mexico Planning Area.**

### 20 **SEC. 71002. OFFSHORE WIND FOR THE TERRITORIES.**

21 (a) ~~Application of Outer Continental Shelf Lands Act With Respect to Territories of the~~  
22 ~~United States.—~~

23 (1) ~~In general.—Section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331) is~~  
24 ~~amended—~~

25 (A) ~~in subsection (a)—~~

26 (i) ~~by striking “The term” and inserting the following:~~

27 ~~“(1) The term”~~

28 (ii) ~~by inserting after “control” the following: “or lying within the exclusive economic zone of~~  
29 ~~the United States and the outer Continental Shelf adjacent to any territory of the United States”;~~  
30 ~~and~~

31 (iii) ~~by adding at the end the following:~~

32 ~~“(2) The term ‘outer Continental Shelf’ does not include any area conveyed by Congress to a~~  
33 ~~territorial government for administration.”;~~

34 (B) ~~in subsection (p), by striking “and” after the semicolon at the end;~~

35 (C) ~~in subsection (q), by striking the period at the end and inserting “; and”;~~ and

36 (D) ~~by adding at the end the following:~~



1       “(r) The term ‘State’ means any of the several States and also includes **The Secretary of the**  
2 **Interior shall grant leases, easements, and rights-of-way to produce or support production,**  
3 **transportation, or transmission of electricity from renewable energy facilities in submerged**  
4 **lands seaward from the coastline of Puerto Rico, Guam, American Samoa, the Virgin Islands**  
5 **of the United States, and the Commonwealth of the Northern Mariana Islands and of which the**  
6 **subsoil and seabed appertain to the United States and are subject to its jurisdiction and**  
7 **control. The Secretary of the Interior shall conduct wind lease sales in said submerged**  
8 **lands if the Secretary of the Interior has determined that a wind lease sale is feasible and**  
9 **issued Islands.”.**

10       (2) Exclusions.—Section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) is  
11 amended by adding at the end the following:

12       “(i) This section shall not apply to the scheduling of any lease sale in an area of the outer  
13 Continental Shelf that is adjacent to Puerto Rico, Guam, American Samoa, the Virgin Islands of  
14 the United States, or the Commonwealth of the Northern Mariana Islands.”.

15       (b) Wind Lease Sales for Areas of the Outer Continental Shelf.—The Outer Continental Shelf  
16 Lands Act (43 U.S.C. 1331 et seq.) is amended by adding at the end the following:

17       “~~SEC. 33. WIND LEASE SALES FOR AREAS OF THE OUTER CONTINENTAL SHELF~~  
18 ~~OFFSHORE OF TERRITORIES OF THE UNITED STATES.~~

19       “~~(a) Wind Lease Sales Off Coasts of Territories of the United States.—~~

20       “~~(1) Call for information and nominations.—The Secretary shall issue a call for information~~  
21 ~~and nominations, **determined** for proposed wind lease sales for areas determined to be feasible.~~

22       “~~(2) Conditional wind lease sales.—For areas lying within the exclusive economic zone of the~~  
23 ~~United States adjacent to Puerto Rico, Guam, American Samoa, the Virgin Islands of the United~~  
24 ~~States, and the Commonwealth of the Northern Mariana Islands, the Secretary shall conduct not~~  
25 ~~less than one wind lease sale in each such area, so long as:~~

26       “~~(A) The Secretary has concluded that a wind lease sale on the area is feasible.~~

27       “~~(B) The Secretary has determined that there is sufficient interest in leasing the area, and:~~

28       “~~(C) The Secretary has consulted with other relevant Federal agencies regarding such sale.~~

29       “~~(D) The Secretary has consulted with the Governor of the territory regarding the suitability of~~  
30 ~~the area for wind energy development.”. **development.**~~

31 ~~SEC. 70802. LEASING ON THE OUTER CONTINENTAL~~  
32 ~~SHELF. Subtitle K—Preventing Damage From Mining~~

33 ~~(a) Leasing Authorized.—The Secretary of the Interior is~~  
34 ~~authorized to grant leases, easements, and rights of way~~  
35 ~~pursuant to section 8(p)(1)(C) of the Outer Continental Shelf~~  
36 ~~Lands Act (43 U.S.C. 1337(p)(1)(C)) in the areas withdrawn by~~  
37 ~~the Presidential Memorandum entitled “Memorandum on the~~

~~1 Withdrawal of Certain Areas of the United States Outer~~  
~~2 Continental Shelf from Leasing Disposition” (issued September~~  
~~3 8, 2020) and the Presidential Memorandum entitled-~~  
~~4 “Presidential Determination on the Withdrawal of Certain Areas~~  
~~5 of the United States Outer Continental Shelf from Leasing~~  
~~6 Disposition” (issued September 25, 2020). SEC. 71101.~~  
~~7 FUNDING TO PREVENT DAMAGE FROM MINING.~~

~~8 (b) Withdrawals.— Any Presidential withdrawal of an area of the Outer Continental Shelf from~~  
~~9 leasing under section 12(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1341(a)) issued~~  
~~10 after the date of enactment of this Act shall apply only to leasing authorized under subsections-~~  
~~11 (a) and (i) of section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a) and~~  
~~12 1337(i)), unless otherwise specified.~~

~~13 SEC. 70803. UNITED STATES GEOLOGICAL SURVEY.~~

~~14 (a) 3D Elevation Program.— In In addition to amounts otherwise available, there is~~  
~~15 appropriated to the United States Geological Survey Bureau of Land Management for fiscal~~  
~~16 year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000~~  
~~17 \$3,000,000, to remain available until September 30, 2031, except that no amounts may be~~  
~~18 expended after September 30, 2031, to carry out the 3D elevation program (43 U.S.C. 3104). to~~  
~~19 revise rules and regulations to prevent undue degradation of public lands due to hardrock~~  
~~20 mining activities.~~

~~21 (b) Climate Adaptation Science Centers.— In addition to~~  
~~22 amounts otherwise available, there is appropriated to the United~~  
~~23 States Geological Survey for fiscal year 2022, out of any money~~  
~~24 in the Treasury not otherwise appropriated, \$100,000,000, to~~  
~~25 remain available until September 30, 2031, except that no~~  
~~26 amounts may be expended after September 30, 2031, for the~~  
~~27 Regional and National Climate Adaptation Science Centers to~~  
~~28 provide localized information to help communities respond to~~  
~~29 climate change.~~

~~30 SEC. 70804. FOSSIL FUEL RESOURCES.~~

~~31 (a) Repeal of the Arctic Subtitle L—Arctic National Wildlife~~  
~~32 Refuge~~

~~33 Oil and Gas Program.— Section SEC. 71201. REPEAL OF~~

# 1 **THE ARCTIC NATIONAL WILDLIFE REFUGE OIL** 2 **AND GAS PROGRAM.**

3 **Section** 20001 of Public Law 115–97 is repealed and any leases issued pursuant to section  
4 20001 of Public Law 115–97 are hereby cancelled and all payments related to the leases shall be  
5 returned to the lessee(s) within 30 days of enactment of this Act. **section.**

6 ~~(b) Protection of the Eastern Gulf, Atlantic, and Pacific~~  
7 ~~Coasts.—Section 8 of the Outer Continental Shelf Lands Act (43~~  
8 ~~U.S.C. 1337) is amended by adding at the end the following:~~

## 9 **Subtitle M—Outer Continental Shelf Oil and Gas Leasing**

10 ~~“(q) Prohibition of Oil and Gas Leasing in Certain Areas of the~~  
11 ~~Outer Continental Shelf.—The~~ **SEC. 71301. PROTECTION**  
12 **OF THE EASTERN GULF, ATLANTIC, AND PACIFIC**  
13 **COASTS.**

14 **The** Secretary of the Interior may not issue a lease or any other authorization for the  
15 exploration, development, or production of oil or natural gas in **any of the planning areas of on**  
16 the Outer Continental Shelf ~~designated by section 104(a) of the Gulf of Mexico Energy Security~~  
17 ~~Act of 2006 or in any area within the Atlantic Region planning areas or the Pacific Region~~  
18 ~~planning areas (as such planning areas are described in the document entitled ‘2017–2022 Outer~~  
19 ~~Continental Shelf Oil and Gas Leasing Proposed Final Program’ dated November 2016, or a~~  
20 ~~subsequent oil and gas leasing program developed under section 18 of the Outer Continental~~  
21 ~~Shelf Lands Act (43 U.S.C. 1344)).”.~~

22 ~~(e) Onshore Fossil Fuel Royalty Rates.—The Mineral Leasing Act (30 U.S.C. 207) is~~  
23 ~~amended—~~

24 ~~(1) in section 7(a), by striking “12½” and inserting “20”;~~

25 ~~(2) in section 17, by—~~

26 ~~(A) striking “12.5” each place such term appears and inserting “20”; and~~

27 ~~(B) striking “12½” each place such term appears and inserting “20”; and~~

28 ~~(3) in section 31(e), by striking “16⅔” both places such term appears and inserting “25”.~~

29 ~~(d) Offshore Oil and Gas Royalty Rate.—Section 8 of the Outer Continental Shelf Lands Act~~  
30 ~~(43 U.S.C. 1337) is amended by striking—~~

31 ~~(1) “12½” each place such term appears and inserting “20”; and~~

32 ~~(2) “12 and ½” each place such term appears and inserting “20”.~~

33 ~~(e) Oil and Gas Minimum Bid.—Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is~~  
34 ~~amended—~~

35 ~~(1) in subsection (b)(1)(B)—~~

1 (A) by striking “\$2 per acre” and inserting “\$10 per acre, except as otherwise provided by this  
2 paragraph”; and

3 (B) by striking “Federal Onshore Oil and Gas Leasing Reform Act of 1987” and inserting  
4 “subtitle H of the Act to provide for reconciliation pursuant to title II of S. Con. Res. 14 of the  
5 117th Congress”;

6 (2) in subsection (b)(2)(C), by striking “\$2 per acre” and inserting “\$10 per acre”; and

7 (3) by adding at the end the following:

8 “(q) Inflation Adjustment.—The Secretary shall—

9 “(1) in the Pacific Region Planning Areas, in the Atlantic Region Planning Areas, or in  
10 the Eastern Gulf of Mexico Planning Area identified on the map entitled “Outer  
11 Continental Shelf Lower 48 States Planning Areas” and dated October 18, 2021.

## 12 Subtitle N—Fossil Fuel Resources

### 13 SEC. 71401. ONSHORE FOSSIL FUEL ROYALTY 14 RATES.

15 All new onshore oil and gas leases issued by the Secretary of the Interior shall be  
16 conditioned upon the payment of a royalty at a rate of 18.75 percent in amount or value of  
17 the production from the lease. Before a terminated or cancelled oil or gas lease may be  
18 reinstated by the Secretary of the Interior, back royalties must be paid, and future royalties  
19 shall be at a rate of 25 percent in amount or value of the production from the lease.

### 20 SEC. 71402. OFFSHORE OIL AND GAS ROYALTY 21 RATE.

22 All new offshore oil and gas leases on submerged lands of the outer Continental Shelf  
23 granted by the Secretary of the Interior shall be conditioned upon the payment of a royalty  
24 at a rate of not less than 14 percent in amount or value of the production from the lease.

### 25 SEC. 71403. OIL AND GAS MINIMUM BID.

26 The onshore minimum acceptable bid charged by the Secretary of the Interior shall be  
27 \$10 per acre on Federal lands in the contiguous United States authorized to be leased by  
28 the Secretary for production of oil and gas. The Secretary of the Interior shall by regulation,  
29 at least once every 4 years, adjust each of the dollar amounts that apply under subsections  
30 (b)(1)(B), (b)(2)(C), and (d) the dollar amount to reflect the change in inflation; and

31 “(2) publish each such regulation in the Federal Register.”.

32 (f) Deferred Coal Bonus Payments.—Section 2(a) of the Mineral Leasing Act (30 U.S.C.  
33 201(a)) is amended—

34 (1) in paragraph (1), by striking the second and third sentences; and

35 (2) by striking paragraphs (4) and (5).

36 (g) Fossil Fuel Rental Rates.—

1 (1) Section 7(a) of the Mineral Leasing Act (30 U.S.C. 207) is amended in the third sentence  
2 by inserting “at a rental rate of not less than \$100 per acre (as reviewed and, if appropriate,  
3 adjusted by the Secretary every 4 years)” before the period.

4 (2) Section 17(d) of the Mineral Leasing Act (30 U.S.C. 226(d)) is amended in the first  
5 sentence by striking “\$1.50 per acre per year for the first through fifth years of the lease and not  
6 less than \$2 per acre per year for each year thereafter” and inserting “\$3.

## 7 **SEC. 71404. DEFERRED COAL BONUS PAYMENTS.**

8 The Secretary of the Interior may not offer Federal coal leases under a system of  
9 deferred bonus payment.

## 10 **SEC. 71405. FOSSIL FUEL RENTAL RATES.**

11 The Secretary of the Interior shall require all onshore oil and gas leases in the contiguous  
12 United States to be conditioned upon payment by the lessee of a rental of \$3 per acre per  
13 year during the 2-year period beginning on the date the lease begins for new leases, and after the  
14 end of such two-year period not less than \$5 per acre per year.”

15 (3) Section 31(e) of the Mineral Leasing Act (30 U.S.C. 188(e)) is amended by striking “\$10”  
16 and inserting “\$20”.

17 (h) Fossil Fuel Lease Term Length.—

18 (1) Section 7 of the Mineral Leasing Act (30 U.S.C. 207) is amended—

19 (A) in subsection (a)—

20 (i) in the first sentence, by striking “twenty” and inserting “10”;

21 (ii) in the second sentence, by striking “ten” and inserting “5”; and

22 (iii) in the sixth sentence—

23 (I) by striking “twenty” and inserting “10”; and

24 (II) by striking “ten” and inserting “5”; and

25 (B) in subsection (b)(5), by striking “20” and inserting “10”.

26 (2) Section 17(e) of the Mineral Leasing Act (30 U.S.C. 226(e)) is amended by striking “10-  
27 years:” and inserting “5 years.”.

28 (i) Expression of Interest Fee.—Section 17 of the Mineral Leasing Act (30 U.S.C. 226), as  
29 amended by this subtitle is amended by adding at the end the following:

30 “(f) Fee for Expression of Interest.—

31 “(1) In general.—The Secretary \$5 per acre per year. The Secretary of the Interior shall by  
32 regulation, at least once every 4 years, adjust the dollar amounts to reflect the change in  
33 inflation. A terminated onshore oil and gas lease may not be reinstated without the  
34 payment of back rentals and a requirement that future rentals be at a rate of \$20 per acre  
35 per year.

## 36 **SEC. 71406. FOSSIL FUEL LEASE TERM LENGTH.**

1 (a) A new coal lease issued by the Secretary of the Interior shall be for a term of ten  
2 years. Any lease which is not producing in commercial quantities at the end of 5 years shall  
3 be terminated. The aggregate number of years during the period of any lease for which  
4 advance royalties may be accepted in lieu of the condition of continued operation shall not  
5 exceed 10 years.

6 (b) Leases for exploration for and development of oil or gas in the contiguous United  
7 States issued by the Secretary of the Interior shall be for a primary term of 5 years.

## 8 **SEC. 71407. EXPRESSION OF INTEREST FEE.**

9 (a) **In General.**—~~The Secretary of the Interior shall charge any person who submits, in~~  
10 ~~accordance with procedures established by the Secretary to carry out this subsection, an~~  
11 ~~expression of interest in leasing land in the contiguous United States available for disposition~~  
12 ~~under this section for exploration for, and development of, oil or gas a fee in an amount~~  
13 ~~determined by the Secretary under paragraph (2).~~ **of the Interior under subsection (b).**

14 “~~(2)(b) Amount.~~—The fee authorized under ~~paragraph (1)~~ **subsection (a)** shall be established  
15 by the Secretary **of the Interior** in an amount that is determined by the Secretary **of the Interior**  
16 to be appropriate to cover the aggregate cost of processing an expression of interest under this  
17 ~~subsection~~ **section**, but not less than \$15 per acre **and not more than \$50 per acre** of the area  
18 covered by the applicable expression of interest.

19 “~~(3)(c) Adjustment of fee.~~—**The Fee.**—**The Secretary of the Interior** shall, by regulation at  
20 least every 4 years, establish a higher expression of interest ~~fee fee~~—

21 “~~(A)~~ to reflect the change in inflation; ~~and,~~

22 “~~(B) as the Secretary determines to be necessary to enhance~~  
23 ~~financial returns to the United States.”~~ **SEC. 71408.**

## 24 **ELIMINATION OF NONCOMPETITIVE LEASING.**

25 (j) **Elimination of Noncompetitive Leasing.**—The Mineral Leasing Act is amended—

26 (1) in section 17(b) (30 U.S.C. 226(b)), by striking paragraph (3);

27 (2) by amending section 17(e) (30 U.S.C. 226(e)) to read as follows:

28 “~~(e) Lands made available for leasing under subsection (b)(1) but~~ **The Secretary of the**  
29 **Interior may not issue an oil or gas lease noncompetitively. Land made available by the**  
30 **Secretary of the Interior for oil and gas leasing for which no bid is accepted may or received,**  
31 **or the land for which a lease terminates, expires, is cancelled, or is relinquished, may only**  
32 **be made available by the Secretary of the Interior for a new round of sealed bidding under such**  
33 **subsection.”; , competitive bidding.**

## 34 ~~(3) in section 17(e) (30 U.S.C. 226(e))~~— **SEC. 71409. OIL** 35 **AND GAS BONDING REQUIREMENTS.**

36 (A) by striking “Competitive and noncompetitive leases” and inserting “Leases, including  
37 leases for tar sand areas,”; and

- 1 (B) by striking “Provided, however” and all that follows through “ten years.”;
- 2 (4) in section 31(d)(1) (30 U.S.C. 188(d)(1)) by striking “or (c)”;
- 3 (5) in section 31(e) (30 U.S.C. 188(e))—
- 4 (A) in paragraph (2) by striking “, or the inclusion” and all that follows and inserting a  
5 semicolon; and
- 6 (B) in paragraph (3) by striking “(A)” and by striking subparagraph (B);
- 7 (6) by striking section 31(f) (30 U.S.C. 188(f)); and
- 8 (7) in section 31(g) (30 U.S.C. 188(g))—
- 9 (A) in paragraph (1) by striking “as a competitive” and all that follows through the period and  
10 inserting “in the same manner as the original lease issued pursuant to section 17.”;
- 11 (B) by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and  
12 (3), respectively; and
- 13 (C) in paragraph (2), as redesignated, by striking “, applicable to leases issued under  
14 subsection 17(e) of this Act (30 U.S.C. 226(e)) except,” and inserting “, except”.
- 15 (k) Oil and Gas Bonding Requirements.—Section 17(g) of the Mineral Leasing Act (30 U.S.C.  
16 226(g)) is amended—
- 17 (1) by inserting “Each such **Not later than 18 months after the date of enactment of this**  
18 **subtitle, the Secretary of the Interior shall publish a final rule in the Federal Register**  
19 **requiring that an adequate** bond, surety, or other financial arrangement **be provided by an oil**  
20 **or gas shall be considered inadequate if such bond, surety, or other financial arrangement is for**  
21 **less than \$150,000 in the case of an arrangement for an individual surface disturbing activity of**  
22 **each entity on an individual oil or gas lease in a State, or \$500,000 in the case of an arrangement**  
23 **for all surface disturbing activities of each entity on all oil and gas leases in a State.”** after “on  
24 the lease.”;
- 25 (2) by redesignating existing subsection (g) as paragraph (1); and
- 26 (3) by adding at the end the following new paragraph:
- 27 “(2)(A) ~~Not later than 180 days after the date of enactment of subtitle H of the Act to provide~~  
28 ~~for reconciliation pursuant to title II of S. Con. Res. 14 of the 117th Congress the Secretary~~  
29 ~~concerned shall initiate a rulemaking to require that an adequate bond, surety, or other financial~~  
30 ~~arrangement be provided by the lessee prior to the commencement of surface-disturbing~~  
31 ~~activities on any an onshore oil and gas lease issued under this Act by the Secretary to ensure~~  
32 ~~the complete and timely remediation restoration and reclamation of any land, water, or other~~  
33 ~~resources (including resources with recreation, range, timber, mineral, watershed, fish or~~  
34 ~~wildlife, natural scenic, scientific, or historical value) range, or other environmental resources~~  
35 ~~adversely affected by lease activities and or operations after the abandonment or cessation of oil~~  
36 ~~and gas operations on the lease.~~
- 37 “(B) The Secretary ~~concerned of the Interior~~ shall find that a bond, surety or other financial  
38 arrangement required by **rule or regulation** ~~under subparagraph (A)~~ is inadequate if it is for less  
39 **than than—**
- 40 “(i) the complete and timely reclamation of the **lease least** tract,;

1     “(ii) the restoration of any lands or surface waters adversely affected by lease operations, and,  
2 after the abandonment or cessation of oil and gas operations on the lease; and

3     “(iii) in the case of an idled well, the total plugging and reclamation costs for each idled well  
4 controlled by the same operator.

5     ~~“(C) The Secretary concerned shall review the adequacy of each~~  
6 ~~such bond, surety, or other financial arrangement at least once~~  
7 ~~every 5 years and anytime a lease issued under this Act is~~  
8 ~~transferred.”. SEC. 71410. PER-ACRE LEASE FEES.~~

9     ~~(1) Per-acre Lease Fees.—~~

10     ~~(1) Oil and gas lease fees.—The Secretary of~~ **(a) Oil and Gas Lease Fees.—The Secretary of**  
11 **the Interior shall charge onshore and offshore oil and gas leaseholders the following annual,**  
12 **non-refundable fees:**

13         ~~(A)~~ **(1) CONSERVATION OF RESOURCES FEE.—**There is established a Conservation of  
14 Resources Fee of \$4 per acre per year on new producing Federal onshore and offshore oil  
15 and gas leases.

16         ~~(B)~~ **(2) SPECULATIVE LEASING FEE.—**There is established a Speculative Leasing Fee of \$6  
17 per acre per year on new nonproducing Federal onshore and offshore oil and gas leases.

18     ~~(2)(b) Deposit.—All funds collected pursuant to paragraph (1) subsection (a) shall be~~  
19 **deposited into the United States Treasury General Fund.**

20     ~~(3)(c) Adjustment for inflation.—The Inflation.—The Secretary of the Interior shall, by~~  
21 **regulation at least once every four years, adjust each fee created by paragraph (1) subsection (a)**  
22 **to reflect any increase in inflation.**

23     ~~(m) Onshore Oil and Gas Inspection Fees.— SEC. 71411.~~  
24 **OFFSHORE OIL AND GAS INSPECTION FEES.**

25     ~~(1) In general.—Section 108 of the Federal Oil and Gas Royalty Management Act of 1982 (30-~~  
26 ~~U.S.C. 1718) is amended by adding at the end the following:~~ **(a) In General.—**

27         ~~(d) Inspection Fees.—(1) ESTABLISHMENT.—The Secretary of the Interior shall~~  
28 **collect inspection fees from the operators of oil and gas facilities on the outer**  
29 **continental shelf subject to any environmental or safety regulation to prevent or**  
30 **ameliorate blowouts, fires, spills, spillages, or major accidents—**

31  
32         \* 2 ~~“(1) In general.—The designated operator under each oil and gas lease on~~  
33 ~~Federal or Indian lands, or each unit and communitization agreement that includes one-~~  
34 ~~or more such Federal or Indian leases, that is subject to inspection under subsection (b)-~~  
35 ~~and that is in force at the start of the fiscal year 2021, shall pay a nonrefundable annual~~  
36 ~~inspection fee in an amount that, except as provided in paragraph (2), is established by~~  
37 ~~the Secretary by regulation and is sufficient to recover the full costs incurred by the~~  
38 ~~United States for inspection and enforcement with respect to such leases.~~



1           ~~“(2) Amount.—Until the effective date of regulations under paragraph (1), the~~  
2           ~~amount of the fee shall be—~~

3           ~~“(A) \$800 for each lease or unit or communitization agreement with no active or~~  
4           ~~inactive wells, but with surface use, disturbance or reclamation;~~

5           ~~“(B) \$1,400 for each lease or unit or communitization agreement with 1 to 10 wells,~~  
6           ~~with any combination of active or inactive wells;~~

7           ~~“(C) \$5,600 for each lease or unit or communitization agreement with 11 to 50~~  
8           ~~wells, with any combination of active or inactive wells; and~~

9           ~~“(D) \$11,300 for each lease or unit or communitization agreement with more than~~  
10           ~~50 wells, with any combination of active or inactive wells.~~

11           ~~“(3) Due date.—Payment of the fee under this section shall be due, annually, not~~  
12           ~~later than 30 days after the Secretary provides notice of the assessment of the fee.~~

13           ~~“(4) Penalty.—If the designated operator fails to pay the full amount of the fee as~~  
14           ~~prescribed in this section, the Secretary may, in addition to utilizing any other~~  
15           ~~applicable enforcement authority, assess civil penalties against the operator under~~  
16           ~~section 109 in the same manner as if this section were a mineral leasing law.~~

17           ~~“(5) Exemption for tribal operators.—An operator that is a Tribe or is controlled by~~  
18           ~~a Tribe is not subject to paragraph (1) with respect to a lease, unit, or communitization~~  
19           ~~agreement that is located entirely on the lands of such Tribe.”.~~

20           ~~(2) Assessment for fiscal year 2022.—The Secretary of the Interior shall assess the~~  
21           ~~fee under the amendment made by paragraph (1) for fiscal year 2022, and provide~~  
22           ~~notice of such assessment to each designated operator who is liable for such fee, by not~~  
23           ~~later than 60 days after the date of enactment of this Act.~~

24           ~~(n) Offshore Oil and Gas Inspection Fees.—Section 22 of the Outer Continental~~  
25           ~~Shelf Lands Act (43 U.S.C. 1348) is amended by adding at the end the following:~~

26           ~~“(g) Inspection Fees.—~~

27           ~~“(1) In general.—~~

28           ~~“(A) Establishment.—The Secretary shall collect from the operators of facilities~~  
29           ~~subject to inspection under subsection (c) nonrefundable fees for such inspections—~~

30           ~~“(i)(A) at an aggregate level to offset the annual expenses of such inspections; **and**~~

31           ~~(B)“(ii) using a schedule that reflect the differences in complexity among the classes~~  
32           ~~of facilities to be inspected; **and.**~~

33           ~~“(iii) in accordance with subparagraph (C).~~

34           ~~“(B)(2) ADJUSTMENT FOR INFLATION.—For each fiscal year beginning after fiscal year~~  
35           ~~2022, the Secretary **of the Interior** shall adjust the amount of the fees collected under this~~  
36           ~~paragraph **section** for inflation.~~

37           ~~“(C)(3) FEES FOR FISCAL YEAR 2022.—~~

38           ~~“(i)(A) ANNUAL FEES.—For fiscal year 2022, the Secretary **of the Interior** shall~~  
39           ~~collect annual fees from the operator of facilities that are above the waterline,~~

1 excluding drilling rigs, and are in place at the start of the fiscal year in the following  
2 amounts:

3 ~~“(I)(i)~~ \$11,725 for facilities with no wells, but with processing equipment or  
4 gathering lines.

5 ~~“(H)(ii)~~ \$18,984 for facilities with 1 to 10 wells, with any combination of active  
6 or inactive wells.

7 ~~“(H)(iii)~~ \$35,176 for facilities with more than 10 wells, with any combination  
8 of active or inactive wells.

9 ~~“(ii)(B)~~ FEES FOR DRILLING RIGS.—For fiscal year 2022, the Secretary **of the**  
10 **Interior** shall collect fees for each inspection from the operators of drilling rigs in the  
11 following amounts:

12 ~~“(I)(i)~~ \$34,059 per inspection for rigs operating in water depths of 500 feet or  
13 more.

14 ~~“(H)(ii)~~ \$18,649 per inspection for rigs operating in water depths of less than  
15 500 feet.

16 ~~“(iii)(C)~~ FEES FOR NON-RIG UNITS.—For fiscal year 2022, the Secretary **of the**  
17 **Interior** shall collect fees for each inspection from the operators of well operations  
18 conducted via non-rig units as outlined in subparts D, E, F, and Q of part 250 of title  
19 30, Code of Federal Regulations (or any successor regulation), in the following  
20 amounts:

21 ~~“(I)(i)~~ \$13,260 per inspection for non-rig units operating in water depths of  
22 2,500 feet or more.

23 ~~“(H)(ii)~~ \$11,530 per inspection for non-rig units operating in water depths  
24 between 500 and 2,499 feet.

25 ~~“(H)(iii)~~ \$4,470 per inspection for non-rig units operating in water depths of  
26 less than 500 feet.

27 ~~“(2)(b)~~ Disposition.—Amounts collected as fees under ~~paragraph (1)~~ **subsection (a)** shall be  
28 deposited into the general fund of the Treasury.

29 ~~“(3)(c)~~ Billing.—

30 ~~“(A)(1)~~ ANNUAL FEES.—The Secretary **of the Interior** shall bill designated operators  
31 under ~~paragraph (1)(C)(i)~~ **subsection (a)(3)(A)** annually, with payment required not later  
32 than 30 days after such billing.

33 ~~“(B)(2)~~ FEES FOR DRILLING RIGS.—The Secretary **of the Interior** shall bill designated  
34 operators under ~~paragraph (1)(C)(ii)~~ **subsection (a)(3)(B)** not later than 30 days after the  
35 end of the month in which the inspection occurred, with payment required not later than 30  
36 days after such billing.

37 ~~“(4) Publication.—The Secretary shall annually make available~~  
38 ~~to the public the following information about each fee deposited~~

1 ~~into the Fund:~~

2 ~~“(A) The facility that was inspected.~~

3 ~~“(B) The name of the operator of such facility.~~

4 ~~“(C) The amount of the payment.”~~ **SEC. 71412. ONSHORE**  
5 **OIL AND GAS INSPECTION FEES.**

6 ~~\*\* 2 “(1)(a) In general.—The~~ **General.—The** designated operator under each oil and gas  
7 lease on Federal ~~or Indian lands,~~ **land** or each unit and communitization agreement that includes  
8 one or more such Federal ~~or Indian~~ leases; that is subject to inspection ~~under subsection (b)~~ and  
9 that is in force at the start of the fiscal year 2021, shall pay a nonrefundable annual inspection fee  
10 in an amount that, except as provided in ~~paragraph (2)~~ **subsection (b)**, is established by the  
11 Secretary **of the Interior** by regulation and is sufficient to recover the full costs incurred by the  
12 United States for inspection and enforcement with respect to such leases.

13 **(b) Amount.—Until the effective date of regulations under subsection (a)—**

14 **(1) the amount of the fee for all States shall be \$1,000 for each lease, unit, or**  
15 **communitization agreement; and**

16 **(2) the Secretary of the Interior may increase the fees based upon the actual costs**  
17 **incurred for inspections.**

18 **(c) Assessment for Fiscal Year 2022.—For fiscal year 2022, the Secretary of the Interior**  
19 **shall assess the fee described under this section at \$1,000 for each lease, unit, or**  
20 **communitization agreement, and shall provide notice of such assessment to each designated**  
21 **operator who is liable for such fee, by not later than 60 days after the date of enactment of**  
22 **this section.**

23 **SEC. 71413. SEVERANCE FEES.**

24 ~~The Secretary of the~~ **(e) Severance Fees.—The Secretary of** Interior shall collect annual,  
25 non-refundable fees on fossil fuels produced from new leases on Federal lands and the Outer  
26 Continental Shelf and deposit the funds into the United States Treasury General Fund. Such fees  
27 shall be—

28 ~~(1) not less than~~ \$0.50 per barrel of oil equivalent on oil and natural gas produced from  
29 Federal lands and the Outer Continental Shelf; and

30 ~~(2) not less than~~ \$2 per metric ton of coal produced from Federal lands.

31 ~~(p) Idled Well Fees.—~~ **SEC. 71414. IDLED WELL FEES.**

32 ~~(1) In general.—The Secretary~~ **(a) In General.—The Secretary of the Interior** shall, not  
33 later than 180 days after the date of enactment of this section, issue regulations to require each  
34 operator of an idled well on Federal land and the Outer Continental Shelf to pay an annual,  
35 nonrefundable fee for each such idled well in accordance with this subsection.

36 ~~(2)(b) Amounts.—Except as provided in paragraph (5)~~ **subsection (d)**, the amount of the fee

1 shall be as follows:

2 ~~(A)(1)~~ \$500 for each well that has been considered an idled well for at least 1 year, but  
3 not more than 5 years.

4 ~~(B)(2)~~ \$1,500 for each well that has been considered an idled well for at least 5 years, but  
5 not more than 10 years.

6 ~~(C)(3)~~ \$3,500 for each well that has been considered an idled well for at least 10 years,  
7 but not more than 15 years.

8 ~~(D)(4)~~ \$7,500 for each well that has been considered an idled well for at least 15 years.

9 ~~(3)(c) Due date.—An~~ **Date.**—**An** owner of an idled well that is required to pay a fee under this  
10 ~~subsection~~ **section** shall submit to the Secretary **of the Interior** such fee by not later than  
11 October 1 of each year.

12 ~~(4) Civil penalty.—If the operator of a idled well fails to pay the full amount of a fee under~~  
13 ~~this subsection, the Secretary may assess a civil penalty against the operator under section 109 of~~  
14 ~~the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1719) as if such failure to~~  
15 ~~pay were a violation under such section.~~

16 ~~(5) Adjustment for inflation.—The Secretary~~ **(d) Adjustment for Inflation.**—**The Secretary**  
17 **of the Interior** shall, by regulation not less than once every 4 years, adjust each fee under this  
18 ~~subsection~~ **section** to account for inflation.

19 ~~(6)(e) Deposit.—All funds collected pursuant to paragraph (1) subsection (a) shall be~~  
20 deposited into the United States Treasury General Fund.

21 ~~(7)(f) Idled well definition.—For~~ **Well Definition.**—**For** the purposes of this section, the term  
22 “idled well” means a well that has been non-operational for at least two consecutive years and  
23 for which there is no anticipated beneficial future use.

## 24 **SEC. 71415. ANNUAL PIPELINE OWNERS FEE.**

25 ~~(a) In General.—Not~~ **(a) In General.**—~~(e) Annual Pipeline Owners Fee.—Not~~ later than 180 days after the date  
26 of enactment of this ~~Act~~ **section**, the Bureau of Safety and Environmental Enforcement shall  
27 issue regulations to assess an annual fee on owners of **existing and new** offshore oil and gas  
28 pipelines. ~~Such fee shall not qualify as a transportation allowance or as a deductible cost in~~  
29 **defined as “DOI pipelines” under 30 C.F.R. 250.1001. No portion of such fee that is passed**  
30 **on to a lessee may be deducted as part of a lessee’s transportation allowance when**  
31 **calculating royalties due to the United States and shall be no less than—.**

32 **(b) Amounts.—Fees established under this paragraph shall be—**

33 (1) \$10,000 per mile for ~~such~~ pipelines in water with a depth of 500 feet or greater; and

34 (2) \$1,000 per mile for pipelines in water depth of under 500 feet.

## 35 ~~(r) Royalties on All Extracted Methane.—~~ **SEC. 71416.** 36 **ROYALTIES ON ALL EXTRACTED METHANE.**

37 ~~(1) Assessment on all production.—~~

38 ~~(A) In general.—Except as provided in subparagraph (B)~~ **(a) In General.—Except as**

1 **provided in subsection (b)**, royalties paid for gas produced from Federal lands and on the Outer  
2 Continental Shelf shall be assessed on all gas produced, including—

3 ~~(i)(1)~~ gas used or consumed within the area of the lease tract for the benefit of the lease;  
4 and

5 ~~(ii)(2)~~ all gas that is consumed or lost by venting, flaring, or fugitive releases through any  
6 equipment during upstream operations.

7 ~~(B) Exception.~~—Subparagraph (A)**(b) Exception.**—Subsection (a) shall not apply with  
8 respect to ~~to~~—

9 ~~(i)~~ gas vented or flared for not longer than 48 hours in an acute emergency situation that poses  
10 a danger to human health; ~~and.~~

11 ~~(ii) gas used or consumed within the area of the lease tract for~~  
12 ~~the benefit of the lease when the operator is a Tribe or is~~  
13 ~~controlled by a Tribe that is located entirely on the lands of such~~  
14 ~~Tribe.~~ **SEC. 71417. ELIMINATION OF ROYALTY**

15 **RELIEF.**

16 (2) Conforming amendments.—

17 (A) Mineral leasing act.—The Mineral Leasing Act is amended—

18 (i) in section 14 (30 U.S.C. 223), by adding at the end the following: “Royalties shall be  
19 assessed with respect to oil and gas, other than gas vented or flared for not longer than 48 hours  
20 in an acute emergency situation that poses a danger to human health and gas used or gas  
21 consumed within the area of the lease tract for the benefit of the lease when the operator is a  
22 Tribe or is controlled by a Tribe that is located entirely on the lands of such Tribe, without regard  
23 to whether oil or gas is removed or sold from the leased land.”;

24 (ii) in section 22 (30 U.S.C. 251), by striking “sold or removed”; and

25 (iii) in section 31 (30 U.S.C. 188), by striking “removed or sold” each place it appears.

26 (B) Outer continental shelf lands act.—The **(a) Limitation on Authority.**—**The Secretary of**  
27 **the Interior may not reduce, eliminate, or suspend royalties or net profit share for any oil**  
28 **and gas leases on the Outer Continental Shelf. Royalty relief may not be permitted on any**  
29 **future oil and gas leases on** Lands Act is amended—

30 (i) in section 6(a)(8) (43 U.S.C. 1335(a)(8)), by striking “saved, removed, or sold” each place  
31 it appears; and

32 (ii) in section 8(a) (43 U.S.C. 1337(a))—

33 (I) in paragraph (1), by striking “saved, removed, or sold” each place it appears; and

34 (II) by adding at the end the following:

35 “(9) Royalties under this Act shall be assessed with respect to oil and gas, other than gas  
36 vented or flared for not longer than 48 hours in an acute emergency situation that poses a danger  
37 to human health and gas used or gas consumed within the area of the lease tract for the benefit of

1 ~~the lease when the operator is a Tribe or is controlled by a Tribe that is located entirely on the~~  
2 ~~lands of such Tribe, without regard to whether oil or gas is removed or sold from the leased~~  
3 ~~land.”.~~

4 ~~(s) Elimination of Royalty Relief.—~~

5 ~~(1) In general.—~~

6 ~~(A) Outer continental shelf lands act relating to the suspension of royalties.—Section~~  
7 ~~8(a)(1)(H) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(1)(H)) is amended by~~  
8 ~~striking “, and with suspension of royalties for a period, volume, or value of production~~  
9 ~~determined by the Secretary, which suspensions may vary based on the price of production from~~  
10 ~~the lease”.~~

11 ~~(B) Outer continental shelf lands act relating to the suspension of royalties.—Section~~  
12 ~~8(a)(1)(H) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(1)(H)) is amended by~~  
13 ~~striking “, and with suspension of royalties for a period, volume, or value of production~~  
14 ~~determined by the Secretary, which suspensions may vary based on the price of production from~~  
15 ~~the lease”.~~

16 ~~(C) Outer continental shelf lands act.—Section 8(a)(3) of the Outer Continental Shelf Lands~~  
17 ~~Act (43 U.S.C. 1337(a)(3)) is amended—~~

18 ~~(i) by striking subparagraphs (A) and (B); and~~

19 ~~(ii) by redesignating subparagraph (C) as subparagraph (A).~~

20 ~~(D) Energy policy act of 2005.—~~

21 ~~(i) Incentives for natural gas production from deep wells in the shallow waters of the gulf of~~  
22 ~~mexico.—Section 344 of the Energy Policy Act of 2005 (42 U.S.C. 15904) is repealed.~~

23 ~~(ii) Deep water production.—Section 345 of the Energy Policy Act of 2005 (42 U.S.C. 15905)~~  
24 ~~is repealed.~~

25 ~~(2) Future provisions.—Royalty relief shall not be permitted under a lease issued under section~~  
26 ~~8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337).~~

27 ~~(3) Provisions relating to naval petroleum reserve in alaska.—Section 107 of the Naval~~  
28 ~~Petroleum Reserves Production Act of 1976 (42 U.S.C. 6506a) is amended—~~

29 ~~(A) in subsection (i), by striking paragraphs (2) through (6); and~~

30 ~~(B) by striking subsection (k).~~

31 ~~(4) Royalty relief under the mineral leasing act.—~~

32 ~~(A)(b) Repeal.—Section 39 of the Mineral Leasing Act (30 U.S.C. 209) is repealed.~~

33 ~~(B) Conforming amendments.—~~

34 ~~(i) Section 8721(b) of title 10, United States Code, is amended~~  
35 ~~by striking “202209” and inserting “202208”.~~

36 ~~(ii) Section 8735(a) of title 10, United States Code, is amended~~

1 ~~by striking “202209” and inserting “202208”.~~

2 ~~(iii) Section 31(h) of the Mineral Leasing Act (30 U.S.C.~~  
3 ~~188(h)) is amended by striking “and the provisions of section 39-~~  
4 ~~of this Act”.~~

5 ~~SEC. 70805. CIVIL AND CRIMINAL PENALTIES.~~

6 ~~(a) Mineral Leasing Act.— Section 41 of the Mineral Leasing-~~  
7 ~~Act (30 U.S.C. 195) is amended—~~

8 ~~(1) in subsection (b), by striking “\$500,000” and inserting-~~  
9 ~~“\$1,000,000”; and~~

10 ~~(2) in subsection (c), by striking “\$100,000” and inserting-~~  
11 ~~“\$250,000”.~~

12 ~~(b) Federal Oil and Gas Royalty Management Act of~~  
13 ~~1982.— The Federal Oil and Gas Royalty Management Act of~~  
14 ~~1982 is amended—~~

15 ~~(1) in section 109 (30 U.S.C. 1719)—~~

16 ~~(A) in subsection (a)(2), by striking “\$500” and inserting-~~  
17 ~~“\$1,500”;~~

18 ~~(B) in subsection (b), by striking “\$5,000” and inserting-~~  
19 ~~“\$15,000”;~~

20 ~~(C) in subsection (c)(3), by striking “\$10,000” and inserting-~~  
21 ~~“\$30,000”;~~

22 ~~(D) in subsection (d)(3), by striking “\$25,000” and inserting-~~  
23 ~~“\$75,000”;~~

24 ~~(E) by redesignating existing subsections (e) through (l) as (f)~~  
25 ~~through (m), respectively; and~~

26 ~~(F) by adding at the end:~~

27 ~~“(n) Inflation Adjustment of Maximum Penalties.—~~

1 ~~“(1) The maximum civil penalty amounts listed in subsections-~~  
2 ~~(a) through (d) shall automatically adjust for inflation on the 1st~~  
3 ~~day of each calendar year in accordance with the provisions of~~  
4 ~~this subsection.~~

5 ~~“(2) The inflation adjustment under this subsection shall be~~  
6 ~~based on the Consumer Price Index published by the~~  
7 ~~Department of Labor for all Urban Consumers (CPIU) and shall~~  
8 ~~be calculated by the percentage change, if any, by which the~~  
9 ~~CPIU for the month of October preceding the adjustment date~~  
10 ~~exceeds the CPIU for the month of October one year before.~~

11 ~~“(3) The Secretary will provide sufficient notice of adjusted~~  
12 ~~penalties by publishing the adjusted maximum civil penalty~~  
13 ~~amounts on a public website of the Department.~~

14 ~~“(4) The Secretary will provide notice, in writing, to the~~  
15 ~~Committee on Natural Resources of the Department’s intent to~~  
16 ~~adjust such penalties 180 days before publishing the adjusted~~  
17 ~~maximum civil penalty amounts on a public website of the~~  
18 ~~Department under paragraph (3).”;~~ and

19 ~~(2) in section 110, by striking “\$50,000” and inserting~~  
20 ~~“\$150,000”.~~

21 ~~(c) Outer Continental Shelf Lands Act.—~~

22 ~~(1) Civil penalty, generally.— Section 24(b) of the Outer~~  
23 ~~Continental Shelf Lands Act (43 U.S.C. 1350(b)) is amended to~~  
24 ~~read as follows:~~

25 ~~“(b) Civil Penalties.—~~

26 ~~“(1) In general.— Except as provided in paragraph (2), any~~  
27 ~~person who fails to comply with any provision of this Act, or~~  
28 ~~any term of a lease, license, or permit issued pursuant to this~~



1 ~~Act, or any regulation or order issued under this Act, shall be~~  
2 ~~liable for a civil administrative penalty of not more than \$75,000~~  
3 ~~for each day of the continuance of such failure. The Secretary~~  
4 ~~may assess, collect, and compromise any such penalty.~~

5 ~~“(2) Opportunity for a hearing.— No penalty shall be assessed~~  
6 ~~until the person charged with a violation has been given an~~  
7 ~~opportunity for a hearing.~~

8 ~~“(3) Adjustment for inflation.— The Secretary shall, by~~  
9 ~~regulation at least every 3 years, adjust the penalty specified in~~  
10 ~~this paragraph to reflect any increases in inflation.~~

11 ~~“(4) Threat of harm.— If a failure described in paragraph (1)~~  
12 ~~constitutes or constituted a threat of harm or damage to life,~~  
13 ~~property, any mineral deposit, or the marine, coastal, or human~~  
14 ~~environment, a civil penalty of not more than \$150,000 shall be~~  
15 ~~assessed for each day of the continuance of the failure.”.~~

16 ~~(2) Knowing and willful violations.— Section 24(c) of the Outer~~  
17 ~~Continental Shelf Lands Act (43 U.S.C. 1350(c)) is amended by~~  
18 ~~striking “\$100,000” and inserting “\$1,000,000”.~~

19 ~~(3) Officers and agents of corporations.— Section 24(d) of the~~  
20 ~~Outer Continental Shelf Lands Act (43 U.S.C. 1350(d)) is~~  
21 ~~amended by striking “knowingly and willfully authorized,~~  
22 ~~ordered, or carried out” and inserting “authorized, ordered,~~  
23 ~~carried out, or through reckless disregard of the law caused”.~~

24 ~~SEC. 70806. TECHNICAL AMENDMENTS TO FOGRMA.~~

25 ~~(a) Amendments to Definitions.— Section 3 of the Federal Oil~~  
26 ~~and Gas Royalty Management Act of 1982 (30 U.S.C. 1702) is~~  
27 ~~amended—~~

28 ~~(1) in paragraph (20)(A), by striking “: Provided, That” and all~~

1 ~~that follows through “subject of the judicial proceeding”;~~  
2 ~~(2) in paragraph (20)(B), by striking “(with written notice to the~~  
3 ~~lessee who designated the designee)”;~~  
4 ~~(3) in paragraph (23)(A), by striking “(with written notice to the~~  
5 ~~lessee who designated the designee)”;~~  
6 ~~(4) by amending paragraph (24) to read as follows:~~  
7 ~~“(24) ‘designee’ means a person who pays, offsets, or credits~~  
8 ~~monies, makes adjustments, requests and receives refunds, or~~  
9 ~~submits reports with respect to payments a lessee must make~~  
10 ~~pursuant to section 102(a);”;~~  
11 ~~(5) in paragraph (25), in subparagraph (B) —~~  
12 ~~(A) by striking “(subject to the provisions of section 102(a) of~~  
13 ~~this Act)”;~~ and  
14 ~~(B) in clause (ii), by striking subclause (IV) and all that follows~~  
15 ~~through the end of the subparagraph and inserting the following:~~  
16 ~~“(IV) any assignment, that arises from or relates to any lease,~~  
17 ~~easement, right of way, permit, or other agreement regardless of~~  
18 ~~form administered by the Secretary for, or any mineral leasing~~  
19 ~~law related to, the exploration, production, and development of~~  
20 ~~oil and gas or other energy resource on Federal lands or the~~  
21 ~~Outer Continental Shelf;”;~~ and  
22 ~~(6) in paragraph (29), by inserting “or permit” after “lease”.~~  
23 ~~(b) Compliance Reviews. — Section 101 of the Federal Oil and~~  
24 ~~Gas Royalty Management Act of 1982 (30 U.S.C. 1711) is~~  
25 ~~amended by adding at the end the following new subsection:~~  
26 ~~“(d) The Secretary may, as an adjunct to audits of accounts for~~  
27 ~~leases, conduct compliance reviews of accounts. Such reviews~~  
28 ~~shall not constitute nor substitute for audits of lease accounts.~~

1 ~~The Secretary shall immediately refer any disparity uncovered in~~  
2 ~~such a compliance review to a program auditor. The Secretary~~  
3 ~~shall, before completion of a compliance review, provide notice~~  
4 ~~of the review to designees whose obligations are the subject of~~  
5 ~~the review.”.~~

6 ~~(c) Liability for Royalty Payments.— Section 102(a) of the~~  
7 ~~Federal Oil and Gas Royalty Management Act of 1982 (30~~  
8 ~~U.S.C. 1712(a)) is amended to read as follows:~~

9 ~~“(a) Liability for Royalty Payments.—~~

10 ~~“(1) Time and manner of payment.— In order to increase~~  
11 ~~receipts and achieve effective collections of royalty and other~~  
12 ~~payments, a lessee who is required to make any royalty or other~~  
13 ~~payment under a lease, easement, right of way, permit, or other~~  
14 ~~agreement, regardless of form, or under the mineral leasing~~  
15 ~~laws, shall make such payment in the time and manner as may~~  
16 ~~be specified by the Secretary or the applicable delegated State.~~

17 ~~“(2) Designee.— Any person who pays, offsets, or credits~~  
18 ~~monies, makes adjustments, requests and receives refunds, or~~  
19 ~~submits reports with respect to payments the lessee must make is~~  
20 ~~the lessee’s designee under this Act.~~

21 ~~“(3) Liability.— A designee shall be liable for any payment~~  
22 ~~obligation of any lessee on whose behalf the designee pays~~  
23 ~~royalty under the lease. The person owning operating rights in a~~  
24 ~~lease and a person owning legal record title in a lease shall be~~  
25 ~~liable for that person’s pro rata share of payment obligations~~  
26 ~~under the lease.”.~~

27 ~~(d) Recordkeeping.— Section 103(b) of the Federal Oil and Gas~~  
28 ~~Royalty Management Act of 1982 (30 U.S.C. 1713(b)) is~~  
29 ~~amended by striking “6” and inserting “7”.~~

1 ~~(e) Adjustments and Refunds.— Section 111A of the Federal Oil~~  
2 ~~and Gas Royalty Management Act of 1982 (30 U.S.C. 1721a) is~~  
3 ~~amended—~~

4 ~~(1) in subsection (a)—~~

5 ~~(A) by amending paragraph (3) to read as follows:~~

6 ~~“(3)(A) An adjustment or a request for a refund for an obligation~~  
7 ~~may be made after the adjustment period only upon written~~  
8 ~~notice to and approval by the Secretary or the applicable~~  
9 ~~delegated State, as appropriate, during an audit of the period~~  
10 ~~which includes the production month for which the adjustment~~  
11 ~~is being made.~~

12 ~~“(B) Except as provided in subparagraph (C), no adjustment~~  
13 ~~may be made with respect to an obligation after the completion~~  
14 ~~of an audit or compliance review of such obligation unless such~~  
15 ~~adjustment is approved by the Secretary or the applicable~~  
16 ~~delegated State, as appropriate.~~

17 ~~“(C) If an overpayment is identified during an audit, the~~  
18 ~~Secretary shall allow a credit in the amount of the~~  
19 ~~overpayment.”; and~~

20 ~~(B) in paragraph (4)—~~

21 ~~(i) by striking “six year” and inserting “four year”; and~~

22 ~~(ii) by striking “period shall” and inserting “period may”; and~~

23 ~~(2) in subsection (b)(1)—~~

24 ~~(A) in subparagraph (C), by striking “and”;~~

25 ~~(B) in subparagraph (D), by striking the period and inserting “;~~  
26 ~~and”;~~ and

27 ~~(C) by adding at the end the following:~~

1 ~~“(E) is made within the adjustment period for that obligation.”.~~

2 ~~(f) Obligation Period.—~~

3 ~~(1) Section 115(b)(1) of the Federal Oil and Gas Royalty~~  
4 ~~Management Act of 1982 (30 U.S.C. 1724(b)(1)) is amended to~~  
5 ~~read as follows:~~

6 ~~“(1) The Secretary or a delegated State shall commence a~~  
7 ~~judicial proceeding or demand which arises from, or relates to~~  
8 ~~an obligation, within seven years from the date on which the~~  
9 ~~obligation becomes due and if not so commenced shall be~~  
10 ~~barred. A lessee shall commence a judicial proceeding or~~  
11 ~~demand which arises from, or relates to an obligation, within~~  
12 ~~four years from the date on which an obligation becomes due~~  
13 ~~and if not so commenced shall be barred. If the Secretary, a~~  
14 ~~delegated State, a lessee, or designee is barred from~~  
15 ~~commencement of a judicial proceeding or demand for an~~  
16 ~~obligation, it—~~

17 ~~“(A) shall not take any other or further action regarding that~~  
18 ~~obligation, including (but not limited to) the issuance of any~~  
19 ~~order, request, demand or other communication seeking any~~  
20 ~~document, accounting, determination, calculation, recalculation,~~  
21 ~~payment, principal, interest, assessment, or penalty or the~~  
22 ~~initiation, pursuit or completion of an audit with respect to that~~  
23 ~~obligation; and~~

24 ~~“(B) shall not pursue any other equitable or legal remedy,~~  
25 ~~including equitable recoupment, whether under statute or~~  
26 ~~common law, with respect to an action on, defense against, or an~~  
27 ~~enforcement of said obligation.”.~~

28 ~~(2) Section 115(c) of the Federal Oil and Gas Royalty~~  
29 ~~Management Act of 1982 (30 U.S.C. 1724(c)) is amended by~~

1 ~~adding at the end the following new paragraph:~~

2 ~~“(3) Adjustments.— In the case of an adjustment under section~~  
3 ~~111A(a) in which a recoupment by the lessee results in an~~  
4 ~~underpayment of an obligation, the obligation becomes due on~~  
5 ~~the date the lessee or its designee makes the adjustment.”.~~

6 ~~(g) Appeals.— Section 115(h) of the Federal Oil and Gas~~  
7 ~~Royalty Management Act of 1982 (30 U.S.C. 1724(h)) is~~  
8 ~~amended—~~

9 ~~(1) in paragraph (1), in the heading, by striking “33 month” and~~  
10 ~~inserting “48 month”;~~

11 ~~(2) by striking “33 months” each place it appears and inserting~~  
12 ~~“48 months”; and~~

13 ~~(3) by striking “33 month” each place it appears and inserting~~  
14 ~~“48 month”.~~

15 ~~(h) Penalty for Late or Incorrect Reporting of Data.—~~

16 ~~(1) In general.— The Secretary of the Interior shall issue~~  
17 ~~regulations by not later than 1 year after the date of enactment of~~  
18 ~~this Act that establish a civil penalty for late or incorrect~~  
19 ~~reporting of data under the Federal Oil and Gas Royalty-~~  
20 ~~Management Act of 1982.~~

21 ~~(2) Amount.— The amount of the civil penalty shall be—~~

22 ~~(A) an amount that the Secretary determines is sufficient to~~  
23 ~~ensure filing of data in accordance with that Act; and~~

24 ~~(B) not less than \$10 for each failure to file correct data in~~  
25 ~~accordance with that Act.~~

26 ~~(3) Content of regulations.— Except as provided in paragraph~~

27 ~~(2), the regulations issued under this section shall be~~  
28 ~~substantially similar to section 216.40 of title 30, Code of~~

1 ~~Federal Regulations, as most recently in effect before the date of~~  
2 ~~enactment of this Act.~~

3 ~~(i) Shared Penalties.—Section 206 of the Federal Oil and Gas~~  
4 ~~Royalty Management Act of 1982 (30 U.S.C. 1736) is amended~~  
5 ~~by striking “Any payments under this section shall be reduced~~  
6 ~~by an amount equal to any payments provided or due to such~~  
7 ~~State or Indian Tribe under the cooperative agreement or~~  
8 ~~delegation, as applicable, during the fiscal year in which the~~  
9 ~~civil penalty is received, up to the total amount provided or due~~  
10 ~~for that fiscal year.”.~~

11 ~~(j) Adjustments and Refunds.—Section 111A of the Federal Oil~~  
12 ~~and Gas Royalty Management Act of 1982 (30 U.S.C. 1721a) is~~  
13 ~~amended—~~

14 ~~(1) in subsection (a)—~~

15 ~~(A) by amending paragraph (3) to read as follows:~~

16 ~~“(3)(A) An adjustment or a request for a refund for an obligation~~  
17 ~~may be made after the adjustment period only upon written~~  
18 ~~notice to and approval by the Secretary or the applicable~~  
19 ~~delegated State, as appropriate, during an audit of the period~~  
20 ~~which includes the production month for which the adjustment~~  
21 ~~is being made.~~

22 ~~“(B) Except as provided in subparagraph (C), no adjustment~~  
23 ~~may be made with respect to an obligation after the completion~~  
24 ~~of an audit or compliance review of such obligation unless such~~  
25 ~~adjustment is approved by the Secretary or the applicable~~  
26 ~~delegated State, as appropriate.~~

27 ~~“(C) If an overpayment is identified during an audit, the~~  
28 ~~Secretary shall allow a credit in the amount of the~~  
29 ~~overpayment.”; and~~

1 ~~(B) in paragraph (4)—~~

2 ~~(i) by striking “six year” and inserting “four year”; and~~

3 ~~(ii) by striking “period shall” and inserting “period may”; and~~

4 ~~(2) in subsection (b)(1)—~~

5 ~~(A) in subparagraph (C), by striking “and”;~~

6 ~~(B) in subparagraph (D), by striking the period and inserting “;~~  
7 ~~and”;~~ and

8 ~~(C) by adding at the end the following:~~

9 ~~“(E) is made within the adjustment period for that obligation.”.~~

10 ~~(k) Tolling Agreements and Subpoenas.—~~

11 ~~(1) Tolling agreements.— Section 115(d)(1) of the Federal Oil~~  
12 ~~and Gas Royalty Management Act of 1982 (30 U.S.C.~~  
13 ~~1724(d)(1)) is amended—~~

14 ~~(A) by striking “(with notice to the lessee who designated the~~  
15 ~~designee)”;~~ and

16 ~~(B) by adding at the end “A tolling agreement executed by a~~  
17 ~~designee shall bind both the owner of legal record title in a lease~~  
18 ~~and the owner of operating rights in a lease, and any designee.~~  
19 ~~The owner of the legal record title and the owner of operating~~  
20 ~~rights in a lease shall be bound by the tolling agreement to the~~  
21 ~~extent of their pro rata share of payment obligations under the~~  
22 ~~lease.”.~~

23 ~~(2) Subpoenas.— Section 115(d)(2)(A) of the Federal Oil and~~  
24 ~~Gas Royalty Management Act of 1982 (30 U.S.C.~~  
25 ~~1724(d)(2)(A)) is amended by striking “(with notice to the~~  
26 ~~lessee who designated the designee, which notice shall not~~  
27 ~~constitute a subpoena to the lessee)”.~~



1 ~~(1) Required Recordkeeping for Natural Gas Plants.—~~

2 ~~(1) Not later than 1 year after the date of enactment of this Act,~~  
3 ~~the Secretary of the Interior shall publish final regulations with~~  
4 ~~respect to required recordkeeping, under the authority provided~~  
5 ~~in section 103 of the Federal Oil and Gas Royalty Management~~  
6 ~~Act of 1982 (30 U.S.C. 1713), as amended by this Act.~~

7 ~~(2) Section 103(a) of the Federal Oil and Gas Royalty~~  
8 ~~Management Act of 1982 (30 U.S.C. 1713(a)) is amended to~~  
9 ~~read:~~

10 ~~“(a) A lessee, operator, or other person directly involved in~~  
11 ~~developing, producing, treating, transporting, processing,~~  
12 ~~purchasing, or selling oil or gas subject to this chapter through~~  
13 ~~the point of first arm’s length sale, the point of royalty~~  
14 ~~determination, or the point that processing is complete,~~  
15 ~~whichever is later, shall establish and maintain any records,~~  
16 ~~make any reports, and provide any information that the~~  
17 ~~Secretary may, by rule, reasonably require for the purposes of~~  
18 ~~implementing this chapter or determining compliance with rules~~  
19 ~~or orders under this chapter. Upon the request of any officer or~~  
20 ~~employee duly designated by the Secretary or any State or~~  
21 ~~Indian Tribe conducting an audit or investigation pursuant to~~  
22 ~~this chapter, the appropriate records, reports, or information~~  
23 ~~which may be required by this section shall be made available~~  
24 ~~for inspection and duplication by such officer or employee,~~  
25 ~~State, or Indian Tribe.”.~~

26 ~~(m) Entitlements.—~~

27 ~~(1) Directed rulemaking.— Not later than 180 days after the date~~  
28 ~~of enactment of this Act, the Secretary of the Interior shall~~  
29 ~~publish final regulations prescribing when a Federal lessee or~~

1 ~~designee must report and pay royalties on oil and gas production~~  
2 ~~for each month based on—~~

3 ~~(A) the volume of oil and gas produced from a lease or allocated~~  
4 ~~to the lease in accordance with the terms of a unit or~~  
5 ~~communitization agreement; or~~

6 ~~(B) the actual volume of oil and gas sold by or on behalf of the~~  
7 ~~lessee.~~

8 ~~(2) 100 percent entitlement reporting and paying.—The~~  
9 ~~Secretary shall give consideration to requiring all reporting and~~  
10 ~~paying based on the volume of oil and gas produced from a lease~~  
11 ~~or allocated to the lease in accordance with the terms of a unit or~~  
12 ~~communitization agreement without regard to the actual volume~~  
13 ~~of oil and gas sold by or on behalf of a lessee.~~

14 ~~(3) Volume allocation of oil and gas production.—Section~~  
15 ~~111(i) of the Federal Oil and Gas Royalty Management Act of~~  
16 ~~1982 (30 U.S.C. 1721(i)) is amended to read:~~

17 ~~“(i) Volume Allocation of Oil and Gas Production.—Except as~~  
18 ~~otherwise provided by this subsection—~~

19 ~~“(A) a lessee or its designee of a lease in any unit or~~  
20 ~~communitization agreement shall report and pay royalties on oil~~  
21 ~~and gas production for each production month based on the~~  
22 ~~volume of oil and gas produced from such agreement and~~  
23 ~~allocated to the lease in accordance with the terms of the~~  
24 ~~agreement; and~~

25 ~~“(B) a lessee or its designee of a lease that is not contained in a~~  
26 ~~unit or communitization agreement shall report and pay royalties~~  
27 ~~on oil and gas production for each production month based on~~  
28 ~~the volume of oil and gas produced from the lease unless the~~  
29 ~~Secretary promulgates a final rule to allow or require that the~~

1 ~~lessee report and pay royalties on oil and gas production for~~  
2 ~~each production month based on the actual volume of~~  
3 ~~production sold by or on behalf of that lessee.”.~~

4 ~~SEC. 70807. HARDROCK MINING.~~

5 ~~(a) Abandoned Mine Land Cleanup.— In addition to amounts~~  
6 ~~otherwise available, there is appropriated to the Bureau of Land~~  
7 ~~Management for fiscal year 2022, out of any money in the~~  
8 ~~Treasury not otherwise appropriated \$2,500,000,000, to remain~~  
9 ~~available until September 30, 2031, except that no amounts may~~  
10 ~~be expended after September 30, 2031, for all activities~~  
11 ~~necessary to inventory, assess, decommission, reclaim, respond~~  
12 ~~to hazardous substance releases on, and remediate abandoned~~  
13 ~~locatable minerals mine land.~~

14 ~~(b) Royalty.—~~

15 ~~(1) In general.— Except as provided in paragraph (2) and subject~~  
16 ~~to paragraph (3), production of all locatable minerals from any~~  
17 ~~mining claim located under the general mining laws and~~  
18 ~~maintained in compliance with this Act, or mineral concentrates~~  
19 ~~or products derived from locatable minerals from any such~~  
20 ~~mining claim, as the case may be, shall be subject to a royalty of~~  
21 ~~8 percent of the gross income from mining. The claim holder or~~  
22 ~~any operator to whom the claim holder has assigned the~~  
23 ~~obligation to make royalty payments under the claim and any~~  
24 ~~person who controls such claim holder or operator shall be liable~~  
25 ~~for payment of such royalties.~~

26 ~~(2) Royalty for federal lands subject to approved plan of~~  
27 ~~operations.— The royalty under paragraph (2) shall be 4 percent~~  
28 ~~in the case of any Federal land that is subject to an approved~~  
29 ~~plan of operations on the date of the enactment of this Act.~~

1 ~~(3) Federal land added to existing plans of operations.—Any~~  
2 ~~Federal land added through a plan modification to a mining plan~~  
3 ~~of operations that is submitted after the date of enactment of this~~  
4 ~~Act shall be subject to the royalty that applies to Federal land~~  
5 ~~under paragraph (1).~~

6 ~~(4) Limitation on application.—~~

7 ~~(A) In general.—Any royalty under this subsection shall not~~  
8 ~~apply to small miners. In this subparagraph, the term “small~~  
9 ~~miner” means a person (including all related parties thereto) that~~  
10 ~~certifies to the Secretary in writing that the person had annual~~  
11 ~~gross income in the preceding calendar year from mineral~~  
12 ~~production in an amount less than \$100,000.~~

13 ~~(B) Related parties defined.—For the purposes of this paragraph,~~  
14 ~~the term “related parties” means, with respect to a person—~~

15 ~~(i) the spouse and all dependents (as defined in section 152 of~~  
16 ~~the Internal Revenue Code of 1986 (26 U.S.C. 152)) of the~~  
17 ~~person; or~~

18 ~~(ii) another person who is affiliated with the person, including—~~

19 ~~(I) another person who controls, is controlled by, or is under~~  
20 ~~common control with the person; and~~

21 ~~(II) a subsidiary or parent company or corporation of the person.~~

22 ~~(C) Control defined.—For purposes of this paragraph, the term~~  
23 ~~“control” includes actual control, legal control, and the power to~~  
24 ~~exercise control, through or by common directors, officers,~~  
25 ~~stockholders, a voting trust, or a holding company or investment~~  
26 ~~company, or any other means.~~

27 ~~(5) Duties of claim holders, operators, and transporters.—~~

28 ~~(A) Regulation.—The Secretary shall prescribe by rule the time~~

1 ~~and manner in which—~~

2 ~~(i) a person who is required to make a royalty payment under~~  
3 ~~this section shall make such payment; and~~

4 ~~(ii) shall notify the Secretary of any assignment that such person~~  
5 ~~may have made of the obligation to make any royalty or other~~  
6 ~~payment under a mining claim under this section.~~

7 ~~(B) Written instrument.— Any person paying royalties under this~~  
8 ~~section shall file a written instrument, together with the first~~  
9 ~~royalty payment, affirming that such person is responsible for~~  
10 ~~making proper payments for all amounts due for all time periods~~  
11 ~~for which such person has a payment responsibility.~~

12 ~~(C) Additional amounts.— Such responsibility for the periods~~  
13 ~~referred to in subparagraph (B) shall include any and all~~  
14 ~~additional amounts billed by the Secretary and determined to be~~  
15 ~~due by final agency or judicial action.~~

16 ~~(D) Joint and several liability.— Any person liable for royalty~~  
17 ~~payments under this section who assigns any payment obligation~~  
18 ~~shall remain jointly and severally liable for all royalty payments~~  
19 ~~due for the period.~~

20 ~~(E) Obligations.— A person conducting mineral activities~~  
21 ~~shall—~~

22 ~~(i) develop and comply with the site security provisions in the~~  
23 ~~mining plan of operations designed to protect from theft the~~  
24 ~~hardrock minerals, concentrates, or products derived therefrom~~  
25 ~~that are produced or stored on the area subject to a mining claim~~  
26 ~~or lease, and such provisions shall conform with such minimum~~  
27 ~~standards as the Secretary may prescribe by rule, taking into~~  
28 ~~account the variety of circumstances on areas subject to mining~~  
29 ~~claims and leases; and~~

1 ~~(ii) not later than the 5th business day after production begins~~  
2 ~~anywhere on an area subject to a mining claim, or production~~  
3 ~~resumes after more than 90 days after production was~~  
4 ~~suspended, notify the Secretary, in the manner prescribed by the~~  
5 ~~Secretary, of the date on which such production has begun or~~  
6 ~~resumed.~~

7 ~~(F) Required documentation.— The Secretary may by rule~~  
8 ~~require any person engaged in transporting a hardrock mineral,~~  
9 ~~concentrate, or product derived therefrom to carry on his or her~~  
10 ~~person, in his or her vehicle, or in his or her immediate control,~~  
11 ~~documentation showing, at a minimum, the amount, origin, and~~  
12 ~~intended destination of the hardrock mineral, concentrate, or~~  
13 ~~product derived therefrom in such circumstances as the~~  
14 ~~Secretary determines is appropriate.~~

15 ~~(6) Recordkeeping and reporting requirements.—~~

16 ~~(A) In general.— A claim holder, operator, or other person~~  
17 ~~directly involved in developing, producing, processing,~~  
18 ~~transporting, purchasing, or selling hardrock minerals,~~  
19 ~~concentrates, or products derived therefrom, subject to this~~  
20 ~~section, shall establish and maintain any records, make any~~  
21 ~~reports, and provide any information that the Secretary may~~  
22 ~~reasonably require for the purposes of implementing this section~~  
23 ~~or determining compliance with rules or orders under this~~  
24 ~~section. Such records shall include periodic reports, records,~~  
25 ~~documents, and other data. Such reports may also include~~  
26 ~~pertinent technical and financial data relating to the quantity,~~  
27 ~~quality, composition volume, weight, and assay of all minerals~~  
28 ~~extracted from the mining claim or lease.~~

29 ~~(B) Forfeiture.— Failure by a claim holder or operator to~~  
30 ~~cooperate with such an audit, provide data required by the~~

1 ~~Secretary, or grant access to information may, at the discretion-~~  
2 ~~of the Secretary, be declared void.~~

3 ~~(C) Maintenance of records.— Records required by the Secretary~~  
4 ~~under this section shall be maintained for 7 years after release of~~  
5 ~~financial assurance unless the Secretary notifies the operator that~~  
6 ~~the Secretary has initiated an audit or investigation involving~~  
7 ~~such records and that such records must be maintained for a~~  
8 ~~longer period. In any case when an audit or investigation is~~  
9 ~~underway, records shall be maintained until the Secretary~~  
10 ~~releases the operator of the obligation to maintain such records.~~

11 ~~(7) Audits.— The Secretary is authorized to conduct such audits~~  
12 ~~of all operators, transporters, purchasers, processors, or other~~  
13 ~~persons directly or indirectly involved in the production or sale~~  
14 ~~of minerals covered by this section, as the Secretary deems~~  
15 ~~necessary for the purposes of ensuring compliance with the~~  
16 ~~requirements of this section. For purposes of performing such~~  
17 ~~audits, the Secretary shall, at reasonable times and upon request,~~  
18 ~~have access to, and may copy, all books, papers and other~~  
19 ~~documents that relate to compliance with any provision of this~~  
20 ~~section by any person.~~

21 ~~(8) Interest and substantial underreporting assessments.—~~

22 ~~(A) Payments not received.— In the case of production where~~  
23 ~~royalty payments are not received by the Secretary on the date~~  
24 ~~that such payments are due, the Secretary shall charge interest~~  
25 ~~on such underpayments at the same interest rate as the rate~~  
26 ~~applicable under section 6621(a)(2) of the Internal Revenue~~  
27 ~~Code of 1986. In the case of an underpayment, interest shall be~~  
28 ~~computed and charged only on the amount of the deficiency and~~  
29 ~~not on the total amount.~~

1 ~~(B) Underreporting.—If there is any underreporting of royalty~~  
2 ~~owed on production for any production month by any person~~  
3 ~~liable for royalty payments under this section, the Secretary shall~~  
4 ~~assess a penalty of not greater than 25 percent of the amount of~~  
5 ~~that underreporting.~~

6 ~~(C) Self-reporting.—The Secretary may waive or reduce the~~  
7 ~~assessment provided in subparagraph (B) if the person liable for~~  
8 ~~royalty payments under this section corrects the underreporting~~  
9 ~~before the date such person receives notice from the Secretary~~  
10 ~~that an underreporting may have occurred, or before 90 days~~  
11 ~~after the date of the enactment of this section, whichever is later.~~

12 ~~(D) Waiver.—The Secretary shall waive any portion of an~~  
13 ~~assessment under subparagraph (B) attributable to that portion of~~  
14 ~~the underreporting for which the person responsible for paying~~  
15 ~~the royalty demonstrates that—~~

16 ~~(i) such person had written authorization from the Secretary to~~  
17 ~~report royalty on the value of the production on basis on which it~~  
18 ~~was reported;~~

19 ~~(ii) such person had substantial authority for reporting royalty on~~  
20 ~~the value of the production on the basis on which it was~~  
21 ~~reported;~~

22 ~~(iii) such person previously had notified the Secretary, in such~~  
23 ~~manner as the Secretary may by rule prescribe, of relevant~~  
24 ~~reasons or facts affecting the royalty treatment of specific~~  
25 ~~production which led to the underreporting; or~~

26 ~~(iv) such person meets any other exception which the Secretary~~  
27 ~~may, by rule, establish.~~

28 ~~(E) Definition.—For the purposes of this subsection, the term~~  
29 ~~“underreporting” means the difference between the royalty on~~



1 ~~the value of the production that should have been reported and~~  
2 ~~the royalty on the value of the production which was reported, if~~  
3 ~~the value that should have been reported is greater than the value~~  
4 ~~that was reported.~~

5 ~~(9) Expanded royalty obligations.— Each person liable for~~  
6 ~~royalty payments under this section shall be jointly and severally~~  
7 ~~liable for royalty on all hardrock minerals, concentrates, or~~  
8 ~~products derived therefrom lost or wasted from a mining claim~~  
9 ~~when such loss or waste is due to negligence on the part of any~~  
10 ~~person or due to the failure to comply with any rule, regulation,~~  
11 ~~or order issued under this section.~~

12 ~~(10) Gross income from mining defined.— For the purposes of~~  
13 ~~this section, for any hardrock mineral, the term “gross income~~  
14 ~~from mining” has the same meaning as the term “gross income”~~  
15 ~~in the Internal Revenue Code of 1986 (26 C.F.R. 61).~~

16 ~~(11) Effective date.— Royalties under this section shall take~~  
17 ~~effect with respect to the production of hardrock minerals after~~  
18 ~~the enactment of this Act, but any royalty payments attributable~~  
19 ~~to production during the first 12 calendar months after the~~  
20 ~~enactment of this Act shall be payable at the expiration of such~~  
21 ~~12-month period.~~

22 ~~(12) Failure to comply with royalty requirements.— Any person~~  
23 ~~who fails to comply with the requirements of this section or any~~  
24 ~~regulation or order issued to implement this section shall be~~  
25 ~~liable for a civil penalty under section 109 of the Federal Oil and~~  
26 ~~Gas Royalty Management Act (30 U.S.C. 1719) to the same~~  
27 ~~extent as if the claim maintained in compliance with this title~~  
28 ~~were a lease under such Act.~~

29 ~~(c) Reclamation Fee.—~~

1 ~~(1) Imposition of fee.— Except as provided in paragraph (7),~~  
2 ~~each operator conducting hardrock mineral activities shall pay to~~  
3 ~~the Secretary of the Interior a reclamation fee of 7 cents per ton~~  
4 ~~of displaced material.~~

5 ~~(2) Payment deadline.— Such reclamation fee shall be paid not~~  
6 ~~later than 60 days after the end of each calendar year beginning~~  
7 ~~with the first calendar year occurring after the date of enactment~~  
8 ~~of this Act.~~

9 ~~(3) Submission of statement.— All operators conducting~~  
10 ~~hardrock mineral activities shall submit to the Secretary a~~  
11 ~~statement of the amount of displaced material produced during~~  
12 ~~mineral activities during the previous calendar year, the~~  
13 ~~accuracy of which shall be sworn to by the operator and~~  
14 ~~notarized.~~

15 ~~(4) Penalty.— Any corporate officer, agent, or director of a~~  
16 ~~person conducting hardrock mineral activities, and any other~~  
17 ~~person acting on behalf of such a person, who knowingly makes~~  
18 ~~any false statement, representation, or certification, or~~  
19 ~~knowingly fails to make any statement, representation, or~~  
20 ~~certification, required under this section with respect to such~~  
21 ~~operation shall, upon conviction, be punished by a fine of not~~  
22 ~~more than \$10,000.~~

23 ~~(5) Civil action to recover fee.— Any portion of such~~  
24 ~~reclamation fee not properly or promptly paid pursuant to this~~  
25 ~~section shall be recoverable, with statutory interest, from the~~  
26 ~~hardrock mineral activities operator, in any court of competent~~  
27 ~~jurisdiction in any action at law to compel payment of debts.~~

28 ~~(6) Effect.— Nothing in this section requires a reduction in, or~~  
29 ~~otherwise affects, any similar fee required under any law~~

1 ~~(including regulations) of any State.~~

2 ~~(7) Exemption.— The fee under this section shall not apply for~~  
3 ~~small miners.~~

4 ~~(8) Definitions.—~~

5 ~~(A) The term “displaced material” means any unprocessed ore~~  
6 ~~and waste dislodged from its location at the time hardrock~~  
7 ~~mineral activities begin at a surface, underground, or in situ~~  
8 ~~mine.~~

9 ~~(B) The term “hardrock mineral” —~~

10 ~~(i) means any mineral that was subject to location under the~~  
11 ~~general mining laws as of the date of enactment of this Act, and~~  
12 ~~that is not subject to disposition under —~~

13 ~~(I) the Mineral Leasing Act (30 U.S.C. 181 et seq.);~~

14 ~~(II) the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.);~~

15 ~~(III) the Act of July 31, 1947, commonly known as the Materials~~  
16 ~~Act of 1947 (30 U.S.C. 601 et seq.); or~~

17 ~~(IV) the Mineral Leasing for Acquired Lands Act (30 U.S.C.~~  
18 ~~351 et seq.); and~~

19 ~~(ii) does not include any mineral that is subject to a restriction~~  
20 ~~against alienation imposed by the United States and is —~~

21 ~~(I) held in trust by the United States for any Indian or Indian~~  
22 ~~Tribes, as defined in section 2 of the Indian Miner Development~~  
23 ~~Act of 1982 (25 U.S.C. 2101); or~~

24 ~~(II) owned by any Indian or Indian Tribe, as defined in that~~  
25 ~~section.~~

26 ~~(C) The term “mineral activities” means any activity on a~~  
27 ~~mining claim, mill site, or tunnel site, or a mining plan of~~

1 ~~operations, for, related to, or incidental to, mineral exploration,~~  
2 ~~mining, beneficiation, processing, or reclamation activities for~~  
3 ~~any hardrock mineral.~~

4 ~~(D) The term “operator” means any person authorized at the date~~  
5 ~~of enactment of this Act or proposing after the date of enactment~~  
6 ~~of this Act to conduct mineral activities under the Mining Law~~  
7 ~~of 1872 (30 U.S.C. 22) and any agent of such person.~~

8 ~~(E) The term “small miner” means a person (including all~~  
9 ~~related parties thereto) that certifies to the Secretary in writing~~  
10 ~~that the person had annual gross income in the preceding~~  
11 ~~calendar year from mineral production in an amount less than~~  
12 ~~\$100,000.~~

13 ~~(F) The term “displaced material” means any crude ore and~~  
14 ~~waste dislodged from its location at the time hardrock mineral~~  
15 ~~activities begin at a surface, underground, or in situ mine.~~

16 ~~(d) Claim Maintenance Fee.—~~

17 ~~(1) Hardrock mining claim maintenance fee.—~~

18 ~~(A) Required fees.—~~

19 ~~(i) For each unpatented mining claim, mill, or tunnel site on~~  
20 ~~federally owned lands, whether located before, on, or after the~~  
21 ~~date of enactment of this Act, each claimant shall pay to the~~  
22 ~~Secretary, on or before September 1 of each year, a claim~~  
23 ~~maintenance fee of \$200 per claim to hold such unpatented~~  
24 ~~mining claim, mill or tunnel site for the assessment year~~  
25 ~~beginning at noon on the next day, September 1.~~

26 ~~(ii) For each unpatented placer mining claim on federally owned~~  
27 ~~lands, whether located before, on, or after the date of enactment~~  
28 ~~of this Act, each claimant shall pay to the Secretary, on or before~~

1 ~~September 1 of each year, a claim maintenance fee of \$200 for~~  
2 ~~each 20 acres of the placer claim or portion thereof.~~

3 ~~(iii) Such claim maintenance fee described in this section shall~~  
4 ~~be in lieu of the assessment work requirement contained in the~~  
5 ~~Mining Law of 1872 (30 U.S.C. 28 et seq.) and the related filing~~  
6 ~~requirements contained in section 314 (a) and (c) of the Federal~~  
7 ~~Land Policy and Management Act of 1976 (43 U.S.C. 1744 (a)~~  
8 ~~and (c)).~~

9 ~~(iv) The claim maintenance fee in this section shall be paid for~~  
10 ~~the year in which the location is made, at the time the location~~  
11 ~~notice is recorded with the Bureau of Land Management.~~

12 ~~(B) Fee adjustments.—~~

13 ~~(i) The Secretary shall provide claimants notice of any~~  
14 ~~adjustment made under this subsection not later than July 1 of~~  
15 ~~any year in which the adjustment is made.~~

16 ~~(ii) A fee adjustment under this subsection shall begin to apply~~  
17 ~~the first assessment year which begins after adjustment is made.~~

18 ~~(C) Exception for small miners.— The claim maintenance fee~~  
19 ~~required under this section may be waived for a claimant who~~  
20 ~~certifies in writing to the Secretary that on the date the payment~~  
21 ~~was due, the claimant and all related parties—~~

22 ~~(i) held not more than 10 mining claims, mill sites, or tunnel~~  
23 ~~sites, or any combination thereof, on public lands; and~~

24 ~~(ii) have performed assessment work required under the Mining~~  
25 ~~Law of 1872 (30 U.S.C. 2828e) to maintain the mining claims~~  
26 ~~held by the claimant and such related parties for the assessment~~  
27 ~~year ending on noon of September 1 of the calendar year in~~  
28 ~~which payment of the claim maintenance fee was due.~~

1 ~~(2) Co-ownership.— The co-ownership provisions of the Mining~~  
2 ~~Law of 1872 (30 U.S.C. 28 et seq.) shall remain in effect except~~  
3 ~~that the annual claim maintenance fee, where applicable, shall~~  
4 ~~replace applicable assessment requirements and expenditures.~~

5 ~~(3) Failure to pay.— Failure to timely pay the claim maintenance~~  
6 ~~fee as required by the Secretary shall conclusively constitute a~~  
7 ~~forfeiture of the unpatented mining claim, mill or tunnel site by~~  
8 ~~the claimant and the claim shall be deemed null and void by~~  
9 ~~operation of law.~~

10 ~~(e) Funding to Prevent Environmental Damage From~~  
11 ~~Mining.— In addition to amounts otherwise available, there is~~  
12 ~~appropriated to the Bureau of Land Management for fiscal year~~  
13 ~~2022, out of any money in the Treasury not otherwise~~  
14 ~~appropriated, \$3,000,000, to remain available until September~~  
15 ~~30, 2031, except that no amounts may be expended after~~  
16 ~~September 30, 2031, to revise rules and regulations to prevent~~  
17 ~~undue degradation of public lands due to hardrock mining~~  
18 ~~activities as authorized by the Federal Land Policy and~~  
19 ~~Management Act (43 U.S.C. 1701) and the Mining Law of 1872~~  
20 ~~(30 U.S.C. 22).~~

21 ~~Subtitle I—Office of Native Hawaiian Relations~~

22 ~~SEC. 70901. NATIVE HAWAIIAN CONSULTATION.~~

23 ~~In addition to amounts otherwise available, there is appropriated~~  
24 ~~to the Office of Native Hawaiian Relations for fiscal year 2022,~~  
25 ~~out of any money in the Treasury not otherwise appropriated,~~  
26 ~~\$3,000,000, to remain available until September 30, 2031,~~  
27 ~~except that no amounts may be expended after September 30,~~  
28 ~~2031, for the purposes of conducting consultations with the~~  
29 ~~Native Hawaiian people.~~

1 ~~SEC. 70902. NATIVE HAWAIIAN CLIMATE RESILIENCE.~~

2 ~~In addition to amounts otherwise available, there is appropriated~~  
3 ~~to the Office of Native Hawaiian Relations for fiscal year 2022,~~  
4 ~~out of any money in the Treasury not otherwise appropriated,~~  
5 ~~\$30,000,000, to remain available until September 30, 2031,~~  
6 ~~except that no amounts may be expended after September 30,~~  
7 ~~2031, through direct expenditure, contracts, grants, and~~  
8 ~~cooperative agreements to provide funding and technical~~  
9 ~~assistance for climate resilience and adaptation programs that~~  
10 ~~serve the Native Hawaiian people.~~

11 ~~Subtitle J—Accountability for Funds~~

12 ~~SEC. 71001. OVERSIGHT.~~

13 ~~One half of one percent of the amounts made available under~~  
14 ~~this title in each of fiscal years 2022 through 2031 shall be used~~  
15 ~~for the oversight and accountability of the expenditure of funds.~~

16 ~~SEC. 71002. LIMITATION.~~

17 ~~Of the funds provided under sections 70301, 70303, 70310,~~  
18 ~~70504, 70505, 70506, 70507, 70508, 70510, 70512, 70513,~~  
19 ~~70514, 70601, 70602, 70603, 70609, and 70610, no more than 2-~~  
20 ~~percent shall be used for administrative costs to carry out such~~  
21 ~~sections.~~

22 ~~SEC. 71003. LIMITATION.~~

23 ~~No funds made available under this title may be used to close~~  
24 ~~the national office of the Bureau of Land Management located in~~  
25 ~~Grand Junction, Colorado. Subtitle O—United States~~  
26 ~~Geological Survey~~

27 ~~SEC. 71501. UNITED STATES GEOLOGICAL SURVEY~~  
28 ~~3D ELEVATION PROGRAM.~~

1       **In addition to amounts otherwise available, there is appropriated to the Director of the**  
2 **United States Geological Survey for fiscal year 2022, out of any money in the Treasury not**  
3 **otherwise appropriated, \$47,000,000, to remain available until September 30, 2031, to**  
4 **produce, collect, disseminate, and use 3D elevation data.**

5 **SEC. 71502. CLIMATE ADAPTATION SCIENCE**  
6 **CENTERS.**

7       **In addition to amounts otherwise available, there is appropriated to the United States**  
8 **Geological Survey for fiscal year 2022, out of any money in the Treasury not otherwise**  
9 **appropriated, \$50,000,000, to remain available until September 30, 2031, for the Regional**  
10 **and National Climate Adaptation Science Centers to provide localized information to help**  
11 **communities respond to climate change.**



**House Office of Legislative Counsel**

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2 differences between -  
3 original document : C:\TEMP\C\USERS\LMANDERSON\DESKTOP\HR5376-REPORTED  
4 BY BUDGET\_SPLIT BY TITLE\OGR\_HR5376\_T8.RTF  
5 and revised document: C:\TEMP\G\U\LMANDERSON\TITLE8\_OR.RTF  
6  
7 CompareRite found 43 change(s) in the text  
8  
9 Deletions appear as Overstrike text  
10 Additions appear as Bold text  
11

1 Title: To-

2  
3  
4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled,~~

6 **TITLE VIII—COMMITTEE ON OVERSIGHT AND**  
7 **REFORM**

8 **SEC. 80001. GENERAL SERVICES ADMINISTRATION**  
9 **CLEAN ~~VEHICLE FLEET~~ FLEETS.**

10 In addition to amounts otherwise available, there is appropriated to the **Administrator of**  
11 **General Services Administration** for fiscal year 2022, out of any money in the Treasury not  
12 otherwise appropriated, ~~\$5,000,000,000~~ **\$2,995,000,000**, to remain available until ~~expended~~  
13 **September 30, 2026**, for the procurement of **zero-emission and** electric vehicles and related  
14 infrastructure for the Federal fleet (excluding any vehicles of the United States Postal Service  
15 and including non-tactical vehicles of the Department of Defense), and the management,  
16 acquisition, and allocation of such electric vehicles and infrastructure and working with Federal  
17 agencies to allocate and lease resources as necessary. **costs.**

18 ~~SEC. 80002.~~ **SEC. 80002. FUNDING FOR GENERAL**  
19 **SERVICES ADMINISTRATION OFFICE OF THE**  
20 **INSPECTOR GENERAL ~~CLEAN VEHICLE FLEET~~**  
21 **OVERSIGHT.**

22 In addition to amounts otherwise available, there is appropriated to the Office of the Inspector  
23 General of the General Services Administration for fiscal year 2022, out of any money in the  
24 Treasury not otherwise appropriated, ~~\$2,500,000~~ **\$5,000,000**, to remain available until ~~expended,~~  
25 ~~for oversight of the procurement of electric vehicles and related infrastructure for the Federal~~  
26 ~~fleet at the~~ **September 30, 2031, to support oversight of** General Services Administration  
27 **activities implemented pursuant to this Act.**

28 **SEC. 80003. UNITED STATES POSTAL SERVICE ; ~~CLEAN~~**  
29 **~~VEHICLE FLEET AND FACILITY MAINTENANCE~~**  
30 **CLEAN FLEETS.**

31 In addition to amounts otherwise available, there is appropriated to the United States Postal  
32 Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
33 ~~\$7,000,000,000, to remain available until expended~~ **the following amounts**, to be deposited into  
34 the Postal Service Fund established under section 2003 of title 39, United States Code, ~~to acquire~~  
35 ~~electric vehicles for the Postal Service fleet, of which \$3,000,000,000 shall be:~~

36 (1) **\$2,573,550,000, to remain available through September 30, 2031**, for the purchase  
37 of electric delivery vehicles and ~~\$4,000,000,000 shall be for the purchase of the related.~~

1           (2) **\$3,411,450,000, to remain available through September 30, 2031, for the**  
2           **purchase, design, and installation of the requisite infrastructure to support such vehicles;**  
3           **electric delivery vehicles at facilities that the United States Postal Service owns or**  
4           **leases from non-Federal entities.**

5           **SEC. 80004. UNITED STATES POSTAL SERVICE OFFICE**  
6           **OF THE INSPECTOR GENERAL ~~CLEAN VEHICLE FLEET~~**  
7           **~~PROCUREMENT OVERSIGHT.~~**

8           In addition to amounts otherwise available, there is appropriated to the Office of the Inspector  
9           General of the United States Postal Service for fiscal year 2022, out of any money in the  
10          Treasury not otherwise appropriated, ~~\$23,000,000~~ **\$15,000,000**, to remain available until  
11          expended, to be deposited into the ~~Postal Service Fund established under section 2003 of title 39,~~  
12          ~~United States Code, to perform oversight of the~~ **through September 30, 2031, to support**  
13          **oversight of United States Postal Service's acquisition and deployment of electric vehicles and**  
14          **such infrastructure as may be required to support such vehicles. Service activities implemented**  
15          **pursuant to this Act.**

16          ~~**SEC. 80005. NATIONAL ARCHIVES AND RECORDS**~~  
17          ~~**ADMINISTRATION. SEC. 80005. GOVERNMENT**~~  
18          ~~**ACCOUNTABILITY OFFICE OVERSIGHT.**~~

19          In addition to amounts otherwise available, there is appropriated to the ~~National Archives and~~  
20          ~~Records Administration~~ **Comptroller General of the United States** for fiscal year 2022, out of  
21          any money in the Treasury not otherwise appropriated, ~~\$60,000,000~~ **\$25,000,000**, to remain  
22          available until expended to address backlogs in responding to requests from veterans for military  
23          personnel records, improve cyber security, improve digital preservation and access to archival  
24          Federal records, and address backlogs in requests made under section 552 of title 5, United  
25          States Code (commonly referred to as the Freedom of Information Act). Such amounts may also  
26          be used for the Federal Records Center Program. **September 30, 2031, for necessary expenses**  
27          **of the Government Accountability Office to support the oversight of—**

28                 ~~SEC. 80006. FUNDING FOR GOVERNMENT ACCOUNTABILITY OFFICE:~~ (1) **the**  
29                 **distribution and use of funds appropriated under this Act; and**

30                 (2) **whether the economic, social, and environmental impacts of the funds described**  
31                 **in paragraph (1) are equitable.**

32          **SEC. 80006. OFFICE OF MANAGEMENT AND BUDGET**  
33          **OVERSIGHT.**

34          In addition to amounts otherwise available, there is ~~are~~ **appropriated to the Director of the**  
35          **Office of Management and Budget** for fiscal year 2022, out of any money in the Treasury not  
36          otherwise appropriated, \$25,000,000, to remain available until expended, ~~for the Comptroller~~  
37          ~~General to conduct oversight of the receipt, disbursement, and use of funds and exercise of~~  
38          ~~authorities provided by this Act, including oversight of the equitable distribution and use of~~  
39          ~~funds and their economic, social, and environmental impacts, and to prepare such reports that the~~

1 Comptroller General determines appropriate. **September 30, 2026, for necessary expenses to—**

2 ~~SEC. 80007. FUNDING FOR THE OFFICE OF MANAGEMENT AND BUDGET FOR~~  
3 ~~IMPLEMENTATION OF JUSTICE~~**40.** **(1) support the implementation of this Act and**  
4 **the Justice40 Initiative; and**

5 **(2) track labor, equity, and environmental standards and performance.**

6 **SEC. 80007. GENERAL SERVICES ADMINISTRATION**  
7 **EMERGING TECHNOLOGIES.**

8 In addition to amounts otherwise available, there is appropriated to the ~~Office of Management~~  
9 ~~and Budget~~ **Administrator of General Services** for fiscal year 2022, out of any money in the  
10 Treasury not otherwise appropriated, ~~\$4,000,000~~ **\$975,000,000**, to remain available until  
11 September 30, 2026, for additional personnel and data management expenses to support  
12 implementation of the Justice40 Initiative set forth in section 223 of Executive Order No. 14008,  
13 “Executive Order on Tackling the Climate Crisis at Home and Abroad” (January 27, 2021),  
14 including providing assistance to other agencies in the development and implementation of  
15 methodologies to measure benefits, the development of a database to track agency benefits to  
16 disadvantaged communities, and a public-facing scorecard detailing agency environmental  
17 justice performance measures. **emerging and sustainable technologies, and related**  
18 **sustainability and environmental programs.**

19 ~~SEC. 80008. DISTRICT OF COLUMBIA CLEAN VEHICLE~~  
20 ~~FLEET.~~ **SEC. 80008. GENERAL SERVICES**  
21 **ADMINISTRATION PROCUREMENT AND**  
22 **TECHNOLOGY.**

23 In addition to amounts otherwise available, there is appropriated to the ~~District of Columbia~~  
24 **Administrator of General Services** for fiscal year 2022, out of any money in the Treasury not  
25 otherwise appropriated, ~~\$3,250,000,000~~ **\$10,000,000**, to remain available until expended, for the  
26 procurement of electric vehicles and related infrastructure for the District of Columbia and the  
27 management and acquisition of such electric vehicles and infrastructure.

28 ~~SEC. 80009. FUNDING FOR TECHNOLOGY MODERNIZATION FUND.~~

29 In addition to amounts otherwise available, there is appropriated to the ~~Technology~~  
30 ~~Modernization Fund~~ for fiscal year 2022, out of any money in the Treasury not otherwise  
31 appropriated, ~~\$1,000,000,000~~, to remain available until September 30, **2026, for the purchase of**  
32 **goods, services, and systems to improve energy efficiency, promote the purchase of**  
33 **lower-carbon materials, and reduce the carbon footprint.** ~~2031.~~

34 ~~SEC. 80010. FUNDING FOR GENERAL SERVICES ADMINISTRATION FEDERAL~~  
35 ~~CITIZEN SERVICES FUND.~~

36 In addition to amounts otherwise available, there is appropriated to the ~~General Services~~  
37 ~~Administration~~ for fiscal year 2022, out of any money in the Treasury not otherwise  
38 appropriated, ~~\$2,000,000,000~~, to remain available until September 30, ~~2031~~, to be deposited in  
39 the ~~Federal Citizen Services Fund.~~

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1     ~~SEC. 80011. FUNDING FOR INFORMATION TECHNOLOGY OVERSIGHT AND~~  
2     ~~REFORM (ITOR) ACCOUNT.~~

3     ~~In addition to amounts otherwise available, there is appropriated to the Office of Management~~  
4     ~~and Budget's Information Technology Oversight and Reform (ITOR) account within the~~  
5     ~~Executive Office of the President for fiscal year 2022, out of any money in the Treasury not~~  
6     ~~otherwise appropriated, \$350,000,000, to remain available until September 30, 2031.~~

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3 original document : C:\TEMP\C\USERS\LMANDERSON\DESKTOP\HR5376-REPORTED  
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7 CompareRite found 137 change(s) in the text  
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9 Deletions appear as Overstrike text  
10 Additions appear as Bold text  
11

1 Title: To—  
2  
3

4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled,~~

6 TITLE IX—COMMITTEE ON SCIENCE, SPACE, AND  
7 TECHNOLOGY

8 ~~SEC. 90001. DEPARTMENT OF COMMERCE REGIONAL~~  
9 ~~INNOVATION.~~

10 ~~In addition to amounts otherwise available, there is appropriated~~  
11 ~~to the Department of Commerce for fiscal year 2022, out of any~~  
12 ~~money in the Treasury not otherwise appropriated,~~  
13 ~~\$5,000,000,000, to remain available until September 30, 2031,~~  
14 ~~except that no amounts may be expended after September 30,~~  
15 ~~2031, for planning and establishment of regional innovation~~  
16 ~~initiatives pursuant to the Stevenson-Wydler Act, and for related~~  
17 ~~administrative expenses. Of the funds provided by this section~~  
18 ~~for regional innovation initiatives, no fewer than one-third of~~  
19 ~~grants or cooperative agreements awarded shall significantly~~  
20 ~~benefit a State that is eligible to receive funding from the~~  
21 ~~Established Program to Stimulate Competitive Research of the~~  
22 ~~National Science Foundation or a rural or other underserved~~  
23 ~~community.~~

24 ~~SEC. 90002. FUNDING FOR DEPARTMENT OF ENERGY~~  
25 ~~LABORATORY INFRASTRUCTURE.~~

26 ~~(a) Office of Science Appropriation. In addition to amounts~~  
27 ~~otherwise available, there is appropriated to the Department of~~  
28 ~~Energy Office of Science for fiscal year 2022, out of any money~~  
29 ~~in the Treasury not otherwise appropriated, \$10,391,804,000, to~~  
30 ~~remain available until September 30, 2026, to carry out~~  
31 ~~laboratory infrastructure projects, including—~~

- 1 ~~(1) \$7,780,566,000 for Construction Projects, of which—~~
- 2 ~~(A) \$220,000,000 shall be used for the Exascale Computing~~
- 3 ~~Project;~~
- 4 ~~(B) \$493,600,000 shall be used for the Frontier Exascale~~
- 5 ~~Computing System;~~
- 6 ~~(C) \$427,400,000 shall be used for the Aurora Exascale~~
- 7 ~~Computing System;~~
- 8 ~~(D) \$155,400,000 shall be used for upgrades to the National~~
- 9 ~~Energy Research Scientific Computing Center;~~
- 10 ~~(E) \$38,616,000 shall be used for the Energy Sciences Network;~~
- 11 ~~(F) \$157,000,000 shall be used for the Advanced Photon Source~~
- 12 ~~Upgrade;~~
- 13 ~~(G) \$729,800,000 shall be used for the Spallation Neutron~~
- 14 ~~Source Proton Power Upgrade and Second Target Station;~~
- 15 ~~(H) \$337,600,000 shall be used for the Advanced Light Source~~
- 16 ~~Upgrade;~~
- 17 ~~(I) \$472,850,000 shall be used for the Linac Coherent Light~~
- 18 ~~Source II, including the High Energy Upgrade;~~
- 19 ~~(J) \$86,000,000 shall be used for the Cryomodule Repair and~~
- 20 ~~Maintenance Facility;~~
- 21 ~~(K) \$25,000,000 shall be used for the High Flux Isotope Reactor~~
- 22 ~~Pressure Vessel Replacement;~~
- 23 ~~(L) \$1,325,000,000 shall be used for United States contributions~~
- 24 ~~to the ITER project as authorized in section 972(c) of the Energy~~
- 25 ~~Policy Act of 2005 (42 U.S.C. 16312(c));~~
- 26 ~~(M) \$212,300,000 shall be used for the Matter in Extreme~~
- 27 ~~Conditions Upgrade;~~



- 1 ~~(N) \$581,000,000 shall be used for the Proton Improvement~~  
2 ~~Plan II project;~~
- 3 ~~(O) \$1,300,000,000 shall be used for the Long Baseline~~  
4 ~~Neutrino Facility/Deep Underground Neutrino Experiment;~~
- 5 ~~(P) \$13,000,000 shall be used for the Muon to Electron~~  
6 ~~Conversion Experiment;~~
- 7 ~~(Q) \$806,000,000 shall be used for the Electron Ion Collider;~~
- 8 ~~(R) \$213,000,000 shall be used for the Oak Ridge National~~  
9 ~~Laboratory Radioisotope Processing Facility; and~~
- 10 ~~(S) \$187,000,000 shall be used for the United States Stable~~  
11 ~~Isotope Production and Research Center;~~
- 12 ~~(2) \$1,470,238,000 for Major Items of Equipment, of which—~~
- 13 ~~(A) \$302,000,000 shall be used for the High Performance Data~~  
14 ~~Facility;~~
- 15 ~~(B) \$90,000,000 shall be used for the Nanoscale Science~~  
16 ~~Research Center Recapitalization project;~~
- 17 ~~(C) \$83,500,000 shall be used for the National Synchrotron~~  
18 ~~Light Source II Experimental Tools II project;~~
- 19 ~~(D) \$59,200,000 shall be used for the Material Plasma Exposure~~  
20 ~~Experiment;~~
- 21 ~~(E) \$567,875,000 shall be used for such projects for the High~~  
22 ~~Energy Physics program, including—~~
- 23 ~~(i) \$237,000,000 for the Cosmic Microwave Background Stage~~  
24 ~~4 experiment; and~~
- 25 ~~(ii) \$223,875,000 for upgrades to the Large Hadron Collider;~~  
26 ~~and~~
- 27 ~~(F) \$367,663,000 shall be used for such projects for the Nuclear~~

- 1 ~~Physics program, including \$212,500,000 for the Ton Scale~~  
2 ~~Neutrinoless Double Beta Decay experiment; and~~
- 3 ~~(3) \$1,141,000,000 for Science Laboratories Infrastructure, of~~  
4 ~~which—~~
- 5 ~~(A) \$111,500,000 shall be used for such projects at the Oak~~  
6 ~~Ridge National Laboratory;~~
- 7 ~~(B) \$115,000,000 shall be used for such projects at the Thomas~~  
8 ~~Jefferson National Accelerator Facility;~~
- 9 ~~(C) \$150,400,000 shall be used for such projects at the Princeton~~  
10 ~~Plasma Physics Laboratory;~~
- 11 ~~(D) \$29,850,000 shall be used for such projects at the Ames~~  
12 ~~Laboratory;~~
- 13 ~~(E) \$90,000,000 shall be used for such projects at the~~  
14 ~~Brookhaven National Laboratory;~~
- 15 ~~(F) \$265,000,000 shall be used for such projects at the Lawrence~~  
16 ~~Berkeley National Laboratory;~~
- 17 ~~(G) \$152,000,000 shall be used for such projects at the SLAC~~  
18 ~~National Accelerator Laboratory;~~
- 19 ~~(H) \$100,000,000 shall be used for such projects at the Argonne~~  
20 ~~National Laboratory; and~~
- 21 ~~(I) \$127,250,000 shall be used for such projects at the Fermi~~  
22 ~~National Accelerator Laboratory.~~
- 23 ~~(b) Energy Efficiency and Renewable Energy~~  
24 ~~Appropriation.— In addition to amounts otherwise available,~~  
25 ~~there is appropriated to the Department of Energy Office of~~  
26 ~~Energy Efficiency and Renewable Energy for fiscal year 2022,~~  
27 ~~out of any money in the Treasury not otherwise appropriated,~~  
28 ~~\$349,200,000, to remain available until September 30, 2026, to~~

1 ~~carry out laboratory infrastructure projects, of which—~~

2 ~~(1) \$163,000,000 shall be used for the Energy Materials and~~  
3 ~~Processing at Scale project;~~

4 ~~(2) \$96,200,000 shall be used for the Advanced Research in~~  
5 ~~Integrated Energy Systems initiative; and~~

6 ~~(3) \$90,000,000 shall be used for high performance computing~~  
7 ~~equipment and infrastructure.~~

8 ~~(c) Nuclear Energy Appropriation.—In addition to amounts~~  
9 ~~otherwise available, there is appropriated to the Department of~~  
10 ~~Energy Office of Nuclear Energy for fiscal year 2022, out of any~~  
11 ~~money in the Treasury not otherwise appropriated,~~  
12 ~~\$408,000,000, to remain available until September 30, 2026, to~~  
13 ~~carry out laboratory infrastructure projects, of which—~~

14 ~~(1) \$66,000,000 shall be used for the Sample Preparation~~  
15 ~~Laboratory;~~

16 ~~(2) \$125,000,000 shall be used for the Advanced Test Reactor~~  
17 ~~and Materials and Fuel Complex Plant Health projects;~~

18 ~~(3) \$122,000,000 shall be used for the Advanced Test Reactor~~  
19 ~~Recapitalization project; and~~

20 ~~(4) \$95,000,000 shall be used for the Versatile Test Reactor as~~  
21 ~~authorized in section 955 of the Energy Policy Act of 2005 (42~~  
22 ~~U.S.C. 16275).~~

23 ~~(d) Fossil Energy and Carbon Management Appropriation.—In~~  
24 ~~addition to amounts otherwise available, there is appropriated to~~  
25 ~~the Department of Energy Office of Fossil Energy and Carbon~~  
26 ~~Management for fiscal year 2022, out of any money in the~~  
27 ~~Treasury not otherwise appropriated, \$20,000,000, to remain~~  
28 ~~available until September 30, 2026, to carry out activities to~~

1 ~~support high performance computing equipment and~~  
2 ~~infrastructure.~~

3 ~~(e) General Laboratory Infrastructure.—In addition to amounts~~  
4 ~~otherwise available, there is appropriated for fiscal year 2022,~~  
5 ~~out of any money in the Treasury not otherwise appropriated,~~  
6 ~~\$1,080,996,000, to remain available until September 30, 2026,~~  
7 ~~to carry out activities to support infrastructure at Department of~~  
8 ~~Energy National Laboratories for civilian research and~~  
9 ~~development purposes, including General Plant Projects and~~  
10 ~~General Plant Equipment, of which—~~

11 ~~(1) not less than \$377,301,000 shall be available to the Office of~~  
12 ~~Science;~~

13 ~~(2) not less than \$209,800,000 shall be available to the Office of~~  
14 ~~Energy Efficiency and Renewable Energy;~~

15 ~~(3) not less than \$40,000,000 shall be available to the Office of~~  
16 ~~Nuclear Energy;~~

17 ~~(4) not less than \$190,000,000 shall be available to the Office of~~  
18 ~~Fossil Energy and Carbon Management; and~~

19 ~~(5) not less than \$102,200,000 shall be available to the Office of~~  
20 ~~Environmental Management.~~

21 **SEC. 90003. DEPARTMENT OF ENERGY RESEARCH,**  
22 **DEVELOPMENT, AND DEMONSTRATION ACTIVITIES.**

23 (a) Office of **Energy Efficiency and Renewable Energy.**—~~In Science Appropriations.—In~~  
24 ~~addition to amounts otherwise available, there is appropriated to the Office of Science of the~~  
25 ~~Department of Energy for fiscal year 2022, out of any money in the Treasury not otherwise~~  
26 ~~appropriated, \$2,000,000,000, to remain available until September 30, 2026, to carry out~~  
27 ~~research and development activities. Of the funds provided by this section:~~

28 ~~(1) Computational science graduate fellowship.—\$116,000,000 shall be used to carry out the~~  
29 ~~Department of Energy Computational Science Graduate Fellowship program.~~

30 ~~(2) Quantum user expansion for science and technology.—\$340,000,000 shall be used to carry~~  
31 ~~out activities to facilitate access of researchers to United States quantum computing facilities for~~

1 research purposes as part of the program authorized in title IV of the National Quantum Initiative  
2 Act (15 U.S.C. 8851 et seq.).

3 ~~(3) Low dose radiation research.—\$180,000,000 shall be used to carry out the activities of the~~  
4 ~~low dose radiation research program authorized in section 306(e) of the Department of Energy~~  
5 ~~Research and Innovation Act (42 U.S.C. 18644(e)).~~

6 ~~(4) Fusion materials research and development.—\$250,000,000 shall be used to carry out the~~  
7 ~~activities of the fusion materials research and development program authorized in section 307(b)~~  
8 ~~of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(b)).~~

9 ~~(5) Inertial fusion research and development.—\$140,000,000 shall be used to carry out the~~  
10 ~~activities of the program of research and technology development in inertial fusion for energy~~  
11 ~~applications authorized in section 307(d) of the Department of Energy Research and Innovation~~  
12 ~~Act (42 U.S.C. 18645(d)).~~

13 ~~(6) Alternative and enabling fusion energy concepts.—\$275,000,000 shall be used to carry out~~  
14 ~~the activities of the alternative and enabling fusion energy concepts program authorized in~~  
15 ~~section 307(e) of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(e)).~~

16 ~~(7) Milestone based fusion energy development program.—\$325,000,000 shall be used to~~  
17 ~~carry out the activities of the milestone based fusion energy development program authorized in~~  
18 ~~section 307(i) of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(i)).~~

19 ~~(8) Fusion reactor system design.—\$250,000,000 shall be used to carry out the fusion reactor~~  
20 ~~system design activities authorized in section 307(j) of the Department of Energy Research and~~  
21 ~~Innovation Act (42 U.S.C. 18645(j)).~~

22 ~~(b) Energy Efficiency and Renewable Energy Appropriation.—~~

23 ~~(1) Demonstration projects.—In addition to amounts otherwise available, there is appropriated~~  
24 ~~to the Department of Energy Office of Energy Efficiency and Renewable Energy for fiscal year~~  
25 ~~2022, out of any money in the Treasury not otherwise appropriated, \$1,107,500,000~~  
26 ~~**\$1,000,000,000**, to remain available until September 30, 2026, to carry out demonstration~~  
27 ~~projects, including demonstration of advanced—~~

28 ~~(1) building technologies;~~

29 ~~(2) solar energy technologies;~~

30 ~~(3) geothermal energy technologies;~~

31 ~~(4)(A) wind energy technologies as authorized in section 3003 of the Energy Act of 2020~~  
32 ~~(42 U.S.C. 16237);;~~

33 ~~(B) solar energy technologies as authorized in section 3004 of the Energy Act of 2020~~  
34 ~~(42 U.S.C. 16238), including technologies and processes to encourage the domestic~~  
35 ~~production of materials, semiconductors, and other components at all stages of the solar~~  
36 ~~supply chain;~~

37 ~~(C) geothermal technologies as authorized in section 615 of the Energy Independence and~~  
38 ~~Security Act of 2007 (42 U.S.C. 17194);~~

39 ~~(D)(5) water power technologies as authorized in sections 634 and 635 of the Energy~~  
40 ~~Independence and Security Act of 2007 (42 U.S.C. 17213 et al.);;~~

1           ~~(E)~~ vehicle technologies;**(6) bioenergy technologies; and**

2           ~~(F)~~ bioenergy technologies, including biofuels; and**(7) vehicle technologies.**

3           ~~(G)~~ building technologies.

4           ~~(2) Clean energy manufacturing innovation institute.—~~**In (b) Office of Science.—**In addition  
5 to amounts otherwise available, there is appropriated to the Office of ~~Energy Efficiency and~~  
6 **Renewable Science of the Department of Energy** for fiscal year 2022, out of any money in the  
7 Treasury not otherwise appropriated, ~~\$70,000,000~~, to remain available until September 30, ~~2026~~,  
8 ~~to carry out activities to support one new Clean Energy Manufacturing Innovation Institute.~~  
9 **2026—**

10           ~~(e) Nuclear Energy Appropriation.—~~In addition to amounts otherwise available, there is  
11 appropriated to**(1) \$100,000,000 to carry out the low-dose radiation research program**  
12 **established under section 306(c) of the Department of Energy Office of Nuclear Energy**  
13 ~~for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,~~  
14 ~~\$52,500,000, to remain available until September 30, 2026, to carry out the activities of the~~  
15 ~~research reactor infrastructure program as authorized in section 954(a) of the Energy Policy~~  
16 ~~Act of 2005 (42 U.S.C. 16274(a)).~~ **Research and Innovation Act (42 U.S.C. 18644(c)(1));**

17           ~~(d)(2)~~ **\$200,000,000 to carry out the fusion materials research and development**  
18 **program established under section 307(b) of the Department of Energy Research and**  
19 **Innovation Act (42 U.S.C. 18645(b));**

20           **(3) \$200,000,000 to carry out the alternative and enabling fusion energy concepts**  
21 **program established under section 307(e) of the Department of Energy Research and**  
22 **Innovation Act (42 U.S.C. 18645(e));**

23           **(4) \$325,000,000 to carry out the milestone-based fusion energy development**  
24 **program established under section 307(i) of the Department of Energy Research and**  
25 **Innovation Act (42 U.S.C. 18645(i));**

26           **(5) \$140,000,000 to carry out the program of research and technology development**  
27 **in inertial fusion for energy applications established under section 307(d) of the**  
28 **Department of Energy Research and Innovation Act (42 U.S.C. 18645(d)); and**

29           **(6) \$20,000,000 to carry out the fusion reactor system design activities authorized in**  
30 **section 307(j) of the Department of Energy Research and Innovation Act (42 U.S.C.**  
31 **18645(j)).**

32           ~~(c) Office of Fossil Energy and Carbon Management Appropriation.—~~**In Management.—**In  
33 addition to amounts otherwise available, there is appropriated to the Department of Energy  
34 Office of Fossil Energy and Carbon Management for fiscal year 2022, out of any money in the  
35 Treasury not otherwise appropriated, \$10,000,000, to remain available until September 30, 2026,  
36 to carry out on-site demonstration projects on the reduction of environmental impacts of  
37 produced water.

38           ~~(e)(d)~~ **Diversity Support.—**In addition to amounts otherwise available, there is appropriated to  
39 the Department of Energy Office of Economic Impact and Diversity for fiscal year 2022, out of  
40 any money in the Treasury not otherwise appropriated, ~~\$20,000,000~~ **\$5,000,000**, to remain  
41 available until September 30, ~~2031~~, ~~except that no amounts may be expended after September~~  
42 ~~30, 2031~~ **2026**, to support programs across the Department's civilian research, development,

demonstration, and commercial application activities.

## **SEC. 90002. AVAILABILITY OF HIGH-ASSAY LOW-ENRICHED URANIUM.**

**(a) Appropriations.**—~~In(f) Oversight.~~—In addition to amounts otherwise available, there is appropriated to the ~~Department~~ **Secretary** of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$50,000,000~~, to remain available until September 30, 2031, ~~except that no amounts may be expended after September 30, 2031, for oversight by 2026,~~ **\$500,000,000 to carry out the program elements described in subparagraphs (D) through (H) of section 2001(a)(2) of the Energy Act of 2020 (42 U.S.C. 16281(a)(2)), and for related administrative expenses.**

**(b) Competitive Procedures.**—~~To the maximum extent practicable, the Department of Energy Office of Inspector General of the Department of Energy activities for which funding is appropriated in this title.~~ **shall, in a manner consistent with section 989 of the Energy Policy Act of 2005 (42 U.S.C. 16353), use a competitive, merit-based review process in carrying out research, development, demonstration, and deployment activities under section 2001 of the Energy Act of 2020 (42 U.S.C. 16281).**

## ~~SEC. 90004. ENVIRONMENTAL PROTECTION AGENCY CLIMATE CHANGE RESEARCH AND DEVELOPMENT.~~

## **SEC. 90003. AIR QUALITY AND CLIMATE RESEARCH.**

In addition to amounts otherwise ~~made~~ available, there is appropriated to the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$264,000,000~~ **\$100,000,000**, to remain available until September 30, 2026, ~~to~~ **conduct environmental research and development activities for air quality and climate research under section 103 of the Clean Air Act (42 U.S.C. 7403) in support of research related to climate change, including related administrative expenses. The amounts made available in this section shall be used for the purposes of —**

~~(1) conducting further research on mitigation of climate foreing emissions, adaptation to~~ **mitigation, adaptation and resilience activities to help** reduce the impacts of climate change, ~~and approaches to build resilience to climate change;~~

~~(2) providing increased support for evidence-based regional and community climate-adaptation and resilience actions, including development of a grants-based regional climate-science network;~~

~~(3) conducting further social science research to upgrade the utilization and efficacy of scientific tools to mitigate, adapt, and build resilience to~~ **on human health and welfare; the issuance of award grants for the collection of regional and local climate data to better estimate the economic impacts of climate change and support community-based responses to climate change to better anticipate, prepare for, adapt to, and recover from climate-driven extreme events; research on the impacts of climate change, and the ;**

~~(4) increasing engagement capacity with frontline communities with environmental justice-concerns in translating, utilizing, and evaluating scientific research results;~~

1 ~~(5) conducting further research to improve understanding of impacts of decarbonized energy~~  
2 ~~sources compared to existing energy sources, including cumulative impacts of pollution from~~  
3 ~~existing sources;~~

4 ~~(6) conducting further research to improve understanding of the impacts of the transition to~~  
5 ~~decarbonized energy, transportation, and building sectors on frontline communities;~~

6 ~~(7) conducting further research to improve understanding of impacts of climate change,~~  
7 ~~including cumulative impacts of pollution exposure, in communities that face disproportionate~~  
8 ~~impacts from energy transitions; and low-income and disadvantaged communities.~~

9 ~~(8) providing increased support to conduct further~~  
10 ~~environmental research and development activities on climate~~  
11 ~~change that the Administrator deems appropriate.~~

12 ~~SEC. 90005. FEDERAL EMERGENCY MANAGEMENT~~  
13 ~~AGENCY SEC. 90004. PFAS REPLACEMENT~~  
14 ~~ASSISTANCE TO FIREFIGHTERS GRANTS.~~

15 (a) ~~In General.~~—~~In addition to amounts otherwise available, there is appropriated to the~~  
16 ~~Federal Emergency Management Agency for Fiscal Year for fiscal year 2022, out of any money~~  
17 ~~in the Treasury not otherwise appropriated, \$95,000,000, to remain available until September 30,~~  
18 ~~2026, \$798,000,000, for Assistance to Firefighters Grants pursuant to the Federal Fire Prevention~~  
19 ~~and Control Act of 1974: Provided, That \$718,000,000 of such amount shall be available for~~  
20 ~~Assistance to Firefighters Grants for fire and EMS department facility construction, upgrades,~~  
21 ~~and modifications, and for related administrative expenses: Provided further, That \$80,000,000~~  
22 ~~of such amount shall be available for Assistance to Firefighters Grants for PFAS free personal~~  
23 ~~protective equipment and PFAS free firefighting foam, and for related administrative expenses.~~  
24 **2030, to the Federal Emergency Management Agency for grants for personal protective**  
25 **firefighting equipment and firefighting foam that does not contain perfluoroalkyl or**  
26 **polyfluoroalkyl substances.**

27 ~~SEC. 90006. FIREFIGHTER GRANT OVERSIGHT.~~

28 ~~¶(b) Program Administration.~~—~~In addition to amounts otherwise available, there is~~  
29 ~~appropriated to the Department of Homeland Security for fiscal year 2022, out of any money in~~  
30 ~~the Treasury not otherwise appropriated, \$2,000,000 \$5,000,000, to remain available until~~  
31 ~~September 30, 2031, except that no amounts may be expended after September 30, 2031, for~~  
32 ~~oversight by the Department of Homeland Security Office of Inspector General of the activities~~  
33 ~~for which funding is appropriated in section 90005. 2030, to the Federal Emergency~~  
34 **Management Agency for the administration and management of this section.**

35 ~~SEC. 90007(c) Applications.~~—~~With respect to the grant program described in subsection~~  
36 **(a), the Administrator of the Federal Emergency Management Agency shall—**

37 **(1) require eligible applicants to submit an application at such time, in such form,**  
38 **and containing such information and assurances as the Administrator of the Federal**  
39 **Emergency Management Agency may require; and**



1           (2) establish appropriate review and delivery mechanisms for an application  
2           submitted under paragraph (1).

3       **SEC. 90005. NATIONAL AERONAUTICS AND SPACE**  
4       **ADMINISTRATION INFRASTRUCTURE.**

5       In addition to amounts otherwise made available, there are appropriated to the National  
6       Aeronautics and Space Administration for fiscal year 2022, out of any money in the Treasury not  
7       otherwise appropriated, ~~\$4,000,000,000~~ **\$748,000,000**, to remain available until September 30,  
8       ~~2026~~ **2028**, for repair, recapitalization, ~~and~~ **modification**, modernization, **and construction** of  
9       physical infrastructure and facilities, including related administrative expenses, consistent with  
10      the responsibilities ~~authorized under section~~ **sections 31502 and 31503** of title 51, United States  
11      Code, ~~on maintenance of facilities and section 31503 of title 51, United States Code, on~~  
12      laboratory productivity..

13      ~~SEC. 90008~~ **SEC. 90006. NATIONAL AERONAUTICS AND**  
14      **SPACE ADMINISTRATION CLIMATE CHANGE**  
15      **RESEARCH AND DEVELOPMENT.**

16      In addition to amounts otherwise made available, there are appropriated to the National  
17      Aeronautics and Space Administration for fiscal year 2022, out of any money in the Treasury not  
18      otherwise appropriated, ~~\$388,000,000~~ to remain available until September 30, ~~2026~~, ~~of which~~  
19      **2028—**

20           (1) ~~\$85,000,000 shall be~~ for research and development on subseasonal to seasonal models  
21           and observations, climate resilience and sustainability, and **for** airborne instruments,  
22           campaigns, and surface networks to understand, observe, and mitigate ~~global~~ climate  
23           change and its impacts, ~~including related administrative expenses, authorized under section~~  
24           ~~60501 of title 51, United States Code, and~~ **consistent with NASA's mission to expand**  
25           **human knowledge of the Earth, as carried out through programs under the Earth**  
26           **Science Division, and for** research and development activities on upper atmospheric  
27           research ~~authorized under sections 20161, 20163, and 20164 of title 51, United States Code;~~  
28           ~~\$28,000,000 shall be, and for related administrative expenses;~~

29           (2) **\$30,000,000** for investments in data management and processing to support research,  
30           development, and applications to understand, observe, and mitigate ~~the global~~ climate  
31           change and its impacts ~~consistent with the responsibilities authorized under section 60506~~  
32           ~~of title 51, United States Code;~~ **\$50,000,000 shall be, consistent with NASA's mission to**  
33           **expand human knowledge of the Earth, as carried out through programs under the**  
34           **Earth Science Division, and for related administrative expenses;**

35           (3) **\$25,000,000** for research and development to support the wildfire **fighting**  
36           community and improve wildfire fighting operations, ~~including the Scalable Traffic-~~  
37           ~~Management for Emergency Response Operations project; and~~ **\$225,000,000 shall be for**  
38           **advancing through new and existing programs under the authority of the**  
39           **Administrator of the National Aeronautics and Space Administration, and for related**  
40           **administrative expenses; and**

1           (4) **\$225,000,000** for aeronautics research and development on sustainable aviation,  
2           including sustainable aviation biofuels, including related administrative expenses, consistent  
3           with the responsibilities authorized under **consistent with** sections 40701 and 40702 of title  
4           51, United States Code, **and for related administrative expenses.**-

5   ~~SEC. 90009~~ **SEC. 90007. NATIONAL AERONAUTICS AND**  
6   **SPACE ADMINISTRATION OVERSIGHT AND**  
7   **CYBERSECURITY OFFICE OF INSPECTOR GENERAL.**

8           In addition to amounts otherwise made available, there are appropriated to the National  
9   Aeronautics and Space Administration for fiscal year 2022, out of any money in the Treasury  
10 **treasury** not otherwise appropriated, ~~\$7,000,000~~ **\$2,000,000**, to remain available until  
11 September 30, 2031, except that no amounts may be expended after September 30, 2031, for  
12 ~~information technology security and cybersecurity activities for which funding is appropriated~~  
13 ~~under sections 90007 and 90008.~~ In addition to amounts otherwise made available, there are  
14 appropriated to the National Aeronautics and Space Administration for fiscal year 2022, out of  
15 any money in the Treasury not otherwise appropriated, \$5,000,000, to remain available until  
16 September 30, 2031, except that no amounts may be expended after September 30, 2031 **2030**,  
17 for the Office of Inspector General to provide oversight over the management of funds  
18 appropriated under sections ~~90007~~ **90005** and ~~90008~~ **90006**.

19 ~~SEC. 90010~~ **90008. NATIONAL INSTITUTE OF**  
20 **STANDARDS AND TECHNOLOGY RESEARCH.**

21           In addition to amounts otherwise available, there is appropriated to the National  
22 Institute of Standards and Technology for fiscal year 2022, out of any money in the  
23 Treasury not otherwise appropriated **\$100,000,000**, to remain available until September 30,  
24 **2028**, for research on the impact of fire on structures and communities located at the  
25 Wildland Urban Interface under the direction of the Institute, and for related  
26 administrative expenses.

27 **SEC. 90009. NATIONAL INSTITUTE OF STANDARDS**  
28 **AND TECHNOLOGY HOLLINGS MANUFACTURING**  
29 **EXTENSION PARTNERSHIP.**

30           In addition to amounts otherwise available, there is appropriated to the National Institute of  
31 Standards and Technology for fiscal year 2022, out of any money in the Treasury not otherwise  
32 appropriated, ~~\$1,195,000,000~~ **\$260,000,000**, to remain available until September 30, 2031,  
33 except that no amounts may be expended after September 30, 2031, for scientific and technical  
34 research pursuant to **2028, for the Hollings Manufacturing Extension Partnership of the**  
35 National Institute of Standards and Technology Act, for artificial intelligence (including AI  
36 safety and control), cybersecurity, quantum information science and technology, biotechnology,  
37 communications technologies, advanced manufacturing, resilience to natural hazards including  
38 wildfires, greenhouse gas and other climate related measurement, and for related administrative  
39 expenses: Provided, That \$150,000,000 shall be available for cybersecurity research and  
40 activities..

1 ~~SEC. 90011~~ **SEC. 90010. NATIONAL INSTITUTE OF**  
2 **STANDARDS AND TECHNOLOGY SUPPORTING-**  
3 **AMERICAN MANUFACTURING.**

4 (a) ~~In General.~~—~~In~~ addition to amounts otherwise available, there is appropriated to the  
5 National Institute of Standards and Technology for fiscal year 2022, out of any money in the  
6 Treasury not otherwise ~~appropriated~~, ~~\$2,000,000,000~~ **appropriated**—

7 (1) ~~\$220,000,000~~, to remain available until September 30, ~~2031~~, **2028, to provide funds** ~~2031,~~  
8 ~~except that no amounts may be expended after September 30, 2031, of which—~~

9 (1) ~~\$1,000,000,000 shall be for the Hollings Manufacturing Extension Partnership as~~  
10 ~~authorized by sections 25 and 26 of the National Institute of Standards and Technology Act~~  
11 ~~(15 U.S.C. 278k; 278l), including related administrative expenses;~~

12 (2) ~~\$850,000,000 shall be to provide funds, through existing programs, for advanced~~  
13 ~~manufacturing research, development, and testbeds, including~~ **through new and existing**  
14 **programs and public private partnerships, and for** related administrative expenses; and

15 (3) ~~\$150,000,000 shall be for the creation of a new Manufacturing USA Institute that is~~  
16 ~~focused on semiconductor manufacturing.~~ (2) **\$20,000,000, to remain available until**  
17 **September 30, 2028, for the development and execution of a cybersecurity workforce**  
18 **training center, and for related administrative expenses.**

19 (b) ~~Limitation.~~—~~Amounts provided under subsection (a)(1)~~  
20 ~~shall not be subject to cost share requirements under section~~  
21 ~~25(e)(2) of the National Institute of Standards and Technology~~  
22 ~~Act (15 U.S.C. 278k(e)(2)). The authority made available~~  
23 ~~pursuant to this preceding sentence shall be elective for any~~  
24 ~~Manufacturing Extension Partnership Center that also receives~~  
25 ~~funding from a State that is conditioned upon the application of~~  
26 ~~a Federal cost sharing requirement.~~

27 ~~SEC. 90012~~ **SEC. 90011. NATIONAL INSTITUTE OF**  
28 **STANDARDS AND TECHNOLOGY RESEARCH**  
29 **FACILITIES INFRASTRUCTURE.**

30 In addition to amounts otherwise available, there is appropriated to the National Institute of  
31 Standards and Technology for fiscal year 2022, out of any money in the Treasury not otherwise  
32 appropriated, ~~\$1,000,000,000~~ **\$650,000,000**, to remain available until September 30, ~~2031,~~  
33 ~~except that no amounts may be expended after September 30, 2031, for necessary expenses as~~  
34 ~~authorized by sections 13 through 15 of the National Institute of Standards and Technology Act~~  
35 ~~(15 U.S.C. 278c-278e) for construction of new research facilities, including architectural and~~  
36 ~~engineering design, and for renovation and maintenance of existing facilities.~~ **2028, for the**

1 upgrade, replacement, maintenance, or renovation of facilities and equipment as necessary  
2 to conduct laboratory activities, and for related administrative expenses.

3 ~~SEC. 90013. NATIONAL INSTITUTE OF STANDARDS~~  
4 ~~AND TECHNOLOGY OVERSIGHT. SEC. 90012. OCEANIC~~  
5 ~~AND ATMOSPHERIC RESEARCH AND FORECASTING~~  
6 ~~FOR WEATHER AND CLIMATE.~~

7 **(a) Forecasting and Research.**~~—In addition to amounts otherwise available, there is~~  
8 ~~appropriated to the Department of Commerce for fiscal year 2022, out of any money in the~~  
9 ~~Treasury not otherwise appropriated, \$5,000,000, to remain available until September 30, 2031,~~  
10 ~~except that no amounts may be expended after September 30, 2031, for oversight by the~~  
11 ~~Department of Commerce Office of Inspector General of National Institute of Standards and~~  
12 ~~Technology activities for which funding is appropriated in this title.~~

13 ~~SEC. 90014. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION~~  
14 ~~WEATHER, OCEAN, AND CLIMATE RESEARCH AND FORECASTING.~~

15 ~~In addition to amounts otherwise made available, there is appropriated to the National Oceanic~~  
16 ~~and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not~~  
17 ~~otherwise appropriated, \$1,240,000,000~~ **\$200,000,000**, to remain available until September 30,  
18 2026, to ~~carry out the provisions~~ **accelerate advances and improvements in research,**  
19 **observation systems, modeling, forecasting, assessments, and dissemination of information**  
20 **to the public as it pertains to ocean and atmospheric processes related to weather, coasts,**  
21 **oceans, and climate, and to carry out section 102(a) of the Weather Research and Forecasting**  
22 **Innovation Act (15 U.S.C. 8501 et seq.), the National Integrated Drought Information System**  
23 **Act (15 U.S.C. 313d), the National Climate Program Act (15 U.S.C. 29012908.), the Harmful**  
24 **Algal Bloom and Hypoxia Research and Control Act (33 U.S.C. 40014010), the Federal Ocean**  
25 **Acidification Research and Monitoring Act (33 U.S.C. 37013708), title III of 2017 (15 U.S.C.**  
26 **8512(a)), and for related administrative expenses.**

27 **(b) Research Grants and Science Information, Products, and Services.**~~—In addition to~~  
28 ~~amounts otherwise available, there are appropriated to the National Oceanic and~~  
29 ~~Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not~~  
30 ~~otherwise appropriated, to remain available until September 30, 2026—~~

31 **(1) \$100,000,000 for competitive grants to fund climate research as it relates to**  
32 **weather, ocean, coastal, and atmospheric processes and conditions, and impacts to**  
33 **marine species and coastal habitat, and for related administrative expenses; and**

34 **(2) \$100,000,000 for education and training pursuant to section 4002(b)(2) of the**  
35 **America COMPETES Act (33 U.S.C. 893, 893a, 893b, and 893c), and the Weather Service**  
36 **Organic Act (15 U.S.C. 313 et seq.). The amounts in this section shall be used for the**  
37 **purposes of — 893a(b)(2)), and for increased development and dissemination of climate**  
38 **science information, products, and services, in support of climate adaptation**  
39 **preparedness as it relates to weather, ocean, coastal, and atmospheric processes and**  
40 **conditions, impacts to marine species and coastal habitat, and for related**  
41 **administrative expenses.**

1 ~~(1) increasing the understanding, and predictive and forecasting capabilities, of weather and~~  
2 ~~climate phenomena including, but not limited to, hurricanes, tornadoes, drought, wildland fires~~  
3 ~~and associated fire weather, extreme precipitation, extreme heat and extreme heat events,~~  
4 ~~flooding, and other severe weather, and their impacts;~~(c) **Research Infrastructure and**  
5 **Procurement.**—**In addition to amounts otherwise available, there are appropriated to the**  
6 **National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money**  
7 **in the Treasury not otherwise appropriated, \$100,000,000, to remain available until**  
8 **September 30, 2026, for the provision of research infrastructure that improves accuracy,**  
9 **timing, and dissemination of public information concerning extreme climate and weather**  
10 **and for procurements necessary to support the activities described in subsections (a) and**  
11 **(b), and for related administrative expenses.**

12 ~~(2) increasing marine research capacity and the understanding of~~  
13 ~~the impacts of climate change on ocean processes and~~  
14 ~~phenomena including, but not limited to, ocean acidification,~~  
15 ~~harmful algal blooms, hypoxia and deoxygenation, sea level~~  
16 ~~change, and ocean warming;~~ **SEC. 90013. CLIMATE**  
17 **EDUCATION.**

18 ~~(3) enhancing weather, ocean, climate, and other environmental observations, research, data,~~  
19 ~~data assimilation, and modeling;~~

20 ~~(4) facilitating successful transition of research into operations and operations to research,~~  
21 ~~including social science for improved decision support services;~~

22 ~~(5) acquiring related high performance computing, data management, and storage assets; and~~

23 ~~(6) developing, leveraging, and employing new capabilities, technologies and instruments,~~  
24 ~~including dissemination and processing.~~

25 ~~SEC. 90015. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION-~~  
26 ~~CLIMATE ADAPTATION AND RESILIENCE ACTIVITIES.~~

27 ~~(a) In General.~~—**In** **In** addition to amounts otherwise available, there is appropriated to the  
28 National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the  
29 Treasury not otherwise appropriated, ~~\$765,000,000~~ **\$20,000,000**, to remain available until  
30 September 30, 2026, to carry out the provisions of the National Climate Program Act (15 U.S.C.  
31 29012908), the Weather Research and Forecasting Innovation Act (15 U.S.C. 8501 et seq.), title  
32 **III for contracts, grants, and technical assistance for education activities and materials**  
33 **under section 4002(b)(2) of the America COMPETES Act (33 U.S.C. 893, 893a, 893b, and**  
34 **893c), the National Integrated Drought Information System Act (15 U.S.C. 313d), the Weather**  
35 **Service Organic Act (15 U.S.C. 313 et seq.), the Harmful Algal Bloom and Hypoxia Research**  
36 **and Control Act (33 U.S.C. 40014010), and the Federal Ocean Acidification Research and**  
37 **Monitoring Act (33 U.S.C. 37013708) to develop and distribute actionable climate information**  
38 **for communities across all States, territories, and Tribal lands of the United States in an equitable**  
39 **manner, to build climate resilience and develop a climate-ready workforce. 893a(b)(2)) related**  
40 **to improving public understanding of climate change as it relates to weather, ocean,**

1 coastal, and atmospheric processes and conditions and marine fisheries and resources, and  
2 for related administrative expenses. None of the funds provided by this subsection shall be  
3 subject to cost-sharing or matching requirements.

4 ~~(b) Use of Funds.—The amounts made available in subsection~~  
5 ~~(a) shall be used for the following activities:~~

6 ~~(1) \$265,000,000 to better enable end users, as appropriate, to~~  
7 ~~assess the relative risk of, determine possible adaptation and~~  
8 ~~mitigation strategies for, and make executive and budgetary~~  
9 ~~decisions in response to climate impacts by—~~

10 ~~(A) increasing end user understanding of the impacts of climate~~  
11 ~~change at the local and regional level;~~

12 ~~(B) developing actionable climate information and accessible~~  
13 ~~tools and products; and~~

14 ~~(C) providing end users with technical assistance.~~

15 ~~(2) \$500,000,000 to recruit, educate, and train a climate ready~~  
16 ~~workforce to—~~

17 ~~(A) develop and support on the ground community driven~~  
18 ~~projects to enhance climate adaptation and resilience;~~

19 ~~(B) support community engagement and participation in~~  
20 ~~monitoring, tracking, and preparing for extreme events;~~

21 ~~(C) support local resilience to climate impacts;~~

22 ~~(D) conduct community driven climate science; and~~

23 ~~(E) enhance the National Oceanic and Atmospheric~~  
24 ~~Administration’s delivery of climate information services, tools,~~  
25 ~~and products, including but not limited to those developed in~~  
26 ~~paragraph (1)(B).~~

27 ~~(c) End Users.—For the purposes of this section, the term “end~~  
28 ~~users” shall include—~~

- 1 ~~(1) States;~~
- 2 ~~(2) territories;~~
- 3 ~~(3) Tribes;~~
- 4 ~~(4) local governments;~~
- 5 ~~(5) businesses;~~
- 6 ~~(6) not for profit or other organizations; and~~
- 7 ~~(7) individuals.~~

8 ~~(d) Extreme Event. For the purposes of this section, the term~~  
9 ~~“extreme event” refers to a time and place in which weather,~~  
10 ~~climate, or environmental conditions, such as temperature,~~  
11 ~~precipitation, drought, or flooding, rank above a threshold value~~  
12 ~~near the upper or lower ends of the range of historical~~  
13 ~~measurements.~~

14 ~~SEC. 90016. NATIONAL OCEANIC AND ATMOSPHERIC~~  
15 ~~ADMINISTRATION HIGH PERFORMANCE COMPUTING.~~  
16 **SEC. 90014. COMPUTING CAPACITY AND RESEARCH**  
17 **FOR WEATHER, OCEANS, AND CLIMATE.**

18 In addition to amounts otherwise made available, there is appropriated to the National Oceanic  
19 and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not  
20 otherwise appropriated, ~~\$70,000,000~~ **\$200,000,000**, to remain available until September 30,  
21 2026, ~~to procure and enhance high~~ **for the procurement of additional high**-performance  
22 **computing, data processing capacity**, data management, and storage capabilities, and related  
23 ~~facilities to enable the National Oceanic and Atmospheric Administration to meet its mission~~  
24 ~~requirements, including assets, to carry out section 204(a)(2) of the High-Performance~~  
25 **Computing Act of 1991 (15 U.S.C. 5524(a)(2)), and for transaction agreements authorized**  
26 **under section 301(d)(1)(A) of the Weather Research and Forecasting Innovation Act of**  
27 **2017 (15 U.S.C. 8531(d)(1)(A)), and for related administrative expenses.**

28 ~~SEC. 90017. NATIONAL OCEANIC AND ATMOSPHERIC~~  
29 ~~ADMINISTRATION PHASED ARRAY RADAR.~~ **90015.**  
30 **ACQUISITION OF HURRICANE FORECASTING**  
31 **AIRCRAFT.**

1 In addition to amounts otherwise made available, there is appropriated to the National Oceanic  
2 and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not  
3 otherwise appropriated, ~~\$139,000,000~~ \$224,000,000 to remain available until September 30,  
4 2026, to carry out the provisions of the Weather Research and Forecasting Innovation Act (15  
5 U.S.C. 8501 et seq.) for research and development activities to advance the understanding of  
6 phased array radar as a potential future radar technology to improve weather forecasts.

7 ~~SEC. 90018. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION-~~  
8 ~~HURRICANE HUNTER AIRCRAFT.~~

9 In addition to amounts otherwise made available, there is appropriated to the National Oceanic  
10 and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not  
11 otherwise appropriated, \$1,024,000,000 to remain available until September 30, 2026, to carry  
12 out the provisions of the Weather Research and Forecasting Innovation Act (15 U.S.C. 8501 et  
13 seq.) for the procurement of hurricane hunters and related expenses, and the development and  
14 acquisition of airborne phased array radar, to prepare for fleet readiness by fiscal year 2030.

15 ~~SEC. 90019. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION-~~  
16 ~~UNCREWED SYSTEMS.~~

17 In addition to amounts otherwise made available, there is appropriated to the National Oceanic  
18 and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not  
19 otherwise appropriated, \$12,000,000 to remain available until September 30, 2026, to support  
20 uncrewed systems development and application in support of National Oceanic and Atmospheric  
21 Administration mission priorities including oceanic and atmospheric research and research to  
22 operations, including related administrative expenses.

23 ~~SEC. 90020. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION-~~  
24 ~~RESEARCH INFRASTRUCTURE.~~

25 In addition to amounts otherwise made available, there is appropriated to the National Oceanic  
26 and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not  
27 otherwise appropriated, \$743,000,000 to remain available until September 30, 2026, to conduct  
28 deferred maintenance of meteorological, hydrological, climatological, and other oceanic and  
29 atmospheric research and development or operational facilities, and to make improvements to  
30 scientific equipment and instruments, including related administrative expenses.

31 ~~SEC. 90021. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION SPACE-~~  
32 ~~WEATHER.~~

33 In addition to amounts otherwise made available, there is appropriated to the National Oceanic  
34 and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not  
35 otherwise appropriated, \$173,000,000, to remain available until September 30, 2026, to carry out  
36 the provisions of the Promoting Research and Observations of Space Weather to Improve the  
37 Forecasting of Tomorrow (PROSWIFT) Act (51 U.S.C. 60601 et seq.) by accelerating the  
38 development and delivery of instruments and spacecraft, and prioritizing an independent launch  
39 for the Space Weather Next Lagrange point 1 mission, including related administrative expenses.  
40 **for the acquisition of hurricane hunter aircraft under section 413(a) of the Weather**  
41 **Research and Forecasting Innovation Act of 2017 (15 U.S.C. 8549(a)).**

42 ~~SEC. 90022. NATIONAL OCEANIC AND ATMOSPHERIC~~



1 ~~ADMINISTRATION OVERSIGHT.~~ **SEC. 90016. NATIONAL**  
2 **SCIENCE FOUNDATION CORE RESEARCH.**

3 In addition to amounts otherwise available, there is appropriated to the ~~Department of~~  
4 ~~Commerce~~ **National Science Foundation (referred to in this section as “the Foundation”)** for  
5 fiscal year 2022, out of any money in the Treasury not otherwise ~~appropriated,~~ **\$5,000,000**  
6 **appropriated—**

7 (1) **\$668,000,000**, to remain available until September 30, 2026, ~~for oversight by the~~  
8 ~~Department of Commerce Office of Inspector General of National Oceanic and~~  
9 ~~Atmospheric Administration activities for which funding is appropriated in this title.~~ **to**  
10 **fund or extend new and existing research awards, traineeships, scholarships, and**  
11 **fellowships administered by the National Science Foundation, across all science,**  
12 **technology, engineering, and mathematics disciplines supported by the National**  
13 **Science Foundation, and for related administrative expenses;**

14 ~~SEC. 90023(2)~~ **\$25,000,000**, to remain available until September 30, 2028, for  
15 activities and research to ensure broad demographic participation in the activities of  
16 the Foundation, consistent with the goals under section 526(a)(7) of the America  
17 COMPETES Reauthorization Act of 2010 (42 U.S.C. 1862p-14(a)(7)) and section 3(e)  
18 of the National Science Foundation Act of 1950 (42 U.S.C. 1862(e)), and for related  
19 administrative expenses; and

20 (3) **\$500,000,000**, to remain available until September 30, 2028, for climate change  
21 research as it relates to fundamental understanding of physical, chemical, biological,  
22 and human systems and the interactions among them, and for related administrative  
23 expenses.

24 **SEC. 90017. NATIONAL SCIENCE FOUNDATION**  
25 **TECHNOLOGY, INNOVATION, AND PARTNERSHIPS**  
26 **DIRECTORATE.**

27 In addition to amounts otherwise available, there is appropriated to the National Science  
28 Foundation for fiscal year 2022, out of any money in the Treasury not otherwise  
29 appropriated—

30 (1) **\$1,520,000,000**, to remain available until September 30, 2026, to fund and  
31 administer the Directorate for Technology, Innovation, and Partnerships, which shall  
32 accelerate use-inspired and translational research and the development,  
33 commercialization, and use of technologies and innovations of national importance,  
34 including technologies and innovations relevant to natural disaster mitigation and  
35 other societal challenges, through programs of the National Science Foundation, and  
36 for related administrative expenses;

37 (2) **\$25,000,000**, to remain available until September 30, 2028, for research security  
38 activities;

39 (3) **\$200,000,000**, to remain available until September 30, 2028, for research capacity  
40 building at historically Black colleges and universities, Tribal Colleges and

1       Universities, Hispanic-serving institutions, and other minority-serving institutions,  
2       administered through the Directorate for Technology, Innovation, and Partnerships,  
3       and for related administrative expenses; and

4       (4) \$55,000,000, to remain available until September 30, 2028, to fund cybersecurity  
5       education and training, including scholarships, through programs of the National  
6       Science Foundation, and for related administrative expenses.

## 7       **SEC. 90018. NATIONAL SCIENCE FOUNDATION** 8       **RESEARCH INFRASTRUCTURE.**

9       In addition to amounts otherwise available, there is appropriated to the National Science  
10       Foundation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
11       ~~\$3,430,000,000~~ **appropriated—**

12       (1) **\$200,000,000 to remain available until September 30, 2026, for the repair,**  
13       **renovation, or, in exceptional cases, replacement of obsolete science and engineering**  
14       **facilities primarily devoted to research and research training, and for related**  
15       **administrative expenses;**

16       (2) ~~\$200,000,000, to remain available until September 30, 2031, except that no amounts~~  
17       ~~may be expended after September 30, 2031, for research enabling equipment, facilities, and~~  
18       ~~infrastructure, including mid-scale research infrastructure, Antarctic infrastructure~~  
19       ~~modernization, related Federal administrative expenses and additional major research~~  
20       ~~equipment and facilities construction projects approved by the National Science Board as~~  
21       ~~required under section 14~~ **2026, for additional mid-scale and major research**  
22       **instrumentation, equipment, and infrastructure awards under the direction** of the  
23       National Science Foundation Authorization Act of 2002 (42 U.S.C. 1862n-4): Provided,  
24       That \$1,000,000,000 shall be for activities authorized by title II of Public Law 100570 for  
25       academic research facilities modernization, which may include shore-side facilities for  
26       academic research vessels, of which \$300,000,000 shall be for academic research facilities  
27       modernization at historically Black colleges and universities, Hispanic serving institutions,  
28       Tribal colleges and universities, and other minority serving institutions: Provided further,  
29       That not less than 20 percent of the funds made available in this section shall be for  
30       research enabling equipment, facilities, and infrastructure projects located in a State or  
31       territory that is eligible to receive funding from the Established Program to Stimulate  
32       competitive Research as established under section 113 of the National Science Foundation  
33       Authorization Act of 1988 (42 U.S.C. 1862g): Provided further, That \$25,000,000 shall be  
34       for the Office of the Chief of Research Security Strategy and Policy for research security  
35       activities., **and for related administrative expenses; and**

## 36       ~~SEC. 90024. NATIONAL SCIENCE FOUNDATION RESEARCH AND~~ 37       ~~DEVELOPMENT.~~

38       In addition to amounts otherwise available, there is appropriated to the National Science  
39       Foundation for fiscal year 2022, out of any money in the Treasury not otherwise  
40       appropriated, ~~\$7,550,000,000~~ **(3) \$100,000,000**, to remain available until September 30,  
41       2031, except that no amounts may be expended after September 30, 2031, to fund or extend  
42       new and existing research awards, scholarships, and fellowships across all science,

1 technology, engineering, and mathematics (STEM) and STEM education disciplines, to  
2 fund use inspired and translational research and development awards, entrepreneurial  
3 education, and technology transfer activities, to extend existing research awards and  
4 scholarships and fellowships to aid in the recovery from COVID-19 related disruptions  
5 **2028, for academic research facilities modernization and research instrumentation,**  
6 **including construction, upgrade, renovation, or repair of research infrastructure, at**  
7 **historically Black colleges and universities, Tribal Colleges and Universities,**  
8 **Hispanic-serving institutions, and other minority-serving institutions, through**  
9 **programs of the National Science Foundation,** and for related administrative expenses:  
10 Provided, That \$400,000,000 shall be available for climate change research, including  
11 relating to wildfires: Provided further, That \$700,000,000 shall be available for research and  
12 related activities at historically Black colleges and universities, Tribal colleges and  
13 universities, Hispanic serving institutions, and other minority serving institutions..

14 ~~SEC. 90025~~ **SEC. 90019. NATIONAL SCIENCE**  
15 **FOUNDATION OVERSIGHT.**

16 In addition to amounts otherwise available, there is appropriated to the ~~Office of Inspector~~  
17 ~~General of the~~ National Science Foundation for fiscal year 2022, out of any money in the  
18 Treasury not otherwise appropriated, \$50,000,000 **\$7,000,000**, to remain available until  
19 September 30, 2031, ~~except that no amounts may be expended after September 30, 2031, for~~  
20 ~~oversight, investigations, and audits of programs, grants, and projects carried out by~~ **2030, for**  
21 **administrative expenses of the Inspector General relating to oversight of funds provided to**  
22 **the National Science Foundation under this Act.** ~~using funds under this title.~~

23 ~~SEC. 90026. WAGE RATE REQUIREMENTS.~~

24 (a) ~~In General.~~— Notwithstanding any other provision of law, all laborers and mechanics  
25 employed by contractors and subcontractors on any project funded directly or assisted in whole  
26 or in part by the Federal Government pursuant to this title shall be paid wages at rates not less  
27 than those prevailing on projects of a similar character in the locality, as determined by the  
28 Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States  
29 Code (commonly known as the “Davis Bacon Act”).

30 (b) ~~Authority.~~— With respect to the labor standards specified in paragraph (1), the Secretary of  
31 Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of  
32 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

33 ~~SEC. 90027. FORCED LABOR PROHIBITION.~~

34 None of the funds provided in this title may be used in awarding a contract, subcontract, grant,  
35 or loan to an entity that is listed pursuant to section 9(b)(3) of the Uyghur Human Rights Policy  
36 Act of 2020 (Public Law 116145).

**House Office of Legislative Counsel**

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BUDGET\_SPLIT BY TITLE (002).ZIP\SMBUS\_HR5376\_T10.XML and  
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- 1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the
- 2 differences between -
- 3 original document :
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- 6 and revised document: C:\TEMP\C\TEMP\HOLCDOCS\RECONCILIATION\_RCP.RTF
- 7
- 8 CompareRite found 242 change(s) and 10 move(s) in the text
- 9
- 10 Deletions appear as Overstrike text
- 11 Additions appear as Bold text
- 12

1 Title: To—  
2  
3

4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled,~~

## 6 TITLE X—COMMITTEE ON SMALL BUSINESS

### 7 ~~SEC. 100001. DEFINITIONS.~~

8 ~~In this title—~~

9 ~~(1) the terms “Administration” and “Administrator” mean the~~  
10 ~~Small Business Administration and the Administrator thereof,~~  
11 ~~respectively; and~~

12 ~~(2) the term “small business concern” has the meaning given~~  
13 ~~under section 3 of the Small Business Act (15 U.S.C. 632).~~

## 14 Subtitle A—Increasing Federal Contracting Opportunities for 15 Small Businesses

### 16 SEC. 100101. VETERAN FEDERAL PROCUREMENT 17 ENTREPRENEURSHIP TRAINING PROGRAM.

18 **\*\* 1 (a) Appropriations.**—In addition to amounts otherwise available, there is appropriated to  
19 the Small Business Administration for fiscal year 2022, out of any money in the Treasury not  
20 otherwise appropriated, ~~\$100,000,000~~ **\$35,000,000**, to remain available until September 30,  
21 ~~2031, for additional capital for the fund established under section 412~~ **2030, for carrying out**  
22 **subsection (h) of section 32** of the Small Business Investment Act of 1958 (15 U.S.C. 694e)  
23 **657b), as added by this section.**

24  
25 ~~(a) Appropriations.~~—In addition to amounts otherwise available, there is appropriated to the  
26 ~~Small Business Administration, out of any money in the Treasury not otherwise appropriated,~~  
27 ~~\$5,000,000 for each of fiscal years 2022 through 2028 for carrying out subsection (h) of section~~  
28 ~~32 of the Small Business Act (15 U.S.C. 657b), as added by this section. Amounts appropriated~~  
29 ~~by this subsection shall remain available for 3 fiscal years.~~ (b) Establishment.—Section 32 of the  
30 Small Business Act (15 U.S.C. 657b) is amended by adding at the end the following:

31 “(h) Veteran Federal Procurement Entrepreneurship Training Program.—The Administrator,  
32 acting through the Associate Administrator, shall make grants to, or enter into cooperative  
33 agreements with, nonprofit entities to operate a Federal procurement entrepreneurship training  
34 program to provide assistance to small business concerns owned and controlled by veterans  
35 regarding how to increase the likelihood of being awarded contracts with the Federal

1 Government. A grant or cooperative agreement under this subsection—

2 “(1) shall be made to or entered into with nonprofit entities that have a track record of  
3 successfully providing educational and job training services to ~~targeted~~ veteran populations  
4 from diverse locations; ~~and“(2) shall include terms under which the nonprofit entities may,~~  
5 ~~at the discretion of the Administrator, be required to match any Federal funds received for~~  
6 ~~the program with State, local, or private sector funds; and~~

7 ~~“(3)“(2) shall include terms under which the nonprofit entities shall use a diverse group~~  
8 ~~of professional service experts, such as Federal, State, and local contracting experts and~~  
9 ~~private sector industry experts with first-hand experience in Federal Government~~  
10 ~~contracting, to provide assistance to small business concerns owned and controlled by~~  
11 ~~veterans.”. veterans through a program operated under this section.”.~~

## 12 SEC. 100102. EXPANDING SURETY BOND PROGRAM.

13  
14 ~~\* 1 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to~~  
15 ~~the Small Business Administration for fiscal year 2022, out of any money in the Treasury not~~  
16 ~~otherwise appropriated, \$100,000,000, to remain available until September 30, 2031, for~~  
17 ~~additional capital for the fund established under section 412 of the Small Business Investment~~  
18 ~~Act of 1958 (15 U.S.C. 694c).~~

19 ~~\*\* 2 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to~~  
20 ~~the Small Business Administration for fiscal year 2022, out of any money in the Treasury not~~  
21 ~~otherwise appropriated, to remain available until September 30, 2031—~~

22 ~~(b) Expanding Surety Bond Program.—Part B of title IV(1) \$85,000,000 for additional~~  
23 ~~capital for the fund established under section 412 of the Small Business Investment Act~~  
24 ~~of 1958 (15 U.S.C. 694a et seq.) 694c); and~~

25 ~~(2) \$15,000,000 for administrative expenses and oversight costs related to carrying~~  
26 ~~out this section, and any amendments made by this section.~~

27 ~~(b) Expanding Surety Bond Program.—Part B of title IV of the Small Business~~  
28 ~~Investment Act of 1958 is amended—~~

29 ~~(1) in section 411 (15 U.S.C. 694b)— 411—~~

30 ~~(A) in subsection (a)(1)—~~

31 ~~(i) in subparagraph (A), by striking “\$6,500,000” and inserting “\$10,000,000”;~~  
32 ~~and~~

33 ~~(ii) by amending subparagraph (B) to read as follows:~~

34 ~~“(B) The Administrator may guarantee a surety under subparagraph (A) for a total~~  
35 ~~work order or contract entered into by a Federal agency in an amount that does not~~  
36 ~~exceed \$20,000,000.”; and~~

37 ~~(B) in subsection (e)(2), by striking “\$6,500,000” and inserting “the amount~~  
38 ~~described in subparagraph (A) or (B) of subsection (a)(1), as applicable”; and~~

39 ~~(2) in section 412(a) (15 U.S.C. 694c(a))—~~

1       ~~(A) in subsection (a), in the third sentence, by striking “, excluding administrative~~  
2       ~~expenses,”;~~

3       ~~(B) by redesignating subsection (b) as subsection (c); and~~

4       ~~(C) by inserting after subsection (a) the following:~~

5       ~~“(b) Not more than 15 percent of the amount that is in the fund described in subsection~~  
6       ~~(a) on the first day of each fiscal year may be obligated during that fiscal year to cover costs~~  
7       ~~incurred by the Administration in connection with the management and administration of~~  
8       ~~this part, including costs related to information technology and systems, personnel, outreach~~  
9       ~~activities, and relevant contracts.”.~~

10       ~~SEC. 100103. UPLIFT ACCELERATOR PROGRAM; BUSINESS DEVELOPMENT~~  
11       ~~ACADEMY.~~

12       ~~(a) Uplift Accelerator Program.—~~

13       ~~(1) Appropriations.—~~

14       ~~(A) In general.— In addition to amounts otherwise available, there is appropriated to the~~  
15       ~~Small Business Administration for fiscal year 2022, out of any money in the Treasury not~~  
16       ~~otherwise appropriated, \$1,000,000,000 to remain available until September 30, 2031, to~~  
17       ~~carry out subparagraph (K) of section 7(j)(10) of the Small Business Act (15 U.S.C.~~  
18       ~~636(j)(10)), as added by this subsection; and~~

19       ~~(B) Set aside.— Of amounts made available under subparagraph (A), not more than 15~~  
20       ~~percent may be used by the Administrator for administrative expenses and costs related to~~  
21       ~~monitoring and oversight.~~

22       ~~(2) Establishment.— Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)) is~~  
23       ~~amended by adding at the end the following:~~

24       ~~“(K) Uplift accelerator program.—~~

25       ~~“(i) Definitions.— In this subparagraph:~~

26       ~~“(I) Accelerator.— The term ‘accelerator’ means an organization—~~

27       ~~“(aa) that provides mentorship and other support to growing, startup, and newly~~  
28       ~~established small business concerns; and~~

29       ~~“(bb) offers startup capital or the opportunity to raise capital from outside investors to~~  
30       ~~growing, startup, and newly established small business concerns.~~

31       ~~“(II) Eligible entity.— The term ‘eligible entity’ means—~~

32       ~~“(aa) a historically black college or university;~~

33       ~~“(bb) an institution of higher education, as defined in section 101 of the Higher Education~~  
34       ~~Act of 1965, which primarily educates students who are Black or African American,~~  
35       ~~Hispanic or Latino, American Indian, Alaska Native, Asian, Native Hawaiian, or other~~  
36       ~~Pacific Islander; or~~

37       ~~“(cc) a junior or community college, as defined in section 312 of the Higher Education~~  
38       ~~Act of 1965.~~

1           ~~“(III) Eligible small business concern.—The term ‘eligible small business concern’~~  
2           ~~means a small business concern—~~

3           ~~“(aa) located in a HUBZone, as defined in section 31(b);~~

4           ~~“(bb) owned and controlled by a resident of a low-income community, as defined in~~  
5           ~~section 45D(e) of the Internal Revenue Code of 1986;~~

6           ~~“(cc) owned and controlled by a resident of a low-income rural community;~~

7   **\*\* 3 Subtitle B—Empowering Small Business Creation and**  
8   **Expansion in Underrepresented Communities**

9   **SEC. 100201. FUNDING FOR UPLIFT INCUBATORS.**

10  
11           \* 7 ~~“(dd) owned and controlled by a member of an Indian or Alaska Native tribe, band, nation,~~  
12           ~~pueblo, village, community, component band, or component reservation, individually identified~~  
13           ~~(including parenthetically) in the most recent list published pursuant to section 104 of the~~  
14           ~~Federally Recognized Indian Tribe List Act of 1994;~~

15           ~~“(ee) owned and controlled by a Native Entity;~~

16           ~~“(ff) owned and controlled by an individual with a disability, as defined in section 3 of the~~  
17           ~~Americans with Disabilities Act of 1990; or~~

18           ~~“(gg) otherwise identified by the Administrator.~~

19  
20           \* 4 ~~“(IV) Historically black college or university.—The term ‘historically black college or~~  
21           ~~university’ means a ‘part B institution’, as defined under section 322 of the Higher Education~~  
22           ~~Act of 1965.~~

23           ~~“(V) Incubator.—The term ‘incubator’ means an organization—~~

24           ~~“(aa) that provides mentorship and other support to growing, startup, and established small~~  
25           ~~business concerns; and~~

26           ~~“(bb) that may provide a co-working environment or a month-to-month lease program.~~

27           ~~“(VI) Native entity.—The term ‘Native Entity’ means—~~

28           ~~“(aa) an Indian tribe, including an Alaska Native village or Regional or Village Corporation,~~  
29           ~~as defined in section 4 of the Indian Self-Determination and Education Assistance Act; and~~

30  
31           \* 5 ~~“(bb) a Native Hawaiian organization, as that term is defined in section 6207 of the~~  
32           ~~Elementary and Secondary Education Act of 1965.~~

33           ~~“(ii) Use of funds.—The Administrator is authorized to establish a competitive grant program~~  
34           ~~to make grants to eligible entities to establish accelerators or incubators to support eligible small~~  
35           ~~business concerns in developing—~~



1       ~~“(I) business readiness, including by providing services such as accounting, organization,~~  
2       ~~human resources, and legal assistance;~~

3       ~~“(II) growth readiness, including assistance to build past performance and relationships with~~  
4       ~~prime contractors;~~

5       ~~“(III) readiness to submit bids for prime contracts, including assistance in developing skills,~~  
6       ~~conducting market research, and drafting capability statements and proposals; or~~

7       ~~“(IV) global readiness, including assistance in establishing long-term, additional revenue~~  
8       ~~streams outside of the United States.~~

9       ~~“(iii) Acquisition authorities.—The Administrator shall identify acquisition authorities under~~  
10       ~~which eligible small business concerns assisted under this subparagraph may enter into contracts~~  
11       ~~or agreements with Federal agencies.~~

12       ~~“(iv) Amount.—During the period beginning on the date of the enactment of this subparagraph~~  
13       ~~and ending not later than 10 years after such date, the Administrator shall award not more than~~  
14       ~~an aggregate total of \$1,000,000,000 in grants to eligible entities under this subparagraph.”.~~

15       ~~(b) Business Development Academy.—~~

16       ~~(1) Appropriations.—~~

17  
18       ~~\* 8 (A) In general.—In addition to amounts otherwise available, there is appropriated to the~~  
19       ~~Small Business Administration for fiscal year 2022, out of any money in the Treasury not~~  
20       ~~otherwise appropriated, \$725,000,000 to remain available until September 30, 2031, to carry out~~  
21       ~~subparagraph (L) of section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as added~~  
22       ~~by this subsection.~~

23       ~~(B) Set aside.—Of amounts made available under subparagraph (A), not more than 15 percent~~  
24       ~~may be used by the Administrator for administrative expenses and costs related to monitoring~~  
25       ~~and oversight.~~

26       ~~(2) Establishment.—Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as~~  
27       ~~amended by subsection (a), is further amended by adding at the end the following:~~

28       ~~“(L) Business development academy.—~~

29       ~~“(i) Definition of eligible entity.—In this paragraph, the term ‘eligible entity’ has the meaning~~  
30       ~~given in subparagraph (K)(i).~~

31       ~~“(ii) Use of funds.—The Administrator is authorized to establish a competitive grant program~~  
32       ~~to make grants to eligible entities to support Program Participants.~~

33       ~~“(iii) Duties of eligible entities.—An eligible entity that receives a grant under this~~  
34       ~~subparagraph shall use such grant to—~~

35       ~~“(I) develop and establish a foundational 12-month executive mentoring and training program~~  
36       ~~for small business concerns described in clause (ii);~~

37       ~~“(II) recruit and enroll participants in the program described in subclause (I), including by~~  
38       ~~providing incentives for participation;~~

1 ~~“(III) develop certification programs for eligible entities based on proven best practices of the~~  
2 ~~Administration; and~~

3 ~~“(IV) conduct research into the effectiveness of the program described in clause (iv)(I).~~

4 ~~“(iv) Amount.—During the period beginning on the date of the enactment of this subparagraph~~  
5 ~~and ending not later than 10 years after such date, the Administrator shall award not more than~~  
6 ~~an aggregate total of \$725,000,000 in grants to eligible entities under this subparagraph.”.~~

7 ~~SEC. 100104. PATHWAY TO PRIME GRANT PROGRAM.~~

8 ~~(a) Appropriations.—~~

9 ~~(1) In general.—~~ **In(a) Appropriations.—** ~~In~~ addition to amounts otherwise available, there is  
10 appropriated to the Small Business Administration for fiscal year 2022, out of any money in the  
11 Treasury not otherwise appropriated, to remain available until September 30, 2031—

12 ~~(A) \$75,000,000 to carry out subsection (b)(1) of~~ **(1) \$850,000,000 for carrying out**  
13 ~~section 49 of the Small Business Act, as added by subsection (b); and~~

14 ~~(B) \$450,000,000 to carry out subsection (b)(2) of~~ **(2) \$150,000,000 for administrative**  
15 **expenses and costs related to carrying out** section 49 of the Small Business Act, as added  
16 by subsection (b).

17 ~~(2) Set aside.—Of the amount made available to carry out this section for any fiscal year, not~~  
18 ~~more than 15 percent may be used by the Administrator for administrative expenses.~~

19 ~~(b) Establishment.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—~~

20 ~~(1) by redesignating section 49 (15 U.S.C. 631 note) as section 55;~~ **54;** and

21 ~~(2) by inserting after section 48 the following:~~

22 **“SEC. 49. PATHWAY TO PRIME GRANT PROGRAM**  
23 **UPLIFT INCUBATORS.**

24 ~~“(a) Definitions.—In this section:~~

25 ~~“(1) Eligible entity.—The term ‘eligible entity’ means—~~

26 ~~“(A) a historically black college or university; or~~

27 ~~“(B) an institution of higher education, as defined in section 101 of the Higher Education~~  
28 ~~Act of 1965, which primarily educates students who are Black or African American,~~  
29 ~~Hispanic or Latino, American Indian, Alaska Native, Asian, Native Hawaiian, or other~~  
30 ~~Pacific Islander.~~

31 ~~“(2) Historically black college or university.—The term ‘historically black college or~~  
32 ~~university’ has the meaning given the term ‘part B institution’ under section 322 of the~~  
33 ~~Higher Education Act of 1965.~~

34 ~~“(3) Pathway firm.—The term ‘pathway firm’ means a small business concern that is—~~

35 ~~“(A) a subcontractor of the Federal Government;~~

36 ~~“(B) a contractor or subcontractor of a State, local, or tribal government, including such~~

1 ~~contractor or subcontractor for a project funded by the CARES Act (Public Law 116136),~~  
2 ~~the American Rescue Plan Act of 2021 (Public Law 1172), or an Act providing funds for~~  
3 ~~infrastructure that is enacted during the 117th Congress (as determined by the~~  
4 ~~Administrator).~~

5 ~~“(b) Establishment.—The Administrator shall establish a program to assist pathway firms~~  
6 ~~to become prime contractors of the Federal Government by—~~

7 ~~“(1) making competitive grants to eligible entities to establish a national contracting and~~  
8 ~~subcontracting network and database of pathway firms and grantees under paragraph (2) to~~  
9 ~~track and connect pathway firms with Federal prime contracting opportunities based on the~~  
10 ~~record of the pathway firm in competing for and obtaining—~~

11 ~~“(A) prime contracts or contracts with Federal, State, local, or tribal governments;~~

12 ~~“(B) subcontracts with Federal prime contractors; and~~

13 ~~“(C) subcontracts from State, local, or tribal governments participating in projects funded~~  
14 ~~by the CARES Act (Public Law 116136), the American Rescue Plan Act of 2021 (Public~~  
15 ~~Law 1172), or an Act providing funds for infrastructure that is enacted during the 117th~~  
16 ~~Congress (as determined by the Administrator); and~~

17 ~~“(2) making competitive grants to not fewer than 20 State or local governments or~~  
18 ~~federally recognized Tribal governments to—~~

19 ~~“(A) participate in the national small business contracting network established in~~  
20 ~~paragraph (1); and~~

21 ~~“(B) assist pathway firms within the geographic regions served by those governments.~~

22 ~~“(c) Use of Funds.—A recipient of a grant made under this section shall—~~

23 ~~“(1) provide resources to enable pathway firms to gain the experience and capabilities~~  
24 ~~necessary to compete for and obtain prime contracts;~~

25 ~~“(2) facilitate engagement between pathway firms and Federal, State, local, or tribal~~  
26 ~~governments;~~

27 ~~“(3) work with the Administration to ensure that prime contractors with subcontracting~~  
28 ~~plans under section 8(d) meet the requirements of those plans;~~

29 ~~“(4) work with the Administration to maximize opportunities for small business concerns~~  
30 ~~to obtaining subcontracts from State, local, or tribal governments participating in projects~~  
31 ~~funded by the CARES Act (Public Law 116136), the American Rescue Plan Act of 2021~~  
32 ~~(Public Law 1172), or an Act providing funds for infrastructure that is enacted during the~~  
33 ~~117th Congress (as determined by the Administrator); and~~

34 ~~“(5) make publicly available data to advocate for best practices and policies that promote~~  
35 ~~small business concerns as prime contractors of the Federal Government.”.~~

36  
37 ~~\* 3 Subtitle B—Empowering Small Business Creation and Expansion in~~  
38 ~~Underrepresented Communities~~

39 ~~SEC. 100201. GRANTS FOR BUSINESS INCUBATORS.~~

1 (a) Appropriations.—

2  
3 \* 6 (1) In general.— In addition to amounts otherwise available, there is appropriated to  
4 the Small Business Administration for fiscal year 2022, out of any money in the Treasury  
5 not otherwise appropriated, \$1,000,000,000, to remain available until September 30, 2031,  
6 for carrying out section 50 of the Small Business Act, as added by subsection (b).

7 (2) Set aside.— Of the amounts made available under this subsection for a fiscal year, not  
8 more than 15 percent shall be available for administrative expenses and costs related to  
9 monitoring and oversight.

10 (b) Establishment.— The Small Business Act (15 U.S.C. 631 et seq.) is amended by  
11 inserting after section 49, as added by section 10104, the following:

12 “SEC. 50. GRANTS FOR BUSINESS INCUBATORS.

13 “(a) Definitions.— In this section:

14 “(1) Business incubator.— The term ‘business incubator’ means an organization that —

15 “(A) provides resources, which may include physical workspace and facilities, to startups  
16 and established small business concerns;

17 “(B) is designed to accelerate the growth and success of small business concerns through  
18 a variety of business support resources and services, including —

19 “(i) access to capital, business education, and counseling;

20 “(ii) networking opportunities;

21 “(iii) mentorship opportunities; and

22 “(iv) other services intended to aid in developing a business.

23 “(2)“(1) ECONOMIC DEVELOPMENT ORGANIZATION.— The term ‘economic development  
24 organization’ —

25 “(A) means a regional, State, tribal, or local private nonprofit organization  
26 established for purposes of promoting or otherwise facilitating economic development;  
27 and

28 “(B) includes community financial institutions, as defined in section 7(a)(36)(A).

29 “(3)“(2) ELIGIBLE APPLICANT.— The term ‘eligible applicant’ means —

30 “(A) an economic development organization;

31 “(B) an eligible entity, as defined in section 7(j)(10)(K)(i)(II);

32 “(C) an SBA partner organization;

33 or“(C) a historically Black college or university;

34 “(D) any entity that provides support to startups and small business concerns, as  
35 determined by the Administrator.“(D) an institution of higher education, as  
36 described in section 371(a) of the Higher Education Act; or

1           ~~“(4)“(E) a junior or community college.~~

2           **“(3) ELIGIBLE SMALL BUSINESS CONCERN.—**The term ‘eligible small business concern’  
3 means a business concern that—

4           “(A) is organized or incorporated in the United States;

5           “(B) is operating primarily in the United States;

6           “(C) meets—

7                 “(i) the applicable industry-based size standard established under section 3; or

8                 “(ii) the alternate size standard applicable to the program under section 7(a) or  
9 the loan programs under title V of the Small Business Investment Act of 1958;

10          “(D) ~~is is~~—

11                 “(i) in the planning stages or has been in business for not more than 5 years as  
12 of the date on which assistance under this section commences; ~~and~~

13                 **or**

14                 **“(ii) a small government contractor; and**

15          “(E) is—

16                 “(i) owned and controlled by 1 or more members of an underrepresented  
17 community; or

18                 “(ii) a Native Entity, ~~as defined in section 7(j)(10)(K)(i).~~

19  
20          ~~“(5) Member of an underrepresented community.—The term ‘member of an~~  
21 ~~underrepresented community’ means an individual who is—~~

22          ~~“(A) a resident of—~~

23          \*\* 4 ~~“(IV)“(4) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—~~The term ‘historically  
24 ~~black~~ **Black** college or university’ means a ‘part B institution’, as defined ~~under~~ **in** section  
25 322 of the Higher Education Act of 1965.

26          **“(5) MEMBER OF AN UNDERREPRESENTED COMMUNITY.—**The term ‘member of an  
27 **underrepresented community’ means an individual—**

28          **“(A) who is a resident of—**

29                 “(i) a low-income community, as defined in section 45D(e) of the Internal  
30 Revenue Code of 1986;

31                 “(ii) a low-income rural community; or

32                 “(iii) a HUBZone, as defined in section 31(b);

33          **“(B) who is** a member of an Indian or Alaska Native tribe, band, nation, pueblo,  
34 village, community, component band, or component reservation, individually  
35 identified (including parenthetically) in the most recent list published pursuant to  
36 section 104 of the Federally Recognized Indian Tribe List Act of 1994;

1 “(C) ~~an individual~~ with a disability, as defined in section 3 of the Americans with  
2 Disabilities Act of 1990;

3 “(D) **who is** a veteran;

4 “(E) ~~an individual~~ who completed a term of imprisonment; or

5 “(F) **who is** otherwise identified by the Administrator.

6 “(6) **NATIVE ENTITY.—The term ‘Native Entity’ means—**

7 “(A) **an Alaska Native Corporation, as defined in section 3(m) of the Alaska**  
8 **Native Claims Settlement Act; and**

9 ~~\*\* 5 “(b)“(B)~~ **(B)** a Native Hawaiian organization, as ~~that term is~~ defined in section  
10 6207 of the Elementary and Secondary Education Act of 1965.

11 ~~“(6)“(7)~~ **(7) SBA PARTNER ORGANIZATION.—The term ‘SBA partner organization’ means**  
12 **any organization awarded financial assistance in the form of a grant, prize, cooperative**  
13 **agreement, or contract for the purpose of conducting a public project funded, either in**  
14 **whole or in part, under a program of the Administration.**

15 “(8) **SMALL GOVERNMENT CONTRACTOR.—The term ‘small government contractor’**  
16 **means a small business concern that is performing a government contract or**  
17 **subcontract.**

18 “(9) **UPLIFT INCUBATOR.—The term ‘uplift incubator’ means an organization that is**  
19 **designed to accelerate the growth and success of startups and small business concerns**  
20 **through a variety of business support resources and services, including—**

21 “(A) **access to physical workspace and facilities;**

22 “(B) **access to capital, business education, and counseling;**

23 “(C) **networking opportunities;**

24 “(D) **mentorship opportunities;**

25 “(E) **assistance in becoming prime contractors and submitting bids for prime**  
26 **contracts;**

27 “(F) **conducting market research, drafting statements, and identifying**  
28 **acquisition authorities under which eligible small business concerns assisted**  
29 **under this section may enter into Federal contracts or agreements; and**

30 “(G) **other services intended to aid in developing a business.**

31 “(b) **Authority.—The Administrator may provide financial assistance on a competitive basis in**  
32 **the form of a grant, prize, cooperative agreement, or contract for to an eligible applicant to**  
33 **provide for purposes of—**

34 “(1) **providing the services of a business uplift incubator to eligible small business**  
35 **concerns; or**

36 “(2) **expanding or establishing a network of the eligible applicant to provide the**  
37 **services of a uplift incubator to eligible small business concerns.**

1 “(c) Use of Funds.—An eligible applicant that receives assistance under this ~~section~~ **section**—

2 “(1) shall support areas that serve members of an underrepresented community and  
3 ~~provide services that shall~~ **by providing the services of a uplift incubator; and**

4 ~~“(1) be carried out in such areas as to provide maximum accessibility and benefits to the~~  
5 ~~eligible small business concerns that the project is intended to serve; and~~

6 ~~“(2)“(2) shall not impose or otherwise collect a fee or other compensation from eligible~~  
7 ~~small business concerns in connection with such services. **the provision of such services.**~~

8 ~~“(d) One or More Business Incubators.—An eligible applicant that receives financial~~  
9 ~~assistance under this section may share such assistance among one or more business incubators~~  
10 ~~to expand access to resources, information, and best practices.~~

11 ~~“(e) Award Amount.—An award of financial assistance under this section shall be for not~~  
12 ~~more than \$1,250,000 for each fiscal year for which the award is granted.~~

13 ~~“(f)“(d) Penalties for Failure to Abide by Terms or Conditions of Award.—At the discretion~~  
14 ~~of the Administrator and in addition to any other civil or criminal consequences, the~~  
15 ~~Administrator shall withhold payments to an eligible applicant or order the eligible applicant to~~  
16 ~~return any assistance provided under this section for failure to abide by the terms and conditions~~  
17 ~~of such assistance.”.~~

## 18 SEC. 100202. OFFICE OF NATIVE AMERICAN AFFAIRS.

19 ~~\*\* 6 (1) In general.—In~~ **(a) Appropriations.—In** addition to amounts otherwise available,  
20 there is appropriated to the Small Business Administration ~~for fiscal year 2022~~, out of any money  
21 in the Treasury not otherwise appropriated, ~~\$1,000,000,000 for fiscal year 2022~~, **\$10,000,000**, to  
22 remain available until September 30, ~~2031~~, **for carrying 2029**, to carry out section 50 of the  
23 Small Business Act, as added by subsection (b).

24 ~~(a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the~~  
25 ~~Small Business Administration, out of any money in the Treasury not otherwise appropriated,~~  
26 ~~\$2,000,000 for each of fiscal years 2022 through 2031 for carrying out section 51 of the Small~~  
27 ~~Business Act, as added by subsection (b). Amounts appropriated by this subsection shall remain~~  
28 ~~available until September 30, 2031.~~

29 (b) Establishment.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting  
30 after section ~~50~~ **49**, as added by section ~~40204~~ **100201** of this title, the following:

## 31 “SEC. ~~51~~ **50**. OFFICE OF NATIVE AMERICAN AFFAIRS.

32 “(a) Definitions.—In this section:

33 “(1) ~~INDIAN TRIBE.—THE TERM ‘INDIAN TRIBE’~~ **ALASKA NATIVE CORPORATION.—The**  
34 **term ‘Alaska Native Corporation’** has the meaning given ~~in section 4 of the Indian~~  
35 ~~Self-Determination and Education Assistance~~ **the term section 3(m) of the Alaska Native**  
36 **Claims Settlement Act.**

37 ~~\*\* 7 “(dd) owned and controlled by a member of an“(2) INDIAN TRIBE.—The term~~  
38 **‘Indian Tribe’ means any** Indian or Alaska Native tribe, band, nation, pueblo, village,  
39 community, component band, or component reservation, individually identified (including

1 parenthetically) in the most recent list published pursuant to section 104 of the Federally  
2 Recognized Indian Tribe List Act of 1994;

3 “(2)“(3) NATIVE AMERICAN.—The term ‘Native American’ means a member of an Indian  
4 Tribe.

5 “(3)“(4) NATIVE HAWAIIAN ORGANIZATION.—The term ‘Native Hawaiian Organization’  
6 has the meaning given in section 6207 of the Elementary and Secondary Education Act of  
7 1965.

8 “(4)“(5) RESOURCE PARTNERS.—The term ‘resource partners’ means—

9 “(A) small business development centers;

10 “(B) women’s business centers described in section 29;

11 “(C) chapters of the Service Corps of Retired Executives established under section  
12 8(b)(1)(B); and

13 “(D) Veteran Business Outreach Centers described in section 32.

14 “(b) Establishment.—There is established in the Administration an Office of Native American  
15 Affairs, in this section referred to as the ‘Office’, which shall provide entrepreneurship outreach  
16 and development assistance to Native Americans, Native Hawaiian Organizations and members  
17 thereof, **Alaska Native Corporations and members thereof**, and Indian Tribes, through the  
18 Native American Outreach Program established under subsection (c).

19 “(c) Native American Outreach Program.—

20 “(1) ESTABLISHMENT.—The Administrator shall establish and administer a Native  
21 American Outreach Program within the Office—

22 “(A) to ensure that small business concerns owned and controlled by Native  
23 Americans, Native Hawaiian Organizations, **Alaska Native Corporations**, and Indian  
24 Tribes, and Native American entrepreneurs have access to programs and services of  
25 the Administration;

26 “(B) to provide information to State, local, and tribal governments and other  
27 interested persons about Federal assistance available to small business concerns owned  
28 and controlled by Native Americans, Native Hawaiian Organizations, **Alaska Native**  
29 **Corporations**, and Indian Tribes, and Native American entrepreneurs; and

30 “(C) to ensure access to in-person and virtual counseling and training services to  
31 small business concerns owned and controlled by Native Americans, Native Hawaiian  
32 Organizations, **Alaska Native Corporations**, and Indian Tribes, and Native American  
33 entrepreneurs.

34 “(2) SERVICES.—The services described in paragraph (1) shall include—

35 “(A) financial education on applying for and securing credit, loan guarantees, surety  
36 bonds, and investment capital, managing financial operations, and preparing and  
37 presenting financial statements and business plans;

38 “(B) education on management of a small business concern, including planning,  
39 organizing, staffing, and marketing;



1 “(C) identifying ~~domestic and international~~ market opportunities; and

2 “(D) implementing economic and business development strategies to improve  
3 long-term job growth.”

## 4 SEC. 100203. OFFICE OF RURAL AFFAIRS.

5 **\*\* 8 (A) In general.—In(a) Appropriations.—**In addition to amounts otherwise available,  
6 there is appropriated to the Small Business Administration for fiscal year 2022, out of any money  
7 in the Treasury not otherwise appropriated, ~~\$725,000,000~~ **for fiscal year 2022, \$10,000,000**, to  
8 remain available until September 30, ~~2031~~ **2029**, to carry out ~~subparagraph (L)~~ **subsection (d)** of  
9 section ~~7(j)(10)~~ **26** of the Small Business Act (15 U.S.C. ~~636(j)(10)~~ **653**), as added by ~~this~~  
10 **subsection (b)**.

11  
12 (a) Appropriations.—

13 ~~(1) In general.—In addition to amounts otherwise available, there is appropriated to the Small~~  
14 ~~Business Administration, out of any money in the Treasury not otherwise appropriated,~~  
15 ~~\$2,000,000 for each of fiscal years 2022 through 2031 for carrying out this section. Amounts~~  
16 ~~appropriated by this subsection shall remain available until September 30, 2031.~~

17 ~~(2) Set aside.—Of the amounts made available under this subsection for a fiscal year, not more~~  
18 ~~than 15 percent shall be available for administrative expenses related to carrying out this~~  
19 ~~section.~~(b) Office of Rural Affairs.—Section 26 of the Small Business Act (15 U.S.C. 653) is  
20 amended by adding at the end the following:

21 “(d) Rural Small Business **Conferences.—The Conferenees.—**

22 “(1) ~~In general.—~~The Office shall administer 1 or more annual Rural Small Business  
23 Conferences, to be held in various regions of the United States. The purpose of such Conferences  
24 shall be to—

25 “~~(A)~~“(1) promote policies and programs of the Administration specific to small business  
26 concerns located in rural areas, and make publicly available information about such policies  
27 and programs;

28 “~~(B)~~“(2) coordinate with all offices of the Administration, resource partners, lenders, and  
29 other interested persons to ensure that the needs of small business concerns located in rural  
30 area are being met; and

31 “~~(C)~~“(3) analyze data on the effectiveness of programs of the Administration that benefit  
32 small business concerns located in rural areas.”

## 33 SEC. 100204. OFFICE OF EMERGING MARKETS.

34 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the  
35 Small Business Administration, out of any money in the Treasury not otherwise appropriated,  
36 ~~\$2,000,000 for each of fiscal years 2022 through 2031 for carrying~~ **in fiscal year 2022,**  
37 **\$10,000,000, to remain available until September 30, 2029, to carry** out subsection (o) of  
38 section 7 of the Small Business Act (15 U.S.C. 636), as added by subsection (b). ~~Amounts~~  
39 ~~appropriated by this subsection shall remain available until September 30, 2031.~~

1 (b) Establishment.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended by  
2 adding at the end the following:

3 “(o) Office of Emerging Markets.—

4 “(1) DEFINITIONS.—In this subsection—

5 “(A) the term ‘Director’ means the Director of the Office of Emerging Markets;

6 “(B) the term ‘microloan program’ means the program described in subsection (m);

7 “(C) the term ‘small business concern in an emerging market’ means a small  
8 business concern—

9 “(i) that is located in—

10 “(I) a low-income or moderate-income area for purposes of the  
11 Community Development Block Grant Program under title I of the Housing  
12 and Community Development Act of 1974; or

13 “(II) a HUBZone, as that term is defined in section 31(b);

14 “(ii) that is growing, newly established, or a startup;

15 “(iii) owned and controlled by veterans;

16 “(iv) owned and controlled by individuals with a disability, as defined in  
17 section 3 of the Americans with Disabilities Act of 1990; or

18 “(v) owned and controlled by other individuals or groups identified by the  
19 Administrator.

20 “(2) ESTABLISHMENT.—There is established within the Office of Capital Access of the  
21 Administration an office to be known as the ‘Office of Emerging Markets’, ~~which. The~~ **The**  
22 **Office of Emerging Markets shall be administered by a Director who** shall be  
23 responsible for the planning, coordination, implementation, evaluation, and improvement of  
24 the efforts of the Administrator to enhance the economic well-being of small business  
25 concerns in an emerging ~~market.”. market.~~

26 “(3) Administration.—The Office of Emerging Markets shall be administered by a  
27 Director, who shall—

28 “(A) ~~create and implement strategies and programs that provide an integrated approach to~~  
29 ~~the development of small business concerns in an emerging market;~~

30 “(B) ~~review the effectiveness and impact of access to capital programs (including the~~  
31 ~~microloan program) of the Administration and recommend policies on such programs with~~  
32 ~~respect to small business concerns in an emerging market;~~

33 “(C) ~~coordinate with the Office of Entrepreneurial Development and the Office of~~  
34 ~~Veterans Business Development of the Administration to establish partnerships to advance~~  
35 ~~the goal of improving the economic success of small business concerns in an emerging~~  
36 ~~market;~~

37 “(D) ~~consult with the Associate Administrator of the Office of Field Operations; and~~

38 “(E) ~~coordinate the activities of—~~

1 ~~“(i) the SBIC Working Group established under section 10404 of the Act to provide for~~  
2 ~~reconciliation pursuant to title II of S. Con. Res. 14;~~

3 ~~“(ii) the Office of Native American Affairs established under section 51; and~~

4 ~~“(iii) the Office of Rural Affairs established under section 26.”.~~

## 5 SEC. 100205. STATE TRADE EXPANSION PROGRAM.

6 In addition to amounts otherwise available, there is appropriated to the Small Business  
7 Administration **for fiscal year 2022**, out of any money in the Treasury not otherwise  
8 appropriated, \$30,000,000 for each of fiscal years 2022 through 2025 for carrying  
9 **appropriated—**

10 **(1) \$31,710,000, to remain available until September 30, 2027, to carry out section**  
11 **22(l) of the Small Business Act (15 U.S.C. 649(l)).**~~Amounts appropriated by this~~  
12 ~~subsection shall remain available for 3 fiscal years.~~ **in fiscal year 2023, and**

13 **(2) \$31,710,000, to remain available until September 30, 2027, to carry out section**  
14 **22(l) of the Small Business Act (15 U.S.C. 649(l)) in fiscal year 2024.**

15 Subtitle C—Encouraging Small Businesses to Fully Engage in  
16 the Innovation Economy

## 17 SEC. 100301. GROWTH ACCELERATOR COMPETITION.

18 (a) ~~Appropriations.~~— **Appropriations.—In addition to amounts otherwise available, there**  
19 **is appropriated to the Small Business Administration for fiscal year 2022, out of any money**  
20 **in the Treasury not otherwise appropriated, to remain available until September 30,**  
21 **2031—**

22 **(1) \$190,000,000 for carrying out section 51 of the Small Business Act, as added by**  
23 **subsection (b); and**

24 **(2) \$10,000,000 for administrative expenses and oversight costs related to carrying**  
25 **out section 51 of the Small Business Act, as added by subsection (b).**

26 (b) **In General.—The Small Business Act is amended by inserting after section 50, as**  
27 **added by section 100202 of this title, the following:**

28  
29 ~~\* 9 (1) In general.— In addition to amounts otherwise available,~~  
30 ~~there is appropriated to the Small Business Administration for~~  
31 ~~fiscal year 2022, out of any money in the Treasury not otherwise~~  
32 ~~appropriated, \$400,000,000, to remain available until September~~  
33 ~~30, 2031, for carrying out section 52 of the Small Business Act,~~  
34 ~~as added by subsection (b).~~

1 ~~(2) Set aside. Of the amounts made available under this~~  
2 ~~subsection for a fiscal year, not more than 5 percent shall be~~  
3 ~~available for administrative expenses related to carrying out this~~  
4 ~~section.~~

5 ~~(b) In General. The Small Business Act (15 U.S.C. 631 et seq.)~~  
6 ~~is amended by inserting after section 51, as added by section~~  
7 ~~10202 of this title, the following:~~

8 ~~“SEC. 52”~~ **“SEC. 51. GROWTH ACCELERATOR**  
9 **COMPETITION.**

10 “(a) Definitions.—In this section:

11 “(1) AWARD.—The term ‘award’ means a grant, prize, contract, cooperative agreement,  
12 or other cash or cash equivalent~~(as determined by the Administrator).~~

13 “(2) DISABILITY.—The term ‘disability’ has the meaning given the term in section 3 of  
14 the Americans with Disabilities Act of 1990.

15 “(3) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

16 “(A) an eligible ~~entity~~ **applicant**, as defined in section 49; or

17 “(B) an organization that is a growth accelerator located in the United States.

18 “(4) GROWTH ACCELERATOR.—The term ‘growth accelerator’ means an organization  
19 that—

20 “(A) supports new small business concerns that have a focus on technology,  
21 research, and development;

22 “(B) ~~frequently provides, but is not exclusively designed to provide, seed investment~~  
23 ~~in exchange for a small amount of equity;~~

24 “~~(C)~~ works with a new small business concern for a predetermined amount of time;

25 “~~(D)~~ **(C)** provides mentorship and instruction to small business concerns to ~~seal-~~  
26 ~~businesses; or~~ **grow the business concern; or**

27 “~~(E)~~ **(D)** offers startup capital or the opportunity to raise capital from outside  
28 investors **to small business concerns.**

29 “(5) NEW SMALL BUSINESS CONCERN.—The term ‘new small business concern’ means a  
30 small business concern that has been in operation for not more than 5 years.

31 “(b) Establishment.—The Administrator shall make competitive awards of not less than  
32 \$100,000 to eligible entities to accelerate the growth of new small business concerns by  
33 providing—

34 “(1) assistance to small business concerns ~~with accessing to access~~ **to access** capital and ~~finding~~

1 **find** mentors and networking opportunities; and

2 “(2) advice to small business concerns, including advising on market analysis, company  
3 strategy, revenue growth, commercialization, and securing funding.

4 “(c) Use of Funds.—An award under this section—

5 “(1) may be used by an eligible entity **recipient** for construction costs, acquisition of  
6 physical workspace and facilities, and programmatic purposes to benefit new small business  
7 concerns; and

8 “(2) may not be used by an eligible entity **recipient** to provide capital to new small  
9 business concerns directly or through the subaward of funds.

10 “(d) Application.—~~In making awards under this section, the Administrator shall establish an~~  
11 ~~application process and selection criteria, which shall include—~~

12 ~~“(1) assurances that the eligible entity will use such award to provide assistance for not less~~  
13 ~~than 5 new small business concerns each year;~~

14 ~~“(2) if located within 20 miles of a minority serving institution, proof of a referral or~~  
15 ~~programmatic relationship between the eligible entity and such institution;~~

16 ~~“(3) an assessment of the need for additional assistance for new small business concerns in the~~  
17 ~~geographic area to be served by the eligible entity; and~~

18 ~~“(4) other criteria, as determined by the Administrator.~~

19 ~~“(e) Penalties for Failure to Abide by Terms or Conditions of Award.—At the discretion of the~~  
20 ~~Administrator and in addition to any other civil or criminal consequences, the Administrator~~  
21 ~~shall withhold payments to an eligible entity or order the eligible entity to return an award made~~  
22 ~~under this section for failure to abide by the terms and conditions of the award.”.~~

23 ~~SEC. 100302. BUILDING A NATIONAL INNOVATION~~  
24 ~~SUPPORT ECOSYSTEM NETWORK. Subtitle~~

25 **D—Increasing Equity Opportunities**

26 ~~(a) Appropriations.—~~ **SEC. 100401. INCREASING EQUITY**  
27 **INVESTMENT IN THE SBIC PROGRAM.**

28 ~~(1) In general.—~~ **In(a) Appropriations.—** **In** addition to amounts otherwise available, there is  
29 appropriated to the Small Business Administration for fiscal year 2022, out of any money in the  
30 Treasury not otherwise appropriated, **\$20,000,000**, to remain available until September 30, 2031,  
31 for carrying out this section— **section.**

32 (A) ~~\$525,000,000 to carry out subsection (c)(1) of this section; and~~

33 (B) ~~\$150,000,000 to carry out subsection (c)(2) of this section.~~

34 ~~(2) Set aside.—Of the amounts made available under paragraph (1)(A) of this subsection for a~~  
35 ~~fiscal year, not more than 5 percent shall be available for administrative expenses related to~~  
36 ~~carrying out this section.~~

1 (b) Definitions.—In this section:

2 (1) Business incubator.—The term “business incubator” means an organization that—

3 (A) provides resources, which may include physical workspace and facilities, to startups and  
4 established small business concerns; and

5 (B) is designed to accelerate the growth and success of businesses through a variety of  
6 business support resources and services, including—

7 (i) access to capital, business education, and counseling;

8 (ii) networking opportunities;

9 (iii) mentorship opportunities; and

10 (iv) other services intended to aid in developing a business.

11 (2) Economic development organization.—The term “economic development organization”  
12 means a regional, State, tribal, or local organization established for purposes of promoting or  
13 otherwise facilitating economic development.

14 (3) Eligible applicant.—The term “eligible applicant” means—

15 (A) an economic development organization;

16 (B) an eligible entity, as defined in section 7(j)(10)(K)(i) of the Small Business Act, as added  
17 by section 100103;

18 (C) a business incubator;

19 (D) a growth accelerator;

20 (E) an SBA partner organization, as defined in section 50 of the Small Business Act (as added  
21 by section 10201 of this title); or

22 (F) any combination or collaboration of the entities described in subparagraphs (A) through  
23 (E).

24 (4) Eligible business.—The term “eligible business” means any innovative startup seeking  
25 to—

26 (A) participate in the SBIR and STTR programs described in section 9 of the Small Business  
27 Act (15 U.S.C. 638); or

28 (B) otherwise develop, through research and development, or commercialize advanced  
29 technologies.

30 (5) Growth accelerator.—The term “growth accelerator” has the meaning given the term in  
31 section 52 of the Small Business Act, as added by section 10301 of this title.

32 (6) Innovative startup.—The term “innovative startup” means a science, technology,  
33 engineering, and math entrepreneur or small business concern that—

34 (A) was founded or commenced a trade or business not earlier than 5 years before receiving  
35 assistance under this section; and

36 (B) has a primary focus on the development or commercialization of advanced technologies.

1 ~~(7) Member of an underrepresented community.—The term “member of an underrepresented-~~  
2 ~~community” has the meaning given in section 50 of the Small Business Act, as added by section~~  
3 ~~10201 of this title.~~

4 ~~(e) Establishment.—The Administrator shall—~~

5 ~~(1) make grants or award prizes to, or enter into contracts or cooperative agreements with,~~  
6 ~~eligible applicants to address the training, proposal development, mentoring, partnering,~~  
7 ~~coordinating, networking, customer discovery, and business incubator and growth accelerator-~~  
8 ~~needs of eligible businesses to expand and accelerate the growth of eligible businesses; and~~

9 ~~(2) facilitate fellowships and internships in the fields of science, technology, engineering, and~~  
10 ~~mathematics, prioritizing members of an underrepresented community through partnerships with~~  
11 ~~or supplemental grants or awards to provide opportunities at the undergraduate, graduate, and~~  
12 ~~postdoctoral levels.~~

13 ~~Subtitle D—Increasing Equity Opportunities for Small Manufacturers~~

14 ~~SEC. 100401. INCREASING EQUITY INVESTMENT BY THE SBIC PROGRAM.~~

15 ~~(a) Venture Small Business Investment Company Facility.—~~

16 ~~(1) Appropriations.—In addition to amounts otherwise available, there is appropriated to the~~  
17 ~~Administration for fiscal year 2022, out of any money in the Treasury not otherwise~~  
18 ~~appropriated, to remain available until September 30, 2031, \$9,500,000,000, to be deposited into~~  
19 ~~the facility established under section 321 of the~~ **(b) Establishment.—The Small Business**  
20 ~~Investment Act of 1958, as added by paragraph (2). is amended—~~

21 ~~(2) Establishment.—The Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.)~~  
22 ~~is amended—~~

23 ~~(A)(1) in section 103 (15 U.S.C. 662)—~~

24 ~~(i)(A) in paragraph (9)(B)(iii)—~~

25 ~~(I)(i) in subclause (II), by striking “and” at the end;~~

26 ~~(II)(ii) in subclause (III), by adding “and” at the end; and~~

27 ~~(III)(iii) by adding at the end the following:~~

28 ~~“(IV) funds obtained from any financial institution identified under section~~  
29 ~~302(b);”;~~ and

30 ~~(ii) in paragraph (10)—~~ **(B) in paragraph (13)(C), by striking “in an aggregate**  
31 **amount that does not exceed 33 percent of the private capital of the applicant or**  
32 **licensee”; and**

33 ~~(I) in subparagraph (A), by adding “and” at the end; and~~

34 ~~(II) by striking subparagraphs (B) and (C) and inserting the following:~~

35 ~~“(B) partnership interests purchased by the Administration, as described in section 321.”;~~

36 ~~(B) in section 302(a)(1) (15 U.S.C. 682(a)(1))—~~

37 ~~(i) in subparagraph (A), by striking “or” at the end;~~

1           (ii) in subparagraph (B), by striking the period at the end and inserting “; or”; and

2           (iii)(2) in section 304 (15 U.S.C. 684), by adding at the end the following:

3  
4           “(C) \$20,000,000, adjusted every 5 years for inflation, with respect to each licensee  
5 participating in the facility under section 321.”;

6           (C) in section 303(b)(2)(B) (15 U.S.C. 683(b)(2)(B)), by striking “\$350,000,000” and  
7 inserting “\$400,000,000”; and

8           (D) in section 304—

9           “(e) Notwithstanding section 310(c)(6), a licensee under section 321 may, subject to  
10 regulations rules to be issued by the Administration, invest equity capital in investment funds  
11 which— that—

12           “(1) are majority controlled by members of an underrepresented community(, as defined  
13 in section 50 49 of the Small Business Act);

14           “(2) receive annual assistance provided by such licensee; or

15           “(3) meet additional criteria as determined by the Administration.”; and

16           (E)(3) by adding at the end of the following:

17           “**SEC. 321. ~~VENTURE SMALL BUSINESS INVESTMENT~~**  
18           **~~COMPANY FACILITY EMERGING MANAGERS~~**  
19           **PROGRAM.**

20           “(a) Definitions.—In this section:

21           “(1) COVERED INVESTMENTS.—The term ‘covered investments’ means investments in—

22           “(A) infrastructure, including—

23           “(i) roads, bridges, and mass transit;

24           “(ii) water supply and sewer;

25           “(iii) the electrical grid;

26           “(iv) broadband and telecommunications;

27           “(v) clean energy; or

28           “(vi) child care and elder care;

29           “(B) manufacturing;

30           “(C) low-income communities, as that term is defined in section 45D(e) of the  
31 Internal Revenue Code of 1986;

32           “(D) HUBZones, as defined in section 31(b) of the Small Business Act;

33           “(E) small business concerns owned and controlled by a member of an Indian tribe  
34 individually identified (including parenthetically) in the most recent list published



1 pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994;

2 “(F) small business concerns owned and controlled by an individual with a  
3 disability, as defined in section 3 of the Americans with Disabilities Act of 1990;

4 “(G) small business concerns owned and controlled by a veteran; or

5 “(H) ~~small business concerns~~ **industries** identified by the Administrator, as ~~critical~~.

6 “(2) Facility. — The term ‘facility’ means the facility established under subsection  
7 (b).

8 “(3) Partnership interest. — The term ‘partnership interest’ means a limited  
9 partnership equity interest in a licensee purchased and held by the Administration  
10 under this section.

11 “(4) ~~Venture small business investment company.~~ — The term ‘~~venture small~~  
12 ~~business investment company~~’ means a private equity fund —

13 “(A) ~~that makes early stage venture capital investments in small business concerns~~  
14 ~~approved to participate in the facility by the Administration; and~~

15 “(B) ~~for which 75 percent of total financings shall be invested in covered~~  
16 ~~investments, of which not more than 33 percent of such investments are in small~~  
17 ~~business concerns in infrastructure or manufacturing.~~

18 “(b) Establishment and Administration of Facility. —

19 “(1) ~~In general.~~ — The Administrator shall establish and carry out a facility to  
20 purchase partnership interests from ~~venture small business investment companies.~~

21 “(2) ~~Administration.~~ — The facility shall be administered by the Administrator acting  
22 through the ~~Associate Administrator described in section 201.~~

23 “(3) ~~Use of amounts.~~ — The Administrator shall use amounts deposited in the facility  
24 to purchase partnership interests from ~~venture small business investment companies.~~

25 “(4) ~~Bifurcation.~~ — Losses to the Administration under this section —

26 “(A) ~~shall not be offset by fees or any other charges on licenses not authorized by~~  
27 ~~the Administration;~~

28 “(B) ~~shall be borne solely by the facility; and~~

29 “(C) ~~shall not be included in the calculation of the subsidy rate under section 303(j).~~

30 “(c) ~~Licensing Matters.~~ —

31 “(1) ~~In general.~~ — A ~~venture small business investment company~~ shall be licensed  
32 under section 301(c) and approved by the Administrator to issue partnership interests.

33 “(2) ~~Consideration.~~ — In issuing a license under paragraph (1), the Administrator  
34 shall take into consideration ~~investment risk through criteria set by the Administrator.~~

35 “(d) ~~Required Investments.~~ —

36 “(1) ~~In general.~~ — Except as described in paragraph (2), a ~~venture small business~~  
37 ~~investment company~~ shall invest solely in ~~small business concerns.~~

1           ~~“(2) Exception and waiver.— Notwithstanding section 310(e)(6) and subject to rules-~~  
2           ~~issued by the Administrator, a venture small business investment company may invest~~  
3           ~~equity capital in venture capital funds if—~~

4           ~~“(A) such venture capital funds are majority controlled by underrepresented-~~  
5           ~~individuals;~~

6           ~~“(B) not less than 50 percent of total capital of each such venture capital fund is~~  
7           ~~invested in covered investments; and~~

8           ~~“(C) the venture small business investment company provides annual assistance to~~  
9           ~~the venture capital fund.~~

10          ~~“(e) Partnership Interests.—~~

11          ~~“(1) In general.— The Administrator may, out of amounts available in the facility,~~  
12          ~~purchase partnership interests as described in this subsection.~~

13          ~~“(2) Issuance and purchase of partnership interests.—~~

14          ~~“(A) In general.— The Administrator may purchase venture equity securities issued-~~  
15          ~~by a venture small business investment company in an amount that does not exceed the~~  
16          ~~lesser of 100 percent of the private capital of the venture small business investment~~  
17          ~~company or a lesser amount to be determined by the Administrator.~~

18          ~~“(3) Partnership interest terms.— A partnership interest purchased by the~~  
19          ~~Administrator from a venture small business investment company under this~~  
20          ~~subsection shall be subject to such restrictions and limitations as the Administrator~~  
21          ~~may determine.”.~~

22          ~~(b) Emerging Managers Program.—~~

23  
24          ~~\* 10 (1) Appropriations.— In addition to amounts otherwise available, there is~~  
25          ~~appropriated to the Small Business Administration for fiscal year 2022, out of any money in~~  
26          ~~the Treasury not otherwise appropriated, \$20,000,000, to remain available until September-~~  
27          ~~30, 2031, for carrying out this subsection.~~

28          ~~(2) Establishment.— The Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.),~~  
29          ~~as amended by subsection (a), is further amended by adding at the end the following:~~

30          ~~“SEC. 322. EMERGING MANAGERS PROGRAM.~~

31          ~~“(a) Definitions.— In this section:~~

32          ~~“(1) Covered investments.— The term ‘covered investments’ has the meaning given in~~  
33          ~~section 321.~~

34          ~~“(2) EMERGING MANAGER COMPANY.— The term ‘emerging manager company’ means an~~  
35          ~~investment management firm that is focused on investing private equity **and** that meets not~~  
36          ~~less than 2 of the following criteria:~~

37          ~~“(A) The partners of the firm have—~~

38                 ~~“(i) an investment track record of less than 10 years of combined investment~~

1 experience; or

2 “(ii) a documented record of successful business experience.

3 “(B) The firm has a focus on underserved markets.

4 “(C) The firm is not less than 50 percent owned, managed, or controlled by members  
5 of an underrepresented community (as defined in section 50 49 of the Small Business  
6 Act).

7 “(b) Establishment.—The Administrator shall establish an emerging managers program  
8 pursuant to which managers with substantial experience in operating small business investment  
9 ~~companies~~ **companies**—

10 “(1) may enter into a written agreement approved by the Administrator to provide  
11 guidance and assistance to an applicant for a license for a small business investment  
12 company that is to be managed by an emerging manager company. ~~The manager with~~  
13 ~~substantial experience; and~~

14 “(2) may hold a minority financial interest in the small business investment company ~~that~~  
15 ~~is to be managed by an emerging manager company.~~ **described in paragraph (1).**

16 “(c) Licensing.—An applicant described in subsection (b)(1) shall apply ~~with~~ for a license  
17 under section 301(c) and shall—

18 “(1) have private capital not to exceed \$100,000,000;

19 “(2) be managed by not less than two individuals;

20 “(3) be a second generation fund or earlier; and

21 “(4) focus its investment strategy on covered investments.

22 “(d) Waiver of Maximum Leverage.—The approval of a written agreement under subsection  
23 (b) by the Administrator shall operate as a waiver of the requirements of section 303(b)(2)(B) to  
24 the extent that such section would otherwise apply.

25 “(e) Increased Leverage Maximum.—An existing small business investment company that  
26 enters into a written agreement under subsection (b) ~~that is approved by the Administrator may~~  
27 ~~increase~~ **may receive an increase in** the maximum leverage cap of the company under section  
28 303(b)(2)—

29 “(1) under subparagraph (A) of such section, with respect to a single license, by not more  
30 than \$17,500,000; and

31 “(2) under subparagraph (B) of such section, with respect to multiple licenses under  
32 common control, by not more than \$35,000,000.”.

## 33 SEC. 100402. MICROCAP SMALL BUSINESS 34 INVESTMENT COMPANY LICENSE.

35 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the  
36 Administration for fiscal year 2022, out of amounts in the Treasury not otherwise appropriated,  
37 \$40,000,000, to remain available until September 30, 2031, to carry out paragraph (5) of section  
38 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)), as added by subsection

1 (b).

2 (b) ~~MicroCap~~ **Microcap** Small Business Investment Company License.—Section 301(c) of  
3 the Small Business Investment Act of 1958 (15 U.S.C. 681(c)) is amended by adding at the end  
4 the following:

5 “(5) MICROCAP SMALL BUSINESS INVESTMENT COMPANY LICENSE.—

6 “(A) IN GENERAL.—The Administrator may issue ~~a number of~~ licenses under this  
7 subsection to applicants—

8 “(i) that do not satisfy the qualification requirements under paragraph (3)(A)(ii)  
9 to the extent that such requirements relate to investment experience and track  
10 record, including any such requirements further set forth in section 107.305 of  
11 title 13, Code of Federal Regulations, or any successor regulation;

12 “(ii) that would otherwise be issued a license under this subsection, except that  
13 the management of the applicant does not satisfy the requirements under  
14 paragraph (3)(A)(ii) to the extent that such requirements relate to investment  
15 experience and track record, including any such requirements further set forth in  
16 section 107.305 of title 13, Code of Federal Regulations, or any successor  
17 regulation;

18 “(iii) for which the ~~fund~~ managers **of such applicant** have—

19 “(I) a documented record of successful business experience;

20 “(II) a record of business management success; or

21 “(III) knowledge in the particular industry or business for which the  
22 applicant is pursuing an investment strategy; and

23 “(iv) that have demonstrated appropriate qualifications for the license, based on  
24 factors determined by the Administrator.

25 “(B) REQUIRED INVESTMENTS.—~~THE INVESTMENTS.~~—A licensee under this  
26 paragraph shall invest not less than 50 percent of the total financings of ~~such the~~  
27 licensee in covered investments (as defined in section 321), of which not more than 33  
28 percent of ~~such those~~ investments are in small business concerns in infrastructure or  
29 manufacturing.

30 “(C) ~~TIMING FOR ISSUANCE OF LICENSE.~~—~~THE ADMINISTRATOR SHALL ESTABLISH~~  
31 ~~POLICIES TO ENSURE THE TIMELY DISPOSITION AND ISSUANCE OF LICENSES UNDER THIS~~  
32 ~~PARAGRAPH.~~

33 “~~(D)~~ LEVERAGE.—A company licensed pursuant to this paragraph shall—

34 “(i) not be eligible to receive leverage in an amount that is more than  
35 \$50,000,000; and

36 “(ii) be able to access leverage in an amount that is not more than 200 percent  
37 of the private capital of the ~~applicant.~~ **company.**

38 “~~(E)~~“(D) INVESTMENT COMMITTEE.—If a company licensed pursuant to this  
39 paragraph has investment committee members or control persons who are principals

1 approved by the ~~Administration~~ **Administrator** or control persons of licensed small  
2 business investment companies not licensed under this paragraph, such licensee or  
3 licensees shall not be deemed to be under common control with the company licensed  
4 pursuant to this paragraph solely for the purpose of section 303(b)(2)(B).

5 “~~(F)~~“(E) FEES.—In addition to the fees authorized under sections 301(e) and 310(b),  
6 the Administration may prescribe fees to be paid by each company designated to  
7 operate under this paragraph.”.

## 8 SEC. 100403. FUNDING FOR SBIC OUTREACH AND 9 EDUCATION.

10 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the  
11 Small Business Administration for fiscal year 2022, out of any money in the Treasury not  
12 otherwise appropriated, \$2,500,000, to remain available until September 30, 2031, for carrying  
13 out this section.

14 (b) Outreach and Education.—The Administrator shall develop and implement a program to  
15 promote to, conduct outreach to, and educate prospective licensees on the licensing procedures  
16 and other programs of small business investment companies under title III of the Small Business  
17 Investment Act of 1958 (15 U.S.C. 681 et seq.).

### 18 ~~SEC. 100404. SBIC WORKING GROUP.~~

19 ~~(a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the~~  
20 ~~Small Business Administration for fiscal year 2022, out of any money in the Treasury not~~  
21 ~~otherwise appropriated, \$2,000,000, to remain available until September 30, 2031, to carry out~~  
22 ~~this section.~~

23 ~~(b) Definitions.—In this section—~~

24 ~~(1) the term “covered Members” means the Chair and Ranking Member of—~~

25 ~~(A) the Committee on Small Business and Entrepreneurship of the Senate; and~~

26 ~~(B) the Committee on Small Business of the House of Representatives;~~

27 ~~(2) the terms “licensee”, “small business investment company”, and “underlicensed State”~~  
28 ~~have the meanings given those terms, respectively, in section 103 of the Small Business~~  
29 ~~Investment Act of 1958 (15 U.S.C. 662);~~

30 ~~(3) the term “low income community” has the meaning given the term in section 45D(e) of the~~  
31 ~~Internal Revenue Code of 1986;~~

32 ~~(4) the term “member of an underrepresented community” has the meaning given in section 50~~  
33 ~~of the Small Business Act, as added by section 10201 of this title.~~

34 ~~(5) the term “underfinanced State” means a State that has below median financing, as~~  
35 ~~determined by the Administrator; and~~

36 ~~(6) the term “underserved community” means—~~

37 ~~(A) a HUBZone, as defined in section 31(b) of the Small Business Act (15 U.S.C. 657a(b));~~

38 ~~(B) a low income community; or~~

1     ~~(C) a low income rural community.~~

2     ~~(e) Establishment.— Not later than 90 days after the date on which the covered Members are~~  
3 ~~required to submit to the Administrator a notification that the individuals selected by the covered~~  
4 ~~Members under paragraph (1) have accepted those assignments, the Administrator shall establish~~  
5 ~~a small business investment company Working Group (referred to in this section as the~~  
6 ~~“Working Group”), which shall —~~

7     ~~(1) consist of —~~

8     ~~(A) 4 representatives —~~

9     ~~(i) among general partners of licensees that have a demonstrated record of investing in —~~

10    ~~(I) low income communities;~~

11    ~~(II) businesses primarily engaged in research and development;~~

12    ~~(III) manufacturers;~~

13    ~~(IV) businesses primarily owned or controlled by individuals in underserved communities~~  
14 ~~before receiving capital from the licensee; and~~

15    ~~(V) low income rural communities; and~~

16    ~~(ii) of whom —~~

17    ~~(I) 1 shall be selected by the Chair of the Committee on Small Business and Entrepreneurship~~  
18 ~~of the Senate;~~

19    ~~(II) 1 shall be selected by the Ranking Member of the Committee on Small Business and~~  
20 ~~Entrepreneurship of the Senate;~~

21    ~~(III) 1 shall be selected by the Chair of the Committee on Small Business of the House of~~  
22 ~~Representatives; and~~

23    ~~(IV) 1 shall be selected by the Ranking Member of the Committee on Small Business of the~~  
24 ~~House of Representatives;~~

25    ~~(B) 4 representatives —~~

26    ~~(i) from licensees, of whom 1 shall be an owner of a small business investment company or~~  
27 ~~fund manager that is located in —~~

28    ~~(I) a low income community;~~

29    ~~(II) an underserved community;~~

30    ~~(III) a low income rural community; or~~

31    ~~(IV) an underfinanced State; and~~

32    ~~(ii) of whom —~~

33    ~~(I) 1 shall be selected by the Chair of the Committee on Small Business and Entrepreneurship~~  
34 ~~of the Senate;~~

35    ~~(II) 1 shall be selected by the Ranking Member of the Committee on Small Business and~~  
36 ~~Entrepreneurship of the Senate;~~

House Office of Legislative Counsel

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- 1       ~~(III) 1 shall be selected by the Chair of the Committee on Small Business of the House of~~  
2 ~~Representatives; and~~
- 3       ~~(IV) 1 shall be selected by the Ranking Member of the Committee on Small Business of the~~  
4 ~~House of Representatives;~~
- 5       ~~(C) the Associate Administrator for the Office of Investment and Innovation of the~~  
6 ~~Administration, who shall—~~
- 7       ~~(i) serve as the Chair of the Working Group; and~~
- 8       ~~(ii) select not more than 4 additional representatives from the Office of Investment and~~  
9 ~~Innovation of the Administration to serve as representatives of the Working Group; and~~
- 10       ~~(D) 4 representatives from the investment industry or academia, or who are bank limited-~~  
11 ~~partners, with expertise in developing and monitoring interventions to expand the investment~~  
12 ~~industry, of whom—~~
- 13       ~~(i) 1 shall be selected by the Chair of the Committee on Small Business and Entrepreneurship~~  
14 ~~of the Senate;~~
- 15       ~~(ii) 1 shall be selected by the Ranking Member of the Committee on Small Business and~~  
16 ~~Entrepreneurship of the Senate;~~
- 17       ~~(iii) 1 shall be selected by the Chair of the Committee on Small Business of the House of~~  
18 ~~Representatives; and~~
- 19       ~~(iv) 1 shall be selected by the Ranking Member of the Committee on Small Business of the~~  
20 ~~House of Representatives;~~
- 21       ~~(2) develop recommendations regarding how the Administrator could increase the number~~  
22 ~~of—~~
- 23       ~~(A) applicants to become small business investment companies, with a focus on management~~  
24 ~~teams or companies located in—~~
- 25       ~~(i) low income communities;~~
- 26       ~~(ii) underserved communities; and~~
- 27       ~~(iii) low income rural communities; and~~
- 28       ~~(B) investments made in underfinanced States;~~
- 29       ~~(3) develop recommendations for incentives for small business investment companies to—~~
- 30       ~~(A) invest and locate in underlicensed States and underfinanced States; and~~
- 31       ~~(B) invest in small business concerns, including those owned and controlled by members of an~~  
32 ~~underrepresented community, small business concerns owned and controlled by veterans, and~~  
33 ~~small business concerns owned and controlled by women; and~~
- 34       ~~(4) develop recommendations for metrics of success, and benchmarks for success, with respect~~  
35 ~~to the goals described in this section.~~
- 36       ~~(d) Report.— Not later than 1 year after the date on which the Administrator establishes the~~  
37 ~~Working Group under subsection (b), the Working Group shall submit to the Committee on~~

1 ~~Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the~~  
2 ~~House of Representatives a report that includes—~~

3 ~~(1) the recommendations of the Working Group; and~~

4 ~~(2) a recommended plan and timeline for implementing the recommendations described in~~  
5 ~~paragraph (1).~~

6 ~~(e) Termination.—The Working Group shall terminate on the date on which the Working~~  
7 ~~Group submits the report required under subsection (e).~~

## 8 Subtitle E—Increasing Access to Lending and Investment 9 Capital

### 10 SEC. 100501. FUNDING FOR COMMUNITY ADVANTAGE 11 LOAN PROGRAM.

12 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the  
13 Small Business Administration for fiscal year 2022, out of any money in the Treasury not  
14 otherwise appropriated, to remain available until September 30, 2031—

15 (1) ~~\$281,000,000~~ **\$224,800,000** for carrying out paragraph (38) of section 7(a) of the  
16 Small Business Act (15 U.S.C. 636(a)), as added by subsection (b);

17 (2) ~~\$5,000,000 for carrying out subparagraph (F) of~~ **\$4,000,000 for the Administrator of**  
18 **the Small Business Administration to develop a training course and provide free or**  
19 **low-cost training to covered institutions making loans under the program established**  
20 **under** such paragraph (38); and

21 (3) ~~\$314,000,000~~ **\$47,100,000** for administrative expenses related to carrying out such  
22 paragraph (38), including issuing interim final rules.

23 (b) Establishment.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by  
24 adding at the end the following:

25 “(38) COMMUNITY ADVANTAGE LOAN PROGRAM.—

26 “(A) DEFINITIONS.—In this paragraph—

27 “(i) the term ‘covered institution’ means—

28 “(I) a development company, as defined in section 103 of the Small  
29 Business Investment Act of 1958, participating in the loan program  
30 established under title V of such Act;

31 “(II) a non-Federally regulated entity certified as a community  
32 development financial institution under the Community Development  
33 Banking and Financial Institutions Act of 1994;

34 “(III) an intermediary, as defined in subsection (m)(11), that is a nonprofit  
35 organization and is participating in the microloan program under subsection  
36 (m); and

37 “(IV) an eligible intermediary, as defined in subsection (l)(1), participating



1 in the small business intermediary lending pilot program established under  
2 subsection (1)(2);

3 ~~“(ii) the term ‘existing business’ means a small business concern that has been~~  
4 ~~in existence for not less than 2 years on the date on which a loan is made to the~~  
5 ~~small business concern under the program;~~

6 ~~“(iii) the term ‘new business’ means a small business concern that has been in~~  
7 ~~existence~~ **business** for not more than 2 years on the date on which a loan is made  
8 to the small business concern under the program;

9 ~~“(iv)“(iii) the term ‘program’ means the Community Advantage Loan Program~~  
10 established under subparagraph (B);

11 ~~“(v)“(iv) the term ‘small business concern in an underserved market’ means a~~  
12 small business concern—

13 “(I) that is located in—

14 “(aa) a low- to moderate-income community;

15 “(bb) a HUBZone, as that term is defined in section 31(b);

16 “(cc) a rural area; or

17 “(dd) any area for which a disaster declaration or determination  
18 described in subparagraph (B), (C), or (E) of subsection (b)(2) has been  
19 made that has not terminated more than 2 years ~~before the date~~(or later,  
20 as determined by the Administrator) **before the date** on which a loan is  
21 made to such concern under such subsection, or in any area for which a  
22 major disaster described in subsection (b)(2)(A) has been declared, that  
23 period shall be 5 years; ~~or~~

24  
25 “(II) that is a new business;

26 “(III) owned and controlled by veterans;

27 “(IV) owned and controlled by an individual who has completed a term of  
28 imprisonment;

29 “(V) owned and controlled by an individual with a disability, as that term  
30 is defined in section 3 of the Americans with Disabilities Act of 1990;

31 “(VI) owned and controlled by a member of an Indian tribe individually  
32 identified (including parenthetically) in the most recent list published  
33 pursuant to section 104 of the Federally Recognized Indian Tribe List Act of  
34 1994; or

35 “(VII) otherwise identified by the Administrator.

36 “(B) ~~ESTABLISHMENT.~~—~~THERE ESTABLISHMENT.~~—**There** is established a  
37 Community Advantage Loan Program under which the Administration may guarantee  
38 loans made by covered institutions under this subsection, **including with an emphasis**  
39 **on** loans made to small business concerns in **an** underserved market.

1 “(C) REQUIREMENT TO MAKE LOANS TO UNDERSERVED MARKETS.—Not less than 50  
2 60 percent of loans made by a covered institution under the program shall consist of  
3 loans made to small business concerns in an underserved market.

4 “(D) MAXIMUM LOAN AMOUNT.—

5 “(i) IN GENERAL.—Except as provided in clause (ii), the maximum loan amount  
6 for a loan guaranteed under the program is \$250,000.

7 “(ii) EXCEPTIONS.—

8 “(I) REQUESTED EXCEPTION.—

9 “(aa) IN GENERAL.—Upon request by a covered institution, the  
10 Administrator may ~~approve a~~ guarantee of a loan under the program  
11 that is more than \$250,000 and not more than \$350,000.

12 “(bb) NOTIFICATION.—As soon as practicable and not later than 14  
13 business days after receiving a request under item (aa), the  
14 Administration shall—

15 “(AA) review the request; and

16 “(BB) provide a decision regarding the request to the covered  
17 institution making the loan.

18 “(II) MAJOR DISASTERS.—The maximum loan amount for a loan  
19 guaranteed under the program that is made to a small business concern  
20 located in an area affected by a major disaster described in subsection  
21 (b)(2)(A) is \$350,000.

22 “(E) INTEREST RATES.—The maximum interest rate for a loan guaranteed under the  
23 program shall not exceed the maximum interest rate, as determined by the  
24 Administration, applicable to other loans guaranteed under this **subsection.**”  
25 ~~subsection.~~

26 “(F) Training.—The Administrator shall ~~develop a training course and provide free-~~  
27 ~~or low-cost training to covered institutions making loans under the program.”~~

## 28 SEC. 100502. FUNDING FOR CREDIT ENHANCEMENT 29 AND SMALL DOLLAR LOAN FUNDING.

30 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the  
31 Small Business Administration for fiscal year 2022, out of any money in the Treasury not  
32 otherwise appropriated, to remain available until September 30, 2031—

33 (1) ~~\$3,365,000,000~~ **\$1,480,600,000** to carry out paragraph (39) of section 7(a) of the  
34 Small Business Act (15 U.S.C. 636(a)), as added by subsection (b); and

35 (2) ~~\$1,100,000,000~~ **\$484,000,000** for administrative expenses related to carrying out such  
36 paragraph (39), including issuing interim final rules **within 90 days after the date of the**  
37 **enactment of this title, of which \$25,000,000 is reserved for grants to conduct outreach**  
38 **to entities eligible to receive a loan under such paragraph (39).**

1 (b) Small Dollar Loan Funding.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)),  
2 as amended by section ~~10501~~ **100501**, is further amended—

3 (1) in paragraph (1)(A)(i), in the third sentence, by striking “; and” and all that follows  
4 through the period at the end and inserting a period;

5 **(2) in paragraph (4)(A), by striking the comma after “prescribed by the**  
6 **Administration” and all that follows through the period at the end and inserting a**  
7 **period;**

8 **(3) in paragraph (26), by inserting “(except for those collected under paragraph (39))”**  
9 **after “profits”; and**

10 ~~(3)~~**(4)** by adding at the end the following:

11 “(39) SMALL DOLLAR LOAN FUNDING.—

12 “(A) DEFINITIONS.—In this paragraph:

13 “(i) SMALL GOVERNMENT CONTRACTOR.—The term ‘small government  
14 contractor’ means a small business concern that is performing a ~~Government~~  
15 **government** contract.

16 “(ii) SMALL MANUFACTURER.—The term ‘small manufacturer’ means a small  
17 business concern that is assigned a North American Industry Classification  
18 System code beginning with 31, 32, or 33 at the time at which the small business  
19 concern receives loan under this subsection.

20 “(B) DIRECT LOANS.—The Administrator is authorized to originate and disburse  
21 direct loans, including through partnerships with third parties, to small business  
22 concerns.

23 “(C) ~~MAXIMUM LOAN TERMS.~~—

24 ~~(i) LOAN SIZE.~~—Notwithstanding paragraph (3)(C) of this subsection, a loan made  
25 in accordance with this paragraph shall be—

26 ~~(i)~~**(i)** except as provided in ~~subclause (H)~~ **clause (ii)**, not more than  
27 \$150,000; or

28 ~~(H)~~**(ii)** not more than \$1,000,000, if the borrower is a small manufacturer or a  
29 small government contractor.

30 “(D) FEES.—With respect to each loan made in accordance with this paragraph, the  
31 Administrator, an authorized third party, or an agent may—

32 “(i) impose, collect, retain, and utilize fees, which may be charged to the  
33 borrower, to cover any costs associated with referring applications or originating,  
34 making, underwriting, disbursing, closing, servicing, or liquidating the loan,  
35 including any direct lending agent costs, other program or contract costs, or other  
36 agent administrative expenses;

37 “(ii) impose, collect, retain, and use fees (including unused fees and draw fees),  
38 which may be charged to the borrower on loans for revolving lines of credit; and

39 “(iii) pay third parties, including direct lending agents and financial institutions,

1 with which the Administration partners for assistance in referring applicants or  
2 promoting, originating, making, underwriting, disbursing, closing, servicing, or  
3 liquidating loans in accordance with this paragraph on behalf of the  
4 Administration.

5 “(E) **TERMS.**—~~Not Other terms.~~—

6 “(i) ~~In general.~~—Not later than 90 days after the date of the enactment of this  
7 paragraph, the Administrator shall issue interim final rules ~~relating to the~~ **and revise**  
8 **any relevant rules to establish the terms and conditions for a direct loan,**  
9 **including repayment,** underwriting criteria, interest rate, maturity, and other terms of  
10 a loan made in accordance with this ~~paragraph and revising any other rules necessary~~  
11 ~~to carry out this paragraph.~~

12 “(ii) ~~Repayment.~~—~~Not later than 90 days after the date of the enactment of this~~  
13 ~~paragraph, the Administrator shall issue rules to allow reasonable assurance of~~  
14 ~~repayment of a loan made in accordance with this paragraph, including reasonable~~  
15 ~~assurance of repayment from the assets converting to cash to be the sole and primary~~  
16 ~~form of repayment under this paragraph.”.~~

## 17 SEC. 100503. EXTENSION OF TEMPORARY FEE 18 REDUCTIONS.

19 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the  
20 Small Business Administration for fiscal year 2022, out of any money in the Treasury not  
21 otherwise appropriated, ~~\$1,000,000,000~~ **\$950,000,000**, to remain available until September 30,  
22 2026, for carrying out this section **and any amendments made by this section.**

23 (b) 7(a) Loan Program.—Section 326 of the Economic Aid to Hard-Hit Small Businesses,  
24 Nonprofits, and Venues Act (title III of division N of Public Law 116–260; 134 Stat. 2036; 15  
25 U.S.C. 636 note) is amended—

26 (1) in subsection (a)(2), by striking “October 1, 2021” and inserting “October 1, 2026”;  
27 and

28 (2) in subsection (b)(2), by striking “October 1, 2021” and inserting “October 1, 2026”.

29 (c) Other Fees.—Section 327 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits,  
30 and Venues Act (title III of division N of Public Law 116–260; 134 Stat. 2037; 15 U.S.C. 636  
31 note) is amended—

32 (1) in subsection (a)(1), by striking “September 30, 2021” and inserting “September 30,  
33 2026”; and

34 (2) in subsection (b)(1), by striking “September 30, 2021” and inserting “September 30,  
35 2026”.

## 36 SEC. 100504. FUNDING FOR COOPERATIVES.

37 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the  
38 Small Business Administration for fiscal year 2022, out of any money in the Treasury not  
39 otherwise appropriated, ~~\$500,000,000~~ **\$100,000,000**, to remain available until September 30,

1 2031, for carrying out paragraph (40) of section 7(a) of the Small Business Act (15 U.S.C.  
2 636(a)), as added by subsection (b).

3 (b) Cooperative Lending Pilot.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as  
4 amended by section ~~10502~~, **100502**, is **further** amended by adding at the end the following:

5 “(40) COOPERATIVE LENDING PILOT.—

6 “(A) DEFINITIONS.—In this paragraph:

7 “(i) COMMUNITY FINANCIAL INSTITUTION.—The term ‘community financial  
8 institution’ has the meaning given in paragraph (36)(A);

9 “(ii) COOPERATIVE.—The term ‘cooperative’—

10 “(I) means an entity determined by the Administrator to be a cooperative;  
11 and

12 “(II) includes an entity owned by employees or consumers of the entity.

13 “(iii) ELIGIBLE EMPLOYEE-OWNED BUSINESS CONCERN.—The term ‘eligible  
14 employee-owned business concern’ means—

15 “(I) a cooperative in which the employees of the cooperative are eligible  
16 for membership;

17 “(II) a qualified employee trust; or

18 “(III) other employee-owned entities as determined by the Administrator.

19 “(iv) PILOT PROGRAM.—The term ‘pilot program’ means the pilot program  
20 established under subparagraph (B).

21 “(B) ESTABLISHMENT.—There is established a pilot program under which the  
22 Administrator shall guarantee loans (including loans made by community financial  
23 institutions), without the requirement of a personal or entity guarantee, where such  
24 loans ~~are~~ **shall be** made to cooperatives or eligible employee-owned business concerns.

25 “(C) TERMINATION.—The pilot program shall terminate on the date that is 5 years  
26 after the date of enactment of this paragraph.”.

27 (c) Delegated Lending Authority for Preferred Lenders.—Section 5(b)(7) of the Small  
28 Business Act (15 U.S.C. 634(b)(7)) is amended by striking “paragraph (15) or (35)” and  
29 inserting “paragraph (15), (35), or (40)”.

30 ~~SEC. 100505. FUNDING FOR DIRECT DEBENTURES.~~

31  
32 ~~\* 2 (a) Appropriations. In addition to amounts otherwise~~  
33 ~~available, there is appropriated to the Small Business~~  
34 ~~Administration for fiscal year 2022, out of any money in the~~  
35 ~~Treasury not otherwise appropriated, to remain available until~~

1 ~~September 30, 2031—~~

2 ~~(1) \$2,118,000,000 for carrying out subsection (j) of section 503-~~  
3 ~~of the Small Business Investment Act of 1958 (15 U.S.C. 697),~~  
4 ~~as added by subsection (b); and~~

5 ~~(2) \$628,000,000 for administrative expenses related to carrying-~~  
6 ~~out such subsection (j), including issuing interim final rules.~~

7 ~~(b) Direct Debentures.— Section 503 of the Small Business-~~  
8 ~~Investment Act of 1958 (15 U.S.C. 697) is amended by adding~~  
9 ~~at the end the following:~~

10 ~~“(j) Direct Debentures.—~~

11 ~~“(1) Definitions.— In this subsection—~~

12 ~~“(A) the term ‘direct debenture’ means a debenture guaranteed-~~  
13 ~~by the Administrator under the authority under paragraph (2);~~

14 ~~“(B) the term ‘eligible entity’ means—~~

15 ~~“(i) a small business concern in an underserved market;~~

16 ~~“(ii) a small government contractor; or~~

17 ~~“(iii) a small manufacturer;~~

18 ~~“(C) the term ‘renewable energy equipment’—~~

19 ~~“(i) means such equipment as the Administrator may designate-~~  
20 ~~as renewable energy equipment; and~~

21 ~~“(ii) includes solar panels, wind turbines, and battery storage;~~

22 ~~“(D) the term ‘small business concern in an underserved market’~~  
23 ~~has the meaning given in section 7(a)(38) of the Small Business-~~  
24 ~~Act;~~

25 ~~“(E) the term ‘small government contractor’ means a small-~~  
26 ~~business concern that is performing a government contract; and~~

1 ~~“(F) the term ‘small manufacturer’ means a small business-~~  
2 ~~concern that is assigned a North American Industry-~~  
3 ~~Classification System code beginning with 31, 32, or 33 at the~~  
4 ~~time at which the small business concern receives loan under~~  
5 ~~this subsection.~~

6 ~~“(2) Authority.—Except as otherwise provided in this-~~  
7 ~~subsection, the Administrator may guarantee the timely payment~~  
8 ~~of all principal and interest as scheduled under this subsection-~~  
9 ~~on a debenture issued by any qualified State or local~~  
10 ~~development company under the same terms, conditions, and~~  
11 ~~processes as a guarantee made under the authority under~~  
12 ~~subsection (a)(1).~~

13 ~~“(3) Use of proceeds.—The proceeds of a direct debenture—~~

14 ~~“(A) for a small business concern that is an eligible entity, may~~  
15 ~~be used for any purpose for which a loan under section 502 may~~  
16 ~~be used, including to acquire renewable energy equipment and~~  
17 ~~for working capital; and~~

18 ~~“(B) for a small business concern that is not an eligible entity,~~  
19 ~~may be used to acquire renewable energy equipment.~~

20 ~~“(4) Maximum loan amount.—~~

21 ~~“(A) In general.—A direct debenture shall be in an amount not~~  
22 ~~more than \$6,500,000.~~

23 ~~“(B) Cost of project.—The amount of the proceeds of a direct~~  
24 ~~debenture may not exceed the amount equal to 100 percent of~~  
25 ~~the cost of the project for which the proceeds are to be used.~~

26 ~~“(5) Criteria for assistance.—~~

27 ~~“(A) No community injection funds required.—Compliance~~  
28 ~~with subparagraph (B) of section 502(a)(3) shall not be required-~~

1 ~~for a direct debenture.~~

2 ~~“(B) Funding from small business concern.—A small business-~~  
3 ~~concern receiving funds under a direct debenture—~~

4 ~~“(i) for a direct debenture used for working capital, is not~~  
5 ~~required to provide funds toward the total cost of the project-~~  
6 ~~financed;~~

7 ~~“(ii) for a direct debenture used for renewable energy-~~  
8 ~~equipment, may provide not more than 10 percent of the total-~~  
9 ~~cost of the project financed; and~~

10 ~~“(iii) for a direct debenture used for any other eligible purpose,~~  
11 ~~shall provide not less than 5 percent of the total cost of the-~~  
12 ~~project financed.~~

13 ~~“(6) Fees.—With respect to each debenture made in accordance-~~  
14 ~~with this paragraph, in addition to other fees authorized under-~~  
15 ~~this section, the Administrator, an authorized third party, or an-~~  
16 ~~agent may—~~

17 ~~“(A) impose, collect, retain, and utilize fees, which shall be-~~  
18 ~~charged to the borrower, to cover any costs associated with-~~  
19 ~~referring applications or originating, underwriting, making,-~~  
20 ~~disbursing, closing, and servicing, or liquidating the loan,-~~  
21 ~~including any central servicing agent costs, other program or-~~  
22 ~~contract costs, or other agent administrative expenses;~~

23 ~~“(B) impose, collect, retain, and use fees (including unused fees-~~  
24 ~~and draw fees), which may be charged to the borrower on loans-~~  
25 ~~for revolving lines of credit; and~~

26 ~~“(C) establish fees that may be charged by interim lenders for-~~  
27 ~~interim financing provided in connection with a direct-~~  
28 ~~debenture, including for assistance in referring applicants or-~~



1 ~~promoting, originating, making, underwriting, disbursing,~~  
2 ~~closing, servicing, or liquidating loans in accordance with this~~  
3 ~~paragraph on behalf of the Administration.~~

4 ~~“(7) Interim financing.— Nothing in this subsection shall be~~  
5 ~~construed to restrict the ability of a State or local development~~  
6 ~~company to use a third party lender or another lender to provide~~  
7 ~~interim financing for all project costs except the borrower’s~~  
8 ~~contribution, in accordance with section 120.890 of title 13,~~  
9 ~~Code of Federal Regulations, or any successor thereto, in~~  
10 ~~connection with providing a direct debenture to a small business~~  
11 ~~concern.~~

12 ~~“(8) Other terms.—~~

13 ~~“(A) In general.— Not later than 90 days after the date of the~~  
14 ~~enactment of this paragraph, the Administrator shall issue~~  
15 ~~interim final rules relating to the underwriting criteria, interest~~  
16 ~~rate, maturity, collateral, servicing, and other terms or project~~  
17 ~~requirements of a direct debenture made in accordance with this~~  
18 ~~subsection and revising any other rules necessary to carry out~~  
19 ~~this subsection.~~

20 ~~“(B) Repayment.— Not later than 90 days after the date of the~~  
21 ~~enactment of this subsection, the Administrator shall issue rules~~  
22 ~~to allow reasonable assurance of repayment of a direct~~  
23 ~~debenture, including reasonable assurance of repayment from~~  
24 ~~the assets converting to cash to be the primary form of~~  
25 ~~repayment under this subsection.”.~~

26 ~~(c) Calculation of Job Creation Requirement.— Section~~  
27 ~~501(e)(4) of the Small Business Investment Act of 1958 (15~~  
28 ~~U.S.C. 695(e)(4)) is amended to read as follows:~~

29 ~~“(4) Loans for projects of small manufacturers and direct~~

1 ~~debenture loans under section 503(j) shall be excluded from~~  
2 ~~calculations under paragraph (2) or (3) of this subsection.”.~~

3 Subtitle F—Supporting Entrepreneurial Second Chances

4 SEC. 100601. REENTRY ENTREPRENEURSHIP  
5 COUNSELING AND TRAINING FOR INCARCERATED  
6 AND FORMERLY INCARCERATED INDIVIDUALS.

7 (a) Reentry Entrepreneurship Counseling and Training for Incarcerated Individuals.—

8 ~~\*\* 9 (1) IN GENERAL.—~~ **IN APPROPRIATIONS.**—In addition to amounts otherwise  
9 available, there is appropriated to the Small Business Administration for fiscal year 2022,  
10 out of any money in the Treasury not otherwise appropriated, \$400,000,000 for fiscal year  
11 **2022, \$35,000,000**, to remain available until September 30, 2031, for carrying **2029**, to  
12 carry out section 52 of the Small Business Act, as added by subsection (b) paragraph (2).

13 ~~(1) Appropriations.—In addition to amounts otherwise available, there is appropriated to~~  
14 ~~the Small Business Administration, out of any money in the Treasury not otherwise~~  
15 ~~appropriated \$5,000,000 for each of fiscal years 2022 through 2028 to carry out section 53~~  
16 ~~of the Small Business Act, as added by paragraph (2). Amounts appropriated by this~~  
17 ~~subsection shall remain available for 3 fiscal years.~~

18 (2) IN GENERAL.—The Small Business Act (~~15 U.S.C. 631 et seq.~~) is amended by  
19 inserting after section ~~52~~ **51**, as added by section ~~10301~~ **100301** of this title, the following:

20 “**SEC. 53 52. REENTRY ENTREPRENEURSHIP**  
21 **COUNSELING AND TRAINING FOR INCARCERATED**  
22 **INDIVIDUALS.**

23 “(a) Definitions.—In this section:

24 “(1) COVERED INDIVIDUAL.—The term ‘covered individual’ means an individual who is  
25 completing a term of imprisonment in a facility designated as a minimum, low, or medium  
26 security.

27 “(2) RESOURCE PARTNERS.—The term ‘resource partners’ means a small business  
28 development center (defined in section 3) or a women’s business center (described under  
29 section 29).

30 “(b) Establishment.—The Administrator shall coordinate with resource partners and  
31 associations formed to pursue matters of common concern to resource partners to provide  
32 entrepreneurship counseling and training services to covered individuals pursuant to subsection  
33 (c).

34 “(c) Use of Funds.—Amounts made available under this section shall be used to—

35 “(1) develop and deliver a curriculum, including classroom instruction and in-depth  
36 training to develop skills related to business planning and financial literacy;

1 “(2) train mentors and instructors;

2 “(3) establish public-private partnerships to support covered individuals; and

3 “(4) identify opportunities to access capital.”

4 (b) Reentry Entrepreneurship Counseling and Training for Formerly Incarcerated  
5 Individuals.—

6 (1) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated  
7 to the Small Business Administration, out of any money in the Treasury not otherwise  
8 appropriated \$5,000,000, ~~for each of fiscal years 2022 through 2028~~ **for fiscal year 2022,**  
9 **\$35,000,000, to remain available until September 30, 2029,** to carry out section 54 53 of  
10 the Small Business Act, as added by paragraph (2). ~~Amounts appropriated by this~~  
11 ~~subsection shall remain available for 3 fiscal years.~~

12 (2) IN GENERAL.—The Small Business Act (~~15 U.S.C. 631 et seq.~~) is amended by  
13 inserting after section 53 52, as added by subsection (a), the following:

14 **“SEC. 54 53. REENTRY ENTREPRENEURSHIP**  
15 **COUNSELING AND TRAINING FOR FORMERLY**  
16 **INCARCERATED INDIVIDUALS.**

17 “(a) Covered Individual Defined.—In this section, the term ‘covered individual’ means an  
18 individual who completed a term of imprisonment.

19 “(b) Establishment.—The Administrator shall establish a program under which the Service  
20 Corps of Retired Executives authorized by section 8(b)(1)(B) shall provide entrepreneurship  
21 counseling and training services to covered individuals on a nationwide basis.

22 “(c) Use of Funds.—Amounts made available under this section shall be used by the Service  
23 Corps of Retired Executives for providing to covered individuals the following services:

24 “(1) Regular individualized mentoring sessions to identify and support development of  
25 the business plans of covered individuals.

26 “(2) Workshops on topics specifically tailored to meet the needs of covered individuals.

27 “(3) Instructional videos designed specifically for covered individuals on how to start or  
28 expand a small business concern.”

29 **SEC. 100602. NEW START ENTREPRENEURIAL**  
30 **DEVELOPMENT PROGRAM FOR FORMERLY**  
31 **INCARCERATED INDIVIDUALS.**

32 **\*\* 10 (4)(a) Appropriations.**—In addition to amounts otherwise available, there is  
33 appropriated to the Small Business Administration ~~for fiscal year 2022~~, out of any money in the  
34 Treasury not otherwise appropriated, ~~\$20,000,000~~ **for fiscal year 2022, \$35,000,000**, to remain  
35 available until September 30, ~~2031~~ **2029**, for carrying out this ~~subsection~~ **section**.

1 ~~(a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the~~  
2 ~~Small Business Administration, out of any money in the Treasury not otherwise appropriated,~~  
3 ~~\$5,000,000, for each of fiscal years 2022 through 2028 for carrying out this section. Amounts~~  
4 ~~appropriated by this subsection shall remain available for 3 fiscal years.~~(b) Definitions.—In this  
5 section—

6 (1) COVERED INDIVIDUAL.—The term “covered individual” means an individual who—

7 (A) completed a term of imprisonment; and

8 (B) meets the offense eligibility requirements set forth in any applicable policy  
9 notice or other guidance issued by the Small Business Administration for the program  
10 established under section 7(m) of the Small Business Act (15 U.S.C. 636(m)).

11 (2) INTERMEDIARY; MICROLOAN.—The terms “intermediary” and “microloan” have the  
12 meanings given those terms, respectively, in section 7(m)(11) of the Small Business Act (15  
13 U.S.C. 636(m)(11)).

14 (3) PARTICIPATING LENDER.—The term “participating lender” means a participating  
15 lender described under section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

16 (4) PILOT PROGRAM.—The term “pilot program” means the pilot program established  
17 under subsection (b).

18 (5) RESOURCE PARTNER.—The term “resource partner” means—

19 (A) a small business development center (defined in section 3 of the Small Business  
20 Act (15 U.S.C. 632));

21 (B) a women’s business center (described under section 29 of such Act (15 U.S.C.  
22 656));

23 (C) a chapter of the Service Corps of Retired Executives (established under section  
24 8(b)(1)(B) of such Act ((15 U.S.C. 637(b)(1)(B))); and

25 (D) a Veteran Business Outreach Center (described under section 32 of such Act (15  
26 U.S.C. 657b)).

27 (c) Establishment.—The Administrator shall establish a pilot program to award grants to  
28 organizations, or partnerships of organizations, to provide assistance to covered individuals  
29 throughout the United States.

30 (d) Application.—

31 (1) IN GENERAL.—An organization or partnership of organizations desiring a grant under  
32 the pilot program shall submit an application to the Administrator in such form, in such  
33 manner, and containing such information as the Administrator may reasonably require.

34 (2) CONTENTS.—An application submitted under paragraph (1) shall—

35 (A) demonstrate that the applicant has a partnership with, or is, an intermediary that  
36 shall make microloans to covered individuals;

37 (B) demonstrate an ability to provide a full range of entrepreneurial development  
38 programming on an ongoing basis;

1 (C) include a plan for reaching covered individuals, including by identifying  
2 particular target populations within the community in which a covered individual lives;

3 (D) include a plan to refer covered individuals who have completed participation in  
4 the pilot program to existing resource partners and participating lenders;

5 (E) include a comprehensive plan for the use of grant funds, including estimates for  
6 administrative expenses and outreach costs; and

7 (F) any other requirements, as determined by the Administrator.

8 (e) Matching Requirement.—

9 (1) IN GENERAL.—As a condition of a grant provided under the pilot program, the  
10 Administrator shall require the recipient of the grant to contribute an amount equal to 25  
11 percent of the amount of the grant, obtained solely from non-Federal sources.

12 (2) FORM.—In addition to cash or other direct funding, the contribution required under  
13 paragraph (1) may include indirect costs or in-kind contributions paid for under non-Federal  
14 programs.

## 15 Subtitle G—Other Matters

### 16 SEC. 100701. ADMINISTRATIVE EXPENSES.

17 (a) In General.—In addition to amounts otherwise available, there is appropriated to the  
18 Administration for fiscal year 2022, out of any money in the Treasury not otherwise  
19 appropriated, ~~\$1,250,000,000~~ **\$125,000,000**, to remain available until September 30, ~~2031~~ **2030**,  
20 for administrative expenses related to carrying out this title **(or any amendments made by this**  
21 **title)**, except as otherwise provided in this title.

22 (b) Rulemaking.—Using amounts made available under subsection (a), not later than 30 days  
23 after the date of the enactment of this Act, the Administrator may issue rules, including interim  
24 final rules, as necessary to carry out this title and the amendments made by this title.

25 ~~(c) Recission.—With respect to amounts appropriated under~~  
26 ~~subsection (a)—~~

27 ~~(1) the Secretary of the Treasury shall complete all~~  
28 ~~disbursements and remaining obligations before September 30,~~  
29 ~~2031; and~~

30 ~~(2) the unexpended balance of such amounts September 30,~~  
31 ~~2031, shall be rescinded and deposited into the general fund of~~  
32 ~~the Treasury.~~

### 33 SEC. 100702. OFFICE OF ~~THE~~ INSPECTOR GENERAL OF 34 THE SMALL BUSINESS ADMINISTRATION.

House Office of Legislative Counsel

CompareRite of C:\USERS\MMCROTTY\APPDATA\LOCAL\TEMP\TEMP2\_HR5376-REPORTED BY  
BUDGET\_SPLIT BY TITLE (002).ZIP\SMBUS\_HR5376\_T10.XML and  
C:\TEMP\HOLCDOCS\RECONCILIATION\_RCP.XML

- 1 In addition to amounts otherwise available, there is appropriated to the Office of the Inspector
- 2 General of the Small Business Administration for fiscal year 2022, out of any money in the
- 3 Treasury not otherwise appropriated, ~~\$25,000,000~~ **\$12,500,000**, to remain available until
- 4 September 30, ~~2031~~ **2030**, for audits, investigations, and other oversight of projects and activities
- 5 carried out with funds made available by this title to the Small Business Administration.

**House Office of Legislative Counsel**

**CompareRite of C:\USERS\MMCROTTY\APPDATA\LOCAL\TEMP\TEMP2\_HR5376-REPORTED BY  
BUDGET\_SPLIT BY TITLE (002).ZIP\TRANSINFRA\_HR5376\_T11.XML and  
C:\TEMP\HOLCDOCS\RECONCILIATION\_RCP.XML**

- 1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the
- 2 differences between -
- 3 original document :
- 4 C:\TEMP\C\USERS\MMCROTTY\APPDATA\LOCAL\TEMP\TEMP2\_HR5376-REPORTED
- 5 BY BUDGET\_SPLIT BY TITLE (002).ZIP\TRANSINFRA\_HR5376\_T11.RTF
- 6 and revised document: C:\TEMP\C\TEMP\HOLCDOCS\RECONCILIATION\_RCP.RTF
- 7
- 8 CompareRite found 367 change(s) and 11 move(s) in the text
- 9
- 10 Deletions appear as Overstrike text
- 11 Additions appear as Bold text
- 12

1 Title: To—  
2  
3

4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled,~~

6 TITLE XI—COMMITTEE ON TRANSPORTATION AND  
7 INFRASTRUCTURE

8 SEC. 110001. AFFORDABLE HOUSING ACCESS  
9 PROGRAM.

10 (a) In General.—In addition to amounts otherwise available, there is appropriated for fiscal  
11 year 2022, out of any funds ~~money~~ in the Treasury not otherwise appropriated, ~~\$9,900,000,000~~  
12 ~~\$9,750,000,000~~, to remain available until September 30, 2026, ~~to the for competitive grants to~~  
13 ~~support access to affordable housing and the enhancement of mobility for residents in~~  
14 ~~disadvantaged communities or neighborhoods, in persistent poverty communities, or for~~  
15 ~~low-income riders generally.~~

16 (b) ~~Criteria and Process.~~—The Secretary of Housing and Urban Development and the  
17 Administrator of the Federal Transit Administration ~~shall establish criteria and a process for the~~  
18 ~~allocation of funds made available under this section in a manner to ensure that such funds to~~  
19 ~~make competitive grants under sections 5307, 5311, and 5339(c) of title 49, United States~~  
20 ~~Code, to support—~~

21 (1) access to affordable housing;

22 (2) enhanced mobility for residents and riders, including those in disadvantaged  
23 communities and neighborhoods, persistent poverty communities, or for low-income riders  
24 generally; ~~or~~ **and**

25 (3) other community benefits for residents of disadvantaged communities or  
26 neighborhoods, persistent poverty communities, or for low-income riders generally  
27 identified by the Secretary and the Administrator related to enhanced transit service,  
28 including—

29 (A) access to job and educational opportunities;

30 (B) better connections to medical care; ~~or~~ **and**

31 (C) enhanced access to grocery stores with fresh foods to help eliminate food  
32 deserts.

33 (e)~~(b)~~ Administration of Funds.—Funds made available under this section shall ~~section—~~

34 (1) ~~be available to recipients and subrecipients eligible under chapter 53 of title 49,~~  
35 ~~United States Code;~~

36 (2) ~~after allocation, be administered by the Administrator of the Federal Transit~~  
37 ~~Administration—~~

38 (A) ~~to recipients and subrecipients in urban areas, as if such funds were provided under~~



1 ~~section 5307 of title 49, United States Code;~~

2 ~~(B) to recipients and subrecipients in rural areas, as if such funds were provided under~~  
3 ~~section 5311 of such title;~~

4 ~~(C) for any project activities related to the acquisition of zero-emission buses or related~~  
5 ~~infrastructure, as if funds for such activities were awarded under section 5339(c) of such~~  
6 ~~title;~~

7 ~~(D) for any activities related to research that supports efforts to reduce barriers to the~~  
8 ~~deployment of zero-emission transit vehicles in disadvantaged communities or~~  
9 ~~neighborhoods and rural areas, including barriers related to the cost of such vehicles, as if~~  
10 ~~funds for such activities were provided under section 5312 of such title; or~~

11 ~~(E) for any activities related to the training and development of the transit workforce that~~  
12 ~~provides service to disadvantaged communities or neighborhoods and rural areas, including~~  
13 ~~the creation of new employment opportunities in the transit industry for workers from such~~  
14 ~~communities, neighborhoods or areas, as if funds for such activities were provided under~~  
15 ~~section 5314 of such title;~~

16 ~~(3)(1) shall~~ not be subject to any **prior** restriction on the total amount of funds available  
17 for implementation or execution of programs authorized under ~~section~~ **sections** 5307, 5311,  
18 5312, 5314, or 5339(c) of title 49, United States Code;

19 ~~(4) notwithstanding paragraph (1), be available for grants~~**(2) notwithstanding**  
20 **requirements related to Government share under such sections, shall be available** for  
21 up to 100 percent of the net cost of a project;

22 ~~and~~**(3) notwithstanding section 5307(a)(1) of such title, may be used for operating**  
23 **costs of equipment and facilities in an urbanized area with a population equal to or**  
24 **greater than 200,000 individuals; and**

25 ~~(5)(4) shall be expended in compliance with the requirements of part 26 of title 49, Code~~  
26 ~~of Federal Regulations. U.S. Department of Transportation's Disadvantaged Business~~  
27 **Enterprise Program.**

28 ~~(d)(c) Eligible Activities.—Eligible activities for funds made available under this section~~  
29 **subsection (a)** shall be—

30 (1) construction of a new fixed guideway capital project;

31 (2) construction of a bus rapid transit project or a corridor-based bus rapid transit project  
32 that utilizes zero-emission vehicles, ~~including costs related to the acquisition of such~~  
33 ~~vehicles and related charging or fueling infrastructure,~~ or a collection of such projects;

34 (3) the establishment or expansion of high-frequency bus service that utilizes  
35 zero-emission buses, ~~including costs related to the acquisition of such vehicles and related~~  
36 ~~charging or fueling infrastructure, but does not have all of the features of a bus rapid transit~~  
37 ~~project or corridor-based bus rapid transit project;~~

38 (4) ~~an expansion of the service area or the frequency of service of recipients or~~  
39 ~~subrecipients under section 5311~~**(4) the acquisition of zero-emission vehicles or related**  
40 **infrastructure under section 5339(c)** of title 49, United States Code, ~~which may include~~

1 operational expenses, including the provision of fare free or reduced fare service, or to  
2 **expand service in urban areas and** the acquisition of vehicles or infrastructure **under**  
3 **section 5311 of such title** to expand service **in non-urban areas**;

4 ~~(5) notwithstanding subsection (a)(1) of section 5307 of such title,~~ **(5)** an expansion of the  
5 service area or the frequency of service of recipients ~~under such section, which may include~~  
6 **operational expenses or subrecipients under sections 5307 or 5311 of such title,**  
7 including the provision of fare-free or reduced-fare service, ~~or the acquisition of~~  
8 ~~zero-emission vehicles or infrastructure to expand service;~~

9 (6) renovation or construction of facilities and incidental expenses ~~to continue or expand~~  
10 **related to** transit service in disadvantaged communities or neighborhoods or service that  
11 benefits low-income riders generally;

12  
13 ~~\* 1 (7) research activities and capital expenses related to research under section 5312 of~~  
14 ~~such title that support efforts to reduce barriers to the deployment of zero-emission transit~~  
15 ~~vehicles in disadvantaged communities or neighborhoods and rural areas, including barriers~~  
16 ~~related to the cost of such vehicles;~~

17 ~~(8) activities under section 5314 of such title that support the training and development of~~  
18 ~~the transit workforce that provides service to disadvantaged communities or neighborhoods~~  
19 ~~and rural areas, including the creation of new employment opportunities in the transit-~~  
20 ~~industry for workers from such communities, neighborhoods, or areas;~~

21 ~~(9)~~ **(7)** additional assistance to project sponsors of new fixed guideway capital projects,  
22 core capacity improvement projects, or corridor-based bus rapid transit projects not yet  
23 open to revenue service, notwithstanding applicable requirements regarding Government  
24 share of contributions toward net project cost of the project or the share of contributions  
25 ~~from a program carried out~~ **provided** by the Administrator of the Federal Transit  
26 Administration, if—

27 (A) the applicant demonstrates that the availability of funding under this section  
28 provides additional support for ~~access to affordable housing and the enhancement of~~  
29 ~~mobility for residents in disadvantaged communities or neighborhoods, persistent~~  
30 ~~poverty communities, or for low-income riders generally in the service area of the~~  
31 ~~recipient,~~ **transit services** consistent with the ~~purposes described~~ **requirements** in  
32 subsection ~~(b)~~ **(a)**; and

33 (B) assistance under this paragraph does not increase by more than 10 percentage  
34 points—

35 (i) the Government share of contributions toward net project cost; or

36 (ii) the Government share of assistance from a program carried out by the  
37 Administrator of the Federal Transit Administration;

38 ~~(10)~~ **(8)** fleet transition, route, or other public transportation planning, including planning  
39 related to economic development; ~~or~~ **and**

40 ~~(11)~~ **(9)** projects to upgrade the accessibility of bus or rail public transportation services  
41 for persons with disabilities, including individuals who use wheelchairs, ~~in disadvantaged~~

1 communities or neighborhoods.

2 ~~(e) Administrative Expenses.~~—**In(d) Research, Technical Assistance, and Training.**—In  
3 addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any  
4 ~~funds~~ **money** in the Treasury not otherwise appropriated, ~~\$100,000,000~~ **\$150,000,000**, to remain  
5 available until September 30, 2026, for **grants under sections 5312 or 5314 of title 49, United**  
6 **States Code, (excluding grants related to any activities or agreements with international**  
7 **entities or foreign nationals) for— the following:**

8 ~~(1) The costs of administering and overseeing the implementation of this section.~~

9 ~~(2) To make new awards or to increase prior awards to provide technical assistance and~~  
10 ~~capacity building for eligible recipients or subrecipients under this section.~~

11 ~~SEC. 110002. COMMUNITY CLIMATE INCENTIVE GRANTS.~~

12 ~~\*\* 1 (7) research~~**(1) activities and capital expenses related to research** under section 5312  
13 of such title that support efforts to reduce barriers to the deployment of zero-emission transit  
14 vehicles in disadvantaged communities or neighborhoods and rural areas, including barriers  
15 related to the cost of such vehicles; **and**

16 **(2) activities under section 5314 of such title for training and development activities**  
17 **to support the provision of service to disadvantaged communities or neighborhoods**  
18 **and rural areas.**

19 ~~(e) Administrative Expenses.~~—**In addition to amounts otherwise available, there is**  
20 **appropriated for fiscal year 2022, out of any money in the Treasury not otherwise**  
21 **appropriated, \$100,000,000, to remain available until September 30, 2026, for**  
22 **administrative expenses and oversight costs of carrying out this section and to make new**  
23 **awards or to increase prior awards to provide technical assistance and capacity building**  
24 **for eligible recipients or subrecipients under this section.**

25 ~~(f) Period of Availability.~~—**Any funds provided from the general fund of the Treasury to**  
26 **carry out grants under section 5339(c) of title 49, United States Code, for fiscal years 2025**  
27 **and 2026 shall remain available until September 30, 2028.**

28 **SEC. 110002. COMMUNITY CLIMATE INCENTIVE**  
29 **GRANT PROGRAM.**

30 ~~(a) In General.~~—**Chapter 1 of title 23, United States Code, is amended by adding at the**  
31 **end the following:**

32 **“177. Community climate incentive grant program**

33 ~~“(a) Establishment.~~—~~In(a) Federal Highway Administration Appropriation.~~—**In addition to**  
34 **amounts otherwise available, there is appropriated for fiscal year 2022, out of any funds money**  
35 **in the Treasury not otherwise appropriated, \$50,000,000, to remain available until September 30,**  
36 **2026, to the Administrator of the Federal Highway Administration—**

37 ~~(1)~~**(1) to establish a greenhouse gas performance measure that requires States to set**  
38 **performance targets to reduce greenhouse gas emissions;**

1           ~~(2)~~**(2)** to establish an incentive structure to reward States that demonstrate the most  
2 significant progress ~~towards~~ **toward** achieving reductions in greenhouse gas emissions;

3           ~~(3)~~**(3)** to establish consequences for States that do not achieve reductions in greenhouse  
4 gas emissions;

5           ~~(4)~~**(4)** to issue guidance and regulations; and provide technical assistance; as necessary  
6 to implement this section; and

7           ~~(5) from any remaining amounts after carrying out paragraphs (1) through (4);~~**(5)** for  
8 operations and administration of the Federal Highway Administration **in carrying out this**  
9 **section.**

10 **“(b) Incentive.**

11 ~~(b)~~ Grants to States.—In addition to amounts otherwise available, there is appropriated for  
12 fiscal year 2022, out of any ~~funds~~ **money** in the Treasury not otherwise appropriated,  
13 \$950,000,000, to remain available until September 30, 2026, to the Administrator of the Federal  
14 Highway Administration; for incentive grants for carbon reduction projects, to be awarded to  
15 States that—

16           ~~(1)~~**(1)** qualify for a reward under the incentive structure established by the Administrator  
17 **of the Federal Highway Administration** under subsection (a)(2); or

18           ~~(2)~~**(2)** have ~~adopted~~ **incorporated** carbon reduction strategies that contribute to  
19 achieving net -zero greenhouse gas emissions by 2050; ~~and have incorporated such~~  
20 ~~strategies~~ into the transportation plans required under section 135 of title 23, United States  
21 ~~Code.~~

22 ~~(c) Grants to Other Eligible Entities.~~**In“(c) Community Climate Grants to Other Eligible**  
23 **Entities.—**

24           **“(1) IN GENERAL.—**In addition to amounts otherwise available, there is appropriated for  
25 fiscal year 2022, out of any ~~funds~~ **money** in the Treasury not otherwise appropriated,  
26 \$3,000,000,000, to remain available until September 30, 2026, to the Administrator of the  
27 Federal Highway Administration ~~for to award~~ **grants, to be awarded** on a competitive basis,  
28 for carbon reduction projects to eligible entities that are not States.

29           ~~(d) Use of Funds.~~**“(2) FEDERAL SHARE.—The Federal share of the cost of a project**  
30 **carried out with a grant under this subsection may be up to 100 percent.**

31 ~~(1) In general.—Funds made available under subsections (b) and (c) shall be administered as if~~  
32 ~~made available under chapter 1 of title 23, United States Code, and a~~**“(d) Use of Funds.—**

33           **“(1) IN GENERAL.—**A project carried out under ~~this section~~ **subsection (b) or (c)** shall be  
34 treated as a project on a Federal-aid highway ~~under such chapter.~~

35           ~~(2) Grants to states.—Funds~~**“(2) COMPLIANCE WITH EXISTING REQUIREMENTS.—Funds**  
36 made available **for a grant** under subsection (b), **and funds made available for a grant**  
37 **under subsection (c) that are** administered by or through a State department of  
38 transportation, shall be expended in compliance with the ~~requirements of part 26 of title 49,~~  
39 ~~Code of Federal Regulations.~~ **U.S. Department of Transportation’s Disadvantaged**  
40 **Business Enterprise Program.**

1 ~~(e)~~ Federal Share.—

2 ~~(1)~~ In general.—The Federal share for a recipient of funds that is not a State under this section  
3 may be up to 100 percent.

4 ~~(2)~~ States.—The Federal share for a recipient of funds under this section that is a State shall be  
5 determined in accordance with section 120 of title 23, United States Code.

6 ~~(f)~~“(e) Limitation.—Funds made available under this section shall not—

7 ~~(1)~~“(1) be subject to any restriction or limitation on the total amount of funds available  
8 for implementation or execution of programs authorized for Federal-aid highways; ~~and~~ **or**

9 ~~(2)~~“(2) be used for projects that result in additional through travel lanes for single  
10 occupant passenger vehicles.

11 ~~(g)~~“(f) Definitions.—In this section:

12 ~~(1)~~“(1) CARBON REDUCTION PROJECT.—A CARBON PROJECT.—The term ‘carbon  
13 reduction ~~project~~ **project**’ means a ~~project~~ **project**—

14 “(A) that is eligible under ~~title 23, United State Code, and that~~ **this title; and**

15 ~~(A)~~“(B) that—

16 “(i) will result in significant reductions in greenhouse gas emissions related to a  
17 surface transportation facility or project;

18 ~~(B)~~“(ii) provides zero-emission transportation options;

19 ~~(C)~~“(iii) reduces dependence on single-occupant vehicle trips; or

20 ~~(D)~~“(iv) advances carbon reduction strategies adopted by an eligible entity that  
21 contribute to achieving net-zero greenhouse gas emissions by 2050.

22 ~~(2)~~“(2) ELIGIBLE ENTITY.—The term “~~eligible entity~~” ‘**eligible entity**’ means—

23 ~~(A)~~“(A) a unit of local government;

24 ~~(B)~~“(B) a political subdivision of a State;

25 ~~(C)~~“(C) a territory;

26 ~~(D)~~“(D) a metropolitan planning organization (as defined in section 134 of ~~title 23,~~  
27 ~~United States Code~~); **(b)(2)**);

28 ~~(E)~~“(E) a special purpose district or public authority with a transportation function;

29 “(F) an entity described in section 207(m)(1)(E); or

30 “(G) a State.”.

31 **(b) Clerical Amendment.—The analysis for chapter 1** ~~(F) a recipient of funds under section-~~  
32 ~~202 of title 23, United State Code; or States Code, is amended by adding at the end the~~  
33 **following:**

34 ~~(G)~~ a State.

35 ~~(3)~~ State.—The term “State” has the meaning given the term in section 101 of title 23, United-  
36 States Code. **“177. Community climate incentive grant program.”.**

1 SEC. 110003. NEIGHBORHOOD ACCESS AND EQUITY  
2 GRANTS. GRANT PROGRAM.

3 ~~(a)~~(a) In General.—Chapter 1 of title 23, United States Code, is further amended by  
4 adding at the end the following:

5 **“178. Neighborhood access and equity grant program**

6 **“(a) In General.**—In addition to amounts otherwise available, there is appropriated for fiscal  
7 year 2022, out of any funds money in the Treasury not otherwise appropriated, \$3,950,000,000  
8 \$2,370,000,000, to remain available until September 30, 2026, to the Administrator of the  
9 Federal Highway Administration for competitive Administration—

10 ~~(1) for~~ grants to eligible entities described in subsection ~~(b)~~(b)—

11 **“(1) to improve walkability, safety, and affordable transportation access through**  
12 **construction** ~~(as such term is defined in section 101 of title 23, United States Code)~~ of  
13 projects that are context-sensitive—

14 ~~(A)~~**“(A) to remove, remediate, or reuse a facility described in subsection (c)(1);**

15 ~~(B)~~**“(B) to replace a facility described in subsection (c)(1) with a facility that is**  
16 **at-grade or lower speed;**

17 ~~(C)~~**“(C) to retrofit or cap a facility described in subsection (c)(1);**

18 ~~(D)~~**“(D) to build or improve complete streets, multiuse trails, regional greenways, or**  
19 **active transportation networks or and spines; or**

20 ~~(E)~~**“(E) to provide affordable access to essential destinations, public spaces, or**  
21 **transportation links and hubs;**

22 ~~(2) for mitigation grants to eligible entities described in subsection (b) to~~**“(2) to mitigate**  
23 **or remediate negative impacts on the human or natural environment resulting from a facility**  
24 **described in subsection (c)(2) in a disadvantaged or underserved community, including**  
25 **construction** ~~(as such term is defined in section 101 of title 23, United States Code)~~ of—  
26 **of—**

27 ~~(A)~~**“(A) noise barriers to reduce impacts resulting from a facility described in**  
28 **subsection (c)(2);**

29 ~~(B)~~**“(B) technologies, infrastructure, and activities to reduce surface**  
30 **transportation-related air pollution, including greenhouse gas emissions;**

31 ~~(C)~~**“(C) infrastructure or protective features to reduce or manage stormwater run-off**  
32 **resulting from a facility described in subsection (c)(2), including through natural**  
33 **infrastructure and pervious, permeable, or porous pavement;**

34 ~~(D)~~**“(D) infrastructure and natural features to reduce, or to mitigate, urban heat**  
35 **island hot spots in the transportation right-of-way or on surface transportation**  
36 **facilities; or**

37 ~~(E)~~**“(E) safety improvements for vulnerable road users; and**

~~(3)~~ for grants to eligible entities described in subsection ~~(b)~~ **(3)** for planning and capacity building activities in disadvantaged or underserved communities to—

~~(A)~~ **(A)** identify, monitor, or assess local and ambient air quality, emissions of transportation greenhouse gases, hot spot areas of extreme heat or elevated air pollution, gaps in tree canopy coverage, or flood prone locations; **transportation infrastructure;**

~~(B)~~ **(B)** assess transportation equity or pollution impacts and develop local anti-displacement policies and community benefit agreements;

~~(C)~~ **(C)** conduct predevelopment activities for projects eligible under this subsection;

~~(D)~~ **(D)** expand public participation in transportation planning by individuals and organizations in disadvantaged or underserved communities; or

~~(E)~~ **(E)** administer or obtain technical assistance related to activities described in this subsection.

~~(b)~~ **(b)** Eligible Entities Described.—An eligible entity referred to in subsection (a) is—

~~(1)~~ a State (as such term is defined in section 101 of title 23, United States Code); **(1) a State;**

~~(2)~~ **(2)** a unit of local government;

~~(3)~~ **(3)** a political subdivision of a State (as such term is defined in section 101 of title 23, United States Code);;

~~(4)~~ a recipient of funds under section 202 of title 23, United States Code; **(4) an entity described in section 207(m)(1)(E);**

~~(5)~~ **(5)** a territory of the United States;

**(6) a special purpose district or public authority with a transportation function;**

~~(7)~~ **(6)** a metropolitan planning organization (as defined in section 134(b) of title 23, United States Code); or **(2);** or

~~(7)~~ **(8)** with respect to a grant described in subsection (a)(3), in addition to an eligible entity described in paragraphs (1) through ~~(6)~~ **(7)**, a nonprofit organization or institution of higher education that has entered into a partnership with an eligible entity described in paragraphs (1) through ~~(6)~~ **(7)**.

~~(c)~~ **(c)** Facility Described.—A facility is— **referred to in subsection (a) is—**

~~(1)~~ **(1)** a surface transportation facility for which high speeds, grade separation, or other design factors create an obstacle to connectivity within a community; or

~~(2)~~ **(2)** a surface transportation facility which is a source of air pollution, noise, stormwater, or other burden to a disadvantaged or underserved community.

**(d) Investment in Economically Disadvantaged Communities.—**

**(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**

1       **\$1,580,000,000, to remain available until September 30, 2026, to the Administrator of**  
2       **the Federal Highway Administration to provide grants for projects in communities**  
3       **described in paragraph (2) for the same purposes and administered in the same**  
4       **manner as described in subsection (a).**

5       **“(2) COMMUNITIES DESCRIBED.—A community referred to in paragraph (1) is a**  
6       **community that—**

7               \*\* 2 ~~(A)~~ are **“(A) is economically disadvantaged, including an underserved**  
8               community or a community located in an area of persistent poverty;

9               **“(B) has entered or will enter into a community benefits agreement with**  
10              **representatives of the community;**

11              \*\* 3 ~~(C)~~ have **“(C) has an anti-displacement policy, a community land trust, or a**  
12              community advisory board in effect; or

13              \*\* 4 ~~(D)~~ have **“(D) has demonstrated a plan for employing local residents in the area**  
14              impacted by the activity or project proposed under this section.

15       **“(e) Administration.—**

16              **“(1) IN GENERAL.—A project carried out under subsection (a) or (d) shall be treated**  
17              **as a project on a Federal-aid highway.**

18              **“(2) COMPLIANCE WITH EXISTING REQUIREMENTS.—Funds made available for a**  
19              **grant under this section and administered by or through a State department of**  
20              **transportation shall be expended in compliance with the U.S. Department of**  
21              **Transportation’s Disadvantaged Business Enterprise Program.**

22       \*\* 5 ~~(g)~~ **“(f) Cost Share.—The Federal share of the cost of an activity carried out using a grant**  
23       awarded under this section shall be not more than 80 percent, except that the Federal share of the  
24       cost of a project in a disadvantaged or underserved community may be up to 100 percent.

25       ~~(d) Local~~ **“(g) Technical Assistance.—In addition to amounts otherwise available, there is**  
26       appropriated for fiscal year 2022, out of any funds **money** in the Treasury not otherwise  
27       appropriated, \$50,000,000, to remain available until September 30, 2026, to the Administrator of  
28       the Federal Highway Administration for—

29              ~~(1)~~ **“(1) guidance, technical assistance, templates, training, or tools to facilitate efficient**  
30              and effective contracting, design, and project delivery by units of local government;

31              ~~(2)~~ **“(2) subgrants to units of local government to build capacity of such units of local**  
32              government to assume responsibilities to deliver surface transportation projects; and

33              ~~(3)~~ **“(3) operations and administration of the Federal Highway Administration.**

34       ~~(e) Use of Funds.—~~

35       ~~(1) In general.—The Administrator shall provide grants to eligible entities described in~~  
36       ~~subsection (b) that submit an application to the Administrator at such time, in such manner, and~~  
37       ~~containing such information as the Administration requires.~~

38       ~~(2) Minimum investment.—Not less than \$1,580,000,000 of funds~~ **“(h)**

39       **Limitations.—Amounts made available under subsection (a) shall be distributed for projects in**



1 communities that— **this section shall not—**

2  
3 \* 2 (A) are economically disadvantaged, including an underserved community or a  
4 community located in an area of persistent poverty;

5 (B) have entered or will enter into a community benefits agreement with representatives  
6 of the community;

7  
8 \* 3 (C) have an anti-displacement policy, a community land trust, or a community  
9 advisory board in effect; or

10  
11 \* 4 (D) have demonstrated a plan for employing local residents in the area impacted by  
12 the activity or project proposed under this section.

13 (f) Administration.—

14 (1) In general.—Amounts made available under subsection (a) shall be administered as if  
15 made available under chapter 1 of title 23, United States Code, and a project carried out  
16 under this section shall be treated as a project on a Federal aid highway under such chapter.

17 (2) Grants to states.—Funds made available under subsection (a) administered by or  
18 through a State department of transportation shall be expended in compliance with the  
19 requirements of part 26 of title 49, Code of Federal Regulations.

20  
21 \* 5 (g) Cost Share.—The Federal share of the cost of an activity carried out using a grant  
22 awarded under this section shall be not more than 80 percent, except that the Federal share  
23 of the cost of a project in a disadvantaged or underserved community may be up to 100  
24 percent.

25 (h) Limitations.—Funds made available under this section shall not—

26 (4)“(1) be subject to any restriction or limitation on the total amount of funds available  
27 for implementation or execution of programs authorized for Federal-aid highways; and

28 (2)“(2) be used for a project for additional through travel lanes for single-occupant  
29 passenger vehicles. **vehicles.”.**

30 ~~SEC. 110004. FEDERAL HIGHWAY ADMINISTRATION SECTION 202 FUNDS.~~

31 (a) In General.—In addition to amounts otherwise made available, there is appropriated for  
32 fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, \$1,000,000,000, to  
33 remain available until September 30, 2026, to the Administrator of the Federal Highway  
34 Administration for the purposes described under section 202(b) **Clerical Amendment.—The**  
35 **analysis for chapter 1** of title 23, United States Code, **is further amended by adding at the**  
36 **end the following:-**

37 (b) Distribution of Funds.—The Administrator of the Federal Highway Administration shall  
38 administer amounts made available under subsection (a) as if allocated under section 202 of title

23, United States Code. “178. Neighborhood access and equity grant program.”.

~~\* 11 (c) Limitation. Funds made available under this section shall not be subject to any restriction or limitation on the total amount of funds available for implementation or execution of programs authorized for Federal aid highways.~~

## SEC. ~~110005~~ **110004**. TERRITORIAL HIGHWAY PROGRAM FUNDING.

(a) In General.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any ~~funds~~ **money** in the Treasury not otherwise appropriated, \$320,000,000, to remain available until September 30, 2026, to the Administrator of the Federal Highway Administration for ~~the purposes described~~ **distribution** under section 165(c) of title 23, United States Code.

~~(b) Administration of Funds.—The Administrator of the Federal Highway Administration shall administer amounts made available under subsection (a) as if allocated under section 165(e) of title 23, United States Code.~~

~~(c) Limitation.—Funds made available under this section shall not be subject to any restriction or limitation on the total amount of funds available for implementation or execution of programs authorized for Federal-aid highways.~~

## SEC. ~~110006~~ **110005**. TRAFFIC SAFETY CLEARINGHOUSE.

(a) In General.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any ~~funds~~ **money** in the Treasury not otherwise appropriated, \$100,000,000 **\$47,500,000** to remain available until September 30, 2026, for the Administrator of the National Highway Traffic Safety Administration to make 1 or more grants, cooperative agreements, or contracts with 1 or more qualified institutions to—

(1) operate a national clearinghouse for fair and equitable traffic safety enforcement programs;

(2) **conduct** research **relating to**, and develop, systems for States to collect traffic safety enforcement data, and provide technical assistance to States collecting such data, including the sharing of data to a national database;

(3) develop recommendations and best practices to help States collect and use traffic safety enforcement data to promote equity and reduce traffic-related fatalities and injuries; and

(4) develop information and educational programs ~~on~~ **relating to** implementing equitable traffic safety enforcement best practices to assist States and local communities.

1 (b) ~~Administration.~~—~~In Administration.~~—Not more than 5 percent of the amounts made  
2 available under this section may be used for salaries, expenses, and administration of the  
3 National Highway Traffic Safety Administration.

4 ~~SEC. 110007. AUTOMATED VEHICLES AND MOBILITY INNOVATION.~~

5 ~~In~~ addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out  
6 of any funds ~~money~~ in the Treasury not otherwise appropriated, \$8,000,000, **\$2,500,000** to  
7 remain available until September 30, 2026, ~~to the Secretary of Transportation to make a grant to~~  
8 ~~a qualified institution of higher education to~~— **for the Administrator of the National Highway**  
9 **Traffic Safety Administration for the salaries, expenses, and costs of administering this**  
10 **section.**

11 (1) ~~operate a national highly automated vehicle and mobility innovation clearinghouse;~~

12 (2) ~~collect, conduct, and support research on the secondary and societal impacts of highly~~  
13 ~~automated vehicles and mobility innovation on the built environment; and~~

14 (3) ~~disseminate and make such research available on a public website to assist communities.~~

15 ~~SEC. 110008. LOCAL TRANSPORTATION PRIORITIES.~~

16 (a) ~~In General.~~—In addition to amounts otherwise made available, there is appropriated to the  
17 Secretary of Transportation for fiscal year 2022, out of any funds in the Treasury not otherwise  
18 appropriated, \$6,000,000,000 to remain available until September 30, 2026, for projects to  
19 advance local surface transportation priorities.

20 (b) ~~Davis Bacon Requirement.~~—

21 (1) ~~In general.~~—All laborers and mechanics employed by contractors or subcontractors in the  
22 performance of construction, alteration, or repair work carried out, in whole or in part, with  
23 assistance made available under this section shall be paid wages at rates not less than those  
24 prevailing on projects of a character similar in the locality as determined by the Secretary of  
25 Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

26 (2) ~~Authority and functions.~~—With respect to the labor standards specified in this subsection,  
27 the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan  
28 Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40(c) **Definition**  
29 **of State.**—**In this section the term “State” has the meaning given the term in section 401 of**  
30 **title 23, United States Code.**

31 ~~SEC. 110009~~ **110006. PASSENGER RAIL IMPROVEMENT,**  
32 **MODERNIZATION, AND EMISSIONS REDUCTION**  
33 **GRANTS.**

34 (a) ~~Appropriation.~~—In addition to amounts otherwise available, there is appropriated to the  
35 Secretary of Transportation for fiscal year 2022, out of any money in the Treasury not otherwise  
36 appropriated, \$10,000,000,000, to remain available until September 30, 2026, for financial  
37 assistance under chapter 261 of title 49, United States Code, to eligible entities for eligible  
38 projects.

39 (b) ~~Allocation.~~—Of the funds provided pursuant to subsection (a), not less than 10 percent

1 shall be used for eligible projects as described under subsection (e)(1)(A). **Definitions.—In this**  
2 **section:**

3 **\*\* 6 (4)(1) CORRIDOR.**—The term “corridor” means an existing, modified, or proposed  
4 intercity passenger rail service; (as defined in section 26106(b)(5) of title 49, United States  
5 Code).

6 **(2) ELIGIBLE ENTITY.**—The term “eligible entity” means—

7 **\*\* 7 (A)** an entity **that is** eligible to receive financial assistance under section 26101  
8 of title 49, United States Code; ~~or~~ **and**

9 **\*\* 8 (B)** an applicant **that is** eligible to receive a grant under section 26106 of title  
10 49, United States Code.

11  
12 ~~\* 9 (c) Federal Share.~~—For any financial assistance provided pursuant to this section, the  
13 Federal share may not exceed 90 percent of the total cost of the eligible project.

14  
15 ~~\* 10 (d) Oversight.~~—Not more than 1 percent of the amounts made available under  
16 subsection (a) shall be for the use of the Secretary of Transportation for the costs of award  
17 and project management of financial assistance provided under this section.

18 ~~(e) Definitions.—In this section:~~

19 ~~(4)(3) ELIGIBLE PROJECT.~~—The term “eligible project” means—

20 (A) a planning project for high-speed rail corridor development that consists of  
21 planning activities eligible to receive financial assistance under section 26101(b)(1) of  
22 title 49, United States Code; ~~or~~ **and**

23 (B) a capital project for high-speed rail corridor development that—

24 (i) **is eligible to receive a grant for a capital project (as defined in section**  
25 **26106(b)(3) of title 49, United States Code); and**

26 (ii) directly serves rail stations within urban areas; (as published by the Bureau  
27 of the Census;) that are located in close proximity to a census tract; (as published  
28 by the Bureau of the Census;) within the urban area that has a greater **density**  
29 population ~~density~~ than the urban area as a whole; ~~and.~~

30 ~~(ii) is eligible to receive financial assistance for a capital project, as defined in section~~  
31 ~~26106(b)(3) of title 49, United States Code.~~ **(4) HIGH-SPEED RAIL.**—The term “high-speed  
32 rail” means **non-highway ground transportation that is owned or operated by an**  
33 **eligible entity and reasonably expected to reach speeds of—**

34 ~~(2) Eligible entity.~~—The term “eligible entity” means—(A) **160 miles per hour or**  
35 **faster on a shared use right-of-way; or**

36 **(B) 186 miles per hour or faster on a dedicated right-of-way.**

37 **(c) Allocation.**—Not less than \$1,000,000,000 of the amounts appropriated by subsection  
38 (a) shall be used for eligible projects described in subsection (b)(3)(A).

1  
2 \* 7 (A) an entity eligible to receive financial assistance under section 26101 of title 49, United  
3 States Code; or

4  
5 \* 8 (B) an applicant eligible to receive a grant under section 26106 of title 49, United States  
6 Code.

7 (3) High-speed rail.—The term “high-speed rail” means non-highway ground transportation  
8 that is owned or operated by an eligible entity and reasonably expected to reach speeds of 160  
9 miles per hour or more on shared-use right-of-way or 186 miles per hour or more on dedicated  
10 right-of-way.

11  
12 \* 6 (4) Corridor.—The term “corridor” means an existing, modified, or proposed intercity  
13 passenger rail service, as defined in section 26106(b) of title 49, United States Code.

14 ~~SEC. 110010. RAILROAD REHABILITATION INFRASTRUCTURE AND FINANCING~~  
15 ~~CREDIT RISK PREMIUM ASSISTANCE.~~

16 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
17 Secretary of Transportation, out of any money in the Treasury not otherwise appropriated,  
18 \$150,000,000, in fiscal year 2022, to remain available until September 30, 2026, to provide  
19 credit risk premium assistance to eligible entities through the railroad rehabilitation infrastructure  
20 and financing program established by title V of the Railroad Revitalization and Regulatory  
21 Reform Act of 1976.

22 (b) Eligible Entities.—For purposes of this section, eligible entities shall include—

23 (1) railroad carriers as defined in section 20102 of title 49, United States Code;

24 (2) State or local governments; or

25 (3) government-sponsored authorities or corporations.

26 (c) Allocation.—

27 (1) Public passenger rail projects.—Not less than 50 percent of the amounts appropriated  
28 under subsection (a) shall be set aside for publicly owned or operated passenger rail projects.

29 (2) Freight railroads.—Not less than 25 percent of the amounts appropriated under subsection  
30 (a) shall be set aside for freight railroads that are not Class I railroads.

31 \*\* 9 (e)(d) Federal Share.—For any financial assistance **and grants** provided pursuant to this  
32 section, the Federal share may not exceed 90 percent of the total cost of the eligible project.

33 \*\* 10 (d)(e) Oversight.—Not more than ~~1 percent~~ **\$100,000,000** of the amounts ~~made~~  
34 ~~available under~~ **appropriated by** subsection (a) shall ~~may be for the use of~~ **used by** the  
35 Secretary of Transportation for the costs of award and project management of financial  
36 assistance provided under this section.

37 ~~SEC. 110011~~ **110007. ALTERNATIVE FUEL AND**

## 1 LOW-EMISSION AVIATION TECHNOLOGY PROGRAM.

2 (a) ~~In General.~~—~~In Appropriation and Establishment.~~—For purposes of establishing a  
3 **competitive grant program to provide grants to eligible entities to carry out projects**  
4 **located in the United States that produce, transport, blend, or store sustainable aviation**  
5 **fuel, or develop, demonstrate, or apply low-emission aviation technologies, in** addition to  
6 amounts otherwise ~~made~~ available, there ~~is~~ **are** appropriated to the Secretary for fiscal year  
7 2022, out of any money in the Treasury not otherwise appropriated, ~~\$1,000,000,000,~~ to remain  
8 available until September 30, 2026, ~~for the Secretary of Transportation to provide grants to, and~~  
9 ~~enter into cost-sharing agreements with, eligible entities to carry out projects located in the~~  
10 ~~United States that— 2026—~~

11 ~~(1) develop, demonstrate, or apply~~ **(1) \$247,000,000 for projects relating to the**  
12 **production, transportation, blending, or storage of sustainable aviation fuel;**

13 **(2) \$47,000,000 for projects relating to low-emission aviation technologies; ~~or~~ and**

14 ~~(2) produce, transport, blend, or store sustainable aviation fuels that would reduce~~  
15 ~~greenhouse gas emissions attributable to the operation of aircraft that have fuel uplift in the~~  
16 ~~United States.~~ **(3) \$6,000,000 to fund the award of grants under this section, and**  
17 **oversight of the program, by the Secretary.**

18 (b) ~~Selection.~~—~~In~~ **(b) Considerations.**—~~In~~ carrying out subsection (a), the Secretary shall  
19 consider, with respect to a proposed project—

20 ~~(1) the capacity for the eligible entity anticipated public benefits of the project;~~

21 ~~(2) the potential to increase the domestic production and deployment of sustainable~~  
22 ~~aviation fuel or the use of low-emission aviation technologies among the United States~~  
23 ~~commercial aviation and aerospace industry;~~

24 ~~(3) the potential for creating new jobs in the United States;~~

25 ~~(4)~~ **(2) the projected greenhouse gas emissions from such project, including emissions**  
26 **resulting from the development of the project, and** the potential the project has to reduce  
27 or displace, on a lifecycle basis, United States greenhouse gas emissions associated with air  
28 travel;

29 ~~(5) the proposed utilization of non-Federal cost-share contributions;~~ **(3) the capacity to**  
30 **create new jobs and develop supply chain partnerships in the United States;**

31 ~~(6)~~ **(4) for projects related to the production of sustainable aviation fuel, the potential net**  
32 **projected lifecycle greenhouse gas emissions impact of such fuel on a lifecycle basis**  
33 **benefits from the proposed project, which shall include feedstock, and fuel production,**  
34 **and potential direct and indirect greenhouse gas emissions (including resulting from**  
35 **changes in land use); and** ~~(7) how the project will strengthen the leadership of the United~~  
36 ~~States in either sustainable aviation fuels or in low-emission aviation technologies;~~

37 ~~(8)~~ **(5) the benefits of ensuring a diversity of feedstocks for sustainable aviation fuel,**  
38 **including the use of waste carbon oxides and direct air capture;**

39 ~~(9) the potential for partnerships with relevant supply chain stakeholders for sustainable~~  
40 ~~aviation fuel;~~

1 ~~(10) the potential to leverage existing industrial infrastructure to accelerate the deployment of~~  
2 ~~sustainable aviation fuels;~~

3 ~~(11) aeronautical construction and design improvements that result in more efficient aircraft,~~  
4 ~~including new aircraft architectures, innovative propulsion integration, and high performance~~  
5 ~~lightweight materials;~~

6 ~~(12) more efficient aircraft engines, including innovative engine architectures, hybrid electric~~  
7 ~~engines, and all electric engines suitable for fully or partially powering aircraft operations; and~~

8 ~~(13) air traffic management and navigation technologies that permit more efficient flight~~  
9 ~~patterns.~~

10 ~~(c) Funding Distribution.—Of the amount made available~~**(c) Cost Share.—The Federal**  
11 **share of the cost of a project carried out using grant funds** under subsection (a), ~~30 percent of~~  
12 ~~such amount shall be awarded for projects~~ **shall be a maximum of 90 percent of the proposed**  
13 **total cost of the project, and the Secretary shall consider the extent to which a proposed**  
14 **project meets the considerations** described in subsection (a)~~(1) and 70 percent of such amount~~  
15 ~~shall be awarded for projects described in subsection (a)(2).~~**(b) in determining the Federal**  
16 **share under this subsection.**

17 ~~(d) Federal Cost Share.—The Secretary shall determine a higher Federal share of project costs~~  
18 ~~for any cost share agreement or grant awarded to any eligible recipient for a project under~~  
19 ~~subsection (a) that involves a low emission aviation technology that exceeds a 20 percent~~  
20 ~~reduction in fuel burn compared to current best in class aircraft or a sustainable aviation fuel that~~  
21 ~~substantially exceeds a 50 percent~~**(d) Fuel Emissions Reduction Test.—For purposes of**  
22 **clause (ii) of subsection (e)(7)(E), the Secretary shall, not later than 2 years after the date of**  
23 **enactment of this section, adopt at least 1 methodology for testing lifecycle greenhouse gas**  
24 **emission reduction compared to conventional jet fuels. emissions that meets the requirements**  
25 **of such clause.**

26 ~~(e) Program Requirements.—As a condition of receiving funds under this section, the~~  
27 ~~Secretary may approve an award under this section only if the Secretary has received written~~  
28 ~~assurances from the recipient that—~~

29 ~~(1) any low emission aviation technology that is funded or is part of a project funded by a~~  
30 ~~grant under subsection (a)(1) is produced in the United States;~~

31 ~~(2) any sustainable aviation fuel that is part of a project funded by a grant under subsection~~  
32 ~~(a)(2) is—~~

33 ~~(A) produced in the United States; and~~

34 ~~(B) is not derived from feedstocks that are developed through practices that threaten mass~~  
35 ~~deforestation, harm biodiversity, or otherwise promote environmentally unsustainable processes;~~  
36 ~~and~~

37 ~~(3) the recipient of grant funding has adequately considered the environmental justice and~~  
38 ~~equity impacts of any project on underserved communities.~~

39 ~~(f) Development Projects.—Section 47112(a) of title 49, United States Code, is amended by~~  
40 ~~inserting “or labor for a project funded under section 110011 of the Act entitled ‘An Act to~~  
41 ~~provide for reconciliation pursuant to title II of S. Con. Res. 14” after “this subchapter”.~~

1 ~~(g) Administrative Expenses.—The Secretary may retain up to 1 percent of the funds provided~~  
2 ~~under this section to fund the award of, and oversight by the Secretary of, grants made under this~~  
3 ~~section.~~

4 ~~(h)~~**(e) Definitions.**—In this section:

5 (1) ELIGIBLE ENTITY.—The term “eligible entity” means—

6 (A) a State or local government, **including the District of Columbia**, other than an  
7 airport sponsor;

8 (B) an air carrier;

9 (C) an airport sponsor;

10 (D) an accredited institution of higher education;

11 **(E) a research institution;**

12 **(F) a person or entity engaged in the production, transportation, blending, or storage**  
13 **of sustainable aviation fuel in the United States or feedstocks in the United States**  
14 **that could be used to produce sustainable aviation fuel;**

15 ~~(F)~~**(G) a person or entity engaged in the development, demonstration, or application**  
16 **of low-emission aviation technologies; or**

17 ~~(G)~~**(H) nonprofit entities or nonprofit consortia with experience in sustainable**  
18 **aviation fuel fuels, low-emission technology aviation technologies, or other clean**  
19 **transportation research programs.**

20 (2) FEEDSTOCK.—**The term “feedstock” means sources of hydrogen and carbon not**  
21 **originating from unrefined or refined petrochemicals.**

22 (3) INDUCED LAND-USE CHANGE VALUES.—**The term “induced land-use change**  
23 **values” means the greenhouse gas emissions resulting from the conversion of land to**  
24 **the production of feedstocks and from the conversion of other land due to the**  
25 **displacement of crops or animals for which the original land was previously used.**

26 (4) LIFECYCLE GREENHOUSE GAS EMISSIONS.—**The term “lifecycle greenhouse gas**  
27 **emissions” means the combined greenhouse gas emissions from feedstock production,**  
28 **collection of feedstock, transportation of feedstock to fuel production facilities,**  
29 **conversion of feedstock to fuel, transportation and distribution of fuel, and fuel**  
30 **combustion in an aircraft engine, as well as from induced land-use change values.**

31 (5) LOW-EMISSION AVIATION TECHNOLOGY.—~~THE TECHNOLOGIES.~~**The term**  
32 **“low-emission aviation technology” technologies” means technologies, produced in the**  
33 **United States, that significantly—**

34 (A) improve aircraft fuel efficiency;

35 (B) increase utilization of sustainable aviation fuels; **fuel;** or

36 (C) reduce greenhouse gas emissions produced during operation of civil aircraft.

37 **(6) SECRETARY.—The term “Secretary” means the Secretary of Transportation.**

38 ~~(7)~~**(3) SUSTAINABLE AVIATION FUEL.—The term “sustainable aviation fuel” means liquid**



1 fuel, produced in the United States, that—

2 (A) consists of synthesized hydrocarbons;

3 (B) meets the requirements of—

4 (i) ASTM International Standard D7566; or

5 (ii) the co-processing provisions of ASTM International Standard D1655,  
6 Annex A1 (or such successor standard);

7 (C) is derived from biomass ~~((in a similar manner~~ as such term is defined in  
8 section 45K(c)(3) of the Internal Revenue Code of 1986), waste streams, renewable  
9 energy sources, or gaseous carbon oxides;

10 (D) is not derived from palm fatty acid distillates; and

11 (E) achieves at least a 50 percent lifecycle greenhouse gas emissions reduction in  
12 comparison with petroleum-based jet fuel, as determined by a test that shows—

13 (i) the fuel production pathway achieves at least a 50 percent reduction of the  
14 aggregate attributional core lifecycle ~~greenhouse gas~~ emissions and the induced  
15 land use change values under ~~the a~~ a lifecycle methodology for sustainable aviation  
16 ~~fuel fuels similar to that~~ adopted by the International Civil Aviation  
17 Organization ~~for the Carbon Offsetting and Reduction Scheme for International~~  
18 ~~Aviation~~ with the agreement of the United States; or

19 (ii) the fuel production pathway achieves at least a 50 percent reduction of the  
20 aggregate attributional core lifecycle greenhouse gas emissions values **and the**  
21 **induced land-use change values** under another methodology that the Secretary,  
22 ~~in consultation with the Administrator of the Environmental Protection Agency,~~  
23 determines is—

24 (I) reflective of the latest scientific understanding of lifecycle greenhouse  
25 gas emissions; and

26 (II) as stringent as the requirement under clause (i).

27 ~~(i) Time Limit for Adoption of New Sustainable Aviation Fuel~~  
28 ~~Emissions Reduction Test.—For purposes of clause (ii) of~~  
29 ~~subsection (h)(3)(E), the Secretary, in consultation with the~~  
30 ~~Administrator of the Environmental Protection Agency, shall,~~  
31 ~~not later than 2 years after the date of the enactment of this~~  
32 ~~section, adopt at least 1 methodology for testing lifecycle~~  
33 ~~greenhouse gas emissions that meets the requirements of such~~  
34 ~~clause.~~

35 ~~SEC. 110012. IMPLEMENTATION OF THE CARBON-~~

1 ~~OFFSETTING AND REDUCTION SCHEME FOR~~  
2 ~~INTERNATIONAL AVIATION.~~

3 ~~(a) In General.— In addition to amounts otherwise made-~~  
4 ~~available, there is appropriated for fiscal year 2022, out of any~~  
5 ~~money in the Treasury not otherwise appropriated, \$6,000,000,~~  
6 ~~to remain available until September 30, 2026, for the Secretary~~  
7 ~~of Transportation to ensure the United States complies with its~~  
8 ~~obligations with respect to volume IV of annex 16 to the~~  
9 ~~Convention on International Civil Aviation (61 Stat. 1180)~~  
10 ~~(“Carbon Offsetting and Reduction Scheme for International~~  
11 ~~Aviation”, hereinafter “CORSIA”).~~

12 ~~(b) Regulations.—~~

13 ~~(1) In general.— The Secretary shall issue regulations with~~  
14 ~~requirements to ensure the United States complies with the~~  
15 ~~obligations referenced in subsection (a), including requirements~~  
16 ~~for operators of civil aircraft of the United States with respect~~  
17 ~~to—~~

18 ~~(A) monitoring, reporting, and verifying quantities of carbon~~  
19 ~~emissions covered under the CORSIA, cancelling eligible~~  
20 ~~emissions units and reporting and verifying such cancellations,~~  
21 ~~and reporting use of CORSIA eligible fuels; and~~

22 ~~(B) submission of such information as the Secretary determines~~  
23 ~~is necessary with respect to implementation of the CORSIA.~~

24 ~~(2) Standards and recommended practices.— Regulations issued~~  
25 ~~under this subsection shall be consistent with applicable~~  
26 ~~standards and recommended practices published in volume IV of~~  
27 ~~annex 16 to the Convention on International Civil Aviation (61~~  
28 ~~Stat. 1180) and associated implementation elements, adopted by~~  
29 ~~the International Civil Aviation Organization prior to enactment~~

1 ~~of this Act, and any amendments or updates to such standards~~  
2 ~~and related documents with which the United States concurs.~~

3 ~~(c) Reports.—Not later than December 31, 2022, and every 3-~~  
4 ~~years thereafter, the Secretary shall submit to the Committee on~~  
5 ~~Transportation and Infrastructure of the House of~~  
6 ~~Representatives and the Committee on Commerce, Science, and~~  
7 ~~Technology of the Senate a report assessing the compliance of~~  
8 ~~operators of civil aircraft registered in the United States with~~  
9 ~~regulations issued under this section as well as the standards and~~  
10 ~~recommended practices referenced in subsection (b)(2), as~~  
11 ~~applicable.~~

12 ~~SEC. 110013~~ **SEC. 110008. ASSISTANCE TO UPDATE AND**  
13 **ENFORCE HAZARD RESISTANT CODES AND**  
14 **STANDARDS.**

15 (a) In General.—In addition to amounts otherwise available, there is appropriated for fiscal  
16 year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$291,000,000~~  
17 **\$145,500,000**, to remain available until expended, to the Administrator of the Federal  
18 Emergency Management Agency ~~to carry out activities described in section 203(i) of the Robert~~  
19 ~~T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(i)), notwithstanding~~  
20 ~~section 203(f)(2) of such Act (42 U.S.C. 5133(f)(2)), including~~ **for the Building Resilient**  
21 **Infrastructure and Communities Program** for activities and grants that provide technical  
22 assistance and capacity building ~~for~~, **for which the Federal cost share shall be 100 percent, to**  
23 State, local, Indian Tribal, ~~or~~ territorial, **or the District of Columbia** governments for  
24 establishing, implementing, and carrying out enforcement activities of the latest published  
25 editions of relevant performance-based and consensus-based codes, specifications, and standards  
26 ~~that incorporate, including amendments made by State, local, Indian Tribal, territorial, or~~  
27 **the District of Columbia governments during the adoption process, that incorporate—**

28 (1) **the latest hazard-resistant designs; and**

29 (2) **the latest requirements for the maintenance and inspection of existing buildings to**  
30 **address hazard risk.**

31 (b) ~~Cost Share.—The Federal share of the assistance provided in this section shall be 100-~~  
32 ~~percent.~~

33 (e) Administration.—In addition to amounts ~~made available for administrative expenses under~~  
34 ~~section 205(d)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42-~~  
35 ~~U.S.C. 5135(d)(2))~~ **otherwise available**, there is appropriated for fiscal year 2022, out of any  
36 money in the Treasury not otherwise available, ~~\$9,000,000~~ **\$4,500,000** to the Administrator of

1 the Federal Emergency Management Agency, to remain available until expended, for  
2 administration of this section.

3 ~~SEC. 110014. HAZARD MITIGATION REVOLVING LOAN FUND.~~

4 ~~(a) In General.— In addition to amounts otherwise available, there is appropriated for fiscal~~  
5 ~~year 2022, out of any money in the Treasury not otherwise appropriated, \$495,000,000, to~~  
6 ~~remain available until expended, to the Administrator of the Federal Emergency Management~~  
7 ~~Agency for the establishment and carrying out of hazard mitigation revolving loan fund grants~~  
8 ~~under section 205 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42~~  
9 ~~U.S.C. 5135).~~

10 ~~(b) Administration.— In addition to amounts made available for administrative expenses under~~  
11 ~~section 205(d)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42~~  
12 ~~U.S.C. 5135(d)(2)), there is appropriated for fiscal year 2022, out of any money in the Treasury~~  
13 ~~not otherwise available, \$5,000,000 to the Administrator of the Federal Emergency Management~~  
14 ~~Agency, to remain available until expended, for administration of this section.~~

15 ~~SEC. 110015. UPGRADING PUBLIC ALERT AND WARNING.~~

16 ~~(a) In General.— In addition to amounts otherwise available, there is appropriated for fiscal~~  
17 ~~year 2022, out of any money in the Treasury not otherwise appropriated, \$24,000,000, to remain~~  
18 ~~available until September 30, 2024, to the Administrator of the Federal Emergency Management~~  
19 ~~Agency to upgrade the Integrated Public Alert and Warning System for implementation of the~~  
20 ~~Next Generation Warning System.~~

21 ~~(b) Assistance to Certain Entities.— In carrying out subsection (a), the Administrator of the~~  
22 ~~Federal Emergency Management Agency is authorized to issue noncompetitive, risk informed~~  
23 ~~financial assistance to public broadcasting entities, as defined in section 397 of the~~  
24 ~~Communications Act of 1934 (47 U.S.C. 397).~~

25 ~~(c) Administration.— In addition to amounts made available for administrative expenses under~~  
26 ~~section 205(d)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42~~  
27 ~~U.S.C. 5135(d)(2)), there is appropriated for fiscal year 2022, out of any money in the Treasury~~  
28 ~~not otherwise available, \$1,000,000 to the Administrator of the Federal Emergency Management~~  
29 ~~Agency, to remain available until September 30, 2026, for administration of this section.~~

30 ~~SEC. 110016. FEDERAL ASSISTANCE FOR EMERGENCY MANAGERS.~~

31 ~~(a) In General.— In addition to amounts otherwise available, there is appropriated for fiscal~~  
32 ~~year 2022, out of any money in the Treasury not otherwise appropriated, \$412,000,000, to~~  
33 ~~remain available until expended, to the Administrator of the Federal Emergency Management~~  
34 ~~Agency for grants for construction, retrofit, technological enhancement, and updated~~  
35 ~~requirements of State, local, Indian Tribal, and territorial emergency operations centers under~~  
36 ~~section 614 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C.~~  
37 ~~5196c). A State may provide grant funds under this subsection to local governments and Tribal~~  
38 ~~governments to carry out the activities for which such funds are provided.~~

39 ~~(b) Administration.— In addition to amounts made available for administrative expenses under~~  
40 ~~section 205(d)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42~~  
41 ~~U.S.C. 5135(d)(2)), there is appropriated for fiscal year 2022, out of any money in the Treasury~~  
42 ~~not otherwise available, \$13,000,000 to the Administrator of the Federal Emergency~~

1 Management Agency, to remain available until expended, for administration of this section.

2 (e) Limitation.—The amount of a project under a grant provided under this section may not  
3 exceed \$4,000,000.

4 (d) Code Compliance.—In using funds under subsection (a), a grant recipient shall act in  
5 compliance with the latest published editions of relevant consensus-based codes, specifications,  
6 and standards that incorporate the latest hazard-resistant designs and establish minimum  
7 acceptable criteria for the design, construction, and maintenance of structures and facilities for  
8 the purpose of protecting the health, safety, and general welfare of the building users against  
9 disasters.

10 ~~SEC. 110017. FEMA PROCUREMENT, CONSTRUCTION, AND IMPROVEMENTS.~~

11 In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of  
12 any money in the Treasury not otherwise appropriated, \$200,000,000, to remain available until  
13 September 30, 2026, to the Administrator of the Federal Emergency Management Agency for the  
14 construction, renovation, retrofit, technological enhancement, and updated requirements of  
15 Federal emergency training centers and Federal emergency operations centers.

16 ~~SEC. 110018 administrative expenses of carrying out this section.~~

17 **SEC. 110009. ECONOMIC DEVELOPMENT**  
18 **ADMINISTRATION.**

19 (a) Economic Development Assistance for Regional Economic Growth Clusters.—In addition  
20 to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in  
21 the Treasury not otherwise appropriated, \$4,000,000,000 **\$3,360,000,000**, to remain available  
22 until September 30, ~~2027~~ **2031**, to the Secretary of Commerce (**referred to in this section as the**  
23 **“Secretary”**) for grants under section 209 of the Public Works and Economic Development Act  
24 of 1965 (42 U.S.C. 3149) to develop regional economic growth clusters, **including grants for**  
25 **technical assistance, planning, and predevelopment activities**, subject to the condition that  
26 sections 204 and 301 of such Act (42 U.S.C. 3144 and 3161) shall not apply to grants made with  
27 amounts made available under this subsection.

28 (b) ~~Economic Adjustment Assistance.—In~~ **Recompete Grants for Persistently Distressed**  
29 **Communities.—**

30 **(1) IN GENERAL.—**In addition to amounts otherwise available, there is appropriated for  
31 fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
32 ~~\$1,000,000,000~~ **\$1,200,000,000**, to remain available until September 30, 2031, to the  
33 **Secretary of Commerce for economic adjustment assistance as authorized by section**  
34 **209 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149) to**  
35 **provide grants to eligible recipients (as defined in section 3 of such Act) to alleviate**  
36 **economic distress and support long-term comprehensive economic development and**  
37 **job creation in persistently distressed local labor markets and local communities,**  
38 **except that sections 204 and 301 of such Act (42 U.S.C. 3144 and 3161) shall be**  
39 **inapplicable to such grants.**

40 **(2) RECOMPETE PLAN.—**As a condition of receipt of a grant described under  
41 **paragraph (1), an eligible recipient shall submit a comprehensive 10-year economic**

1 development plan for approval by the Secretary that includes—

2 (A) proposed programs and activities to be carried out with a grant awarded  
3 under this subsection to address the economic challenges of the local labor market  
4 or local community in a manner that promotes long-term, sustained economic  
5 growth, quality job creation, and local prime-age employment growth;

6 (B) projected costs, annual expenditures, and a proposed grant disbursement  
7 schedule; and

8 (C) other local economic information and periodic benchmarking criteria as the  
9 Secretary determines appropriate.

10 (3) **MAXIMUM AWARD AMOUNT.**—In determining the maximum amount of a grant  
11 that may be awarded under paragraph (1) for the purposes of implementing and  
12 carrying out the programs and activities identified in an approved recompete plan  
13 described in paragraph (2), the Secretary shall use the product obtained by  
14 multiplying—

15 (A) the difference in the prime-age employment rate between the United States  
16 and the local labor market or local community;

17 (B) the prime-age population of the local labor market or local community; and

18 (C) either—

19 (i) \$70,585 for local labor markets with a prime-age employment rate not  
20 less than 2.5 percent below the United States; or

21 (ii) \$53,600 for local communities with a prime-age employment rate not  
22 less than 5 percent below the United States.

23 (4) **DEFINITIONS.**—In this subsection:

24 (A) **LOCAL LABOR MARKET.**—The term “local labor market” means any of the  
25 following areas that contains 1 or more recipients eligible under paragraph (1):

26 (i) A metropolitan statistical area or micropolitan statistical area,  
27 excluding any area described in clause (iii).

28 (ii) A commuting zone, excluding any areas described in clauses (i) and  
29 (iii).

30 (iii) Tribal land subject to the jurisdiction of an Indian Tribe.

31 (B) **LOCAL COMMUNITY.**—The term “local community” means the area served  
32 by a unit of general local government that is located within, but does not cover the  
33 entire area of, a local labor market that does not meet the criteria described in  
34 paragraph (3)(C)(i).

35 (c) **Economic Adjustment Assistance for Energy and Industrial Transition**  
36 **Communities.**—In addition to amounts otherwise available, there is appropriated for fiscal  
37 year 2022, out of any money in the Treasury not otherwise appropriated, \$240,000,000, to  
38 remain available until September 30, 2027, to the Secretary of Commerce for economic  
39 adjustment assistance as authorized by section 209 of the Public Works and Economic

1 Development Act of 1965 (42 U.S.C. 3149), of which—

2 ~~(1) \$500,000,000 shall be to provide assistance, including grants for technical assistance,~~  
3 ~~planning, and predevelopment activities, to energy and industrial transition communities,~~  
4 ~~including coal, oil and gas, and coal, nuclear, and biomass transition communities; and, and~~  
5 ~~manufacturing transition communities.~~

6 ~~(2) \$50,000,000 shall be~~ **(d) Economic Adjustment Assistance for Technical Assistance,**  
7 **Project Predevelopment, and Capacity Building.—In addition to amounts otherwise**  
8 **available, there is appropriated for fiscal year 2022, out of any money in the Treasury not**  
9 **otherwise appropriated, \$240,000,000, to remain available until September 30, 2027, to the**  
10 **Secretary of Commerce for economic adjustment assistance as authorized by section 209 of**  
11 **the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149) to provide grants**  
12 **for technical assistance, project predevelopment, and capacity building activities, including**  
13 **activities relating to the writing of grant applications (consistent with section 213 of such Act—the**  
14 **Public Works and Economic Development Act of 1965 (42 U.S.C. 3153)) and stipends to**  
15 **local community organizations for planning participation, community outreach and engagement**  
16 **activities, subject to the conditions that—**

17 ~~(A)(1) sections 204 and 301 of such Act (42 U.S.C. 3144 and 3161) shall not apply to~~  
18 ~~grants made with amounts made available under this paragraph; subsection; and~~

19 ~~(B)(2) not less than 50 percent of the amounts made available under this paragraph~~  
20 ~~subsection shall be for activities that are carried out in underserved communities.~~

21 ~~(e) Grants for Public Works and Economic Development.—In~~ **(e) Administration.—In**  
22 **addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any**  
23 **money in the Treasury not otherwise appropriated, \$500,000,000 \$210,000,000, to remain**  
24 **available until September 30, 2027, to the Secretary of Commerce for public works projects as**  
25 **authorized by section 201 of the Public Works and Economic Development Act of 1965 (42-**  
26 **U.S.C. 3141).**

27 ~~(d) Administration.—Not more than 3 percent of the amounts made available under this~~  
28 ~~section shall be used for the administrative costs of carrying out this section.~~

29 **SEC. 110019. RECOMPETE PILOT PROGRAM.**

30 ~~(a) Economic Development Administration Appropriation.—In addition to amounts otherwise~~  
31 ~~available, there is appropriated for fiscal year 2022, out of any money in the Treasury not~~  
32 ~~otherwise appropriated, \$4,000,000,000, to remain available until September 30, 2031, to the~~  
33 ~~Department of Commerce for economic adjustment assistance as authorized by section 209 of~~  
34 ~~the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149) to establish a pilot~~  
35 ~~program, to be known as the “Recompete Pilot Program”, to provide grants to specified entities~~  
36 ~~to carry out activities in eligible areas and Tribal lands for which a specified entity has~~  
37 ~~jurisdiction or otherwise serves to support local labor markets, local communities, and Tribal~~  
38 ~~governments to alleviate persistent economic distress and labor market dislocation, except that~~  
39 ~~sections 204 and 301 of such Act shall not apply to a grant provided under this section.~~

40 ~~(b) Term.—A grant shall have a term of 10 fiscal years and be disbursed at such time and in~~  
41 ~~such manner as determined by the Secretary of Commerce in accordance with benchmarking~~  
42 ~~requirements established by the Secretary.~~

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1 ~~(e) Use of Funds.— Of the funds provided by this section—~~

2 ~~(1) not less than \$3,855,000,000 shall be used for grants to be awarded to at least 15 specified~~  
3 ~~entities representing eligible areas to carry out activities described in a recompetete plan approved~~  
4 ~~by the Secretary of Commeree;~~

5 ~~(2) not more than \$25,000,000 may be used for planning and technical assistance grants to be~~  
6 ~~awarded to not more than 50 specified entities representing eligible areas to develop a recompetete~~  
7 ~~plan and carry out predevelopment activities; and~~

8 ~~(3) not more than 3 percent shall be used for the administrative costs of carrying out this~~  
9 ~~section.~~

10 ~~(d) Limitations.—~~

11 ~~(1) Eligible areas.— An eligible area may not benefit from more than 1 grant and 1 grant~~  
12 ~~described in subsection (c)(2).~~

13 ~~(2) Limitation on recipients.— For purposes of the program under this section, a specified~~  
14 ~~entity may not receive a grant on behalf of more than 1 eligible area.~~

15 ~~(e) Maximum Award Amount.— In determining the maximum amount of a grant that a~~  
16 ~~specified entity may be awarded, the Secretary shall use the product obtained by multiplying—~~

17 ~~(1) the prime age employment gap of the eligible area;~~

18 ~~(2) the prime age population of the eligible area; and~~

19 ~~(3) either—~~

20 ~~(A) \$70,585 for local labor markets; or~~

21 ~~(B) \$53,600 for local communities.~~

22 ~~(f) Definitions.— In this section:~~

23 ~~(1) Eligible area.— The term “eligible area” means either of the following:~~

24 ~~(A) A local labor market that—~~

25 ~~(i) has a prime age employment gap equal to not less than 2.5 percent; and~~

26 ~~(ii) meets additional criteria as the Secretary may establish.~~

27 ~~(B) A local community that—~~

28 ~~(i) has a prime age employment gap equal to not less than 5 percent;~~

29 ~~(ii) is not located within an eligible local labor market that meets the criteria described in~~  
30 ~~subparagraph (A); and~~

31 ~~(iii) has a median annual household income of not more than \$75,000.~~

32 ~~(2) Local labor market.— The term “local labor market” means any of the following areas that~~  
33 ~~contains 1 or more specified entities described in subparagraphs (A) through (D) of paragraph~~  
34 ~~(5):~~

35 ~~(A) A commuting zone, as defined by the Economic Research Service of the Department of~~  
36 ~~Agriculture, excluding all core based statistical areas within the commuting zone described in~~



1 ~~subparagraph (B).~~

2 ~~(B) Subject to subparagraph (C), if 1 or more discrete metropolitan statistical areas or~~  
3 ~~micropolitan statistical areas, as defined by the Office of Management and Budget (collectively~~  
4 ~~referred to as “core-based statistical areas”), exists within a commuting zone described in~~  
5 ~~subparagraph (A), each such core-based statistical area.~~

6 ~~(C) If the remaining area of a commuting zone described in subparagraph (A), excluding all~~  
7 ~~core-based statistical areas within the commuting zone described in subparagraph (B), contains 1~~  
8 ~~or fewer counties and has a population of 7,500 or fewer residents, that remaining area combined~~  
9 ~~with an adjacent core-based statistical area within the commuting zone.~~

10 ~~(D) The Tribal land with a Tribal prime-age population represented by a Tribal government.~~

11 ~~(3) Local community.—The term “local community” means the area served by a specified~~  
12 ~~entity described in subparagraphs (A) through (C) of paragraph (5) that—~~

13 ~~(A)(i) is located within a local labor market or partial local labor market that is not eligible; or~~

14 ~~(ii) is not coexistent with, or encompassing the entirety of, a local labor market; and~~

15 ~~(B) meets such additional criteria, including a minimum population requirement, as the~~  
16 ~~Secretary may establish.~~

17 ~~(4) Prime-age employment gap.—~~

18 ~~(A) In general.—The term “prime-age employment gap” means the difference (expressed as a~~  
19 ~~percentage) between—~~

20 ~~(i) the national 5-year average prime-age employment rate; and~~

21 ~~(ii) the 5-year average prime-age employment rate of the eligible area.~~

22 ~~(B) Calculation.—For the purposes of subparagraph (A), an individual is prime-age if such~~  
23 ~~individual between the ages of 25 years and 54 years.~~

24 ~~(5) Recompete plan.—The term “recompete plan” means a comprehensive 10-year economic~~  
25 ~~development plan that—~~

26 ~~(A) includes—~~

27 ~~(i) proposed programs and activities to be carried out with a grant awarded under this section~~  
28 ~~to address the economic challenges of the eligible area in a manner that promotes long-term,~~  
29 ~~sustained economic growth and reduction in the prime-age employment gap of the eligible area;~~

30 ~~(ii) projected costs and annual expenditures and proposed disbursement schedule; and~~

31 ~~(iii) other information as the Secretary determines appropriate;~~

32 ~~(B) is developed by a specified entity that is the recipient of a planning and technical~~  
33 ~~assistance grant described in subsection (c)(2); and~~

34 ~~(C) is submitted to the Secretary for approval for a specified entity to be considered for a grant~~  
35 ~~under this section.~~

36 ~~(6) Specified entity.—The term “specified entity” means—~~

37 ~~(A) a unit of local government;~~

1 ~~(B) the District of Columbia;~~

2 ~~(C) a territory or possession of the United States;~~

3 ~~(D) a Tribal government;~~

4 ~~(E) a State-authorized political subdivision or other entity, including a special-purpose entity~~  
5 ~~engaged in economic development activities;~~

6 ~~(F) a public entity or nonprofit organization, acting in cooperation with the officials of a~~  
7 ~~political subdivision or entity described in subparagraph (E);~~

8 ~~(G) an economic development district (as defined in section 3 of the Public Works and~~  
9 ~~Economic Development Act of 1965 (42 U.S.C. 3122); and~~

10 ~~(H) a consortium of any of the specified entities described in this paragraph which serve or are~~  
11 ~~contained within the same eligible area.~~

12 ~~(7) Tribal government.—The term “Tribal government” means the recognized governing body~~  
13 ~~of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band,~~  
14 ~~or component reservation, individually identified (including parenthetically) in the list published~~  
15 ~~by the Bureau of Indian Affairs on January 29, 2021, pursuant to section 104 of the Federally-~~  
16 ~~Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).~~

17 ~~(8) Tribal land.—The term “Tribal land” means any land—~~

18 ~~(A) any land located within the boundaries of an Indian reservation, pueblo, or rancheria; or~~

19 ~~(B) any land not located within the boundaries of an Indian reservation, pueblo, or rancheria,~~  
20 ~~the title to which is held—~~

21 ~~(i) in trust by the United States for the benefit of an Indian Tribe or an individual Indian;~~

22 ~~(ii) by an Indian Tribe or an individual Indian, subject to restriction against alienation under~~  
23 ~~laws of the United States; or~~

24 ~~(iii) by a dependent Indian community.~~

25 ~~(9) Tribal prime-age population.—~~

26 ~~(A) In general.—The term “Tribal prime-age population” shall be equal to the sum obtained~~  
27 ~~by adding—~~

28 ~~(i) the product obtained by multiplying—~~

29 ~~(I) the total number of individuals ages 25 through 54 residing on the Tribal land of the Tribal~~  
30 ~~government; and~~

31 ~~(II) 0.65; and~~

32 ~~(ii) the product obtained by multiplying—~~

33 ~~(I) the total number of individuals ages 25 through 54 included on the membership roll of the~~  
34 ~~Tribal government; and~~

35 ~~(II) 0.35.~~

36 ~~(B) Use of date.—A calculation under subparagraph (A) shall be determined based on data~~  
37 ~~provided by the applicable Tribal government to the Department of the Treasury under the~~

1 ~~Coronavirus State and Local Fiscal Recovery Fund programs under title VI of the Social Security~~  
2 ~~Act (42 U.S.C. 801 et seq.).~~

3 ~~SEC. 110020 2031, for the administrative expenses of carrying out this section.~~

4 **SEC. 110010. ASSISTANCE FOR FEDERAL BUILDINGS.**

5 In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of  
6 any funds ~~money~~ in the Treasury not otherwise appropriated, ~~\$1,000,000,000~~ **\$500,000,000**, to  
7 remain available until September 30, 2031, to be deposited in the Federal Buildings Fund  
8 established under section 592 of title 40, United States Code, for measures necessary to convert  
9 facilities of the Administrator of General Services to high-performance green buildings (as  
10 defined in section 401 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17061)).

11 ~~SEC. 110011 110021. TECHNOLOGY INNOVATION AND~~  
12 ~~CLIMATE RESILIENCE IN MARITIME SECTOR.~~

13 ~~In addition to amounts otherwise available, there is appropriated~~  
14 ~~for fiscal year 2022, out of any money in the Treasury not~~  
15 ~~otherwise appropriated, \$100,000,000, to remain available until~~  
16 ~~September 30, 2027, to the Maritime Administration, for the~~  
17 ~~maritime environmental and technical assistance program under~~  
18 ~~section 50307 of title 46, United States Code, to reduce carbon~~  
19 ~~emissions, reduce vessel noise pollution, and improve the~~  
20 ~~climate resiliency of the marine shipping and the maritime~~  
21 ~~industry.~~

22 ~~SEC. 110022. CLIMATE RESILIENT COAST GUARD~~  
23 ~~INFRASTRUCTURE.~~

24 In addition to amounts otherwise available, there is appropriated **to the Coast Guard** for  
25 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$1,000,000,000~~  
26 **\$650,000,000**, to remain available until September 30, 2031, ~~to the account under the heading-~~  
27 ~~“Coast Guard Procurement, Construction, and Improvements”~~, for the acquisition, design, and  
28 construction of new, or replacement of existing, climate resilient facilities, including personnel  
29 readiness facilities such as family support services facilities, that are threatened by or have been  
30 impacted by climate change, as authorized under sections 504(e) and 1101(b)(1) of title 14,  
31 United States Code.

32 ~~The Coast Guard shall return to the Treasury any funds~~  
33 ~~appropriated under this section that have not been expended by~~  
34 ~~September 30, 2031.~~

1 ~~SEC. 110023~~ **SEC. 110012. GREAT LAKES ICEBREAKER**  
2 **ACQUISITION.**

3 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the  
4 **Coast Guard** for fiscal year 2022, out of funds any money in the Treasury not otherwise  
5 appropriated, \$350,000,000, to remain available until September 30, 2031, to the Coast Guard,  
6 for acquisition, design, and construction of a Great Lakes heavy icebreaker, as authorized under  
7 section 8107 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal  
8 Year 2021 (Public Law 116–283).

9 ~~The Coast Guard shall return to the Treasury any funds appropriated under this section that~~  
10 ~~have not been expended by September 30, 2031.~~

11 ~~SEC. 110024. POLAR SECURITY CUTTERS AND CLIMATE SCIENCE.~~

12 ~~In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of~~  
13 ~~any money in the Treasury not otherwise appropriated, \$788,000,000, to remain available until~~  
14 ~~September 30, 2031, to the Coast Guard, for the acquisition of the fourth heavy Polar Security~~  
15 ~~Cutter, including scientific laboratory and berthing facilities, to expand access for scientists to~~  
16 ~~the polar regions, to improve climate and weather research, for other polar missions, and for~~  
17 ~~other purposes, as authorized under section 561 of title 14, United States Code.~~

18 ~~SEC. 110025. SMALL SHIPYARD GRANTS.~~

19 ~~In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of~~  
20 ~~any money in the Treasury not otherwise appropriated, \$300,000,000, to remain available until~~  
21 ~~September 30, 2027, to the Maritime Administration for the purposes of making grants under the~~  
22 ~~assistance for small shipyards program, as authorized by section 54101 of title 46, United States~~  
23 ~~Code, to improve the climate resiliency and environmental sustainability of the maritime~~  
24 ~~industry and maritime transportation system, including workforce training and equipment~~  
25 ~~acquisition projects that improve the efficiency of shipyard operations, vessel construction and~~  
26 ~~vessel repair. The deadlines established in paragraphs (2) and (3) of subsection (b) and paragraph~~  
27 ~~(1) of subsection (f) of section 54101 of such title shall not apply to amounts made available in~~  
28 ~~this section, and the Secretary of Transportation may carry out multiple rounds of competition.~~

29 ~~SEC. 110026(b) Limitation.~~—The funds made available under this section are subject to  
30 ~~the condition that the Coast Guard shall not—~~

31 (1) enter into an agreement involving funds made available under subsection (a) if  
32 such agreement—

33 (A) is for a term extending beyond September 30, 2031; or

34 (B) involves any payment that could be made or funds disbursed using amounts  
35 made available under subsection (a) after September 30, 2031; or

36 (2) use any other funds available to the Coast Guard to satisfy obligations initially  
37 made under subsection (a).

38 **SEC. 110013. PORT INFRASTRUCTURE AND SUPPLY**  
39 **CHAIN RESILIENCE.**

1 (a) In **General**.—In addition to amounts otherwise available, there is appropriated for fiscal  
2 year 2022, out of any money in the Treasury not otherwise appropriated, \$2,500,000,000  
3 **\$600,000,000**, to remain available until September 30, ~~2027~~ **2026**, to the Maritime  
4 Administration for the purposes of making grants for projects to support supply chain resilience,  
5 reduction in port congestion, **and** the development of offshore wind support infrastructure, and  
6 environmental remediation, projects to reduce the impact of ports on the environment, and for  
7 other purposes. ~~Such grants shall be administered in accordance with the requirements applicable~~  
8 ~~to grants under section 50302~~ **through the program under section 50302(c)** of title 46, United  
9 States Code.

10 ~~The deadlines established in paragraph (5) of subsection (c) of section 50302 of such title shall~~  
11 ~~not apply to amounts made available in this section, and~~ (b) **Limitations**.—**The funds made**  
12 **available under this section are subject to the condition that** the Secretary of Transportation  
13 may carry out multiple rounds of competition. The Maritime Administration shall return to the  
14 Treasury any funds appropriated under this section that have not been expended by September  
15 30, 2031.

16 ~~SEC. 110027. GRANTS FOR RURAL, SMALL, TRIBAL, AND ECONOMICALLY-~~  
17 ~~DISADVANTAGED MUNICIPALITY TECHNICAL ASSISTANCE AND CIRCUIT RIDER-~~  
18 ~~PROGRAMS AND WORKFORCE DEVELOPMENT.~~

19 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
20 Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not  
21 otherwise appropriated, \$495,000,000, to remain available until expended, for the Administrator  
22 of the Environmental Protection Agency—

23 (1) to provide technical assistance to rural, small, Tribal, and economically disadvantaged  
24 municipalities for the purposes identified in subsection (b)(8) of section 104 of the Federal Water  
25 Pollution Control Act (33 U.S.C. 1254); and

26 (2) for grants for manpower development and training and retraining of workforce employees  
27 of publicly owned treatment works in accordance with subsection (g) of such section.

28 (b) Determination of Economic Disadvantage.—In determining whether a municipality is  
29 economically disadvantaged for the purposes of this section, the Administrator shall, to the  
30 maximum extent practicable, take into consideration—

31 (1) the criteria under paragraph (1) or (2) of section 301(a) of the Public Works and Economic  
32 Development Act of 1965 (42 U.S.C. 3161); and

33 (2) any affordability criteria established by the State in which the municipality is located  
34 pursuant to section 603(i)(2) or 221(c) of the Federal Water Pollution Control Act (33 U.S.C.  
35 1383(i)(2); 1301(e)).

36 ~~SEC. 110028 shall not—~~

37 (1) **enter into an agreement involving funds made available under subsection (a) if**  
38 **such agreement—**

39 (A) **is for a term extending beyond September 30, 2031; or**

40 (B) **involves any payment that could be made or funds disbursed using amounts**  
41 **made available under subsection (a) after September 30, 2031; or**

1 (2) use any other funds available to the Secretary to satisfy obligations initially made  
2 under subsection (a).

### 3 **SEC. 110014. ALTERNATIVE WATER SOURCE PROJECT** 4 **GRANTS.**

5 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
6 Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not  
7 otherwise appropriated, \$125,000,000, to remain available until expended, for carrying out  
8 section 220 of the Federal Water Pollution Control Act (33 U.S.C. 1300), in accordance with  
9 subsection (b), which funds may be used to make grants under such section on the condition  
10 that—

11 (1) a project carried out using such funds shall, to the maximum extent practicable,  
12 maximize the avoidance, minimization, or mitigation of climate change impacts on, and of,  
13 any constructed part of the project (including through the implementation of technologies to  
14 recover and reuse energy produced in the treatment of wastewater); and

15 (2) all of the iron and steel used in the project are produced in the United States in  
16 accordance with section 608 of such Act (33 U.S.C. 1388).

17 (b) Limitations.—For purposes of subsection (a)—

18 (1) the limitation in section 220(d)(1) of the Federal Water Pollution Control Act (as in  
19 effect on September 1, 2021), as it applies to the receipt of planning or design funds, shall  
20 not apply with respect to eligibility for a grant under this section; and

21 (2) the requirements of sections 220(d)(2) and (e) of such Act (as in effect on September  
22 1, 2021) shall not apply to the making of a grant under this section.

23 (c) **Administrative Costs.—Of the amounts made available under subsection (a), the**  
24 **Administrator of the Environmental Protection Agency shall reserve 4 percent for the**  
25 **administrative costs of carrying out this section.**

### 26 **SEC. 110015 ~~SEC. 110029~~. SEWER OVERFLOW AND** 27 **STORMWATER REUSE MUNICIPAL GRANTS.**

28 (a) General Assistance.—In addition to amounts otherwise available, there is appropriated to  
29 the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not  
30 otherwise appropriated, ~~\$1,000,000,000~~ **\$500,000,000**, to remain available until expended, for  
31 carrying out section 221 of the Federal Water Pollution Control Act (33 U.S.C. 1301), which  
32 funds may be used to make grants under such section on the condition that any activity carried  
33 out using such funds shall, to the maximum extent practicable, maximize the avoidance,  
34 minimization, or mitigation of climate change impacts on, and of, any constructed part of the  
35 activity (including through the implementation of technologies to recover and reuse energy  
36 produced in the treatment of wastewater).

37 (b) Financially Distressed Communities.—

38 (1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to  
39 the Environmental Protection Agency for fiscal year 2022, out of any money in the

1 Treasury not otherwise appropriated, ~~\$1,000,000,000~~ **\$1,350,000,000**, to remain available  
2 until expended, for carrying out section 221 of the Federal Water Pollution Control Act (33  
3 U.S.C. 1301), which funds may be used to make grants under such section to a financially  
4 distressed ~~communities~~ **community** (as defined in such section), ~~including rural financially~~  
5 ~~distressed communities~~ **or an Indian tribe or other entity described in section 518(c)(3)**  
6 **of such Act**, on the condition that any activity carried out using such funds shall, to the  
7 maximum extent practicable, maximize the avoidance, minimization, or mitigation of  
8 climate change impacts on, and of, any constructed part of the activity (including through  
9 the implementation of technologies to recover and reuse energy produced in the treatment  
10 of wastewater).

11 (2) LIMITATION.—In carrying out paragraph (1), the Administrator of the Environmental  
12 Protection Agency may not require a financially distressed community, **Indian tribe, or**  
13 **entity** receiving a grant pursuant to this subsection to provide, as a condition of eligibility to  
14 receive such grant, a share of the cost of the activity for which the grant was made.

15 (c) **Administrative Costs.**—Of the amounts made available under each of subsections (a)  
16 **and (b), the Administrator of the Environmental Protection Agency shall reserve 4 percent**  
17 **for the administrative costs of carrying out this section.**

## 18 **SEC. 110016** ~~SEC. 110030.~~ **INDIVIDUAL HOUSEHOLD** 19 **DECENTRALIZED WASTEWATER TREATMENT SYSTEM** 20 **GRANTS.**

21 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the  
22 Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not  
23 otherwise appropriated, ~~\$450,000,000~~, to remain available until expended, **expended—**

24 (1) **\$75,000,000** to make grants, ~~in accordance with subsection (b)~~, to States,  
25 municipalities, and nonprofit entities under the Federal Water Pollution Control Act for the  
26 construction, repair, or replacement of individual household decentralized wastewater  
27 treatment systems of eligible individuals (as such term is defined in section 603(j) of the  
28 Federal Water Pollution Control Act (33 U.S.C. 1383(j))); **and:**

29 (b) ~~Priority.~~—~~In carrying out subsection (a), the Administrator of the Environmental~~  
30 ~~Protection Agency shall prioritize the issuance of grants to assist~~ (2) **\$75,000,000 to make**  
31 **grants to States, municipalities, and nonprofit entities under such Act for the**  
32 **construction, repair, or replacement of individual household decentralized wastewater**  
33 **treatment systems of eligible individuals (as such term is defined in section 603(j) of the**  
34 **Federal Water Pollution Control Act (33 U.S.C. 1383(j)) so defined)** residing in households  
35 that are not connected to a system or technology designed to treat domestic sewage,  
36 including eligible individuals using household cesspools.

37 ~~SEC. 110031. TRIBAL CLEAN WATER GRANTS.~~ (b) **Administrative Costs.**—Of the  
38 **amounts made available under subsection (a), the Administrator of the Environmental**  
39 **Protection Agency shall reserve 7 percent for the administrative costs of carrying out this**  
40 **section.**

41 (a) ~~Appropriation.~~—~~In~~ **SEC. 110017. DISASTER RELIEF.**

1 The Administrator of the Federal Emergency Management Agency may provide  
2 financial assistance through September 30, 2026, pursuant to section 203(h), 404(a), and  
3 406(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C.  
4 5133(h); 42 U.S.C. 5170c(a); 42 U.S.C. 5172(b)) for—

5 (1) costs associated with low-carbon materials; and

6 (2) incentives that encourage low-carbon and net-zero energy projects, which may  
7 include an increase in the Federal cost share.

## 8 **SEC. 110018. ENVIRONMENTAL REVIEW** 9 **IMPLEMENTATION FUNDS.**

10 (a) In General.—Chapter 1 of title 23, United States Code, is further amended by adding  
11 at the end the following:

### 12 **“179. Environmental review implementation funds**

13 **“(a) Establishment.—**In addition to amounts otherwise available, **for fiscal year 2022**, there  
14 is appropriated to the ~~Environmental Protection Agency for fiscal year 2022~~ **Administrator**, out  
15 of any money in the Treasury not otherwise appropriated, ~~\$500,000,000~~ **\$50,000,000**, to remain  
16 available until expended, ~~to make grants, in accordance with subsection (b), to Indian tribes and~~  
17 ~~other entities described in section 518(c)(3) of the Federal Water Pollution Control Act (33-~~  
18 ~~U.S.C. 1377)—~~ **September 30, 2026, for the purpose of facilitating the development and**  
19 **review of documents for the environmental review process for proposed projects, including**  
20 **through—**

21 (1) for—

22 ~~(A) projects and activities eligible for assistance under section 603(c) of such Act (33-~~  
23 ~~U.S.C. 1383); and~~

24 ~~(B) training“(1) the provision of guidance, technical assistance, and educational~~  
25 ~~programs related to the operation and management of treatment works eligible for~~  
26 ~~assistance pursuant to such section 603(c); and~~

27 (2) subject to the condition that—

28 ~~(A) any project or activity carried out using such funds shall, to the maximum extent~~  
29 ~~practicable, maximize the avoidance, minimization, or mitigation of climate change impacts~~  
30 ~~on, and of, any constructed part of the project or activity (including through the~~  
31 ~~implementation of technologies to recover and reuse energy produced in the treatment of~~  
32 ~~wastewater); and~~

33 ~~(B) all of the iron and steel used in any project carried out using such funds are produced~~  
34 ~~in the United States in accordance with section 608 of such Act (33 U.S.C. 1388).~~

35 (b) Limitation.—In carrying out subsection (a), the Administrator of the Environmental  
36 Protection Agency may not require an Indian tribe or other entity receiving a grant under  
37 this section to provide, as a condition of eligibility to receive such grant, a **templates,**  
38 **training, or tools to facilitate an efficient and effective environmental review process**  
39 **for surface transportation projects, including any administrative expenses of the**



1 Federal Highway Administration to conduct such activities; and

2 “(2) providing funds made available under this subsection to eligible entities—

3 “(A) to build capacity of such eligible entities and facilitate the environmental  
4 review process for proposed projects, including—

5 “(i) defining the scope or study areas;

6 “(ii) identifying impacts, mitigation measures, and reasonable alternatives;

7 “(iii) preparing planning and environmental studies and other documents  
8 prior to and during the environmental review process, for potential use in the  
9 environmental review process in accordance with applicable statutes and  
10 regulations;

11 “(iv) conducting public engagement activities; and

12 “(v) carrying out other activities, including permitting activities, as the  
13 Administrator determines to be appropriate, to support the timely  
14 completion of an environmental review process required for a proposed  
15 project; and

16 “(B) for administrative expenses of the eligible entity to conduct any of the  
17 activities described in subparagraph (A).

18 “(b) Cost Share.—

19 “(1) ~~IN GENERAL.—The Federal share of the cost of the project or activity for which the~~  
20 ~~grant was made.~~ **an activity carried out under this section by an eligible entity shall be**  
21 **not more than 80 percent.**

22 ~~SEC. 110032. WASTEWATER INFRASTRUCTURE ASSISTANCE TO~~  
23 ~~COLONIAS.~~ “(2) **SOURCE OF FUNDS.—The non-Federal share of the cost of an activity**  
24 **carried out under this section by an eligible entity may be satisfied using funds made**  
25 **available to the eligible entity under any other Federal, State, or local grant program,**  
26 **including funds made available to the eligible entity under this title or administered by**  
27 **the U.S. Department of Transportation.**

28 ~~“(c) Definitions.—In this section:~~

29 “(1) **ADMINISTRATOR.—The term ‘Administrator’ means the Administrator of the**  
30 **Federal Highway Administration.**

31 “(2) **ELIGIBLE ENTITY.—The term ‘eligible entity’ means—**

32 “(A) a State;

33 “(B) a unit of local government;

34 “(C) a political subdivision of a State;

35 “(D) a territory of the United States;

36 “(E) an entity described in section 207(m)(1)(E);

37 “(F) a recipient of funds under section 203; or

1           “(G) a metropolitan planning organization (as defined in section 134(b)(2)).

2           “(3) ENVIRONMENTAL REVIEW PROCESS.—The term ‘environmental review process’  
3           has the meaning given the term in section 139(a)(3).

4           “(4) PROPOSED PROJECT.—The term ‘proposed project’ means a surface  
5           transportation project for which an environmental review process is required.”.

6           (b) Clerical Amendment.—The analysis for chapter 1 of title 23, United States Code, is  
7           further amended by adding at the end the following:

8           “179. Environmental review implementation funds.”.

## 9           **SEC. 110019. LOW-CARBON TRANSPORTATION** 10           **MATERIALS GRANTS.**

11           (a) In General.—Chapter 1 of title 23, United States Code, is further amended by adding  
12           at the end the following:

### 13           **“180. Low-carbon transportation materials grants**

14           “(a) Federal Highway Administration Appropriation.—In addition to amounts otherwise  
15           available, there is appropriated to the Environmental Protection Agency for fiscal year 2022, out  
16           of any money in the Treasury not otherwise appropriated, ~~\$125,000,000~~ **\$900,000,000**, to remain  
17           available until **September 30, 2026**, to the Administrator to reimburse eligible recipients for  
18           **the incremental costs of using low-embodied carbon construction materials and products in**  
19           **projects and for the administrative** expended, for the Administrator of the Environmental  
20           Protection Agency for carrying out section 307 of the Safe Drinking Water Act Amendments of  
21           1996 (33 U.S.C. 1281 note; 110 Stat. 1688), which funds may be used to award grants under  
22           such section to a border State or municipality with jurisdiction over an eligible community (as  
23           such terms are defined in such section), on the condition that—

24           (1) a project carried out using such funds shall, to the maximum extent practicable, maximize  
25           the avoidance, minimization, or mitigation of climate change impacts on, and of, any constructed  
26           part of the project (including through the implementation of technologies to recover and reuse  
27           energy produced in the treatment of wastewater);

28           (2) all of the iron and steel used in the project are produced in the United States in accordance  
29           with section 608 of the Federal Water Pollution Control Act (33 U.S.C. 1388); and

30           (3) an eligible community receiving assistance for such project pursuant to this section shall  
31           not be required to provide a share of the costs of carrying out the project.

### 32           ~~SEC. 110033. CLEAN WATER NEEDS SURVEY.~~

33           In addition to amounts otherwise available, there is appropriated to the Environmental  
34           Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise  
35           appropriated, \$5,000,000, to remain available until expended, for grants to States and  
36           municipalities to carry out a detailed estimate of the cost of construction of all needed publicly-  
37           owned treatment works pursuant to section 516(b)(1)(B) of the Federal Water Pollution Control  
38           Act (33 U.S.C. 1375(b)(1)(B)).

1     ~~SEC. 110034. PROHIBITION ON USE OF FUNDS.~~

2     ~~The Comptroller General of the United States shall provide a report to Congress accounting-~~  
3     ~~for any equipment provided by the United States Coast Guard or the Army Corps of Engineers to~~  
4     ~~any prior regime in Afghanistan and that has been left behind in Afghanistan.~~

5     ~~SEC. 110035. POLICY OF THE UNITED STATES ON CHILD LABOR.~~

6     ~~It is the policy of the United States that funds made available by this title should not be used to~~  
7     ~~purchase products produced whole or in part through the use of child labor, as such term is-~~  
8     ~~defined in Article 3 of the International Labor Organization Convention concerning the~~  
9     ~~prohibition and immediate action for the elimination of the worst forms of child labor (December~~  
10    ~~2, 2000), or in violation of human rights. this section.~~

11    **“(b) Reimbursement of Incremental Costs; Incentives.—**

12       **“(1) REIMBURSEMENT OF INCREMENTAL COSTS.—**

13           **“(A) IN GENERAL.—The Administrator shall, subject to the availability of**  
14           **funds, reimburse eligible recipients that use low-embodied carbon construction**  
15           **materials and products on a project funded under this title.**

16           **“(B) AMOUNT.—The amount of reimbursement under subparagraph (A) shall**  
17           **be the incrementally higher cost of using such materials relative to the cost of**  
18           **using traditional materials, as determined by the eligible recipient and verified by**  
19           **the Administrator.**

20       **“(2) INCENTIVE.—If a reimbursement is provided under paragraph (1), the total**  
21       **Federal share payable for the project for which the reimbursement is provided shall**  
22       **be up to 100 percent.**

23       **“(3) LIMITATIONS.—**

24           **“(A) IN GENERAL.—The Administrator shall only provide a reimbursement**  
25           **under paragraph (1) for a project on a—**

26               **“(i) Federal-aid highway;**

27               **“(ii) tribal transportation facility;**

28               **“(iii) Federal lands transportation facility; or**

29               **“(iv) Federal lands access transportation facility.**

30           **\*\* 11 (e) Limitation.—Funds“(B) OTHER RESTRICTIONS.—Amounts made**  
31           **available under this section shall not be subject to any restriction or limitation on the**  
32           **total amount of funds available for implementation or execution of programs**  
33           **authorized for Federal-aid highways.**

34           **“(C) SINGLE OCCUPANT PASSENGER VEHICLES.—Funds made available under**  
35           **this section shall not be used for projects that result in additional through travel**  
36           **lanes for single occupant passenger vehicles.**

37       **“(4) MATERIALS IDENTIFICATION.—The Administrator shall review the**  
38       **low-embodied carbon construction materials and products identified by the**  
39       **Administrator of the Environmental Protection Agency and shall identify**

1 low-embodied carbon construction materials and products—

2 “(A) appropriate for use in projects eligible under this title; and

3 “(B) eligible for reimbursement under this section.

4 “(c) Definitions.—In this section:

5 “(1) ADMINISTRATOR.—The term ‘Administrator’ means the Administrator of the  
6 Federal Highway Administration.

7 “(2) ELIGIBLE RECIPIENT.—The term ‘eligible recipient’ means—

8 “(A) a State;

9 “(B) a unit of local government;

10 “(C) a political subdivision of a State;

11 “(D) a territory of the United States;

12 “(E) an entity described in section 207(m)(1)(E));

13 “(F) a recipient of funds under section 203;

14 “(G) a metropolitan planning organization (as defined in section 134(b)(2)); or

15 “(H) a special purpose district or public authority with a transportation  
16 function.

17 “(3) EMBODIED CARBON.—The term ‘embodied carbon’ means the quantity of  
18 greenhouse gas emissions associated with all relevant stages of production of a  
19 material or product, measured in kilograms of carbon dioxide-equivalent per unit of  
20 such material or product.

21 “(4) LOW-EMBODIED CARBON CONSTRUCTION MATERIALS AND PRODUCTS.—The term  
22 ‘low-embodied carbon construction materials and products’ means materials and  
23 products identified by the Administrator of the Environmental Protection Agency as  
24 having substantially lower levels of embodied carbon compared to estimated industry  
25 averages of similar products or materials.”.

26 (b) Clerical Amendment.—The analysis for chapter 1 of title 23, United States Code, is  
27 further amended by adding at the end the following:

28 “180. Low-carbon transportation materials grants.”.

## 29 SEC. 110020. SOUTHWEST BORDER REGIONAL 30 COMMISSION.

31 In addition to amounts otherwise available, there is appropriated to the Southwest  
32 Border Regional Commission for fiscal year 2022, out of any money in the Treasury not  
33 otherwise appropriated, \$33,000,000, to remain available until September 30, 2031, to  
34 carry out activities authorized by subtitle V of title 40, United States Code.

House Office of Legislative Counsel

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BUDGET\_SPLIT BY TITLE (002).ZIP\VA\_HR5376\_T12.XML and  
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1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the  
2 differences between -  
3 original document :

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8 CompareRite found 16 change(s) in the text  
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10 Deletions appear as Overstrike text

11 Additions appear as Bold text

12

1 Title: To-

2  
3  
4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled,~~

## 6 TITLE XII—COMMITTEE ON VETERANS AFFAIRS

### 7 SEC. ~~12001~~ **120001**. DEPARTMENT OF VETERANS 8 AFFAIRS INFRASTRUCTURE IMPROVEMENTS.

9 In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of  
10 any money in the Treasury not otherwise appropriated, ~~\$15,200,000,000~~ **\$2,317,000,000**, to  
11 remain available until September 30, 2031, for facilities under the jurisdiction of, or for the use  
12 of, the Department of Veterans Affairs to carry out sections 2400, 2403, 2404, 2406, 2407, 2412,  
13 8101, **8102 (except for section 8102(d))**, **8103 (except for super construction projects as**  
14 **defined in section 8103(e)(3))**, **8104** through 8110, 8122, and 8161 through 8169 of title 38,  
15 United States Code, taking into consideration the integration of climate resiliency into  
16 infrastructure as well as the needs of underserved areas and underserved veteran populations.

### 17 SEC. ~~12002~~ **120002**. MODIFICATIONS TO 18 ENHANCED-USE LEASE AUTHORITY OF DEPARTMENT 19 OF VETERANS AFFAIRS.

20 (a) Modifications to Authority.—Paragraph (2) of section 8162(a) of title 38, United States  
21 Code, is amended to read as follows:

22 “(2)(A) The Secretary may enter into an enhanced-use lease on or after the date of the  
23 enactment of this paragraph only if the Secretary determines—

24 “(i) that the lease will not be inconsistent with, and will not adversely affect—

25 “(I) the mission of the Department; or

26 “(II) the operation of facilities, programs, and services of the Department in the local  
27 area; and

28 “(ii) that—

29 “(I) the lease will enhance the use of the leased property by directly or indirectly  
30 benefitting veterans; or

31 “(II) the leased property will provide supportive housing.

32 “(B) The Secretary shall give priority to enhanced-use leases that, on the leased property—

33 “(i) provide supportive housing for veterans;

34 “(ii) provide direct services or benefits targeted to veterans; or

35 “(iii) provide services or benefits that indirectly support veterans.”.

36 (b) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal

1 year 2022, out of any money in the Treasury not otherwise appropriated, \$455,000,000 for the  
2 Department of Veterans Affairs, to remain available until expended, to enter into enhanced-use  
3 leases pursuant to section 8162 of title 38, United States Code, as amended by this section.

4 (c) Modification of Sunset.—Section 8169 of such title is amended by striking “December 31,  
5 2023” and inserting “September 30, 2026”.

## 6 ~~SEC. 12003~~ **120003. MAJOR MEDICAL FACILITY LEASES** 7 **OF THE DEPARTMENT OF VETERANS AFFAIRS.**

8 (a) Authority to Enter Into Major Medical Facility Leases.—Paragraph (2) of subsection (a) of  
9 section 8104 of title 38, United States Code, is amended—

10 (1) by striking “No funds” and inserting “(A) No funds”;

11 (2) by striking “or any major medical facility lease”;

12 (3) by striking “or lease”; and

13 (4) by adding at the end the following new subparagraph:

14 “(B) Funds may be appropriated for a fiscal year, and the Secretary may obligate and expend  
15 funds, including for advance planning and design, for any major medical facility lease.”.

16 (b) Modification of Definition of Major Medical Facility Lease.—Subparagraph (B) of  
17 paragraph (3) of such subsection is amended to read as follows:

18 “(B) The term ‘major medical facility lease’—

19 “(i) means a lease for space for use as a new medical facility approved through the  
20 General Services Administration under section 3307(a)(2) of title 40 at an average  
21 annual rent equal to or greater than the dollar threshold described in such section,  
22 which shall be subject to annual adjustment in accordance with section 3307(h) of such  
23 title; and

24 “(ii) does not include a lease for space for use as a shared Federal medical facility  
25 for which the Department’s estimated share of the lease costs does not exceed such  
26 dollar threshold.”.

27 (c) Interim Leasing Actions.—Such section is further amended by adding at the end the  
28 following new subsection:

29 “(i)(1) The Secretary may carry out interim leasing actions ~~as the Secretary considers~~  
30 ~~necessary~~ for major medical facility leases (as defined in subsection (a)(3)(B)).

31 “(2) In this subsection, the term ‘interim leasing actions’ has the meaning given that term by  
32 the Administrator of the General Services Administration.”.

33 (d) Applicability.—The amendments made by this section shall apply with respect to a ~~lease-~~  
34 **major medical facility lease of the Department of Veterans Affairs** that has not been  
35 specifically authorized by law on or before the date of the enactment of this Act and is included  
36 as part of the annual budget submission of the ~~President~~ **Department of Veterans Affairs** for  
37 fiscal year 2022, 2023, or 2024.

38 (e) Purchase Options.—The Secretary of Veterans Affairs may obligate and expend funds to

1 exercise a purchase option included in any major medical facility lease described in subsection  
2 (d).

3 (f) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal  
4 year 2022, out of any money in the Treasury not otherwise appropriated, \$1,805,000,000, to  
5 remain available until expended, for major medical facility leases pursuant to subchapter I of  
6 chapter 81 of title 38, United States Code, as amended by this section, as requested in the annual  
7 budget submission of the ~~President~~ **Department of Veterans Affairs** for fiscal year 2022, 2023,  
8 or 2024.

9 (g) Termination and Restoration.—

10 (1) IN GENERAL.—Effective upon the date of execution of the final lease award for leases  
11 described in subsection (d), subsections (a) through (e) of this section and the amendments  
12 made by those subsections are repealed and any provision of law amended by those  
13 subsections is restored as if those subsections had not been enacted into law.

14 (2) NOTIFICATION.—The Secretary of Veterans Affairs shall submit to Congress and the  
15 Law Revision Counsel of the House of Representatives written notification of the date  
16 specified in paragraph (1) not later than 30 days before such date.

17 **SEC. ~~12004~~ 120004. INCREASE IN NUMBER OF HEALTH**  
18 **PROFESSIONS RESIDENCY POSITIONS AT**  
19 **DEPARTMENT OF VETERANS AFFAIRS MEDICAL**  
20 **FACILITIES.**

21 (a) Increase.—In carrying out section 7302(a)(1) of title 38, United States Code, during the  
22 seven-year period beginning on the day that is one year after the date of the enactment of this  
23 Act, the Secretary of Veterans Affairs shall increase the number of health professions residency  
24 positions at medical facilities of the Department of Veterans Affairs by not more than ~~700~~ **500**  
25 positions (which shall be allocated among occupations included in the most current  
26 determination published in the Federal Register pursuant to section 7412(a) of such title, or  
27 allocated pursuant to a prioritization by the Secretary of occupations in primary care, mental  
28 health care, and any other health professions occupation the Secretary determines appropriate)  
29 through the establishment of such new positions at—

30 (1) medical facilities where the Secretary established such positions pursuant to section  
31 301(b)(2) of the Veterans Access, Choice, and Accountability Act of 2014 (Public Law  
32 113–146; 38 U.S.C. 7302 note); or

33 (2) any medical facility—

34 (A) the director of which expresses an interest in establishing or expanding a health  
35 professions residency program at the medical facility; or

36 (B) that is located in a community that has a high concentration of veterans or is  
37 experiencing a shortage of health care professionals.

38 (b) Appropriations.—In addition to amounts otherwise available, there is appropriated to the  
39 Department of Veterans Affairs for fiscal year 2022, out of any money in the Treasury not



1 otherwise appropriated, ~~\$375,000,000~~ **\$268,000,000**, to remain available until September 30,  
2 2029, for the purpose of carrying out this section.

3 **SEC. ~~12005~~ 120005. VETERAN RECORDS SCANNING.**

4 In addition to amounts otherwise available, there is appropriated to the Veterans Benefits  
5 Administration for fiscal year 2022, out of any money in the Treasury not otherwise  
6 appropriated, \$150,000,000, to remain available until September 30, 2023, for costs of record  
7 scanning and claims processing, to carry out sections 7701 and 7703 of title 38, United States  
8 Code.

9 **SEC. ~~12006~~ 120006. FUNDING FOR DEPARTMENT OF**  
10 **VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL.**

11 In addition to amounts otherwise available, there is appropriated to the Office of Inspector  
12 General of the Department of Veterans Affairs for fiscal year 2022, out of any money in the  
13 Treasury not otherwise appropriated, ~~\$15,000,000~~ **\$5,000,000**, to remain available until  
14 September 30, 2031, for audits, investigations, and other oversight of projects and activities  
15 carried out with funds made available to the Department of Veterans Affairs.

**House Office of Legislative Counsel**

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- 1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the
- 2 differences between -
- 3 original document : C:\TEMP\C\USERS\LMANDERSON\DESKTOP\HR5376-REPORTED
- 4 BY BUDGET\_SPLIT BY TITLE\WAYSMEANS\_HR5376\_T13.RTF
- 5 and revised document: C:\TEMP\G\U\LMANDERSON\TITLE13\_WM.RTF
- 6
- 7 CompareRite found 2822 change(s) and 153 move(s) in the text
- 8
- 9 Deletions appear as Overstrike text
- 10 Additions appear as Bold text
- 11

1 Title: To-

2

3

4 ~~Be it enacted by the Senate and House of Representatives of the United States of America in~~  
5 ~~Congress assembled,~~

6 TITLE XIII—COMMITTEE ON WAYS AND MEANS

7 Subtitle A—Universal ~~Paid Family and Medical~~  
8 **Comprehensive Paid Leave**

9 ~~SEC. 130001. PAID FAMILY AND MEDICAL~~  
10 **COMPREHENSIVE PAID LEAVE.**

11 The Social Security Act (~~42 U.S.C. 301 et seq.~~) is amended by adding at the end the  
12 following:

13 ~~“TITLE XXII—PAID FAMILY AND MEDICAL~~  
14 **XXII—COMPREHENSIVE PAID LEAVE BENEFITS**

15 ~~“SEC. 2201. TABLE OF CONTENTS.~~

16 “The table of contents for this title is as follows:

17 “Sec.2201.Table of contents.

18 ~~“Sec.2202.Paid family and medical leave benefit eligibility.”~~**“Sec.2202.Entitlement to**  
19 **comprehensive paid leave benefits.**

20 “Sec.2203.Benefit amount.

21 “Sec.2204.Benefit determination and payment.

22 “Sec.2205.Appeals.

23 ~~“Sec.2206.Stewardship”~~**“Sec.2206.Accurate payment.**

24 “Sec.2207.Funding for benefit payments, grants, and program administration.

25 ~~“Sec.2208.Funding for outreach, public education, and research.~~

26 ~~“Sec.2209.Funding for State administration option for legacy States.~~

27 ~~“Sec.2210.Reimbursement”~~**“Sec.2209.Reimbursement** option for employer-sponsored  
28 **comprehensive** paid leave benefits.

29 ~~“Sec.2211.Funding for small business assistance.”~~**“Sec.2210.Definitions.**

30 ~~“Sec.2212.Definitions.”~~**“SEC. 2202. ENTITLEMENT TO**  
31 **COMPREHENSIVE PAID LEAVE BENEFITS.**

32 ~~“SEC. 2202. PAID FAMILY AND MEDICAL LEAVE BENEFIT ELIGIBILITY.~~

1 “(a) Entitlement.—Every“(a) In General.—Every individual who—

2 “(1) has filed an application for a ~~paid family and medical~~ **comprehensive paid** leave  
3 benefit in accordance with section 2204(a);

4 “(2) has, or anticipates having, at least 4 caregiving hours in a week ending at any time  
5 during the period that begins 90 days before the date on which such application is filed or  
6 not later than ~~180~~ **90** days after such date; ~~and~~

7 “(3) has wages or self-employment income at any time during the period—

8 “(A) beginning with the most recent calendar quarter that ends at least 4 months  
9 prior to the beginning of the individual’s benefit period specified in subsection (b); and

10 “(B) ending with the month before the month in which such benefit period begins;  
11 **and**

12 “(4) **has at least the specified amount of wages and self-employment income during**  
13 **the most recent 8-calendar quarter period that ends at least 4 months prior to the**  
14 **beginning of the individual’s benefit period specified in subsection (b),**<sup>7</sup>

15 shall be entitled to such a benefit for each month during such benefit period, except as otherwise  
16 provided in this section. **For purposes of paragraph (4), the specified amount for individuals**  
17 **whose benefit period begins in calendar year 2024 shall be \$2,000, and the specified amount**  
18 **for individuals whose benefit period begins in any calendar year after 2024 shall equal the**  
19 **specified amount applicable for the calendar year preceding such calendar year, or, if**  
20 **larger, the product of \$2,000 and the quotient obtained by dividing the national average**  
21 **wage index (as defined in section 2210) for the second calendar year preceding such**  
22 **calendar year by the national average wage index (as so defined) for 2022.**

23 “(b) Benefit Period.—

24 “(1) IN GENERAL.—Except as provided in paragraph (2), the benefit period specified in  
25 this subsection is the period beginning with the month in which ends the 1st week in which  
26 the individual has at least 4 caregiving hours and otherwise ~~meets~~ **would meet** the criteria  
27 specified in paragraphs (1), (2), **(3)**, and ~~(3)~~**(4)** of subsection (a) and ending ~~with~~ **at the end**  
28 **of the month in which ends the 52nd week ending during such period.**

29 “(2) RETROACTIVE BENEFITS.—In the case of an application for benefits under this  
30 section with respect to an individual who has at least 4 caregiving hours in a week at any  
31 time during the period that begins 90 days before the date on which such application is  
32 filed, the benefit period specified in this subsection is the period beginning with the later  
33 of—

34 “(A) the month in which ends the 1st week in which the individual has at least 4  
35 caregiving hours; or

36 “(B) the 1st month that begins during such 90-day period,  
37 and ending ~~with~~ **at the end of** the month in which ends the 52nd week ending during such  
38 period.

39 “(3) LIMITATION.—Notwithstanding paragraphs (1) and (2), no benefit period under this  
40 title may begin with any month beginning ~~prior to July 2023~~ **before January 2024.**

1 “(c) Caregiving Hours.—

2 “(1) CAREGIVING HOUR DEFINED.—For purposes of this title, the term ‘caregiving hour’  
3 means a 1-hour period during which the individual engaged in qualified caregiving  
4 (determined on the basis of information filed with the ~~Secretary~~ **Commissioner** pursuant to  
5 subsection (c) of section 2204).

6 “(2) QUALIFIED CAREGIVING.—

7 “(A) IN GENERAL.—For purposes of this subsection, the term ‘qualified caregiving’  
8 means any activity engaged in by an individual in lieu of work (**during the hours that**  
9 **constitute the individual’s regular workweek (within the meaning of section**  
10 **2203(d))**), other than for monetary compensation, for ~~any reason described in~~  
11 ~~paragraph (1) or (3) of section 102(a) of the Family and Medical Leave Act of 1993-~~  
12 ~~(29 U.S.C. 2612(a))~~, except that for purposes of this paragraph such section shall be  
13 ~~applied—~~ **a qualifying reason (as defined in section 2210).**

14 “(i) ~~by treating such individual as the employee referred to in such paragraph;~~“(B)  
15 **NO MONETARY COMPENSATION PERMITTED.—For purposes of subparagraph (A),**  
16 **an activity shall be considered to be engaged in by an individual for monetary**  
17 **compensation if, for the time during which the individual was so engaged, the**  
18 **individual received—**

19 “(ii) ~~as if paragraph (1)(C) were amended to read as follows:~~“(i) **wages from**  
20 **an employer;**

21 “(ii) **self-employment income; or**

22 “(iii) **any form of cash payment made by an employer for purposes of**  
23 **providing the individual with paid vacation, paid sick leave, or any other**  
24 **form of paid time off (but not including any such form of cash payment to**  
25 **the extent that the sum of such cash payment and any comprehensive paid**  
26 **leave benefits under section 2202 does not exceed 100 percent of the**  
27 **individual’s regular rate of pay (as determined under section 7(e) of the Fair**  
28 **Labor Standards Act of 1938)).**

29 “(C) **TREATMENT OF INDIVIDUALS COVERED BY EMPLOYER-SPONSORED**  
30 **COMPREHENSIVE PAID LEAVE PROGRAM.—For purposes of subparagraph (A), an**  
31 **activity engaged in by an individual shall not be considered to be engaged in in**  
32 **lieu of work if, for the time during which the individual was so engaged, the**  
33 **individual is taking leave from covered employment under an**  
34 **employer-sponsored program (as defined in section 2209(g)).**

35 “(D) **TREATMENT OF INDIVIDUALS COVERED BY LEGACY STATE COMPREHENSIVE**  
36 **PAID LEAVE PROGRAM.—For purposes of subparagraph (A), an activity engaged in**  
37 **by an individual shall not be considered to be engaged in in lieu of work if, for the**  
38 **time during which the individual was so engaged, the individual is taking leave**  
39 **from covered employment under the law of a legacy State (as defined in section**  
40 **2208(c)). In the case of an individual who is no longer employed, such individual**  
41 **shall be treated, for purposes of the preceding sentence, as taking leave from**  
42 **covered employment under the law of a legacy State (as so defined) with respect**  
43 **to the portion of the time during which the individual was so engaged**

1           corresponding to the share of the individual's regular workweek (within the  
2           meaning of 2203(d)) that was in covered employment under the law of a legacy  
3           State (as so defined).

4  
5           \* 7 ~~“(C)(i) In order to care for a qualified family member of the employee, if such qualified~~  
6 ~~family member has a serious health condition.~~

7           ~~“(ii) For purposes of clause (i), the term “qualified family member” means, with respect to an~~  
8 ~~employee—~~

9  
10           \* 8 ~~“(I) a spouse (including a domestic partner in a civil union or other registered domestic~~  
11 ~~partnership recognized by a State) and a spouse's parent;~~

12           ~~“(II) a child and a child's spouse;~~

13           ~~“(III) a parent and a parent's spouse;~~

14           ~~“(IV) a sibling and a sibling's spouse;~~

15  
16           \* 9 ~~“(V) a grandparent, a grandchild, or a spouse of a grandparent or grandchild; and~~

17           ~~“(VI) any other individual who is related by blood or affinity and whose association with the~~  
18 ~~employee is equivalent of a family relationship (as determined under regulations issued by the~~  
19 ~~Secretary of the Treasury).”; and~~

20           ~~“(iii) by treating the criterion in paragraph (1)(D) that an individual is ‘unable to perform the~~  
21 ~~functions of the position of such employee’ because of a serious health condition as a criterion~~  
22 ~~that the individual is unable to satisfy the requirements needed to continue receiving the wages~~  
23 ~~or self-employment income described in subsection (a)(3) with respect to the individual because~~  
24 ~~of such serious health condition;~~

25           ~~“(iv) as if paragraph (1)(E) were amended to read as follows:~~

26           ~~“(E) Because of any qualifying exigency (as the Secretary shall, by regulation, determine)~~  
27 ~~arising out of the fact that a qualified family member of the employee (as defined in~~  
28 ~~subparagraph (C)(ii)) is on covered active duty (or has been notified of an impending call or~~  
29 ~~order to covered active duty) in the Armed Forces.’; and~~

30           ~~“(v) as if paragraph (1) were amended by adding at the end the following:~~

31           ~~“(G) Because of the death of a spouse, parent, or child of the employee.’.~~

32           ~~“(vi) as if paragraph (3) were amended by striking ‘the spouse, son, daughter, parent, or next~~  
33 ~~of kin’ and inserting ‘a qualified family member of the employee (as defined in subparagraph~~  
34 ~~(C)(ii))’.~~

35           ~~“(B) No monetary compensation permitted.— For purposes of subparagraph (A), an activity~~  
36 ~~shall be considered to be engaged in by an individual for monetary compensation if the~~  
37 ~~individual received any form of wage compensation from an employer, including paid vacation,~~  
38 ~~paid sick leave, and any other form of accrued paid time off (but not including any such form of~~  
39 ~~accrued paid time off or any non accrued paid family and medical leave benefits sponsored by an~~

1 employer to the extent that the sum of such accrued or non-accrued paid leave and any paid-  
2 family and medical leave benefits under section 2202 does not exceed 100 percent of the  
3 individual's regular rate of pay (as determined under section 7(e) of the Fair Labor Standards Act  
4 of 1938)), for the time during which the individual was so engaged.

5 ~~“(C) Treatment of individuals eligible for employer sponsored paid family and medical leave~~  
6 ~~benefits.— For purposes of subparagraph (A), an activity engaged in by an individual shall not be~~  
7 ~~considered to be engaged in in lieu of work if, for the time during which the individual was so~~  
8 ~~engaged, the individual would be eligible for paid family and medical leave benefits under a~~  
9 ~~program sponsored by an employer who receives a grant with respect to such program under~~  
10 ~~section 2210.~~

11 ~~“(D) Treatment of individuals employed in legacy states.— For purposes of subparagraph (A),~~  
12 ~~an activity engaged in by an individual shall not be considered to be engaged in in lieu of work if~~  
13 ~~the time during which the individual was so engaged constitutes leave from employment for~~  
14 ~~which the individual would be eligible to receive paid family or medical leave benefits under the~~  
15 ~~law of a legacy State (as defined in section 2209(b)).~~

16 ~~“(d) Treatment of Bereavement Leave.— In the case of an activity engaged in by an individual~~  
17 ~~in lieu of work for a reason described in paragraph (1)(G) of section 102(a) of the Family and~~  
18 ~~Medical Leave Act of 1993 (as such section is applied for purposes of paragraph (2) of~~  
19 ~~subsection (c)), the total number of caregiving hours attributable to such activity, for each death~~  
20 ~~described in such paragraph (1)(G), that may be credited under section 2203(c) to weeks during~~  
21 ~~the individual's benefit period may not exceed  $\frac{3}{5}$  of the number of hours in the individual's~~  
22 ~~regular workweek (within the meaning of section 2203(d)).~~

23 ~~“(e)“(d) No Caregiving Hours in Individual's Week of Death.—No caregiving hours of an~~  
24 ~~individual may be credited under section 2203(c) to the week during which the individual dies.~~

25 ~~“(f) Disqualification Following Certain Convictions.— An“(e) Disqualification.— An~~  
26 ~~individual who has been found to have used false statements or representation to secure benefits~~  
27 ~~under this title section shall be ineligible for benefits under this title section for a 5-year period~~  
28 ~~following the date of such finding.~~

## 29 “SEC. 2203. BENEFIT AMOUNT.

30 “(a) In General.—The amount of the benefit to which an individual is entitled under section  
31 2202 for a month shall be an amount equal to the sum of the weekly benefit amounts for each  
32 week ending during such month. The weekly benefit amount of an individual for a week shall be  
33 equal to the product of the individual's weekly benefit rate (as determined under subsection (b))  
34 multiplied by a fraction—

35 “(1) the numerator of which is the number of caregiving hours of the individual credited  
36 to such week (as determined in subsection (c)); and

37 “(2) the denominator of which is the number of hours in a regular workweek of the  
38 individual (as determined in subsection (d)).

39 “(b) Weekly Benefit Rate.—

40 “(1) IN GENERAL.—For purposes of this section, an individual's weekly benefit rate shall  
41 be an amount equal to the sum of—

1           “(A) ~~85~~ **90.138** percent of the individual’s average weekly earnings to the extent that  
2 such earnings do not exceed the amount established for purposes of this subparagraph  
3 by paragraph (2);

4           “(B) ~~75~~ **73.171** percent of the individual’s average weekly earnings to the extent that  
5 such earnings exceed the amount established for purposes of subparagraph (A) but do  
6 not exceed the amount established for purposes of this subparagraph by paragraph (2);  
7 **and**

8           “(C) ~~55~~ **53.023** percent of the individual’s average weekly earnings to the extent that  
9 such earnings exceed the amount established for purposes of subparagraph (B) but do  
10 not exceed the amount established for purposes of this subparagraph by paragraph (2).;

11           ~~“(D) 25 percent of the individual’s average weekly earnings to the extent that such~~  
12 ~~earnings exceed the amount established for purposes of subparagraph (C) but do not~~  
13 ~~exceed the amount established for purposes of this subparagraph by paragraph (2); and~~

14           ~~“(E) 5 percent of the individual’s average weekly earnings to the extent that such~~  
15 ~~earnings exceed the amount established for purposes of subparagraph (D) but do not~~  
16 ~~exceed the amount established for purposes of this subparagraph by paragraph (2).~~

17           “(2) AMOUNTS ESTABLISHED.—

18           “(A) INITIAL AMOUNTS.—For individuals whose benefit period under this title  
19 begins in ~~or before~~ calendar year 2024, the amount established for purposes of  
20 subparagraphs (A), (B), ~~(C), (D), and (E)~~(C) of paragraph (1) shall be \1/52\ of  
21 \$15,080, \$34,248, ~~\$72,000, \$100,000, and \$250,000~~ **and \$62,000**, respectively.

22           “(B) WAGE INDEXING.—For individuals whose benefit period under this title begins  
23 in any calendar year after 2024, each of the amounts so established shall equal the  
24 corresponding amount established for the calendar year preceding such calendar year,  
25 or, if larger, the product of the corresponding amount established with respect to the  
26 calendar year 2024 and the quotient obtained by dividing—

27                   “(i) the national average wage index (as defined in section ~~2212~~) **2210**) for the  
28 second calendar year preceding such calendar year, by

29                   “(ii) the national average wage index (as so defined) for **calendar year 2022**.

30           “(C) ROUNDING.—Each amount established under subparagraph (B) for any  
31 calendar year shall be rounded to the nearest \$1, except that any amount so established  
32 which is a multiple of \$0.50 but not of \$1 shall be rounded to the next higher \$1.

33           “(3) AVERAGE WEEKLY EARNINGS.—For purposes of this subsection, an individual’s  
34 average weekly earnings, as calculated by the ~~Secretary~~ **Commissioner**, shall be equal to  
35 the quotient obtained by dividing—

36                   “(A) the total of the wages and self-employment income received by the individual  
37 during the ~~most recent~~ 8-calendar quarter period ~~that ends at least 4 months prior to the~~  
38 ~~beginning of the individual’s benefit period~~ **described in section 2202(a)(4)**; by

39                   “(B) 104.

40           “(4) EVIDENCE OF EARNINGS.—For purposes of determining the wages and



1 self-employment income of an individual with respect to an application for benefits under  
2 section 2202, the ~~Secretary~~ **Commissioner** shall make such determination on the basis of  
3 wage data provided to the ~~Secretary~~ **Commissioner** from the National Directory of New  
4 Hires pursuant to section ~~453(j)(5)~~ **453(j)(12)** and self-employment income ~~data provided~~  
5 ~~by the Secretary, except that the Secretary~~ **information provided to the Commissioner**  
6 **pursuant to section 6103(l)(23) of the Internal Revenue Code of 1986, except that the**  
7 **Commissioner** shall also consider any more recent or additional evidence of wages or  
8 self-employment income the individual chooses to additionally submit.

9 “(c) Crediting of Caregiving Hours to a Week.—The number of caregiving hours of an  
10 individual credited to a week as determined under this subsection shall equal the number of  
11 caregiving hours of the individual occurring during such week, except that—

12 “(1) such number may not exceed the number of hours in a regular workweek of the  
13 individual (as determined in subsection (d));

14 “(2) no caregiving hours may be credited to a week in which fewer than 4 caregiving  
15 hours of the individual occur;

16 “(3) no caregiving hours of the individual may be credited to the individual’s waiting  
17 period, consisting of the first week during an individual’s benefit period in which at least 4  
18 caregiving hours occur (regardless of whether the individual received **any form of cash**  
19 **payment for the purpose of providing the individual with** paid vacation, paid sick leave,  
20 or any other form of ~~accrued~~ paid time off from the individual’s employer during such week  
21 in accordance with section 2202(c)(2)(B)~~)(iii)~~); and

22 “(4) the total number of caregiving hours credited to weeks during the individual’s  
23 benefit period may not exceed the product of ~~4~~ **4** multiplied by the number of hours in a  
24 regular workweek of the individual (as so determined).

25 “(d) Number of Hours in a Regular Workweek.—For purposes of this section, the number of  
26 hours in a regular workweek of an individual shall be the number of hours that the individual  
27 regularly works in a week for all employers **or as a self-employed individual** (or regularly  
28 worked in the case of an individual ~~no longer employed~~), ~~as determined under guidance to be~~  
29 ~~issued by the Secretary.~~ **who is no longer working or whose total weekly hours of work have**  
30 **been reduced) during the month before the individual’s benefit period begins (or prior to**  
31 **such month, if applicable in the case of an individual who is no longer working or whose**  
32 **total weekly hours of work have been reduced).**

33 “(e) Submission of Required Information.—Any person may submit applicable paid  
34 leave information with respect to an individual, including, as applicable, the individual’s  
35 representative, the individual’s employer, or any relevant authority identified under  
36 section 2204(b)(2). For purposes of this subsection, the term ‘applicable paid leave  
37 information’ means, with respect to an individual, any information submitted to the  
38 Commissioner with respect to the comprehensive paid leave benefits of the individual,  
39 including any initial application, periodic benefit claim report, appeal, and any other  
40 information submitted in support of such application, report, or appeal.

## 41 “SEC. 2204. BENEFIT DETERMINATION AND PAYMENT.

42 “(a) In General.—An individual seeking benefits under section 2202 shall file an application

1 with the ~~Secretary~~ **Commissioner** containing **at least** the information described in subsection (b)  
2 ~~and such other information as the Secretary may require~~. Any information contained in an  
3 application for benefits under section 2202, or in a periodic benefit claim report filed with  
4 respect to such benefits, shall be presumed to be true and accurate, unless the ~~Secretary~~  
5 **Commissioner** demonstrates by a preponderance of the evidence that information contained in  
6 the application or periodic benefit claim report is false, except that the ~~Secretary~~ **Commissioner**  
7 shall ~~establish~~ **mandate** procedures to validate the identity of ~~the such~~ individual ~~filing the~~  
8 application.

9 “(b) Required Contents of Initial Application.—An application for a ~~paid family and medical~~  
10 **comprehensive paid** leave benefit filed by an individual shall include—

11 “(1) an attestation that the individual has, or anticipates having, at least 4 caregiving  
12 hours in a week ending at any time during the period that begins 90 days before the date on  
13 which such application is filed or not later than ~~180~~ **90** days after such date;

14 “(2) ~~except as otherwise provided in this subsection~~ **at the option of the Commissioner,**  
15 a certification, issued by a relevant authority ~~determined~~ **identified** under regulations issued  
16 by the ~~Secretary~~ **Commissioner**, that contains such information as the ~~Secretary~~  
17 **Commissioner** shall specify in ~~such~~ regulations as necessary to affirm the circumstances  
18 giving rise to the need for such caregiving hours, which shall be no more than ~~the~~  
19 ~~information that is required to be stated under section 103(b) of the Family and Medical~~  
20 ~~Leave Act of 1993 (29 U.S.C. 2613(b));~~ **is required for reasonable documentation (as**  
21 **defined in section 2210);**

22 “(3) an attestation from the individual that notice of the individual’s need to be absent  
23 from work during such caregiving hours has been provided, not later than 7 days after such  
24 need arises, to the individual’s employer (except in cases of hardship or other extenuating  
25 circumstances or if the individual does not have (or no longer has) an employer);

26 “(4) pay stubs or such other evidence as the individual may provide demonstrating the  
27 individual’s wages or self-employment income during the period described in section  
28 2202(a)(3), except that the ~~Secretary~~ **Commissioner** may waive this requirement in any  
29 case in which such evidence is otherwise available to the ~~Secretary;~~ **Commissioner; and**

30 “(5) an attestation from the individual stating the number of hours in a regular workweek  
31 of the individual (within the meaning of section 2203(d)).~~;~~ **and**

32 “(6) ~~an attestation from the individual stating that the leave from employment with~~  
33 ~~respect to which the individual is filing such application is not employment for which the~~  
34 ~~individual has received—~~

35 “(A) ~~a notice from a State pursuant to subsection (b)(2)(B) of section 2209 stating that~~  
36 ~~such employment would be eligible for paid family and medical leave benefits under a State~~  
37 ~~legacy program described in such section; or~~

38 “(B) ~~a notice from the individual’s employer pursuant to subsection (b)(1)(F)(iv) of~~  
39 ~~section 2210 stating that such employment would be eligible for paid family and medical~~  
40 ~~leave benefits under an employer sponsored program described in such section.~~

41 In the case of an individual who applies for a ~~paid family and medical~~ **comprehensive paid**  
42 leave benefit in the anticipation of caregiving hours occurring after the date of application, the

1 certification described in paragraph (2), the ~~attestation~~ **attestations** described in ~~paragraph~~  
2 **paragraphs (3) and (5)**, and the evidence described in paragraph (4) may be provided after the  
3 1st week in which at least 4 such caregiving hours occur.

4 “(c) Periodic Benefit Claim Report.—

5 “(1) IN GENERAL.—Except as provided in paragraph (2), not later than 60 days (or such  
6 longer period as may be provided in any case in which the **Secretary Commissioner**  
7 determines that good cause exists for an extension) after the end of each month during the  
8 benefit period of an individual entitled to benefits under section 2202, the individual shall  
9 file a periodic benefit claim report with the **Secretary Commissioner**. Such periodic benefit  
10 claim report shall specify the caregiving hours of the individual that occurred during each  
11 week that ended in such month ~~and shall include such other information as the Secretary~~  
12 ~~may require~~. No periodic benefit claim report shall be required with respect to any week in  
13 which fewer than 4 caregiving hours occurred.

14 “(2) RETROACTIVE APPLICATIONS.—In the case of an application filed by an individual  
15 for a ~~paid family and medical~~ **comprehensive paid** leave benefit with a benefit period that  
16 begins, in accordance with section 2202(b)(2), with a month that ends before the date on  
17 which such application is filed, the individual may include with such application the  
18 information described in the second sentence of paragraph (1) with respect to each week in  
19 the benefit period that ends before such date.

20 “(d) ~~Determinations and Notice Requirements.~~— **Determinations.**—

21 “(1) ~~Initial application.~~—

22 “(A) ~~In general.— The Secretary shall determine the initial eligibility of~~“(1) **INITIAL**  
23 **APPLICATION.—The Commissioner shall determine, with respect to** an individual  
24 applying for benefits under **section 2202, the initial entitlement and the benefit period in**  
25 **accordance with such section, and the weekly benefit rate, this title in accordance with**  
26 ~~section 2202.~~

27 “(B) ~~Notices.— To ensure payment of benefits in the correct amount and that~~  
28 ~~beneficiaries are aware of the right to appeal a benefit determination of the Secretary—~~

29 “(i) ~~not later than 15 days after each application for benefits from an individual under this~~  
30 ~~title is filed, the Secretary shall provide notice to the individual of—~~

31 “(I) ~~the initial determination of eligibility for such benefits;~~

32 “(II)(aa) ~~the calendar quarter that begins the period described in section 2202(a)(3) with~~  
33 ~~respect to the individual, the 8 calendar quarters used to compute the individual’s average~~  
34 ~~weekly earnings, and under section 2203(b)(3), and the wages and self-employment income~~  
35 ~~received by the individual during each of those 8 quarters as recorded by the Secretary; and~~

36 “(bb) ~~the individual’s right under section 2203(b)(4) to submit more recent or additional~~  
37 ~~evidence of such wages or self-employment income, including a statement that eligibility~~  
38 ~~could change or benefits could increase if such additional evidence results in more recent or~~  
39 ~~higher average weekly earnings;~~

40 “(III) ~~the estimated weekly benefit amount for a week to which 4 caregiving hours of the~~  
41 ~~individual are credited;~~

1           ~~“(IV) the estimated weekly benefit amount for a week to which a number of caregiving-~~  
2           ~~hours are credited equal to the number of hours in a regular workweek of the individual (as~~  
3           ~~determined in subsection 2203(d)); in accordance with section 2203.~~

4           ~~“(V) the number of caregiving hours credited to weeks ending prior to the date of such~~  
5           ~~application;~~

6           ~~“(VI) the beginning and ending dates of the individual’s benefit period; and~~

7           ~~“(VII) the individual’s right to appeal such initial determination in accordance with the~~  
8           ~~provisions of section 2205; and~~

9           ~~“(ii) in any case in which an individual submits additional information with respect to~~  
10          ~~such an application, the Secretary shall provide an updated notice to the individual~~  
11          ~~containing the same information provided in the notice described in clause (i), including a~~  
12          ~~specific indication of any such information that has been updated as a result of the~~  
13          ~~additional information submitted by the individual.~~

14          ~~“(2) Monthly benefit determinations.—~~

15          ~~“(A) In general.—On~~**“(2) MONTHLY BENEFIT DETERMINATIONS.—**~~On~~ the basis of the  
16          information filed with the **Secretary Commissioner** pursuant to subsection (c), the  
17          **Secretary Commissioner** shall determine, with respect to an individual for each week  
18          ending in a month, the number of caregiving hours to be credited to such week in  
19          accordance with section 2203(c).

20          **“(3) CHANGING CIRCUMSTANCES.—If more than one type of circumstance gives rise**  
21          **to the need for caregiving hours during the individual’s benefit period, such caregiving**  
22          **hours shall be credited to weeks within the benefit period in accordance with section**  
23          **2203(c) regardless of circumstance.**

24          ~~“(e) Certification of Payment.—Not~~**“(B) Notices.—**~~To ensure payment of benefits in the~~  
25          ~~correct amount and that beneficiaries are aware of the right to appeal a benefit determination of~~  
26          ~~the Secretary, not later than 15 days after~~ **the making of a determination under subsection**  
27          ~~(d)(2) with respect to each periodic benefit claim report from an individual is filed (or after~~  
28          ~~filing of initial application for retroactive benefits), the Secretary shall provide notice to the~~  
29          ~~individual specifying—~~

30          ~~“(i) whether payment will be made to the individual for each week to which such periodic~~  
31          ~~benefit claim report pertains and the amount of such payment;~~

32          ~~“(ii) if the Secretary determines that payment will not be made for a week or that payment will~~  
33          ~~be made based on a number of caregiving hours credited to the week inconsistent with the~~  
34          ~~number of caregiving hours specified for such week in such periodic benefit claim report (or~~  
35          ~~initial application), the reasons for such determination; and~~

36          ~~“(iii) the individual’s right to appeal such determination in accordance with the provisions of~~  
37          ~~section 2205.~~

38          **“(3) Changing circumstances.—**The Secretary shall issue regulations to establish a process  
39          under which an individual may notify the Secretary if more than one type of circumstance gives  
40          rise to the need for caregiving hours during the individual’s benefit period. Such caregiving  
41          hours shall be credited to weeks within the benefit period in accordance with section 2203(c)

1 regardless of circumstance.

2 ~~“(4) Accessibility of notices.—The Secretary shall take such actions as are necessary to ensure~~  
3 ~~that any notice to one or more individuals issued pursuant to this title by the Secretary is written~~  
4 ~~in simple and clear language.~~

5 ~~“(e) Certification of Payment.—Not later than 15 days after the making of a determination~~  
6 ~~under subsection (d)(2)(A) with respect to the number of caregiving hours of an individual to be~~  
7 ~~credited to weeks ending in a month, the Secretary~~ **Commissioner** ~~shall certify payment to such~~  
8 ~~individual of the amount of the paid family and medical~~ **of the comprehensive paid leave**  
9 **benefit for such month to be made to such individual, and the Secretary of the Treasury**  
10 **shall make such payment in accordance with the certification of the Commissioner of**  
11 **Social Security.**

12 **“(f) Regulations and Procedures.—The Commissioner shall have full power and**  
13 **authority to make rules and regulation, including interim final regulations, and to establish**  
14 **procedures, not inconsistent with this title, which are necessary and appropriate to carry**  
15 **out this title.:**

16 ~~“(f) Expedited Benefit Payment in Cases of Missing Payment.—The Secretary shall establish~~  
17 ~~and put into effect procedures under which expedited payment of benefits under this title will be~~  
18 ~~made to an individual to whom a benefit payment was due for a month but was not received by~~  
19 ~~the individual.~~

20 ~~“(g) Submission of Required Information.—~~

21 ~~“(1) By phone, mail, or electronic means.—To ensure full access to benefits by all eligible~~  
22 ~~individuals, applicable paid leave information with respect to an individual may be submitted to~~  
23 ~~the Secretary by phone, mail, or electronic means.~~

24 ~~“(2) By any person.—Any person may submit applicable paid leave information with respect~~  
25 ~~to an individual, including, as applicable, the individual’s representative, the individual’s~~  
26 ~~employer, or any relevant authority identified under subsection (b)(2). The Secretary shall~~  
27 ~~promptly notify an individual whenever any other person submits such information on the~~  
28 ~~individual’s behalf.~~

29 ~~“(3) Notice of receipt.—The Secretary shall provide prompt notice of receipt of all applicable~~  
30 ~~paid leave information submitted with respect to an individual.~~

31 ~~“(4) Definition of applicable paid leave information.—For purposes of this subsection, the~~  
32 ~~term ‘applicable paid leave information’ means, with respect to an individual, any information~~  
33 ~~submitted to the Secretary with respect to the paid family and medical leave benefits of the~~  
34 ~~individual, including any initial application, periodic benefit claim report, appeal, and any other~~  
35 ~~information submitted in support of such application, report, or appeal.~~

## 36 “SEC. 2205. APPEALS.

37 “(a) In General.—An individual shall have the right—

38 “(1) to appeal to the **Secretary Commissioner** any determination made with respect to—

39 “(A) ~~paid family and medical~~ **comprehensive paid** leave benefits under section  
40 2202; and

1           ~~“(B) paid family and medical~~ **comprehensive paid** leave benefits under an  
2           employer-sponsored program described in section ~~2210 whose initial appeal-2209~~  
3           **whose appeal to the employer (or administering entity)** pursuant to subsection  
4           ~~(b)(1)(F)(iii)(I)(b)(1)(B)(iii)(I)~~ of such section results in a determination unfavorable  
5           to the individual; and

6           ~~“(2) to have the appeal appeal any final decision of the Secretary by a civil action-~~  
7           ~~brought in the district court of the United States for the judicial district in which the plaintiff~~  
8           ~~resides, or in which the principal place of business of the plaintiff sits, or, if the plaintiff~~  
9           ~~does not reside or such principal place of business does not sit within any such judicial-~~  
10          ~~district, in the United States District Court for the District of Columbia.~~

11          ~~“(b) Procedures.—The Secretary shall establish procedures for appeals of such~~  
12          ~~determinations that ensure that appeals will be heard in a timely manner by a decisionmaker~~  
13          ~~who is different from~~ **was not** the initial decisionmaker ~~using procedures that are similar to~~  
14          ~~the procedures used for appeals of determinations under the Medicare Low Income Subsidy-~~  
15          ~~program described under section 1860D-14(a)(3)(B)(iv)(II).~~ **and who reviews any**  
16          **additional evidence submitted.**

17          ~~“(c) Authority to Issue and Enforce Subpoenas.—“(b) Treatment of Determinations on~~  
18          **Appeal.—Any determination by the Commissioner on an appeal under this section shall be**  
19          **a final determination.**

20          ~~“(1) In general.— For the purpose of any hearing, investigation,~~  
21          ~~or other proceeding authorized or directed under this title, the~~  
22          ~~Secretary shall have power to issue subpoenas requiring the~~  
23          ~~attendance and testimony of witnesses and the production of any~~  
24          ~~evidence that relates to any matter under investigation or in~~  
25          ~~question before the Secretary. Such attendance of witnesses and~~  
26          ~~production of evidence at the designated place of such hearing,~~  
27          ~~investigation, or other proceeding may be required from any~~  
28          ~~place in the United States or in any Territory or possession~~  
29          ~~thereof.”~~**SEC. 2206. ACCURATE PAYMENT.**

30          ~~“(2) Service; witnesses.—Subpoenas of the Secretary shall be served by anyone authorized by~~  
31          ~~the Secretary—~~

32          ~~“(A) by delivering a copy thereof to the individual named therein; or~~

33          ~~“(B) by registered mail or by certified mail addressed to such individual at his last dwelling~~  
34          ~~place or principal place of business.~~

35          ~~A verified return by the individual serving the subpoena setting forth the manner of service,~~  
36          ~~or, in the case of service by registered mail or by certified mail, the return post office receipt~~  
37          ~~therefor signed by the individual so served, shall be proof of service. Witnesses so subpoenaed~~  
38          ~~shall be paid the same fees and mileage as are paid witnesses in the district courts of the United~~

1 States:

2 ~~“(3) Contumacy or refusal to obey a subpoena.—~~

3 ~~“(A) In general.— In case of contumacy by, or refusal to obey a subpoena duly served upon,~~  
4 ~~any person, any district court of the United States for the judicial district in which the person~~  
5 ~~charged with contumacy or refusal to obey is found or resides or transacts business, upon~~  
6 ~~application by the Secretary, shall have jurisdiction to issue an order requiring such person to~~  
7 ~~appear and give testimony, or to appear and produce evidence, or both. Any failure to obey such~~  
8 ~~order of the court may be punished by the court as contempt thereof.~~

9 ~~“(B) Treatment of employers.— In the case of contumacy by, or refusal to obey a subpoena~~  
10 ~~duly served upon, any employer, the Secretary shall impose such penalties against the employer~~  
11 ~~as the Secretary determines may apply pursuant to section 2210(f).~~

12 ~~“SEC. 2206. STEWARDSHIP.~~

13 ~~“(a) Promoting Equity.— The Secretary shall conduct a robust program to analyze and prevent~~  
14 ~~disparities on the basis of race, color, ethnicity, religion, sex, sexual orientation, gender identity,~~  
15 ~~disability, age, national origin, family composition, or living arrangements with respect to the~~  
16 ~~benefits provided under this title and individuals’ access to such benefits.~~

17 ~~“(b)“(a) Underpayments and Overpayments.—~~

18 ~~“(1) IN GENERAL.—Whenever the Secretary Commissioner determines that more or less~~  
19 ~~than the correct amount of payment has been made to any individual under this title, the~~  
20 ~~Secretary Commissioner shall promptly notify the individual of such determination and~~  
21 ~~inform the individual of the right to appeal such determination in accordance with the~~  
22 ~~provisions of section 2205. Proper adjustment or recovery shall be made, under regulations~~  
23 ~~prescribed by the Secretary, as follows:~~

24 ~~“(A) UNDERPAYMENTS.—With respect to payment to an individual of less than the~~  
25 ~~correct amount, the Secretary Commissioner shall promptly pay the balance of the~~  
26 ~~amount due to such underpaid individual.~~

27 ~~“(B) OVERPAYMENTS.—~~

28 ~~“(i) IN GENERAL.—With respect to payment to an individual of more than the~~  
29 ~~correct amount, the Secretary Commissioner shall decrease any payment for a~~  
30 ~~month under this title section 2202 to which such overpaid individual is entitled~~  
31 ~~(except that the no such payment may be decreased in any manner that results~~  
32 ~~in weekly benefit amounts for each week ending during such month as~~  
33 ~~determined that are less than the lower of the weekly benefit amounts for each~~  
34 ~~such week as determined for such individual under section 2203(a) may not be~~  
35 ~~decreased below or the amount specified in clause (ii) with respect to such~~  
36 ~~weekly benefit amounts of the individual), or shall require such overpaid~~  
37 ~~individual to refund the amount in excess of the correct amount, or shall apply~~  
38 ~~any combination of the foregoing.~~

39 ~~“(ii) LIMITATION ON RECOVERY.—~~

40 ~~“(I) AMOUNT SPECIFIED.—The amount specified in this clause with respect~~  
41 ~~to a weekly benefit amount of an individual for a week is an amount equal to~~

1 the weekly benefit amount that would be determined for the individual for  
2 such week under section 2203(a) if the individual's weekly benefit rate (as  
3 determined under section 2203(b)) were equal to the applicable dollar  
4 amount as determined under subclause (II).

5 “(II) APPLICABLE DOLLAR AMOUNT.—For purposes of subclause (I), the  
6 applicable dollar amount is—

7 “(aa) with respect to a weekly benefit amount determined for a week  
8 ending in a month in ~~or before~~ calendar year 2024, \$315; and

9 “(bb) with respect to a weekly benefit amount determined for a week  
10 ending in a month in any calendar year after 2024, the corresponding  
11 amount established with respect to a weekly benefit amount determined  
12 for a week ending in a month in the calendar year preceding such  
13 calendar year or, if larger, the product of the corresponding amount  
14 specified in item (aa) with respect to a weekly benefit amount  
15 determined for a week ending in a month in calendar year 2024  
16 multiplied by the quotient obtained by dividing—

17 “(AA) the national average wage index (as defined in section  
18 ~~2212)~~ **2210**) for the second calendar year preceding such calendar  
19 year, by

20 “(BB) the national average wage index (as so defined) for 2022.

21 “(2) WAIVER OF CERTAIN OVERPAYMENTS.—In any case in which more than the correct  
22 amount of payment **for comprehensive paid leave benefits under section 2202** has been  
23 made, there shall be no adjustment of payments to, or recovery ~~by the United States~~ from,  
24 any individual who was without fault in connection with the overpayment if such  
25 adjustment or recovery would defeat the purpose of this title or would ~~be against equity and~~  
26 ~~good conscience, or would~~ impede efficient or effective administration of this title, ~~as~~  
27 ~~determined by the Secretary under procedures to be established by the Secretary.~~ **or if such**  
28 **individual relied on the receipt or expected payment of comprehensive paid leave**  
29 **benefits under section 2202 to make a financial decision. In considering whether an**  
30 **individual is without fault, the Commissioner shall take into account the individual's**  
31 **age and any physical impairment or mental impairment (including intellectual**  
32 **disability), limited English proficiency, low levels of literacy skills, educational**  
33 **limitations, and any other circumstances that may render the individual not at fault.**

34 ~~“(3) Liability of certifying or disbursing officer.—No certifying or disbursing officer shall be~~  
35 ~~held liable for any amount certified or paid by him to any individual where the adjustment or~~  
36 ~~recovery of such amount is waived“(b) Civil Monetary Penalty.—~~

37 “(1) IN GENERAL.—Any person who knowingly makes a false statement,  
38 misrepresents a fact, or omits material information in connection with an application  
39 for benefits under section 2202 or a periodic benefit claim report under section 2204  
40 shall be subject to a civil monetary penalty of not more than the amount determined  
41 under paragraph (2), ~~or where adjustment under paragraph (1) is not completed prior to the~~  
42 ~~death of the individual against whose benefits deductions are authorized.~~

43 ~~“(c) Penalties and Other Procedures.—~~



1           ~~“(1) In general.—Whoever— for a calendar year for each such statement,~~  
2           **misrepresentation, or omission.**

3           ~~“(2) AMOUNT DETERMINED.—The amount determined under this paragraph for a~~  
4           ~~calendar year shall be the amount that would be in effect for such calendar year if~~  
5           ~~such penalty—~~

6                   ~~“(A) had been first established in the amount of \$5,000 in calendar year 1994;~~  
7                   ~~and~~

8                   ~~“(B) had been initially adjusted for inflation in calendar year 2016.~~

9           ~~“(c) Exclusion From Participation.—~~

10           ~~“(1) IN GENERAL.—No person or entity who—~~

11                   ~~“(A) knowingly and willfully makes or causes to be made any false statement or~~  
12                   ~~representation of a material fact in any application for any benefit under this title,~~

13                   ~~“(B) at any time knowingly and willfully makes or causes to be made any false~~  
14                   ~~statement or representation of a material fact for use in determining rights to any such~~  
15                   ~~benefit,~~

16                   ~~“(C) having knowledge of the occurrence of any event affecting ~~(A)~~(i) his initial or~~  
17                   ~~continued right to any such benefit, or ~~(B)~~(ii) the initial or continued right to any such~~  
18                   ~~benefit of any other individual in whose behalf he has applied for or is receiving such~~  
19                   ~~benefit, conceals or fails to disclose such event with an intent fraudulently to secure~~  
20                   ~~such benefit either in a greater amount or quantity than is due or when no such benefit~~  
21                   ~~is authorized,~~

22                   ~~“(D) having made application to receive any such benefit for the use and benefit of~~  
23                   ~~another and having received it, knowingly and willfully converts such benefit or any~~  
24                   ~~part thereof to a use other than for the use and benefit of such other person, or~~

25                   ~~“(E) conspires to ~~commit~~ **take** any ~~offense~~ **action** described in any of subparagraphs~~  
26                   ~~(A) through (C),~~

27           ~~shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.~~

28           ~~“(2) Exclusion from participation.—~~

29           ~~“(A) In general.— No person or entity who is convicted of a violation of paragraph (1) may~~  
30           ~~represent, or submit evidence on behalf of, an individual applying for, or receiving, benefits~~  
31           ~~under this title.~~

32                   ~~“(B) Notice, effective date, and period of exclusion.—~~

33                   ~~“(i) In general.— An exclusion under this paragraph shall be effective at such time, for~~  
34                   ~~such period, and upon such reasonable notice to the public and to the individual excluded as~~  
35                   ~~may be specified in regulations consistent with clause (ii).~~  
36                   ~~“(ii) Effective date.— Such an exclusion—~~

37                   ~~“(2) EFFECTIVE DATE.—An exclusion under~~  
38                   ~~**this paragraph** shall be effective with respect to services furnished to any individual on or~~  
39                   ~~after the effective date of the exclusion. Nothing in this paragraph may be construed to~~

1 preclude consideration of any medical evidence derived from services provided by a health  
2 care provider before the effective date of the exclusion of the health care provider under this  
3 **subsection.** paragraph.

4 ~~“(iii) Period of exclusion.—~~

5 ~~“(I) In general.— The Secretary shall specify, in the notice of exclusion under clause (i),~~  
6 ~~the period of the exclusion.~~

7 ~~“(II) Previous offense.— In the case of the exclusion of a person or entity under~~  
8 ~~subparagraph (A) who has previously been subject to an exclusion under such~~  
9 ~~subparagraph—~~

10 ~~“(aa) if the person or entity has previously been subject to such an exclusion only once,~~  
11 ~~the period of exclusion shall be not less than 10 years; and~~

12 ~~“(bb) if the person or entity has previously been subject to such an exclusion more than~~  
13 ~~once, the exclusion shall be permanent.~~

14 ~~“(C) Notice to state licensing agencies.— The Secretary shall—~~

15 ~~“(i) promptly notify the appropriate State or local agency or authority having~~  
16 ~~responsibility for the licensing or certification of a person or entity excluded from~~  
17 ~~participation under this section of the fact and circumstances of the exclusion;~~

18 ~~“(ii) request that appropriate investigations be made and sanctions invoked in accordance~~  
19 ~~with applicable State law and policy; and~~

20 ~~“(iii) request that the State or local agency or authority keep the Secretary fully and~~  
21 ~~currently informed with respect to any actions taken in response to the request.~~

22 ~~“(D) Notice, hearing, and judicial review.— Any person or entity who is excluded (or~~  
23 ~~directed to be excluded) from participation under this section is entitled to reasonable notice~~  
24 ~~and opportunity for a hearing by the Secretary and to judicial review of such final agency~~  
25 ~~decision to the same extent as is provided in section 2205.~~

26 ~~“(E) Application for termination of exclusion.—~~

27 ~~“(i) In general.— An individual excluded from participation under this paragraph may~~  
28 ~~apply to the Secretary, in the manner specified by the Secretary in regulations and at the end~~  
29 ~~of the period of exclusion provided under subparagraph (B)(iii) and at such other times as~~  
30 ~~the Secretary may provide, for termination of the exclusion effected under this paragraph.~~

31 ~~“(ii) Criteria for termination.— The Secretary may terminate the exclusion if the Secretary~~  
32 ~~determines, on the basis of the conduct of the applicant which occurred after the date of the~~  
33 ~~notice of exclusion or which was unknown to the Secretary at the time of the exclusion,~~  
34 ~~that—~~

35 ~~“(I) there is no basis under subparagraph (A) for a continuation of the exclusion; and~~

36 ~~“(II) there are reasonable assurances that the types of actions which formed the basis for~~  
37 ~~the original exclusion have not recurred and will not recur.~~

38 ~~“(F) Availability of records of excluded persons and entities.— Nothing in this section~~  
39 ~~shall be construed to have the effect of limiting access by any applicant or beneficiary under~~  
40 ~~this title or the Secretary to records maintained by any person or entity in connection with~~

1 services provided to the applicant or beneficiary prior to the exclusion of such person or  
2 entity under this paragraph.

3 ~~“(G) Reporting requirement.—Any person or entity participating in, or seeking to~~  
4 ~~participate in, the program under this title shall inform the Secretary, in such form and~~  
5 ~~manner as the Secretary shall prescribe by regulation, whether such person or entity has~~  
6 ~~been convicted of a violation under paragraph (1).~~

7 “(d) Redetermination of Entitlement.—

8 “(1) IN GENERAL.—

9 “(A) ~~PROCEDURES.—THE SECRETARY~~ **TERMINATION OR REVERSAL OF**  
10 **BENEFITS.—The Commissioner** shall immediately redetermine the entitlement of  
11 individuals to ~~paid family and medical leave benefit~~ **an individual to comprehensive**  
12 **paid leave** benefits under ~~this title~~ **section 2202** if there is reason to believe that fraud  
13 or similar fault was involved in the application of the individual for such benefits,  
14 ~~unless a United States attorney, or equivalent State prosecutor, with jurisdiction over~~  
15 ~~potential or actual related criminal cases, certifies, in writing, that there is a substantial~~  
16 ~~risk that such action by the Secretary with regard to beneficiaries in a particular~~  
17 ~~investigation would jeopardize the criminal prosecution of a person involved in a~~  
18 ~~suspected fraud.~~

19 “(B) ~~DISREGARD OF CERTAIN EVIDENCE.—When redetermining the entitlement, or~~  
20 ~~making an initial determination of entitlement, of an individual under this title, the~~  
21 **Secretary Commissioner** shall disregard any evidence if there is reason to believe that  
22 fraud or similar fault was involved in the providing of such evidence.

23 “(2) ~~SIMILAR FAULT DESCRIBED.—For purposes of paragraph (1), similar fault is involved~~  
24 ~~with respect to a determination if—~~

25 “(A) an incorrect or incomplete statement that is material to the determination is  
26 knowingly made; or

27 “(B) information that is material to the determination is knowingly concealed.

28 “(3) ~~TERMINATION OF BENEFITS.—If, after redetermining pursuant to this subsection the~~  
29 ~~entitlement of an individual to monthly insurance~~ **comprehensive paid leave** benefits, the  
30 **Secretary Commissioner** determines that there is insufficient evidence to support such  
31 entitlement, the **Secretary Commissioner** may terminate such entitlement and may treat  
32 benefits paid on the basis of such insufficient evidence as overpayments.

## 33 “SEC. 2207. FUNDING FOR BENEFIT PAYMENTS, 34 GRANTS, AND PROGRAM ADMINISTRATION.

35 “(a) ~~Funding for Benefit Payments and Grants.—In addition to amounts otherwise~~  
36 ~~available, there~~ **Grants.—**

37 ~~“(1) In general.—There are appropriated, out of any funds in the Treasury not otherwise~~  
38 ~~appropriated, such sums as may be necessary to pay benefits under section 2202 and for grants~~  
39 ~~under sections 2208 and 2209. 2209 and 2210, subject to paragraph (2).~~

40 ~~“(2) Limitation.—In no case shall a grant under section 2209 exceed a total amount (for all~~

1 applicable individuals) equivalent to the sum of benefits paid (including, in the case of a grant  
2 under section 2209, the full cost of administering such benefits) for each applicable individual  
3 (as described under paragraph (3)) calculated on the basis of a total number of hours of leave  
4 during the individual's benefit period equal to—

5 “(A) the product of 12 multiplied by the number of hours in a regular workweek of the  
6 individual (within the meaning of section 2203(d)), minus

7 “(B) the number of caregiving hours (as defined in section 2202(e)) of such individual credited  
8 in total to months during such benefit period under this title.

9 “(3) Applicable individual.—For purposes of paragraph (2), an ‘applicable individual’ is an  
10 individual, with respect to whom a grant under section 2209 is awarded, receiving paid family or  
11 medical leave benefits for days of leave under a paid family and medical leave benefit program  
12 of a legacy State (as defined in section 2209(b)).

13 “(b) Funding for Program Administration.—There are **Administration.**—

14 “(1) **IN GENERAL.**—**In addition to amounts otherwise available, there is appropriated,**  
15 **out of any funds in the Treasury not otherwise appropriated, \$1,500,000,000 for fiscal year**  
16 **2022 and \$1,590,700,000 for each subsequent fiscal year (subject to paragraph (2)) for**  
17 **timely and accurate administration of all sections of such sums as may be necessary for**  
18 **the following purposes (including through the use of grants or contracts except where**  
19 **otherwise specified):**

20 “(1) ~~Costs related to taking applications, responding to public inquiries, assisting with~~  
21 ~~problem resolution, taking requests for appeals, and the provision of other necessary~~  
22 ~~assistance to individuals applying for or receiving benefits under this title, including costs~~  
23 **related to necessary customer service, staffing, technology, training, data sharing,**  
24 **identity validation, the following:**

25 “(A) ~~Costs related to staffing a national toll free telephone number (which shall not be~~  
26 ~~carried out through the use of grants or contracts).~~

27 “(B) ~~Costs related to technology to support a national toll free telephone number and to~~  
28 ~~technology related to the design, construction and maintenance of an online application and~~  
29 ~~customer service portal.~~

30 “(C) ~~Costs related to mailed notices.~~

31 “(2) ~~Costs related to determining eligibility (which shall not be carried out through the~~  
32 ~~use of grants or contracts).~~

33 “(3) ~~Costs related to ensuring program integrity and combating fraud, including by~~  
34 ~~issuing regulations to do the following:~~

35 “(A) ~~Ensure identity validation of applicants and beneficiaries.~~

36 “(B) ~~Verify the professional credentials of relevant authorities who provide certifications~~  
37 ~~pursuant to section 2204(b)(2).~~

38 “(C) ~~Ensure the accuracy of any wage and self-employment income data used in the~~  
39 ~~administration of this title.~~

40 “(D) ~~Ensure that the attestation requirement in section 2204(b)(3) has been satisfied for~~

1 each applicant and beneficiary.

2 ~~“(E) Ensure the accuracy of periodic benefit claim reports.~~

3 ~~“(F) Provide for post-effectuation quality review of approved claims and quality review~~  
4 ~~of denied claims (which shall not be carried out through the use of grants or contracts).~~

5 ~~“(4) Costs related to certification of payment of benefits (which shall not be carried out~~  
6 ~~through the use of grants or contracts).~~

7 ~~“(5) Costs related to appeals (which shall not be carried out through the use of grants or~~  
8 ~~contracts).~~

9 ~~“(6) Costs related to the administration by the Secretary of the legacy State grant program~~  
10 ~~under section 2209 and the employer-sponsored plan grant program under section 2210.~~

11 ~~“(7) Costs related to developing systems of records for purposes of administering the~~  
12 ~~program under this title (which shall not be carried out through the use of grants or~~  
13 ~~contracts, except that costs related to technology to support such systems of records may be~~  
14 ~~carried out through the use of grants or contracts).~~

15 ~~“(8) Costs related to data exchange and sharing, for which the Secretary shall enter into~~  
16 ~~an agreement with relevant data sources including the National Directory of New Hires and~~  
17 ~~shall seek to enter into agreements with States to obtain such information as the Secretary~~  
18 ~~may require to determine eligibility and benefits payable under section 2202, administer the~~  
19 ~~grants in sections 2209 and 2210, and verify such other information as the Secretary~~  
20 ~~determines may be necessary in carrying out the provisions of this title.~~

21 ~~“(9) Costs related to the training of employees, grantees, and contractors, including~~  
22 ~~training relating to the prevention of discrimination in the administration of this title on the~~  
23 ~~basis of race, color, ethnicity, religion, sex, sexual orientation, gender identity, disability,~~  
24 ~~age, national origin, family composition, or living arrangements.~~

25 ~~“(10) Costs related to providing technical assistance to legacy States under section 2209~~  
26 ~~2208 and to employers or **employer-designated** third party administrators designated by an~~  
27 ~~employer of paid leave programs under section 2210.~~

28 ~~“(11) Costs related to providing technical assistance to small business employers with~~  
29 ~~respect to the requirements of the small business assistance grants in section 2211 and the~~  
30 ~~process by which their employees may apply for benefits under section 2202; and~~

31 ~~“(12) Any other costs necessary for the effective administration of this title.~~

32 ~~“SEC. 2208. FUNDING FOR OUTREACH, PUBLIC EDUCATION, AND~~  
33 ~~RESEARCH.~~

34 ~~“(a) Funding for Outreach and Public Education.—There are appropriated, under section~~  
35 ~~2209, public education and outreach to potential beneficiaries, and research for the~~  
36 ~~purpose of ensuring full and equitable access to the programs under this title.~~

37 ~~“(2) INDEXING TO WAGE GROWTH.—For each fiscal year after 2024, there shall be~~  
38 ~~substituted for the dollar amount specified in paragraph (1) for such fiscal year an~~  
39 ~~amount equal to the larger of the dollar amount in effect under this subsection for the~~  
40 ~~fiscal year preceding such fiscal year or the product of \$1,590,700,000 multiplied by~~

1 the ratio of—

2 “(A) the national average wage index (as defined in section 2210) for the most  
3 recent calendar year that ends before the beginning of such preceding fiscal year,  
4 to

5 “(B) the national average wage index (as so defined) for 2021.

6 “(3) NO USE OF TITLE II FUNDS.—No funds made available for the administration of  
7 title II may be used to carry out the paid leave program established under this title.

8 “(c) Appropriation.—In addition to amounts otherwise available, there is appropriated  
9 for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, \$150,000,000  
10 for each of fiscal years 2022 through 2026 for the Secretary to, with respect to benefits provided  
11 by the program under this title— \$2,000,000,000, to remain available until expended, for  
12 necessary administrative expenses of the Social Security Administration.

13 ~~“(1) engage in a robust program of culturally and linguistically competent education and  
14 outreach toward ensuring awareness of and access to such benefits;~~

15 ~~“(2) provide information to potential beneficiaries regarding eligibility requirements, the  
16 claims process, benefit amounts, maximum benefits payable, notice requirements, the appeals  
17 process, and nondiscrimination rights, including specific benefit estimates based on the average  
18 weekly earnings of a potential beneficiary; and~~

19 ~~“(3) provide employers with a model notice to be used to inform employees of the availability  
20 of such benefits.~~

21 ~~“(b) Funding for Research.—There are appropriated”~~“(d) Availability of Emergency  
22 Funding.—In addition to amounts otherwise available, there is appropriated for fiscal year  
23 2022, out of any funds in the Treasury not otherwise appropriated, \$500,000,000, to remain  
24 available until expended, for administrative expenses described in subsection (b)(1) during  
25 fiscal year 2024 or any subsequent fiscal year, except that such amount shall not be  
26 available in any fiscal year unless the Commissioner determines that the number of  
27 applications filed during such fiscal year for comprehensive paid \$150,000,000 for each of  
28 fiscal years 2023 through 2027 for the Secretary to—

29 ~~“(1) develop and carry out grants for research for the purpose of ensuring full access to the  
30 benefits provided by the program under this title, including through the detection and prevention  
31 of disparities on the basis of race, color, ethnicity, religion, sex, sexual orientation, gender  
32 identity, disability, age, national origin, income, language, job classification, family composition,  
33 or living arrangements; and~~

34 ~~“(2) annually make available to the public beginning in fiscal year 2024 a report that  
35 includes—~~

36 ~~“(A) the number of individuals who received such benefits;~~

37 ~~“(B) the purposes and durations for which such benefits were received;~~

38 ~~“(C) an analysis of benefit use by occupation, industry, wage levels, employer size, and  
39 geography;~~

40 ~~“(D) an analysis of disparities identified by the grants for research authorized under this~~

1 subsection on the basis of race, color, ethnicity, religion, sex, sexual orientation, gender identity,  
2 disability, age, national origin, family composition, or living arrangements;

3 ~~“(E) a description of the actions by the Secretary to prevent disparities and ensure full access  
4 to the benefits provided by the program under this title;~~

5 ~~“(F) a comparative analysis of paid family and medical leave benefits received by individuals  
6 through the program under section 2202, through a legacy State paid family and medical leave  
7 program described in section 2209, or through an employer-sponsored program described in  
8 section 2210 that takes into account the number of individuals receiving benefits, the  
9 characteristics of the benefits received, and the patterns of leave-taking under each program;~~

10 ~~“(G) the number of employers who received a reimbursement grant under section 2210 and the  
11 number of employees of such employers who received paid family and medical leave benefits  
12 under an employer-sponsored program described in such section; and section 2202(a) will  
13 exceed the number that were anticipated to be filed during such fiscal year (as determined  
14 by the Commissioner) by 20 percent or more.~~

15 ~~“(H) the number of employers who received one or more small-  
16 business assistance grants under section 2211 and the total  
17 number of such grants provided.~~

18 ~~“SEC. 2209“~~**SEC. 2208. FUNDING FOR STATE**  
19 **ADMINISTRATION OPTION FOR LEGACY STATES.**

20 ~~“(a) In General.—In each calendar year beginning with 2024, the Secretary~~ **calendar year**  
21 **2025, the Commissioner** shall make a grant to each State that, for the calendar year preceding  
22 such calendar year~~(or, in the case of a grant under this section in 2024, for the portion of such~~  
23 ~~preceding calendar year occurring after June 30), was a legacy State and that met the data~~  
24 ~~sharing requirements of subsection (e)(e), in an amount equal to the lesser of—~~

25 ~~“(1) an amount, as estimated by the Secretary, in consultation with the Secretary of Labor~~  
26 **Commissioner, equal to the total amount of paid family and medical comprehensive paid**  
27 **leave benefits that would have been paid under section 2202 (including the full Federal cost**  
28 **of administering such benefits) costs to the Commissioner to administer such benefits,**  
29 **not to exceed (for purposes of estimating such total amount under this paragraph) 7**  
30 **percent of the total amount of such benefits paid) to individuals who received paid**  
31 **family and medical leave benefits under a State program law described in paragraph (1)**  
32 **or (3) of subsection (b) during the calendar year preceding such calendar year (or, in the**  
33 **case of a grant under this section in 2024, for the portion of such preceding calendar year**  
34 **occurring after June 30) if the State had not been a legacy State for such preceding calendar**  
35 **year(or, in the case of a grant under this section in 2024, for the portion of such preceding**  
36 **calendar year occurring after June 30); or**

37 ~~“(2) an amount equal to the total cost of the State paid family and medical leave program~~  
38 **benefits under a State law described in paragraph (1) or (3) of subsection (b) for the**  
39 **calendar year preceding such calendar year(or, in the case of a grant under this section in**  
40 **2024, for the portion of such preceding calendar year occurring after June 30), including—,**

1 including—

2 ~~“(A) the total amount of”~~**(A) any paid family and medical leave benefits that would**  
3 ~~have been paid to individuals under such program for leave that is exempt under such~~  
4 ~~program on account of being otherwise paid under a program provided by such~~  
5 ~~individual’s employer~~ **provided by an employer (whether directly, under a contract**  
6 **with an insurer, or provided through a multiemployer plan) as described in**  
7 **subsection (d); and**

8 ~~“(B) the full cost to the State of administering such program.~~ **law (except that such**  
9 **cost may not exceed 7 percent of the total amount of paid family and medical**  
10 **leave benefits paid under such State law).**

11 In any case in which, during any calendar year, the **Secretary Commissioner** has reason to  
12 believe that a State will be a legacy State and meet the data sharing requirements of subsection  
13 ~~(e)~~**(e)** for such calendar year, the **Secretary Commissioner** may make estimated payments during  
14 such calendar year of the grant which would be paid to such State in the succeeding calendar  
15 year, to be adjusted as appropriate in the succeeding calendar year.

16 **“(b) Legacy State.—**For purposes of this section, the term ‘legacy State’ for a calendar year  
17 means a State ~~that the Secretary, in consultation with the Secretary of Labor, determines—~~ **with**  
18 **respect to which the Commissioner determines that—**

19 ~~“(1)—”~~**(1) the State** has enacted, not later than the date of enactment of this title, a State  
20 law that provides paid family and medical leave benefits; ~~and~~

21  
22 ~~“(2) for any calendar year that begins on or after”~~ **before** the date that is 3 years after the  
23 date of enactment of this title, ~~has in effect, throughout such calendar year, a State program~~  
24 ~~enacted into law—~~ **the State certifies to the Commissioner that the State intends to**  
25 **remain a legacy State and meet the data sharing requirements of subsection (e) at least**  
26 **through the first calendar year that begins on or after such date; and**

27 ~~“(A) that provides—”~~**(3) for any calendar year that begins on or after such date, a**  
28 **State law of the State provides for a State program to remain in effect throughout such**  
29 **calendar year that provides comprehensive paid family and medical leave benefits—**  
30 **benefits (which may be paid directly by the State or, if permitted under such State law,**  
31 **by an employer pursuant to such State law)—**

32 ~~“(i) for at least 12”~~**(A) for at least 4** full workweeks of leave during each 12-month  
33 period to at least all of those individuals in the State who would be eligible for ~~paid-~~  
34 ~~family and medical~~ **comprehensive paid** leave benefits under section 2202 (without  
35 regard to section 2202(c)(2)(D)), **except that the State shall provide such** ~~during any~~  
36 ~~part of such calendar year, provided that such State program—~~

37 ~~“(I) shall provide paid family and medical leave benefits for leave from employment~~  
38 ~~by the State or any political subdivision thereof, and may elect to exempt that any State~~  
39 ~~or local employees subject to a collective bargaining agreement may be excluded from~~  
40 ~~such coverage with the agreement of 90 percent of the employees covered by the~~  
41 ~~collective bargaining agreement; and~~

42 ~~“(H) may provide such benefits for leave from Federal~~ **any other governmental**



1 employment;

2 and

3 ~~“(ii)“(B)~~ at a wage replacement rate that is at least equivalent to the wage  
4 replacement rate under the **comprehensive paid leave benefit** program under ~~this title~~  
5 **section 2202** (without regard to section 2202(c)(2)(D)); ~~and.~~

6 ~~“(B) that provides an annual notice to each individual whose employment would be eligible~~  
7 ~~for such~~“(c) **Covered Employment Under the Law of a Legacy State.—For purposes of this**  
8 **title, the term ‘covered employment under the law of a legacy State’ means employment (or**  
9 **self-employment) with respect to which an individual would be eligible to receive paid**  
10 **family and medical benefits under the State program law of a State, as described in**  
11 **paragraph (1) or (3) of subsection (b), during any period during which such State is a**  
12 **legacy State.**

13 ~~“(e)“(d)~~ **Employer-provided Benefits in a Legacy State.—**

14 **“(1) TREATMENT FOR PURPOSES OF THIS TITLE.—Notwithstanding any provision of**  
15 **section 2209, in the case of a State that permits paid family and medical leave benefits**  
16 **to be provided by an employer (whether directly, under a contract with an insurer, or**  
17 **provided through a multiemployer plan) pursuant to a State law described in**  
18 **paragraph (1) or (3) of subsection (b)—**

19 **“(A) such benefits shall be considered, for all purposes under this title, paid**  
20 **family and medical leave benefits under the law of a legacy State; and**

21 **“(B) leave for which such benefits are paid shall be considered, for all such**  
22 **purposes, leave from covered employment under the law of a legacy State.**

23 **“(2) DISTRIBUTION OF GRANT FUNDS.—In any case in which paid family and medical**  
24 **leave benefits are provided by one or more employers (whether directly, under a**  
25 **contract with an insurer, or provided through a multiemployer plan) in a legacy State**  
26 **pursuant to a State law described in paragraph (1) or (3) of subsection (b), the State,**  
27 **upon the receipt of any grant amount under subsection (a), may distribute an**  
28 **appropriate share of such grant to each such employer.**

29 **“(e) Data Sharing.—As a condition of receiving a grant under subsection (a) in a calendar**  
30 **year, a State shall enter into an agreement with the Secretary Commissioner under which the**  
31 **State shall provide the Secretary— Commissioner—**

32 **“(1) with information, to be provided periodically as determined by the Secretary**  
33 **Commissioner, concerning individuals who received a paid leave benefit under a State**  
34 **program law described in paragraph (1) or (3) of subsection (b), including each**  
35 **individual’s name, information to establish the individual’s identity, dates for which such**  
36 **paid leave benefits were paid, the amount of such paid leave benefit, and, to the extent**  
37 **available, such other information concerning such individuals as the Secretary may require**  
38 **necessary for the purpose of carrying out this section and section 2202(c)(2)(D);**

39 **“(2) not later than July 1 of such calendar year, the amount described in subsection (a)(2)**  
40 **for the calendar year preceding such calendar year; and**

41 **“(3) such other information as the Secretary determines may be necessary in carrying out**

1 the provisions of this title, including for the purposes of promoting equity as described  
2 under section 2206(a) and for research described under section 2208(b). **needed to**  
3 **determine compliance with grant requirements.**

4 ~~“(d) Funding for Transitional Costs for Legacy States.—“(f) Greater Benefits~~  
5 **Permitted.—Nothing in this section shall be construed to prohibit a legacy State or an**  
6 **employer providing benefits pursuant to a legacy State law from providing paid family and**  
7 **medical leave benefits that exceed the requirements described in this section.**

8 ~~“(1) In general.—There are appropriated to the Secretary, out of~~  
9 ~~any funds in the Treasury not otherwise appropriated, such sums~~  
10 ~~as necessary for grants in accordance with this subsection.~~

11 ~~“(2) Transition grants.—The Secretary shall make a grant under~~  
12 ~~this subsection to each State that—~~

13 ~~“(A) is a legacy State for the calendar year in which occurs the~~  
14 ~~date of enactment of this title;~~

15 ~~“(B) certifies to the Secretary that the State intends to remain a~~  
16 ~~legacy State and meet the data sharing requirements of~~  
17 ~~subsection (c) at least through the first calendar year that begins~~  
18 ~~on or after the date that is 3 years after the date of enactment of~~  
19 ~~this title; and~~

20 ~~“(C) agrees to repay the full amount of such grant if the State~~  
21 ~~fails to remain a legacy State and meet the data sharing~~  
22 ~~requirements of subsection (c) as certified in subparagraph (B).~~

23 ~~“(3) Amount of grant.—The amount of a grant provided to a~~  
24 ~~State under this subsection shall be equal to  $\frac{1}{2}$  of the sum of~~  
25 ~~the State’s expenditures from the date of enactment of this title~~  
26 ~~through the calendar year described in paragraph (2)(B) on—~~

27 ~~“(A) the costs of creating new information technology systems~~  
28 ~~as needed to implement the data sharing requirements of~~  
29 ~~subsection (c) (including staffing costs related to such systems);~~  
30 ~~and~~

31 ~~“(B) other necessary costs incurred by the State to meet the~~

1 ~~requirements of subsection (b)(2)(A)(ii).~~

2 ~~“(4) Estimated advance payments.—The Secretary may make~~  
3 ~~estimated payments of a grant provided to a State under this~~  
4 ~~subsection for any calendar year, to be adjusted as appropriate in~~  
5 ~~the succeeding calendar year.~~

6 ~~“SEC. 2210“~~**SEC. 2209. REIMBURSEMENT OPTION FOR**  
7 **EMPLOYER-SPONSORED COMPREHENSIVE PAID**  
8 **LEAVE BENEFITS.**

9 ~~“(a) In General.—For each calendar year beginning with 2023, the Secretary~~ **calendar year**  
10 **2024, the Commissioner** shall make a grant to each employer that is an eligible employer for  
11 such calendar year in an amount equal to—

12 ~~“(1) in the case of an eligible employer sponsoring a paid family and medical~~  
13 **comprehensive paid** leave benefit program with respect to which benefits are awarded and  
14 paid under a contract with an insurer, ~~an amount equal to—~~ **(or through a multiemployer**  
15 **plan), an amount (not to exceed the employer’s expenditures for such program) equal**  
16 **to the lesser of—**

17 ~~“(A) 90 percent of the product of—~~

18 ~~“(A)“(i) the projected national average cost per employee individual of~~  
19 ~~providing paid family and medical~~ **comprehensive paid** leave benefits **under**  
20 **section 2202** as determined by the ~~Secretary~~ **Commissioner** for such calendar  
21 year under subsection (c)(3) (or, in the case of ~~calendar year 2023, 1/2~~ **a**  
22 **calendar year during which the eligible employer sponsored such**  
23 **comprehensive paid leave benefit program for only a fraction of the year, an**  
24 **equal fraction** of such projected national average cost); multiplied by

25 ~~“(B) the number of employees—~~ **“(ii) the number of eligible employees**  
26 **(within the meaning of subsection (b)(1)(A) and** pro-rated for part-time  
27 ~~employees) covered under the program~~ **eligible employees) whose employment**  
28 **is covered employment under the employer-sponsored program (as defined**  
29 **in subsection (g)) for such calendar year (or, in the case of ~~calendar year 2023,~~  
30 ~~for the portion of such calendar year occurring after June 30); a calendar year~~  
31 **during which the eligible employer sponsored such comprehensive paid leave**  
32 **benefit program for only a fraction of the year, for such fraction of the year);**  
33 **and****

34 ~~“(B) 90 percent of the total premiums paid to the insurer (or contributions paid~~  
35 ~~to the multiemployer plan) by the eligible employer under such contract (or such~~  
36 ~~plan) for such calendar year (or such fraction thereof) for the coverage under~~  
37 ~~such contract (or such plan) of eligible employees of the employer; and~~

38 ~~“(2) in the case of an eligible employer sponsoring a self-insured paid family and medical~~  
39 **comprehensive paid** leave benefit program with respect to which benefits are awarded and

1 paid directly by the employer (or by a third party administrator on behalf of the employer),  
2 an amount equal to 90 percent of—

3 “(A) the amount of benefits paid under the program for such calendar year to  
4 ~~individuals for up to 12 weeks of leave per individual (or, in the case of calendar year~~  
5 ~~2023, for the portion of such calendar year occurring after June 30);~~ **eligible**  
6 **employees of the employer for up to 4 weeks of leave per eligible employee;** or

7 “(B) if lesser, the product of the national average weekly benefit amount paid under  
8 section 2203(a) during such calendar year ~~(or, in the case of calendar year 2023, during~~  
9 ~~the portion of such calendar year occurring after June 30)~~ multiplied by the number of  
10 weeks of leave (up to ~~12~~ **4 per individual**) **eligible employee**) paid by the employer for  
11 all ~~individuals~~ **eligible employees** under the program for the calendar year~~(or such~~  
12 ~~portion in the case of calendar year 2023).~~.

13 ~~“(b) Eligibility; Application Requirements.—~~“(b) **Eligibility.**—

14 “(1) IN GENERAL.—For purposes of subsection (a), an eligible employer for a calendar  
15 year is an employer (other than the Federal Government or the government of any State (or  
16 political subdivision thereof) that is a legacy State for such calendar year under section  
17 ~~2209)~~ **2208**) that satisfies all of the following requirements:

18 “(A) NON-LEGACY STATE EMPLOYEES.—The employer has one or more employees  
19 during such calendar year whose employment with such employer ~~would not be~~  
20 ~~eligible for paid family or medical leave benefits~~ **is not covered employment** under  
21 the law of ~~any a~~ legacy State (as defined in section ~~2209(b))~~ for such calendar year.  
22 **2208(c)** (in this section referred to as ‘eligible employees’).

23 “(B) GRANT CONDITIONS.—As a condition of the grant, the employer agrees—

24 “(i) that, on return from leave under the program described in  
25 subparagraph (C)(ii), the eligible employee taking such leave will—

26 \*\* 1 “(I) be restored by the employer to the position of employment held  
27 by the ~~individual~~ **eligible employee** when the leave commenced; or

28 \*\* 2 “(II) be restored to an equivalent position with equivalent  
29 employment benefits, pay, and other terms and conditions of employment;

30 \*\* 3 “(ii) to maintain coverage for the ~~individual~~ **eligible employee** under any  
31 ‘group health plan’ (as defined in section ~~2212)~~ **2210**) for the duration of such  
32 leave at the level and under the conditions coverage would have been provided if  
33 the ~~individual~~ **eligible employee** had continued in employment continuously for  
34 the duration of such leave;

35 \*\* 4 “(iii) in any case in which an **eligible** employee receives an adverse  
36 determination from the employer (or administering entity) with respect to ~~paid-~~  
37 ~~family and medical~~ **comprehensive paid** leave benefits under the program  
38 described in subparagraph ~~(B)~~—(C)(ii)—

39 \*\* 5 “(I) to provide opportunity for the **eligible** employee to appeal such  
40 adverse determination to the employer (or administering entity); and

41 \*\* 6 “(II) in any case in which the **eligible** employee elects to appeal the

1 results of such initial appeal to the ~~Secretary~~ **Commissioner** pursuant to  
2 section 2205(a)(1)(B) and the final decision of the ~~Secretary~~ **Commissioner**  
3 is in the **eligible** employee's favor, to provide for the payment of such ~~paid-~~  
4 ~~family and medical~~ **comprehensive paid** leave benefits in addition to the  
5 costs to the ~~Secretary~~ **Commissioner** of such secondary appeal;

6 **“(iv) to provide annual notice to all eligible employees stating that their**  
7 **employment is covered employment under an employer-sponsored program**  
8 **(as defined in subsection (g)) and informing them of the right to appeal any**  
9 **adverse determination with respect to comprehensive paid leave benefits**  
10 **under the program described in subparagraph (C)(ii); and**

11 **“(v) not to impose any fee on any eligible employee related to ensuring**  
12 **coverage, or to the receipt of comprehensive paid leave benefits, under the**  
13 **program described in subparagraph (C)(ii).**

14 ~~“(C)“(B)~~ APPLICATION; SUBMISSION OF REQUIRED INFORMATION.—Not later than the  
15 certification deadline specified in paragraph (2)(A) for such calendar year, the  
16 employer—

17 **“(i) notifies the ~~Secretary~~ **Commissioner** that the employer intends to seek a**  
18 **grant under this section for such calendar year;**

19 **“(ii) certifies to the ~~Secretary~~ **Commissioner** that the employer will have in**  
20 **effect during such calendar year a ~~paid family and medical~~ **comprehensive paid****  
21 **leave benefit program that meets the requirements of subsection (c) and, not later**  
22 **than the submission deadline specified in paragraph (2)(B) for such calendar year,**  
23 **provides all documentation relating to such program as the ~~Secretary~~**  
24 ****Commissioner** may request; and**

25 **“(iii) pays an application fee of \$1,000 (or \$200 in to the **Commissioner** in**  
26 **accordance with this subparagraph, such amounts to remain available to the**  
27 ****Commissioner** without further appropriation, in addition to amounts**  
28 **otherwise available, to administer this section and appeals described in**  
29 **section 2205(a)(1)(B).**

30 **In the case of an initial application, the application fee under this subparagraph**  
31 **shall be \$500 for an employer with 50 or fewer employees, \$1,000 for an employer**  
32 **with more than 50 but fewer than 500 employees, and \$2,000 for an employer**  
33 **with 500 or more employees. In the case of a renewed application, the application**  
34 **fee under this subparagraph shall be \$200.)**

35 ~~“(C) Approval by the secretary.—The paid family and medical“(D) APPROVAL BY~~  
36 **THE COMMISSIONER.—The comprehensive paid** leave benefit program referred to in  
37 subparagraph ~~(B)~~**(C)(ii)** is subsequently approved by the ~~Secretary~~ **Commissioner** as  
38 meeting all applicable requirements.

39 ~~“(D)“(E) INFORMATION SUBMISSION REQUIREMENT.—At the time of application for~~  
40 **such grant for each calendar year, the employer—**

41 **“(i) submits to the ~~Secretary~~— **Commissioner**—**

42 **“(I) an attestation that the ~~paid family and medical~~ **comprehensive paid****

1 leave benefit program referred to in subparagraph ~~(B)~~(C)(ii) will remain in  
2 effect during the whole of such calendar year (or, in the case of a program  
3 not in effect at the beginning of such calendar year, an attestation that such  
4 program will remain in effect until the end of such calendar year); and

5 “(II) with respect to each **eligible** employee of the employer ~~covered by~~  
6 ~~the program whose employment is covered~~ **employment under the**  
7 **employer-sponsored program (as defined in subsection (g))** for such  
8 calendar year, the **eligible** employee’s name, information to establish the  
9 **eligible** employee’s identity, and in the case of a part-time **eligible** employee  
10 (for purposes of determining the number of **eligible** employees (pro-rated for  
11 part-time **eligible** employees) covered under the program for such calendar  
12 year under subsection (a)(1)(B)), the number of hours the **eligible** employee  
13 regularly works in a week; and

14 “(ii) agrees to submit information to the ~~Secretary~~ **Commissioner** as described  
15 in subsection (e).

16 ~~“(E)“(F) MAINTENANCE OF RECORDS.—~~The employer agrees to retain all records  
17 relating to the employer’s ~~paid family and medical~~ **comprehensive paid** leave benefit  
18 program for not less than 3 years.

19 ~~“(F) Job protections and other employee rights.—~~As~~“(G) ADDITIONAL GRANT~~  
20 **REQUIREMENTS.—**As a condition of the grant, the employer agrees—~~(or~~  
21 **administering entity) does not—**

22 ~~“(i) that, on return from leave“(i) interfere with, restrain, or deny the~~  
23 **exercise of, or the attempt to exercise, any right provided** under the program  
24 described in subparagraph ~~(B)~~, the individual taking such leave will—~~(C)(ii); or~~

25 **“(ii) discharge, or in any other manner discriminate against, any eligible**  
26 **employee for opposing any practice prohibited by such program.**

27 **“(H) ADDITIONAL ELIGIBILITY REQUIREMENTS FOR SELF-INSURED**  
28 **EMPLOYERS.—**In the case of a **comprehensive paid leave benefit program of an**  
29 **employer with respect to which benefits are awarded and paid directly by the**  
30 **employer (or by a third party administrator on behalf of the employer)—**

31 **“(i) such employer employs at least 50 eligible employees; and**

32 **“(ii) such benefits are guaranteed by a surety bond held by the employer.**

33  
34 \* 1 ~~“(I) be restored by the employer to the position of employment held by the individual~~  
35 ~~when the leave commenced; or~~

36  
37 \* 2 ~~“(II) be restored to an equivalent position with equivalent employment benefits, pay,~~  
38 ~~and other terms and conditions of employment;~~

39  
40 \* 3 ~~“(ii) to maintain coverage for the individual under any ‘group health plan’ (as defined~~

1 in section 2212) for the duration of such leave at the level and under the conditions  
2 coverage would have been provided if the individual had continued in employment  
3 continuously for the duration of such leave;

4  
5 \* 4 ~~“(iii) in any case in which an employee receives an adverse determination from the  
6 employer (or administering entity) with respect to paid family and medical leave benefits  
7 under the program described in subparagraph (B) —~~

8  
9 \* 5 ~~“(I) to provide opportunity for the employee to appeal such adverse determination to  
10 the employer (or administering entity); and~~

11  
12 \* 6 ~~“(II) in any case in which the employee elects to appeal the results of such initial  
13 appeal to the Secretary pursuant to section 2205(a)(1)(B) and the final decision of the  
14 Secretary is in the employee’s favor, to provide for the payment of such paid family and  
15 medical leave benefits in addition to the costs to the Secretary of such secondary appeal;~~

16 ~~“(iv) to provide annual notice to all employees of the availability of paid family and  
17 medical leave benefits under the program described in subparagraph (B) and of the right to  
18 appeal any adverse determination with respect to such benefits; and~~

19 ~~“(v) not to impose any fee on any employee related to the receipt of paid family and  
20 medical leave benefits under the program described in subparagraph (B).~~

21 ~~“(G) Additional assurances. — The employer provides assurances that the employer (or  
22 administering entity) —~~

23 ~~“(i) will not interfere with, restrain, or deny the exercise of, or the attempt to exercise,  
24 any right provided under such policy;~~

25 ~~“(ii) will notify an employee in any case in which the employee is provided reimbursable  
26 benefits; and~~

27 ~~“(iii) will not discharge, or in any other manner discriminate against, any individual for  
28 opposing any practice prohibited by such policy.~~

29 ~~“(H) Special conditions in the case of certain employers. —~~

30 ~~“(i) Self insured private employers. — In the case of a paid family and medical leave  
31 benefit program of an employer (other than a State or political subdivision thereof) with  
32 respect to which benefits are awarded and paid directly by the employer (or by a third party  
33 administrator on behalf of the employer) —~~

34 ~~“(I) such employer employs at least 50 employees described in subparagraph (A);~~

35 ~~“(II) such benefits are guaranteed by a surety bond held by the employer; and~~

36 ~~“(III) such employer (or administering entity) holds funds in a dedicated account for such  
37 benefits not used for any other business purpose.~~

38 ~~“(ii) Self insured state and local employers. — In the case of a paid family and medical  
39 leave benefit program of an employer that is a State (or political subdivision thereof) with~~

1 respect to which benefits are awarded and paid directly by the employer (or by a third party  
2 administrator on behalf of the employer), such benefits are negotiated pursuant to a  
3 collective bargaining agreement.

4 “(2) TIMING OF APPLICATION.—

5 “(A) CERTIFICATION.—The certification deadline specified in this subparagraph for  
6 a calendar year **is the date that is is**—

7 “(i) ~~for calendar year 2023, March 31, 2023; and~~

8 “(ii) ~~for any calendar year after 2023,~~ 90 days before the beginning of **such the**  
9 calendar year, or, if later, the date that is 90 days before a plan described in paragraph  
10 ~~(1)(B)~~**(1)(C)(ii)** first goes into effect.

11 “(B) SUBMISSION OF DOCUMENTATION.—The submission deadline specified in this  
12 subparagraph for a calendar year **is the date that is is**—

13 “(i) ~~for calendar year 2023, May 15, 2023; and~~

14 “(ii) ~~for any calendar year after 2023,~~ 45 days before the beginning of **such the**  
15 calendar year, or, if later, the date that is 45 days before a plan described in paragraph  
16 ~~(1)(B)~~**(1)(C)(ii)** first goes into effect.

17 “(c) Employer Program Requirements.—

18 “(1) IN GENERAL.—A ~~paid family and medical~~ **comprehensive paid** leave benefit  
19 program shall not be considered to meet the requirements of this subsection unless such  
20 program consists of a written employer policy **in accordance with paragraph (2)** that  
21 provides for the payment, through one or more employee benefit plans, of family and  
22 medical leave benefits **(in addition to any paid vacation, paid sick leave, or paid**  
23 **consolidated leave otherwise provided)**, which may be guaranteed through an insurer **or**  
24 **provided through a multiemployer plan** and which may be administered by an insurer,  
25 **multiemployer plan**, or by another third-party entity, that includes each element ~~in the~~  
26 ~~model template~~ described in **subparagraphs (A) through (H)** of paragraph (2), and ~~that~~  
27 **under which the employer** provides for each of the following:

28 “(A) ~~The provision of such benefits to all employees~~ **Each of the additional grant**  
29 **conditions** described in subsection ~~(b)(1)(A)~~**(b)(1)(B)**.

30 “(B) **Each of the requirements described in subsection (b)(1)(G)**.

31 “(C) **Submission of information to the Commissioner as described in subsection**  
32 **(e)**.

33 “(2) **COMPREHENSIVE PAID LEAVE PLAN REQUIREMENTS FOR GRANTEES.—As a**  
34 **condition of a grant under this section, the written employer policy referred to in**  
35 **paragraph (1) shall provide comprehensive paid leave benefits—**

36 “(A) **to all eligible employees of the employer**, regardless of length of service, job  
37 type, membership in a labor organization, seniority status, or any other employee  
38 classification;

39 “(B) ~~Each of the job protections and other employee rights described in subsection~~  
40 ~~(b)(1)(F)~~.



1           ~~“(C) Each of the assurances described in subsection (b)(1)(G).~~

2           ~~“(D) Submission of information to the Secretary as described in subsection (e).~~

3           ~~“(2) Model template.— Not later than July 1, 2022, the Secretary shall make-~~  
4           ~~available to eligible employers a model template of a written policy providing paid-~~  
5           ~~family and medical leave benefits—~~

6           ~~“(A)“(B) at a wage replacement rate that is at least as great as the wage replacement~~  
7           ~~rate that an **eligible** employee would receive under the **comprehensive paid leave**~~  
8           ~~**benefit** program under ~~this title~~ **section 2202** (without regard to section~~  
9           ~~2202(c)(2)(C));~~

10          ~~“(B)“(C) for a total number of weeks of paid leave that is at least as great as the total~~  
11          ~~number of weeks of paid leave that an **eligible** employee would receive under ~~the~~ **such**~~  
12          ~~program ~~under this title~~(without regard to such section);~~

13          ~~“(C) for all of the reasons for which an individual would be considered to be-~~  
14          ~~engaged in qualified caregiving under section 2202(e)(2)(A)“(D) for all qualifying~~  
15          ~~**reasons (as described in subparagraphs (A), (B), and (C) of section 2210(6)),**~~  
16          ~~regardless of any pre-existing medical conditions;~~

17          ~~“(D)“(E) for leave which may be taken intermittently or on a reduced leave~~  
18          ~~schedule;~~

19          ~~“(E)“(F) that does not impose any fee on any **eligible** employee related to **ensuring**~~  
20          ~~**coverage for, or to** the receipt of, such benefits;;~~

21          ~~“(F)“(G) which must be paid not less frequently than monthly;~~

22          ~~“(G) for which applications must be processed and notifications provided at least as-~~  
23          ~~quickly as is provided under section 2204 for benefits provided under section 2202(a);~~  
24          ~~and~~

25          ~~“(H) for which any information contained in an application for such benefits shall be~~  
26          ~~presumed to be true and accurate, unless the employer (or administering entity)~~  
27          ~~demonstrates by a preponderance of the evidence that information contained in the~~  
28          ~~application is false;.~~

29          ~~“(3) NATIONAL AVERAGE COST.—Not later than October 1 of the calendar year before~~  
30          ~~each calendar year beginning with ~~2023, 2024~~, the ~~Secretary~~ **Commissioner** shall~~  
31          ~~determine **and publish** the projected national average cost per ~~employee~~ **individual of**~~  
32          ~~**providing comprehensive paid leave benefits under section 2202** for such calendar year~~  
33          ~~of a paid family and medical leave benefit program that meets the requirements of-~~  
34          ~~paragraph (2) (assuming administrative costs no greater than the average or projected-~~  
35          ~~average administrative costs of providing benefits under section 2202), taking into account-~~  
36          ~~projected benefit levels, duration of benefits, and frequency of use of the program in such-~~  
37          ~~calendar year-, **such cost to be determined by dividing the total cost of benefits under**~~  
38          ~~**such section for such calendar year (including the costs to the Commissioner to**~~  
39          ~~**administer such benefits, not to exceed (for purposes of calculating the national**~~  
40          ~~**average cost under this paragraph) 7 percent of the total amount of such benefits paid)**~~  
41          ~~**by the number of individuals—**~~

1           “(A) who have wages or self-employment income at any time during such  
2           calendar year; and

3           “(B) whose employment in a regular workweek (within the meaning of section  
4           2203(d)) includes employment that is not covered employment under an  
5           employer-sponsored program (as defined in subsection (g) of this section) or  
6           covered employment under the law of a legacy State (as defined in section  
7           2208(c)).

8           “(d) Timing of Payment; Penalty for Late Filing.—

9           “(1) ~~INSURED EMPLOYERS.—~~**A EMPLOYERS AND EMPLOYERS CONTRIBUTING TO**  
10           **MULTIEMPLOYER PLANS.—**A grant paid under this section for a calendar year to an eligible  
11           employer described in subsection (a)(1) shall be paid by the ~~Secretary~~ **Commissioner** not  
12           later than 30 days after the beginning of such calendar year, ~~except that in the case of a~~  
13           ~~grant under this section for calendar year 2023, such grant shall be paid by the Secretary not~~  
14           ~~later than August 1, 2023.~~

15           “(2) ~~SELF-INSURED EMPLOYERS.—~~A grant paid under this section for a calendar year to an  
16           eligible employer described in subsection (a)(2) shall be paid by the ~~Secretary~~  
17           **Commissioner** not later than March 31 of the calendar year succeeding such calendar year.

18           “(3) ~~PENALTY FOR LATE FILING.—~~In any case in which an eligible employer seeking a  
19           grant under this subsection for a calendar year fails to submit all required documentation by  
20           the submission deadline for such calendar year as required under subsection  
21           ~~(b)(1)(B)(ii)—~~**(b)(2)(B)—**

22           “(A) the grant for such calendar year for such employer shall not be paid until 45  
23           days after the date of payment otherwise specified in paragraph (1) or (2), as  
24           applicable; and

25           “(B) the amount of such grant shall be reduced by 2 percent for each 7 days by  
26           which such submission deadline is exceeded.

27           “(e) Information Submission.—As a condition of receiving a grant under subsection (a) for a  
28           calendar year, an employer shall provide the ~~Secretary~~ **Commissioner** with information, at such  
29           times and in such manner as ~~determined required~~ by the ~~Secretary, Commissioner,~~ concerning  
30           ~~individuals~~ **eligible employees** who received a paid leave benefit under the ~~paid family and~~  
31           ~~medical~~ **comprehensive paid** leave benefit program of the employer, including each ~~individual’s~~  
32           **eligible employee’s** name, information to establish the ~~individual’s~~ **eligible employee’s** identity,  
33           dates for which such paid leave benefits were paid, the amount of such paid leave benefit, and, to  
34           the extent available, such other information concerning such ~~individuals as the Secretary may~~  
35           ~~require~~ **eligible employees as needed** for the purpose of carrying out this section and section  
36           2202(c)(2)(C), and for otherwise carrying out the provisions of this title, ~~including for the~~  
37           ~~purposes of promoting equity as described under section 2206(a) and for research described~~  
38           ~~under section 2208(b).~~

39           ~~“(f) Enforcement.—~~**“(f) Enforcement and Grant Recovery.—**

40           “(1) ~~IN GENERAL.—~~The ~~Secretary~~ **Commissioner** shall conduct periodic reviews of  
41           employers receiving grants under this section (and of entities administering such ~~grants~~—  
42           ~~The Secretary programs~~). **The Commissioner** may withdraw approval of the ~~paid family~~

1 ~~and medical~~ **comprehensive paid** leave benefit program of an employer in any case in  
2 which the ~~Secretary~~ **Commissioner** finds that the employer (or administering entity) has  
3 violated any requirement of this section, **may require the employer to repay the full**  
4 **amount of such grant**, and may disqualify an employer (~~or administering entity~~) from  
5 receiving (~~or administering~~) subsequent grants (**or an administering entity from**  
6 **administering programs**) under this section in the case of repeated violations.

7 “(2) PENALTIES RELATING TO APPEALS.—In any case in which the ~~Secretary~~  
8 **Commissioner** determines that a pattern exists with respect to an employer (or  
9 administering entity) in which the employer (or administering entity) has incorrectly denied  
10 claims for paid leave benefits under the employer-sponsored program and such claims have  
11 subsequently been approved by the ~~Secretary~~ **Commissioner** pursuant to an appeal  
12 described in section 2205(a)(1)(B), the ~~Secretary~~ **Commissioner** may impose ~~such~~ penalties  
13 on the employer (or administering entity) ~~as the Secretary deems appropriate~~, which may  
14 include **requiring the employer to repay the full amount of such grant and** a reduction  
15 in, or disqualification from, receiving (~~or administering~~), subsequent grants (**or an entity**  
16 **from administering programs**) under this section.

17 “(3) PENALTIES ON ADMINISTERING ENTITIES.—In the case of a third-party entity  
18 administering a ~~paid family and medical~~ **comprehensive paid** leave benefit program of an  
19 employer, such entity shall notify such employer in any case in which a penalty is imposed  
20 under this subsection on the administering entity not later than 30 days after the date on  
21 which such penalty has been imposed. In any case in which the ~~Secretary~~ **Commissioner**  
22 determines that a pattern of misconduct exists with respect to an entity administering  
23 benefits under this section for multiple employers, the ~~Secretary~~ **Commissioner** may  
24 disqualify such entity from administering employer-sponsored programs receiving  
25 subsequent grants under this section.

26 “(4) EMPLOYER AND ADMINISTRATOR APPEALS.—An employer (or administering entity)  
27 with respect to which a penalty is imposed under this subsection may appeal such decision  
28 to the ~~Secretary~~ **Commissioner** only if such appeal is filed with the ~~Secretary~~  
29 **Commissioner** not later than 60 days after the date of such decision.

30 “(g) **Covered Employment Under an Employer-sponsored Program.—For purposes of**  
31 **this title, the term ‘covered employment under an employer-sponsored program’—**

32 **“(1) means employment with an eligible employer sponsoring a comprehensive paid**  
33 **leave benefit program that meets the requirements of subsection (c) during a calendar**  
34 **year for which the eligible employer receives a grant under subsection (a); and**

35 **“(2) does not include covered employment under the law of a legacy State (as**  
36 **defined in section 2208(c)).**

37 **“(h) Greater Benefits Permitted.—Nothing in this section shall be construed to prohibit an**  
38 **eligible employer from providing paid family and medical leave benefits that exceed the**  
39 **requirements described in this section.**

40 ~~“SEC. 2211. FUNDING FOR SMALL BUSINESS~~  
41 ~~ASSISTANCE.~~

1 ~~“(a) In General.— There are appropriated, out of any funds in the~~  
2 ~~Treasury not otherwise appropriated, such sums as may be~~  
3 ~~necessary for grants in accordance with this section.~~

4 ~~“(b) Small Business Assistance Grants.— The Secretary shall~~  
5 ~~make a grant to each eligible employer (as defined in subsection~~  
6 ~~(g)) who employs a covered individual (as so defined) if such~~  
7 ~~eligible employer satisfies the requirements of subsection (c).~~

8 ~~“(c) Grant Requirements.— An eligible employer seeking a grant~~  
9 ~~under this section with respect to a covered individual described~~  
10 ~~in subsection (b) shall—~~

11 ~~“(1) not later than 90 days after such individual returns from~~  
12 ~~qualified leave (as defined in subsection (g)) from the employer,~~  
13 ~~submit an application to the Secretary in such manner as the~~  
14 ~~Secretary shall provide;~~

15 ~~“(2) attest to the Secretary that the employer reasonably expects~~  
16 ~~to, during the period in which such individual is taking such~~  
17 ~~qualified leave, incur costs attributable to replacing the labor of~~  
18 ~~such individual during such period in excess of the wages that~~  
19 ~~would be paid to the individual during such period if such leave~~  
20 ~~were not taken;~~

21 ~~“(3) agree that, on return from such qualified leave, the~~  
22 ~~individual will—~~

23 ~~“(A) be restored by the employer to the position of employment~~  
24 ~~held by the individual when the leave commenced; or~~

25 ~~“(B) be restored to an equivalent position with equivalent~~  
26 ~~employment benefits, pay, and other terms and conditions of~~  
27 ~~employment;~~

28 ~~“(4) agree to maintain coverage for the individual under any~~

1 ~~‘group health plan’ (as defined in section 2212) for the duration-~~  
2 ~~of such qualified leave at the level and under the conditions-~~  
3 ~~coverage would have been provided if the individual had-~~  
4 ~~continued in employment continuously for the duration of such-~~  
5 ~~leave;~~

6 ~~“(5) upon the award of such grant, notify the individual of their-~~  
7 ~~rights under paragraphs (3) and (4).~~

8 ~~“(d) Amount of Grant.—The amount of a grant to an eligible-~~  
9 ~~employer with respect to a covered individual shall be an-~~  
10 ~~amount equal to the product of 2.5 multiplied by the average-~~  
11 ~~weekly wage of the State in which the individual’s worksite is-~~  
12 ~~located for the most recent calendar year. For purposes of this-~~  
13 ~~subsection, the average weekly wage of a State for a calendar-~~  
14 ~~year shall be determined and annually published by the-~~  
15 ~~Secretary on the basis of data prepared by the Bureau of Labor-~~  
16 ~~Statistics that is based on a quarterly census of employers in the-~~  
17 ~~State of wages paid for unemployment insurance covered-~~  
18 ~~employment.~~

19 ~~“(e) Limitations.—In no case may an eligible employer—~~  
20 ~~“(1) receive more than 1 grant under this section with respect to-~~  
21 ~~the same covered individual in a single calendar year; or~~

22 ~~“(2) receive more than 10 total grants under this section in a-~~  
23 ~~single calendar year.~~

24 ~~“(f) Enforcement.—In any case in which—~~

25 ~~“(1) an employer’s attestation with respect to costs incurred-~~  
26 ~~made pursuant to subsection (c)(2) is not made in good faith; or~~

27 ~~“(2) an employer who receives a grant under this section with-~~  
28 ~~respect to a covered individual fails to satisfy the requirements-~~

1 ~~of paragraph (3) or (4) of subsection (c) with respect to such~~  
2 ~~individual,~~

3 ~~the Secretary may require the employer to repay the full amount~~  
4 ~~of such grant (including any applicable interest) and may~~  
5 ~~permanently prohibit the employer from applying for any~~  
6 ~~subsequent grants under this section.~~

7 ~~“(g) Definitions. For purposes of this section—~~

8 ~~“(1) Covered individual. For purposes of this section, the term~~  
9 ~~‘covered individual’ means an individual employed by an~~  
10 ~~eligible employer who takes 4 or more weeks of leave from such~~  
11 ~~employer, or anticipates taking 4 or more weeks, during the~~  
12 ~~individual’s benefit period for which the individual receives paid~~  
13 ~~family and medical leave benefits—~~

14 ~~“(A) under section 2202(a);~~

15 ~~“(B) under the law of a legacy State (as defined in section~~  
16 ~~2209(b)); or~~

17 ~~“(C) under an eligible employer sponsored plan under section~~  
18 ~~2210,~~

19 ~~but only if the eligible employer has received no other State or~~  
20 ~~Federal grant intended to cover the costs described in subsection~~  
21 ~~(c)(2) with respect to such individual.~~

22 ~~“(2) Eligible employer. The term ‘eligible employer’ means~~  
23 ~~any person (other than a governmental agency) who regularly~~  
24 ~~employs at least 1 and not more than 50 employees.~~

25 ~~“(3) Qualified leave. The term ‘qualified leave’ means leave~~  
26 ~~taken by an individual with respect to which the individual is~~  
27 ~~eligible for paid family and medical leave benefits under section~~  
28 ~~2202, under the law of a legacy State (as defined in section~~

1 ~~2209(b)), or under an eligible employer sponsored plan under~~  
2 ~~section 2210.~~

3 ~~“SEC. 2212.~~ **2210. DEFINITIONS.**

4 “For purposes of this title the following definitions apply::

5 ~~“(1)~~ **“(1) COMMISSIONER.—The term ‘Commissioner’ means the Commissioner of**  
6 **Social Security.**

7 **“(2) ELIGIBILITY.—With respect to any reference in this title to an individual’s**  
8 **eligibility or ineligibility for comprehensive paid leave benefits under section 2202(a)**  
9 **for a month, an individual shall be considered to be eligible for such benefits for such**  
10 **month if, upon filing an application for such benefits for such month, the individual**  
11 **would be entitled to such benefits for such month.**

12 **“(3) GROUP HEALTH PLAN.—The term ‘group health plan’ has the meaning given such**  
13 **term in section 5000(b)(1) of the Internal Revenue Code of 1986.**

14 **“(4) MULTIEMPLOYER PLAN.—The term ‘multiemployer plan’ has the meaning given**  
15 **such term in section 3(37) of the Employee Retirement Income Security Act of 1974**  
16 **(29 U.S.C. 1002(37)).**

17 ~~“(5)~~ **“(2) NATIONAL AVERAGE WAGE INDEX.—The term ‘national average wage index’ has**  
18 **the meaning given such term in section 209(k)(1).**

19 **“(6) QUALIFYING REASON.—The term ‘qualifying reason’ means, with respect to any**  
20 **determination of whether an individual is engaged in qualified caregiving under**  
21 **section 2202(c)(2)(A), any of the following:**

22 **“(A) A reason described in subparagraph (A) or (B) of section 102(a)(1) of the**  
23 **Family and Medical Leave Act of 1993 (29 U.S.C. 2612(a)(1)) (applied for**  
24 **purposes of this paragraph as if the individual involved were the employee**  
25 **referred to in such section).** ~~“(3) Secretary.—The term ‘Secretary’ means the~~  
26 ~~Secretary of the Treasury.~~

27 ~~\*\* 7~~ ~~“(C)(i)~~ **“(B)(i) In order to care for a qualified family member of the employee**  
28 **individual, if such qualified family member has a serious health condition.**

29 **“(ii) For purposes of clause (i)—**

30 **“(I) the term ‘qualified family member’ means, with respect to an**  
31 **individual—**

32 ~~\*\* 8~~ ~~“(F)~~ **“(aa) a spouse (including a domestic partner in a civil union or**  
33 **other registered domestic partnership recognized by a State) and a spouse’s**  
34 **parent;**

35 **“(bb) a child and a child’s spouse;**

36 **“(cc) a parent and a parent’s spouse;**

37 **“(dd) a sibling and a sibling’s spouse;**

38 ~~\*\* 9~~ ~~“(V)~~ **“(ee) a grandparent, a grandchild, or a spouse of a grandparent**

1 or grandchild; and

2 “(ff) any other individual who is related by blood or affinity and  
3 whose association with the individual involved is equivalent of a family  
4 relationship; and

5 “(II) the term ‘serious health condition’ has the meaning given such term  
6 in section 101(11) of the Family and Medical Leave Act of 1993 (29 U.S.C.  
7 2611(11)).

8 “(C) Because of a serious health condition (as defined in subparagraph  
9 (B)(ii)(II)) that makes the individual unable to satisfy the requirements needed to  
10 continue receiving (or in the case of an individual no longer employed, to resume  
11 receiving) the wages or self-employment income described in section 2202(a)(3).

12 “(7) REASONABLE DOCUMENTATION.—The term ‘reasonable documentation’ means  
13 the information that is required to be stated under subsection (b) of section 103 of the  
14 Family and Medical Leave Act of 1993 (29 U.S.C. 2613).

15 “(8)“(4) SELF-EMPLOYMENT INCOME.—The term ‘self-employment income’ has the  
16 meaning given the term in section 1402(b) of the Internal Revenue Code of 1986 for  
17 purposes of the taxes imposed by section 1401(b) of such Code. For purposes of section  
18 2202(a) and 2203(b)(3), the Secretary Commissioner shall determine rules for the crediting  
19 of self-employment income to calendar quarters, under which—

20 “(A) in the case of a taxable year which is a calendar year, self-employment income  
21 shall be credited equally to each quarter of such calendar year; and

22 “(B) in the case of any other taxable year, such income shall be credited equally to  
23 the calendar quarter in which such taxable year ends and to each of the next three or  
24 fewer preceding quarters any part of which is in such taxable year.

25 “(5)“(9) STATE.—The term ‘State’ means any State of the United States or the District of  
26 Columbia or any territory or possession of the United States.

27 “(6)“(10) WAGES.—The term ‘wages’ has the meaning given such term in section  
28 3121(a) of the Internal Revenue Code of 1986 for purposes of the taxes imposed by sections  
29 3101(b) and 3111(b) of such Code (without regard to section 3121(u)(2)(C) of such  
30 Code), except that such term also includes—

31 “(A) compensation, as defined in section 3231(e) of such Code for purposes of the  
32 Railroad Retirement Tax Act; and

33 “(B) unemployment compensation, as defined in section 85(b) of such Code.

34 “(7)“(11) WEEK.—The term ‘week’ means a 7-day period beginning on a Sunday.”.

35 SEC. 130002. ACCESS TO WAGE INFORMATION FROM  
36 THE NATIONAL DIRECTORY OF NEW HIRES FOR THE  
37 PURPOSE OF ADMINISTERING COMPREHENSIVE PAID  
38 LEAVE.



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~~\* 107 (a) In General.— Section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended—~~

~~\*\* 10 Section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended by adding at the end the following new subsection:~~

~~(1) by redesignating paragraphs (5) through (11) as paragraphs (6) through (12), respectively; and~~

~~(2) by adding after paragraph (4) the following:~~

~~“(5) Provision of new hire information for purposes of family and medical leave program.—~~

~~“(A) In general.— The National Directory of New Hires shall provide the Secretary of the Treasury with all information in the National Directory relating to wages paid to individuals.~~

~~“(B) Use and maintenance of information by the secretary of the treasury.— The Secretary of the Treasury may use information provided under this paragraph only for purposes of administering the paid family and medical leave benefit program under title XXII, and shall maintain such information in the records of the Secretary of the Treasury for such time as the Secretary of the Treasury deems necessary for the administration of such program.”.~~

~~(b) Conforming Amendment.— Section 453(i)(2)(C) of such Act (42 U.S.C. 653(i)(2)(C)) is amended by striking “(j)(5)” and inserting “(j)(6)”.~~

~~Subtitle B— Retirement~~

~~SEC. 131001. AMENDMENT OF 1986 CODE.~~

~~Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.~~

~~PART 1— AUTOMATIC CONTRIBUTION PLANS AND ARRANGEMENTS~~

~~SEC. 131101. TAX IMPOSED ON EMPLOYERS FAILING TO MAINTAIN OR FACILITATE AUTOMATIC CONTRIBUTION PLAN OR ARRANGEMENT.~~

~~(a) Automatic Contribution Plan or Arrangement.—~~

~~(1) In general.— Section 414 is amended by adding at the end the following:~~

~~“(aa) Automatic Contribution Plan or Arrangement.— For purposes of this title—~~

~~“(1) In general.— The term ‘automatic contribution plan or arrangement’ means—~~

~~“(A) a defined contribution plan that—~~

~~“(i) is described in clause (i), (ii), or (iv) of section 219(g)(5)(A),~~

~~“(ii) includes a qualified cash or deferred arrangement or a salary reduction arrangement, and~~

1           ~~“(iii) meets the notice, eligibility, contribution, investment, fee, and lifetime income~~  
2           ~~requirements of paragraphs (2), (3), (4), (5), (6), and (7), respectively;~~

3           ~~“(B) an automatic IRA arrangement described in paragraph (8);~~

4           ~~“(C) an arrangement described in section 408(p) that meets the notice, contribution,~~  
5           ~~investment, and fee requirements described in paragraphs (2), (4), (5), and (6), and~~

6           ~~“(D) a plan described in clause (i), (ii), (iv), (v), or (vi) of section 219(g)(5)(A) that is~~  
7           ~~established and maintained by an employer as of the date of enactment of the Act to provide~~  
8           ~~for reconciliation pursuant to title II of S. Con. Res. 14, or a plan described in section~~  
9           ~~219(g)(5)(A)(iv) that is not subject to title I of the Employee Retirement Income Security~~  
10           ~~Act of 1974 and offers annuity contracts, or makes custodial accounts available to~~  
11           ~~employees, as of such date.~~

12           ~~“(2) Notice requirements.— A plan or arrangement shall be treated as meeting the notice~~  
13           ~~requirements of this paragraph with respect to an employee if the plan or arrangement meets~~  
14           ~~the notice requirements of, or similar to, the notice requirements of section 401(k)(13)(E),~~  
15           ~~excluding any such notice requirements that are not applicable or relevant to the such plan~~  
16           ~~or arrangement.~~

17           ~~“(3) Eligibility requirements.—~~

18           ~~“(A) In general.— The requirements of this paragraph shall be treated as met if all~~  
19           ~~employees of the employer are eligible to participate in an automatic contribution plan or~~  
20           ~~arrangement maintained or facilitated by the employer.~~

21           ~~“(B) Certain exclusions.— The following employees may be excluded from consideration~~  
22           ~~in determining whether the requirements of this paragraph are met:~~

23           ~~“(i) Individuals less than 21 years old.— Any employee who has not attained age 21.~~

24           ~~“(ii) Certain other employees.— Any employee described in section 410(b)(3).~~

25           ~~“(iii) Service requirements.— Any employee who has not completed at least one of the~~  
26           ~~following periods of service with the employer maintaining or facilitating the plan or~~  
27           ~~arrangement:~~

28           ~~“(I) The period permitted under section 410(a)(1) (determined without regard to~~  
29           ~~subparagraph (B)(i) thereof).~~

30           ~~“(II) A period of 2 consecutive 12-month periods during each of which the employee has~~  
31           ~~at least 500 hours of service.~~

32           ~~“(C) Special rules for controlled groups.— Eligible employees within an employer need~~  
33           ~~not be eligible to participate in the same automatic contribution plan or arrangement. For~~  
34           ~~purposes of this subsection, the term ‘employer’ shall include all employers treated as a~~  
35           ~~single employer under subsection (b), (c), (m), or (o) of section 414.~~

36           ~~“(D) Entry dates.— Rules similar to the rules of section 410(a)(4) shall apply with respect~~  
37           ~~to employees who have satisfied the age and service requirements referenced in~~  
38           ~~subparagraph (B) and who are otherwise entitled to participate in a plan or arrangement.~~

39           ~~“(4) Contribution requirements.—~~

40           ~~“(A) In general.— The requirements of this paragraph shall be treated as met if, under the~~

1 plan or arrangement, each employee eligible to participate in the plan or arrangement is  
2 treated as having elected to have the employer make elective contributions in an amount  
3 equal to the qualified percentage of compensation.

4 ~~“(B) Election out.—The election treated as having been made under subparagraph (A)~~  
5 ~~shall cease to apply with respect to any employee if such employee makes an affirmative~~  
6 ~~election—~~

7 ~~“(i) not to have such contributions made, or~~

8 ~~“(ii) to make elective contributions at a level specified in such affirmative election.~~

9 ~~“(C) Qualified percentage.—For purposes of this paragraph, and except as provided in~~  
10 ~~subparagraph (D)(i), the term ‘qualified percentage’ means, with respect to any employee,~~  
11 ~~any percentage determined under the plan or arrangement if such percentage is applied~~  
12 ~~uniformly, does not exceed 15 percent (10 percent during the period described in clause (i)),~~  
13 ~~and is at least—~~

14 ~~“(i) 6 percent during the period ending on the last day of the first plan year which begins~~  
15 ~~after the date on which the first elective contribution described in subparagraph (A) is made~~  
16 ~~with respect to such employee,~~

17 ~~“(ii) 7 percent during the first plan year following the plan year described in clause (i),~~

18 ~~“(iii) 8 percent during the first plan year following the plan year described in clause (ii),~~

19 ~~“(iv) 9 percent during the first plan year following the plan year described in clause (iii),~~  
20 ~~and~~

21 ~~“(v) 10 percent during any subsequent plan year.~~

22 ~~“(D) Rules relating to automatic IRA arrangements.—For purposes of this paragraph—~~

23 ~~“(i) Qualified percentage.—In the case of an automatic IRA arrangement, the term~~  
24 ~~‘qualified percentage’ means, with respect to an employee for any plan year, a percentage~~  
25 ~~equal to the minimum percentage described for such plan year under subparagraph (C).~~

26 ~~“(ii) Payroll deduction contributions.—In the case of an automatic IRA arrangement, any~~  
27 ~~reference in this paragraph to elective contributions shall be treated as including a reference~~  
28 ~~to payroll deduction contributions.~~

29 ~~“(5) Investment requirements.—~~

30 ~~“(A) In general.—~~

31 ~~“(i) Default investments.—A plan or arrangement shall be treated as meeting the~~  
32 ~~requirements of this paragraph if in the absence of an investment election by a participant or~~  
33 ~~beneficiary, amounts are invested only in the class of assets or funds described in~~  
34 ~~subparagraph (B).~~

35 ~~“(ii) Required investment options in automatic ira arrangement.—In addition to the~~  
36 ~~default investment requirement of clause (i), an automatic IRA arrangement shall be treated~~  
37 ~~as meeting the requirements of this paragraph if the arrangement also allows the participant~~  
38 ~~to invest in any of the class of assets or funds described in subparagraph (B), (C), (D), or~~  
39 ~~(E), and provides for no other investment options.~~

1           ~~“(B) Target date/lifecycle option.—The class of assets or funds described in this clause is~~  
2 ~~the class of assets or funds that constitutes a qualified default investment alternative under~~  
3 ~~Department of Labor regulation section 2550.404c5(e)(4)(i).~~

4           ~~“(C) Principal preservation.—The class of assets or funds described in this clause is the~~  
5 ~~class of assets or funds that is designed to protect the principal of the individual on an~~  
6 ~~ongoing basis.~~

7           ~~“(D) Balanced option.—The class of assets or funds described in this clause is the class~~  
8 ~~of assets or funds that constitutes a qualified default investment alternative under~~  
9 ~~Department of Labor regulation section 2550.404c5(e)(4)(ii).~~

10          ~~“(E) Other.—Any other class of assets or funds determined by the Secretary to be a~~  
11 ~~qualified investment for purposes of this section.~~

12          ~~“(6) Fee requirements.—In the case of any plan or arrangement not otherwise subject to~~  
13 ~~title I of the Employee Retirement Income Security Act of 1974, under the fee requirements~~  
14 ~~of this paragraph, no participant may be charged unreasonable fees or expenses.~~

15          ~~“(7) Lifetime income requirements.—~~

16           ~~“(A) In general.—A plan or arrangement shall be treated as meeting the lifetime income~~  
17 ~~requirement described in this paragraph if the plan or arrangement permits participants to~~  
18 ~~elect to receive at least 50 percent of their vested account balance in a form of distribution~~  
19 ~~described in section 401(a)(38)(B)(iii).~~

20           ~~“(B) Exception.—~~

21           ~~“(i) In general.—This paragraph shall not apply with respect to any participant whose~~  
22 ~~vested account balance is \$200,000 or less at the time of distribution.~~

23           ~~“(ii) Not treated as discriminatory in favor of highly compensated employees.—A plan~~  
24 ~~shall not be treated as failing to meet the requirements of section 401(a)(4) solely by reason~~  
25 ~~of applying the exception of clause (i) to the requirements of subparagraph (A).~~

26          ~~“(8) Automatic ira arrangement.—~~

27           ~~“(A) In general.—For purposes of this paragraph, the term ‘automatic IRA arrangement’~~  
28 ~~means, with respect to an employer (and trustee or issuer designated by the employer), an~~  
29 ~~arrangement facilitated by the employer which meets the requirements of this paragraph and~~  
30 ~~the eligibility, contribution, investment, and fee requirements of paragraphs (3), (4), (5), and~~  
31 ~~(6), and under which an employee —~~

32           ~~“(i) may elect —~~

33           ~~“(I) to have the employer make payroll deduction deposits on behalf of the individual as~~  
34 ~~payroll deduction contributions to an individual retirement account, or~~

35           ~~“(II) to have such payments paid to the employee directly in cash,~~

36           ~~“(ii) is treated as having made the election under clause (i)(I) at the level determined~~  
37 ~~under paragraph (4)(D) until the individual makes an affirmative election not to have such~~  
38 ~~contributions made (or to have such contributions made at a level specified in the~~  
39 ~~affirmative election), and~~

40           ~~“(iii) may elect to modify the manner in which such amounts are invested for such plan~~

1 year.

2 ~~“(B) Administrative requirements.—~~

3 ~~“(i) Payments.—The requirements of this subparagraph are met with respect to any~~  
4 ~~automatic IRA arrangement if the employer makes the payments elected or treated as~~  
5 ~~elected under subparagraph (A)(i) on or before the last day of the month following the~~  
6 ~~month in which the compensation otherwise would have been payable to the employee in~~  
7 ~~cash.~~

8 ~~“(ii) Notice of election period.—The requirements of this paragraph shall be treated as~~  
9 ~~met with respect to any year if the employer notifies each employee eligible to participate,~~  
10 ~~within a reasonable period of time before the beginning of such year (and, for the first year~~  
11 ~~the employee is so eligible, a reasonable period of time before the first day such employee~~  
12 ~~is so eligible), of—~~

13 ~~“(I) the opportunity to elect to have contributions made, or to be treated as so electing,~~  
14 ~~under clause (i)(I), or (ii), of subparagraph (A),~~

15 ~~“(II) the opportunity to elect not to have payroll deduction contributions made or to have~~  
16 ~~such contributions made at a different percentage or in a different amount, and~~

17 ~~“(III) the opportunity under subparagraph (A)(iii) to modify the manner in which such~~  
18 ~~amounts are invested for such year.~~

19 The employer shall provide such notice in paper form or, if the employee so elects, in  
20 electronic form.

21 ~~“(C) Limits on contributions.—An employer shall not be treated as failing to satisfy the~~  
22 ~~requirements of this section or any other provision of this title merely because—~~

23 ~~“(i) aggregate payroll deduction contributions by or on behalf of an individual to~~  
24 ~~individual retirement accounts of the individual exceed the deductible amount in effect~~  
25 ~~under section 219(b)(5) (determined without regard to subparagraph (B) thereof) for any~~  
26 ~~taxable year in which any payroll deduction contributions by the employer under an~~  
27 ~~automatic IRA arrangement are made, or~~

28 ~~“(ii) the employer chooses to limit the payroll deduction contributions under this~~  
29 ~~subsection on behalf of an employee for any calendar year in a manner reasonably designed~~  
30 ~~to avoid exceeding such deductible amount.~~

31 ~~“(D) Default treatment as roth ira.—An employee on whose behalf payroll deduction~~  
32 ~~contributions are made to an individual retirement account under subparagraph (A) may~~  
33 ~~elect, at such time and in such manner and form as the Secretary may prescribe, whether to~~  
34 ~~treat the individual retirement account as designated as a Roth IRA. If no such election is~~  
35 ~~made, the account shall be treated as so designated.~~

36 ~~“(E) Deposits to individual retirement accounts of a designated trustee or issuer.—~~

37 ~~“(i) In general.—An employer shall not be treated as failing to satisfy the requirements of~~  
38 ~~this section, or any other provision of this title, merely because the employer makes all~~  
39 ~~payroll deduction contributions on behalf of all employees (or all employees who do not~~  
40 ~~specify an individual retirement account, trustee, or issuer to receive the contributions) to~~  
41 ~~individual retirement accounts specified in clause (ii).~~

1           ~~“(ii) Individual retirement accounts other than those selected by employee.— An~~  
2           ~~employer may elect to have payroll deduction contributions for all employees participating~~  
3           ~~in an automatic IRA arrangement made to individual retirement accounts of a trustee or~~  
4           ~~issuer under the arrangement that has been designated by the employer, but only if the~~  
5           ~~provider of such accounts, and the investments therein, are identified on the website~~  
6           ~~established under subparagraph (F)(iii). The preceding sentence shall not apply unless each~~  
7           ~~participant is notified in writing that the participant’s balance may be transferred without~~  
8           ~~cost or penalty to another individual retirement account established by or on behalf of the~~  
9           ~~participant. Such notice shall be in paper form or, if the employee so elects, electronic form.~~

10           ~~“(iii) Employers may permit employee to choose ira.— If the employer so elects, the~~  
11           ~~arrangement may provide for an employee election to have payroll deduction contributions~~  
12           ~~made to any individual retirement account specified by the employee.~~

13           ~~“(iv) Regulations.— The Secretary may issue such regulations as are necessary to carry~~  
14           ~~out the purposes of this subparagraph, including establishment of procedures to assist~~  
15           ~~employers in connecting with certified and available providers of individual retirement~~  
16           ~~accounts and to communicate to individuals the importance of investment diversification.~~

17           ~~“(F) Model notice, etc.— The Secretary shall—~~

18           ~~“(i) provide a model notice, written in a manner calculated to be understandable to the~~  
19           ~~average worker, that is simple for employers to use—~~

20           ~~“(I) to notify employees of the requirement under this section for the employer to provide~~  
21           ~~certain employees with the opportunity to participate in an automatic IRA arrangement, and~~

22           ~~“(II) to satisfy the requirements of subparagraph (B)(ii);~~

23           ~~“(ii) provide model forms for enrollment, including automatic enrollment, in an~~  
24           ~~automatic IRA arrangement,~~

25           ~~“(iii) establish a website or other electronic means that small employers and individuals~~  
26           ~~can access and use to obtain information on automatic IRA arrangements (including clear,~~  
27           ~~standardized, easy to compare information on fees and expenses and investment returns in a~~  
28           ~~format prescribed by the Secretary) and to obtain notices and forms, and~~

29           ~~“(iv) establish a process—~~

30           ~~“(I) for the provider of an automatic IRA arrangement to demonstrate to the Secretary~~  
31           ~~that the arrangement is described in this paragraph and meets the requirements specified in~~  
32           ~~paragraph (1)(B), and~~

33           ~~“(II) to certify any arrangement that the Secretary determines so demonstrates, to~~  
34           ~~regularly monitor compliance and update such determinations and certifications, and to list~~  
35           ~~all arrangements so certified on the website described in clause (iii) as appropriate for use~~  
36           ~~by employers and participants.~~

37           ~~The information referred to in clause (iii) shall be provided in a manner designed to assist~~  
38           ~~employers and providers by facilitating the identification by employers of private sector~~  
39           ~~providers of individual retirement accounts, including the provider’s investment options,~~  
40           ~~that are appropriate for use in automatic IRA arrangements.~~

41           ~~“(G) Safe harbor for certain state provided arrangements.— An arrangement facilitated by~~

1 an employer shall not fail to be treated as an automatic IRA arrangement merely because  
2 such arrangement is provided or otherwise offered, in whole or in part, by a State.

3 ~~“(H) Individual retirement account.—For purposes of this paragraph, the term ‘individual  
4 retirement account’ shall have the meaning given such term by section 408(a), except that  
5 such term shall include individual retirement annuities (as defined in section 408(b)).”.~~

6 ~~(2) Other rules applicable to automatic IRA arrangements.—~~

7 ~~(A) Penalty for failure to timely remit contributions to automatic ira  
8 arrangements.—Section 4975(e) is amended by adding at the end the following new  
9 paragraph:~~

10 ~~“(7) Special rule for automatic IRA arrangements.—For purposes of paragraph (1), if an  
11 employer is required under an automatic IRA arrangement (as defined in section  
12 414(aa)(1)(B)) to deposit amounts withheld from an employee’s compensation into an  
13 individual retirement account (within the meaning of section 414(aa)(8)(H)) but fails to do  
14 so within the time prescribed under section 414(aa)(8)(B)(i), such amounts shall be treated  
15 as assets of the individual retirement account.”.~~

16 ~~(B) Waiver of early withdrawal penalty for certain distributions following initial election  
17 to participate in automatic ira arrangement.—Section 72(t) is amended by adding at the end  
18 the following new paragraph:~~

19 ~~“(11) Distribution following initial election to participate in automatic ira  
20 arrangement.—Paragraph (1) shall not apply in the case of a distribution—~~

21 ~~“(A) to an individual from an individual retirement account (within the meaning of  
22 section 414(aa)(8)(H)) that is part of an automatic IRA arrangement (as defined in section  
23 414(aa)(8)(A)), and~~

24 ~~“(B) made not later than 90 days after the initial election under section  
25 414(aa)(8)(A)(ii).”.~~

26 ~~(C) Automatic IRA advisory group.—~~

27 ~~(i) In general.—Not later than 90 days after the date of the enactment of this Act, the  
28 Secretary of the Treasury shall establish an Automatic IRA Advisory Group (hereinafter in  
29 this subparagraph referred to as the “Advisory Group”). The purpose of the Advisory Group  
30 shall be to make recommendations, advise, and assist in the Secretary’s implementation and  
31 administration of paragraphs (5), (6), and (8) of section 414(aa) of the Internal Revenue  
32 Code of 1986 with respect to automatic IRA arrangements in the best financial interest of  
33 savers, including—~~

34 ~~(I) the procedures and criteria for the periodic certification, website listing, and  
35 monitoring of investment options that meet the requirements of those paragraphs,~~

36 ~~(II) user friendly disclosure regarding investment returns, terms, fees, and expenses to  
37 facilitate comparison,~~

38 ~~(III) the use of low cost investment options,~~

39 ~~(IV) the appropriate use of electronic and paper methods to provide notice and disclosure,~~

40 ~~(V) any possible learnings or efficiencies based on the Secretary’s procedures and~~

1 ~~experience in approving nonbank individual retirement account trustees, and~~

2 ~~(VI) such other related matters as may be determined by the Secretary.~~

3 ~~(ii) Membership.—The Advisory Group shall consist of not more than 15 members and~~  
4 ~~shall be composed of—~~

5 ~~(I) such individuals as the Secretary may consider appropriate to provide expertise~~  
6 ~~regarding the financial needs and challenges of lower and middle income households;~~

7 ~~(II) at least one individual who is an expert in retirement related consumer protections or~~  
8 ~~who represents the general public, and~~

9 ~~(III) at least one representative of the Department of the Treasury.~~

10 ~~(iii) Compensation.—The members of the Advisory Group shall serve without~~  
11 ~~compensation.~~

12 ~~(iv) Administrative support.—The Department of the Treasury shall provide appropriate~~  
13 ~~administrative support to the Advisory Group, including technical assistance. The Advisory~~  
14 ~~Group may use the services and facilities of such Department, with or without~~  
15 ~~reimbursement, as determined by such Department.~~

16 ~~(v) Report by advisory group.—Not later than 1 year after the date of the enactment of~~  
17 ~~this Act, the Advisory Group shall submit to the Secretary of the Treasury a report~~  
18 ~~containing its recommendations. The Secretary may request that the Advisory Group submit~~  
19 ~~subsequent reports.~~

20 ~~(b) Excise Tax for Failure to Maintain or Facilitate Automatic Contribution Plans or~~  
21 ~~Arrangements.—~~

22 ~~(1) In general.—Chapter 43 is amended by adding at the end the following new section:~~

23 ~~“SEC. 4980J. FAILURE TO MAINTAIN OR FACILITATE AUTOMATIC~~  
24 ~~CONTRIBUTION PLANS OR ARRANGEMENTS.~~

25 ~~“(a) General Rule.—~~

26 ~~“(1) In general.—There is hereby imposed a tax on the failure of an employer to maintain~~  
27 ~~or facilitate an automatic contribution plan or arrangement.~~

28 ~~“(2) Exceptions.—~~

29 ~~“(A) Paragraph (1) shall not apply to an employer to the extent such employer~~  
30 ~~participates in an arrangement under a qualified State law.~~

31 ~~“(B) Paragraph (1) shall not apply to an employer with respect to any employee who is~~  
32 ~~eligible to participate in a different automatic contribution plan or arrangement than one or~~  
33 ~~more other employees of the employer.~~

34 ~~“(b) Amount of Tax.—~~

35 ~~“(1) In general.—The amount of the tax imposed by subsection (a) on any failure with~~  
36 ~~respect to an employee shall be \$10 for each day in the noncompliance period with respect~~  
37 ~~to such failure.~~

38 ~~“(2) Noncompliance period.—For purposes of this section, the term ‘noncompliance~~



1 period' means, with respect to any failure, the period—

2 “(A) beginning on the date such failure first occurs, and

3 “(B) ending on the earlier of—

4 “(i) the date such failure is corrected, or

5 “(ii) with respect to any employer, the date that is 3 months after the last date on which  
6 the employee is required to be eligible to participate in an automatic contribution plan or  
7 arrangement maintained or facilitated by such employer.

8 “(3) Adjustment for inflation.—

9 “(A) In general.— In the case of any failure relating to maintaining or facilitating a plan  
10 or arrangement in a calendar year beginning after 2023, the \$10 amount under paragraph (1)  
11 shall be increased by an amount equal to such dollar amount multiplied by the cost of living  
12 adjustment determined under section 1(f)(3) for the calendar year determined by  
13 substituting ‘calendar year 2022’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

14 “(B) Rounding.— If any amount adjusted under subparagraph (A) is not a whole dollar  
15 amount, such amount shall be rounded to the nearest whole dollar amount.

16 “(c) Limitations on Amount of Tax.—

17 “(1) Tax not to apply where failure not discovered exercising reasonable diligence.— No  
18 tax shall be imposed by subsection (a) on any failure during any period for which it is  
19 established to the satisfaction of the Secretary that none of the persons referred to in  
20 subsection (e) knew, nor exercising reasonable diligence would have known, that such  
21 failure existed.

22 “(2) Tax not to apply to failures corrected within 9½ months.— No tax shall be  
23 imposed by subsection (a) on any failure if—

24 “(A) such failure was due to reasonable cause and not to willful neglect, and

25 “(B) such failure is corrected during the 9½ month period beginning on the first date  
26 any of the persons referred to in subsection (e) knew that such failure existed, or exercising  
27 reasonable diligence would have known.

28 “(3) Overall limitation for unintentional failures.— In the case of failures which are due to  
29 reasonable cause and not to willful neglect—

30 “(A) General rule.— The tax imposed by subsection (a) for failures during the taxable  
31 year of the employer shall not exceed \$500,000.

32 “(B) Taxable years in the case of certain controlled groups.— For purposes of this  
33 subparagraph, if not all persons who are treated as a single employer for purposes of this  
34 section have the same taxable year, the taxable years taken into account shall be determined  
35 under principles similar to the principles of section 1561.

36 “(4) Waiver by secretary.— In the case of a failure which is due to reasonable cause and  
37 not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection  
38 (a) to the extent that the payment of such tax would be excessive relative to the failure  
39 involved.

1       ~~“(d) Tax Not to Apply in Certain Cases.—This section shall not apply in the case of—~~

2       ~~“(1) any employer with respect to a plan or arrangement that, during the prior calendar-~~  
3       ~~year, was maintained or facilitated only by employers each of which had no more than 5-~~  
4       ~~employees receiving at least \$5,000 of compensation from the employer for such year,~~

5       ~~“(2) any employer with respect to a governmental plan (within the meaning of section-~~  
6       ~~414(d));~~

7       ~~“(3) any employer with respect to a church plan (within the meaning of section 414(e)),~~  
8       ~~or~~

9       ~~“(4) any employer that has been in existence for fewer than 2 years, taking into account~~  
10       ~~all predecessor employers.~~

11       ~~“(e) Liability for Tax.—The employer shall be liable for the tax imposed by subsection-~~  
12       ~~(a) on a failure. All employers, determined without regard to subsection (f)(2), shall be~~  
13       ~~jointly and severally liable for the liability of any other employer with which they are~~  
14       ~~aggregated under subsection (f)(2).~~

15       ~~“(f) Definitions.—For purposes of this section—~~

16       ~~“(1) Automatic contribution plan or arrangement.—The term ‘automatic contribution-~~  
17       ~~plan or arrangement’ has the meaning given such term under section 414(aa), and~~

18       ~~“(2) Employer.—The term ‘employer’ includes all employers treated as a single-~~  
19       ~~employer under subsection (b), (c), (m), or (o) of section 414.~~

20       ~~“(3) Qualified state law.—The term ‘qualified State law’ means a State law (as it may be-~~  
21       ~~amended from time to time) that—~~

22       ~~“(A) was enacted before the date of the enactment of the Act to provide for reconciliation-~~  
23       ~~pursuant to title II of S. Con. Res. 14, and~~

24       ~~“(B)(i) requires certain employers to facilitate an automatic IRA arrangement pursuant to-~~  
25       ~~a payroll deduction savings program of the State, or~~

26       ~~“(ii) allows certain employers to contribute to, or participate in, a plan described in-~~  
27       ~~section 413(e) of such Code established and maintained by the State.”.~~

28       ~~(2) Clerical amendment.—The table of sections for chapter 43 is amended by adding at~~  
29       ~~the end the following new item:~~

30       ~~“Sec. 4980J. Failure to maintain or facilitate automatic contribution plans or-~~  
31       ~~arrangements.”.~~**“(12) INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN**  
32       ~~ADMINISTRATION OF TITLE XXII.—~~

33       **“(A) FURNISHING OF INFORMATION BY THE COMMISSIONER OF SOCIAL**  
34       **SECURITY.—The Commissioner of Social Security shall furnish to the Secretary,**  
35       **on such periodic basis as determined by the Commissioner of Social Security in**  
36       **consultation with the Secretary, information in the custody of the Commissioner**  
37       **of Social Security for comparison with information in the National Directory of**  
38       **New Hires, in order to obtain information in such Directory with respect to**  
39       **individuals for purposes of administering title XXII.**

40       **“(B) REQUIREMENT TO SEEK MINIMUM INFORMATION.—The Commissioner of**

1           **Social Security shall seek information pursuant to this section only to the extent**  
2           **necessary to administer title XXII.**

3           **“(C) DUTIES OF THE SECRETARY.—**

4                   **“(i) INFORMATION DISCLOSURE.—The Secretary, in cooperation with the**  
5                   **Commissioner of Social Security, shall compare information in the National**  
6                   **Directory of New Hires with information provided by the Commissioner of**  
7                   **Social Security with respect to individuals described in subparagraph (A),**  
8                   **and shall disclose information in such Directory regarding such individuals**  
9                   **to the Commissioner of Social Security, in accordance with this paragraph,**  
10                  **for the purposes specified in this paragraph.**

11                  **“(ii) CONDITION ON DISCLOSURE.—The Secretary shall make disclosures in**  
12                  **accordance with clause (i) only to the extent that the Secretary determines**  
13                  **that such disclosures do not interfere with the effective operation of the**  
14                  **program under this part.**

15           **“(D) USE OF INFORMATION BY THE COMMISSIONER OF SOCIAL SECURITY.—The**  
16           **Commissioner of Social Security may use information provided under this**  
17           **paragraph only for purposes of administering title XXII, and shall maintain such**  
18           **information in the records of the Commissioner of Social Security for such time**  
19           **as the Commissioner of Social Security deems necessary for the administration of**  
20           **such title.**

21           **“(E) DISCLOSURE OF INFORMATION BY THE COMMISSIONER OF SOCIAL**  
22           **SECURITY.—**

23                   **“(i) PURPOSE OF DISCLOSURE.—The Commissioner of Social Security may**  
24                   **make a disclosure under this subparagraph only for purposes of verifying the**  
25                   **employment and income of individuals described in subparagraph (A).**

26                   **“(ii) CONDITIONS ON DISCLOSURE.—Disclosures under this subparagraph**  
27                   **shall be—**

28                           **“(I) made in accordance with data security and control policies**  
29                           **established by the Commissioner of Social Security and approved by the**  
30                           **Secretary;**

31                           **“(II) subject to audit in a manner satisfactory to the Secretary; and**

32                           **“(III) subject to the sanctions under subsection (l)(2).**

33                   **“(iii) RESTRICTIONS ON REDISCLOSURE.—A person or entity to which**  
34                   **information is disclosed under this subparagraph may use or disclose such**  
35                   **information only as needed for verifying the employment and income of**  
36                   **individuals described in subparagraph (A), subject to the conditions in clause**  
37                   **(ii) and such additional conditions as agreed to by the Secretary and the**  
38                   **Commissioner of Social Security.**

39           **“(F) REIMBURSEMENT OF HHS COSTS.— The Commissioner of Social Security**  
40           **shall reimburse the Secretary, in accordance with subsection (k)(3), for the costs**  
41           **incurred by the Secretary in furnishing the information requested under this**

1 paragraph.”.

2 **\*\* 11 SEC. ~~138508~~ 130003. ACCESS TO**  
3 **SELF-EMPLOYMENT INCOME INFORMATION FOR PAID**  
4 **LEAVE ADMINISTRATION.**

5 **\*\* 12 Section(a) In General.**—Section 6103(l) of the Internal Revenue Code of 1986 is  
6 amended by adding at the end the following new paragraph:

7 **\*\* 13 “(23) DISCLOSURE OF CERTAIN RETURN INFORMATION TO CARRY OUT PAID FAMILY**  
8 **AND MEDICAL LEAVE BENEFIT PROGRAM.—**

9 **\*\* 14 “(A) IN GENERAL.—**The Secretary shall, upon written request, disclose to  
10 officers and employees of the ~~Department of the Treasury~~ **Social Security**  
11 **Administration** return information with respect to a taxpayer whose self-employment  
12 income is relevant in determining ~~eligibility for entitlement to~~, or the correct amount  
13 of, a paid family and medical leave benefit under title XXII of the Social Security Act.  
14 Such information shall be limited to—

15 **“(i) the taxpayer identity information with respect to the taxpayer,**

16 **“(ii) the self-employment income of the taxpayer,**

17 **“(iii) the taxable year to which such self-employment income relates, and**

18 **“(iv) if applicable, the fact that any of the preceding information is**  
19 **unavailable.**

20 **\*\* 15 “(B) RESTRICTION ON DISCLOSURE.—**Return information disclosed under  
21 subparagraph (A) may be used by officers and employees of the ~~Department of the~~  
22 ~~Treasury~~ **Social Security Administration** solely for the purpose of administering the  
23 paid family and medical leave benefit program under title XXII of the Social Security  
24 Act.

25 **\*\* 16 “(C) SELF-EMPLOYMENT INCOME.—**For purposes of this paragraph, the term  
26 ‘self-employment income’ has the meaning given such term in section 1402(b) for  
27 purposes of the taxes imposed by section 1401(b).”.

28 **(b) Application of Safeguards.—**Section 6103(p)(4) of such Code is amended by striking  
29 **“or (22)”** in the matter preceding subparagraph (A) and in subparagraph (F)(ii) and  
30 **inserting “(22), or (23)”**.

31 **SEC. 130004. CERTAIN COMPREHENSIVE PAID**  
32 **LEAVE BENEFITS EXCLUDED FROM GROSS**  
33 **INCOME.**

34 **(a) In General.—**Part III of subchapter B of chapter 1 of the Internal Revenue Code of  
35 1986 is amended by inserting after section 139I the following new section:

36 **“SEC. 139J. CERTAIN COMPREHENSIVE PAID LEAVE**

## 1 **BENEFITS.**

2 “In the case of an individual, gross income shall not include any amount received by the  
3 taxpayer by reason of entitlement to a comprehensive paid leave benefit under section  
4 2202(a) of the Social Security Act.”.

5 \*\* 17 (e)(b) Clerical Amendment.—The table of sections for ~~subpart A of part IV III~~ of  
6 subchapter ~~A B~~ of chapter 1 of such Code is amended by inserting after the item relating to  
7 section ~~25D 139I~~ the following new item:

8 “Sec.139J.Certain comprehensive paid leave benefits.”.

## 9 **Subtitle B—Miscellaneous Health Items**

### 10 **SEC. 132000. REGISTERED PROFESSIONAL NURSES.**

11 (a) Medicare.—Section 1819(b)(4)(C)(i) of the Social Security Act (42 U.S.C.  
12 1395i–3(b)(4)(C)(i)) is amended by striking “registered professional nurse” and all that  
13 follows through the period at the end and inserting the following: “registered professional  
14 nurse, with respect to such services furnished—

15 “(I) before October 1, 2024, at least 8 consecutive hours a day, 7 days  
16 a week; and

17 “(II) on or after such date, 24 hours a day, 7 days a week.”.

18 (b) Medicaid.—Section 1919(b)(4)(C)(i)(II) of the Social Security Act (42 U.S.C.  
19 1396r(b)(4)(C)(i)(II)) is amended by striking “registered professional nurse” and all that  
20 follows through the period at the end and inserting the following: “registered professional  
21 nurse, with respect to such services furnished—

22 “(aa) before October 1, 2024, at least 8 consecutive hours a day, 7  
23 days a week; and

24 “(bb) on or after such date, 24 hours a day, 7 days a week.”.

### 25 **SEC. 132001. PERMANENT EXTENSION OF THE** 26 **INDEPENDENCE AT HOME MEDICAL PRACTICE** 27 **DEMONSTRATION PROGRAM.**

28 \*\* 18 Section ~~1888(f) 1866E~~ of the Social Security Act (42 U.S.C. ~~1395yy(f) 1395cc–5~~) is  
29 amended by adding at the end the following new ~~paragraph~~ subsection:

30 “(j) Permanent Demonstration Program.—

31 “(1) IN GENERAL.—Notwithstanding subsection (e)(1) and subject to paragraph (2),  
32 beginning on the date of enactment of this subsection, the Secretary shall conduct the  
33 demonstration program on a permanent basis.

34 “(2) ADJUSTMENTS.—In conducting the demonstration program on a permanent  
35 basis pursuant to paragraph (1), the preceding provisions of this section shall apply  
36 except that, beginning on the date of enactment of this subsection, the following shall  
37 apply:

1           “(A) Notwithstanding paragraphs (1) and (5) of subsection (e)—

2                   “(i) there shall be no limit on the number of qualified independence at  
3                   home medical practices or applicable beneficiaries that may participate in  
4                   the demonstration program; and

5                   “(ii) participation of qualified independence at home medical practices in  
6                   the demonstration program shall not be limited to practices that were  
7                   selected to participate prior to the date of enactment of this subsection.

8           “(B) In applying subsection (c), any applicable beneficiary that participates in  
9           the demonstration program, including by reason of the elimination under  
10           subparagraph (A) of the limit on the number of applicable beneficiaries who may  
11           participate, shall be taken into account in establishing any—

12                   “(i) estimated annual spending target under subsection (c)(1); and

13                   “(ii) incentive payment under subsection (c)(2).

14           “(3) FUNDING.—In addition to amounts otherwise available, there is appropriated to  
15           the Centers for Medicare & Medicaid Services Program Management Account for  
16           fiscal year 2022, out of any money in the Treasury not otherwise appropriated,  
17           \$60,000,000, to remain available until September 30, 2031, for purposes of  
18           administering and carrying out the demonstration program, other than for payments  
19           for items and services furnished under this title and incentive payments under  
20           subsection (c).”.

## 21   **Subtitle C—Trade Adjustment Assistance**

22  
23   ~~\* 34 (c) Effective Date.—The amendments made by this section~~  
24   ~~shall apply to plan years beginning after December 31, 2022.~~

25   ~~SEC. 131102. DEFERRAL ONLY ARRANGEMENTS.~~

26  
27   ~~\* 101 (a) In General.—Section 401(k) is amended by adding at~~  
28   ~~the end the following new paragraph:~~

29   ~~“(16) Deferral only arrangement.—~~

30   ~~“(A) In general.—A deferral only arrangement shall be treated~~  
31   ~~as meeting the requirements of paragraph (3)(A)(ii).~~

32   ~~“(B) Deferral only arrangement.—For purposes of this~~  
33   ~~paragraph, the term ‘deferral only arrangement’ means any cash~~

1 ~~or deferred arrangement which meets—~~  
2 ~~“(i) the automatic deferral requirements of subparagraph (C),~~  
3 ~~“(ii) the elective contribution requirement of subparagraph (D),~~  
4 ~~and~~  
5 ~~“(iii) the requirements of subparagraph (E) of paragraph (13).~~  
6 ~~“(C) Automatic deferral.—~~  
7 ~~“(i) In general.— The requirements of this subparagraph shall be~~  
8 ~~treated as met if, under the arrangement, each employee eligible~~  
9 ~~to participate in the arrangement is treated as having elected to~~  
10 ~~have the employer make elective contributions in an amount~~  
11 ~~equal to the qualified percentage of compensation.~~  
12 ~~“(ii) Election out.— The election treated as having been made~~  
13 ~~under clause (i) shall cease to apply with respect to any~~  
14 ~~employee if such employee makes an affirmative election—~~  
15 ~~“(I) to not have such contributions made, or~~  
16 ~~“(II) to make elective contributions at a level specified in such~~  
17 ~~affirmative election.~~  
18 ~~“(iii) Qualified percentage.— For purposes of this subparagraph,~~  
19 ~~with respect to any employee, the term ‘qualified percentage’~~  
20 ~~means, in lieu of the meaning given such term in paragraph~~  
21 ~~(13)(C)(iii), any percentage determined under the arrangement if~~  
22 ~~such percentage is applied uniformly, does not exceed 15-~~  
23 ~~percent (10 percent during the period described in subclause (I))-~~  
24 ~~and is at least—~~  
25 ~~“(I) 6 percent during the period ending on the last day of the first~~  
26 ~~plan year which begins after the date on which the first elective~~  
27 ~~contribution described in clause (i) is made with respect to such~~  
28 ~~employee,~~

1 ~~“(II) 7 percent during the first plan year following the plan year~~  
2 ~~described in subclause (I),~~

3 ~~“(III) 8 percent during the first plan year following the plan year~~  
4 ~~described in subclause (II),~~

5 ~~“(IV) 9 percent during the first plan year following the plan year~~  
6 ~~described in subclause (III), and~~

7 ~~“(V) 10 percent during any subsequent plan year.~~

8 ~~“(D) Elective contributions.—~~

9 ~~“(i) In general.— The requirements of this subparagraph are met~~  
10 ~~if under the plan containing the arrangement—~~

11 ~~“(I) the only contributions which may be made are elective~~  
12 ~~contributions of employees who are eligible to participate in the~~  
13 ~~arrangement, and~~

14 ~~“(II) the aggregate amount of such elective contributions which~~  
15 ~~may be made with respect to any employee for any calendar~~  
16 ~~year shall not exceed the amount in effect for the taxable year~~  
17 ~~under section 219(b)(5) (determined without regard to~~  
18 ~~subparagraph (B) thereof).~~

19 ~~“(ii) Cross reference.— For catch-up contributions for~~  
20 ~~individuals age 50 or over, see section 414(v).”.~~

21 ~~(b) Catch-up Contributions for Individuals Age 50 and Over.—~~

22 ~~(1) Section 414(v)(2)(B)(i) is amended by inserting “,~~  
23 ~~401(k)(16),” after “401(k)(11)”.~~

24 ~~(2) Section 414(v)(2)(B) is amended by adding at the end~~  
25 ~~thereof the following clause:~~

26 ~~“(iii) In the case of an applicable employer plan described in~~  
27 ~~section 401(k)(16), the applicable dollar amount is \$1,000.”.~~



1 ~~(3) Section 414(v)(2)(C) is amended—~~

2 ~~(A) by striking “(B)(i) and” and inserting “(B)(i),” and by~~  
3 ~~inserting after “subparagraph (B)(ii)” the following: “, and the~~  
4 ~~\$1,000 amount described in subparagraph (B)(iii)”;~~

5 ~~(B) inserting after “2005” the following: “(the calendar quarter~~  
6 ~~beginning July 1, 2020, in the case of the \$1,000 amount~~  
7 ~~described in subparagraph (B)(iii))”;~~ and

8 ~~(C) by inserting before the period at the end the following~~  
9 ~~“(\$100 in the case of an increase in the amount described in~~  
10 ~~subparagraph (B)(iii) which is not a multiple of \$100)”.~~

11 ~~(c) Plans Not Treated as Top-heavy Plans.— Section~~  
12 ~~416(g)(4)(H)(i) is amended by striking “or 401(k)(13)” and~~  
13 ~~inserting “401(k)(13), or 401(k)(16)”.~~

14  
15 ~~\* 103 (d) Effective Date.— The amendments made by this~~  
16 ~~section shall apply to plan years beginning after December 31,~~  
17 ~~2022.~~

18 ~~SEC. 131103. INCREASE IN CREDIT LIMITATION FOR~~  
19 ~~SMALL EMPLOYER PENSION PLAN STARTUP COSTS~~  
20 ~~INCLUDING FOR AUTOMATIC CONTRIBUTION PLAN~~  
21 ~~OR ARRANGEMENT.~~

22 ~~(a) Years for Which Credit Is Allowed.— Section 45E(b)(1) is~~  
23 ~~amended by striking “2 taxable years” and inserting “4 taxable~~  
24 ~~years”.~~

25 ~~(b) Special Rule for Employers With 25 or Fewer~~  
26 ~~Employees.— Section 45E(a) is amended by inserting before the~~  
27 ~~period at the end the following: “(100 percent of such costs in~~  
28 ~~the case of an eligible employer with 25 or fewer employees, as~~

1 ~~determined by substituting ‘25’ for ‘100’ in section-~~  
2 ~~408(p)(2)(C)(i))”.~~

3 ~~(c) Credit Not to Apply to Certain Plans or Arrangements.—~~

4 ~~(1) No credit with respect to deferral only~~  
5 ~~arrangements.— Section 45E(d)(2) is amended by inserting~~  
6 ~~“(other than a deferral only arrangement (as defined in section-~~  
7 ~~401(k)(16)(B))” before the period at the end.~~

8 ~~(2) Termination with respect to plans other than automatic~~  
9 ~~contribution plans or arrangements.— Section 45E is amended~~  
10 ~~by adding at the end the following new subsection:~~

11 ~~“(f) Credit Terminated for Non-automatic Contribution Plans or~~  
12 ~~Arrangements After 2022.— In the case of taxable years~~  
13 ~~beginning after December 31, 2022, no credit shall be allowed~~  
14 ~~under this section for amounts paid or incurred with respect to~~  
15 ~~an eligible employer plan that is not an automatic contribution~~  
16 ~~plan or arrangement (as defined in section 414(aa)).”.~~

17  
18 ~~\* 108 (d) Effective Date.— The amendment made by this section~~  
19 ~~shall apply to taxable years beginning after December 31, 2021.~~

20 ~~SEC. 131104. CREDIT FOR CERTAIN SMALL EMPLOYER-~~  
21 ~~AUTOMATIC RETIREMENT ARRANGEMENTS.~~

22  
23 ~~\* 86 (a) In General.— Subpart D of part IV of subchapter A of~~  
24 ~~chapter 1 is amended by adding at the end the following new~~  
25 ~~section:~~

26 ~~“SEC. 45U. CREDIT FOR CERTAIN SMALL EMPLOYER-~~  
27 ~~AUTOMATIC RETIREMENT ARRANGEMENTS.~~

28 ~~“(a) General Rule.— For purposes of section 38, in the case of an~~

1 ~~eligible employer, the small employer automatic retirement~~  
2 ~~arrangement credit determined under this section for any taxable~~  
3 ~~year in the credit period is \$500.~~

4 ~~“(b) Definitions.— For purposes of this section—~~

5 ~~“(1) Eligible employer.— The term ‘eligible employer’ means,~~  
6 ~~with respect to the calendar year in which the taxable year~~  
7 ~~begins, an employer which—~~

8 ~~“(A)(i) participates in an automatic IRA arrangement (as defined~~  
9 ~~in section 414(aa)(8)), or an arrangement described in~~  
10 ~~4980J(a)(2)(A), or~~

11 ~~“(ii) maintains a deferral only arrangement (as defined in section~~  
12 ~~401(k)(16)),~~

13 ~~“(B) is described in 408(p)(2)(C)(i), and~~

14 ~~“(C) did not maintain an eligible employer plan during the~~  
15 ~~portion of the calendar year preceding the commencement of~~  
16 ~~such arrangement, or adoption of such deferral only~~  
17 ~~arrangement, and the 2 preceding calendar years.~~

18 ~~“(2) Credit period.— The term ‘credit period’ means the first 4~~  
19 ~~calendar years beginning after the date of the enactment of this~~  
20 ~~section in which the eligible employer participates in the~~  
21 ~~arrangement or maintains the deferral only arrangement.~~

22 ~~“(3) Eligible employer plan.— The term ‘eligible employer plan’~~  
23 ~~means a qualified employer plan within the meaning of section~~  
24 ~~4972(d).~~

25 ~~“(c) Other Rules.— For purposes of this section, the rules of~~  
26 ~~section 45E(e) shall apply.”.~~

27 ~~(b) Credit Allowed as Part of General Business Credit.— Section~~  
28 ~~38(b) of is amended by striking “plus” at the end of paragraph~~

1 ~~(32), by striking the period at the end of paragraph (33) and~~  
2 ~~inserting “, plus”, and by adding at the end the following new~~  
3 ~~paragraph:~~

4 ~~“(34) the small employer automatic retirement arrangement~~  
5 ~~credit determined under section 45U(a).”.~~

6  
7 ~~\* 88 (c) Clerical Amendment. The table of sections for subpart~~  
8 ~~D of part IV of subchapter A of chapter 1 is amended by adding~~  
9 ~~at the end the following new item:~~

10 ~~“Sec. 45U. Credit for certain small employer automatic retirement~~  
11 ~~arrangements.”.~~

12

13 ~~\* 53 (d) Effective Date. The amendments made by this section~~  
14 ~~shall apply to taxable years beginning after December 31, 2021.~~

15 ~~PART 2 — SAVER’S MATCH~~

16 ~~SEC. 131201. MATCHING PAYMENTS FOR ELECTIVE~~  
17 ~~DEFERRAL AND IRA CONTRIBUTIONS BY CERTAIN~~  
18 ~~INDIVIDUALS.~~

19

20 ~~\* 104 (a) In General. Subchapter B of chapter 65 is amended~~  
21 ~~by adding at the end the following new section:~~

22 ~~“SEC. 6433. MATCHING PAYMENTS FOR ELECTIVE~~  
23 ~~DEFERRAL AND IRA CONTRIBUTIONS BY CERTAIN~~  
24 ~~INDIVIDUALS.~~

25 ~~“(a) In General. —~~

26 ~~“(1) Allowance of credit. — Any eligible individual who makes~~  
27 ~~qualified retirement savings contributions for the taxable year~~

1 ~~shall be allowed a credit for such taxable year in an amount~~  
2 ~~equal to the applicable percentage of so much of the qualified~~  
3 ~~retirement savings contributions made by such eligible~~  
4 ~~individual for the taxable year as does not exceed \$1,000.~~

5 ~~“(2) Payment of credit.— The credit under this section shall be—~~  
6 ~~“(A) treated as allowed by subpart C of part IV of subchapter A~~  
7 ~~of chapter 1, and~~

8 ~~“(B) paid by the Secretary as a contribution (as soon as~~  
9 ~~practicable after the eligible individual has filed a tax return~~  
10 ~~making a claim for such credit for the taxable year) to the~~  
11 ~~applicable retirement savings vehicle of an eligible individual.~~

12 ~~“(b) Applicable Percentage.— For purposes of this section—~~

13 ~~“(1) In general.— Except as provided in paragraph (2), the~~  
14 ~~applicable percentage is 50 percent.~~

15 ~~“(2) Phaseout.— The percentage under paragraph (1) shall be~~  
16 ~~reduced (but not below zero) by the number of percentage points~~  
17 ~~which bears the same ratio to 50 percentage points as—~~

18 ~~“(A) the excess of—~~

19 ~~“(i) the taxpayer’s modified adjusted gross income for such~~  
20 ~~taxable year, over~~

21 ~~“(ii) the applicable dollar amount, bears to~~

22 ~~“(B) the phaseout range.~~

23 ~~If any reduction determined under this paragraph is not a whole~~  
24 ~~percentage point, such reduction shall be rounded to the next~~  
25 ~~lowest whole percentage point.~~

26 ~~“(3) Applicable dollar amount; phaseout range.—~~

27 ~~“(A) Joint returns.— Except as provided in subparagraph (B)—~~

1 ~~“(i) the applicable dollar amount is \$50,000, and~~

2 ~~“(ii) the phaseout range is \$20,000.~~

3 ~~“(B) Other returns.— In the case of—~~

4 ~~“(i) a head of a household (as defined in section 2(b)), the~~  
5 ~~applicable dollar amount and the phaseout range shall be  $\frac{3}{4}$  of~~  
6 ~~the amounts applicable under subparagraph (A) (as adjusted~~  
7 ~~under subsection (h)), and~~

8 ~~“(ii) any taxpayer who is not filing a joint return and who is not~~  
9 ~~a head of a household (as so defined), the applicable dollar~~  
10 ~~amount and the phaseout range shall be  $\frac{1}{2}$  of the amounts~~  
11 ~~applicable under subparagraph (A) (as so adjusted).~~

12 ~~“(4) Exception; minimum credit.— In the case of an eligible~~  
13 ~~individual with respect to whom (without regard to this~~  
14 ~~paragraph) the credit determined under subsection (a)(1) is~~  
15 ~~greater than zero but less than \$100, the credit allowed under~~  
16 ~~this section shall be \$100.~~

17 ~~“(c) Eligible Individual.— For purposes of this section—~~

18 ~~“(1) In general.— The term ‘eligible individual’ means any~~  
19 ~~individual if such individual has attained the age of 18 as of the~~  
20 ~~close of the taxable year.~~

21 ~~“(2) Dependents and full time students not eligible.— The term~~  
22 ~~‘eligible individual’ shall not include—~~

23 ~~“(A) any individual with respect to whom a deduction under~~  
24 ~~section 151 is allowed to another taxpayer for a taxable year~~  
25 ~~beginning in the calendar year in which such individual’s~~  
26 ~~taxable year begins, and~~

27 ~~“(B) any individual who is a student (as defined in section~~  
28 ~~152(f)(2)).~~

1 ~~“(d) Qualified Retirement Savings Contributions.—For purposes~~  
2 ~~of this section—~~

3 ~~“(1) In general.—The term ‘qualified retirement savings~~  
4 ~~contributions’ means, with respect to any taxable year, the sum~~  
5 ~~of—~~

6 ~~“(A) the amount of the qualified retirement contributions (as~~  
7 ~~defined in section 219(e)) made by the eligible individual,~~

8 ~~“(B) the amount of—~~

9 ~~“(i) any elective deferrals (as defined in section 402(g)(3)) of~~  
10 ~~such individual, and~~

11 ~~“(ii) any elective deferral of compensation by such individual~~  
12 ~~under an eligible deferred compensation plan (as defined in~~  
13 ~~section 457(b)) of an eligible employer described in section~~  
14 ~~457(e)(1)(A),~~

15 ~~“(C) the amount of voluntary employee contributions by such~~  
16 ~~individual to any qualified retirement plan (as defined in section~~  
17 ~~4974(c)), and~~

18 ~~“(D) the amount of contributions made by such individual to the~~  
19 ~~ABLE account (within the meaning of section 529A) of which~~  
20 ~~such individual is the designated beneficiary.~~

21 ~~Such term shall not include any amount attributable to a~~  
22 ~~payment under subsection (a)(2).~~

23 ~~“(2) Reduction for certain distributions.—~~

24 ~~“(A) In general.—The qualified retirement savings contributions~~  
25 ~~determined under paragraph (1) for a taxable year shall be~~  
26 ~~reduced (but not below zero) by the aggregate distributions~~  
27 ~~received by the individual during the testing period from any~~  
28 ~~entity of a type to which contributions under paragraph (1) may~~

1 ~~be made.~~

2 ~~“(B) Testing period.—For purposes of subparagraph (A), the~~  
3 ~~testing period, with respect to a taxable year, is the period which~~  
4 ~~includes—~~

5 ~~“(i) such taxable year,~~

6 ~~“(ii) the 2 preceding taxable years, and~~

7 ~~“(iii) the period after such taxable year and before the due date~~  
8 ~~(including extensions) for filing the return of tax for such~~  
9 ~~taxable year.~~

10 ~~“(C) Excepted distributions.—There shall not be taken into~~  
11 ~~account under subparagraph (A)—~~

12 ~~“(i) any distribution referred to in section 72(p), 401(k)(8),~~  
13 ~~401(m)(6), 402(g)(2), 404(k), or 408(d)(4),~~

14 ~~“(ii) any distribution to which section 408(d)(3) or 408A(d)(3)~~  
15 ~~applies,~~

16 ~~“(iii) any portion of a distribution if such portion is transferred~~  
17 ~~or paid in a rollover contribution (as defined in section 402(e),~~  
18 ~~403(a)(4), 403(b)(8), 408A(e), or 457(e)(16)) to an account or~~  
19 ~~plan to which qualified retirement contributions can be made,~~  
20 ~~and~~

21 ~~“(iv) the amount of distributions under a qualified ABLE~~  
22 ~~program (within the meaning of section 529A) that is equal to~~  
23 ~~amounts not included in gross income with respect to such~~  
24 ~~distributions under section 529A(c)(1)(B) (relating to~~  
25 ~~distributions for qualified disability expenses).~~

26 ~~“(D) Treatment of distributions received by spouse of~~  
27 ~~individual.—For purposes of determining distributions received~~  
28 ~~by an individual under subparagraph (A) for any taxable year,~~



~~any distribution received by the spouse of such individual shall be treated as received by such individual if such individual and spouse file a joint return for such taxable year and for the taxable year during which the spouse receives the distribution.~~

~~“(e) Applicable Retirement Savings Vehicle.—~~

~~“(1) In general.—The term ‘applicable retirement savings vehicle’ means an account or plan elected by the eligible individual under paragraph (2).~~

~~“(2) Election.—Any such election to have contributed the amount determined under subsection (a) shall be to an account or plan which—~~

~~“(A) is a Roth IRA or a designated Roth account (within the meaning of section 402A) of an applicable retirement plan (as defined in section 402A(e)(1)),~~

~~“(B) is for the benefit of the eligible individual,~~

~~“(C) accepts contributions made under this section, and~~

~~“(D) is designated by such individual (in such form and manner as the Secretary may provide).~~

~~“(f) Other Definitions and Special Rules.—~~

~~“(1) Modified adjusted gross income.—For purposes of this section, the term ‘modified adjusted gross income’ means adjusted gross income—~~

~~“(A) determined without regard to sections 911, 931, and 933, and~~

~~“(B) determined without regard to any exclusion or deduction allowed for any qualified retirement savings contribution made during the taxable year.~~

1 ~~“(2) Treatment of contributions.— In the case of any~~  
2 ~~contribution under subsection (a)(2)—~~

3 ~~“(A) except as otherwise provided in this section or by the~~  
4 ~~Secretary under regulations, such contribution shall be treated~~  
5 ~~as—~~

6 ~~“(i) an elective deferral made by the individual which is a~~  
7 ~~designated Roth contribution, if contributed to an applicable~~  
8 ~~retirement plan, or~~

9 ~~“(ii) as a Roth IRA contribution made by such individual, if~~  
10 ~~contributed to a Roth IRA, and~~

11 ~~“(B) such contribution shall not be taken into account with~~  
12 ~~respect to any applicable limitation under sections 402(g)(1),~~  
13 ~~403(b), 408(a)(1), 408(b)(2)(B), 408A(c)(2), 414(v)(2), 415(c),~~  
14 ~~or 457(b)(2), and shall be disregarded for purposes of sections~~  
15 ~~401(a)(4), 401(k)(3), 401(k)(11)(B)(i)(III), and 416.~~

16 ~~“(3) Treatment of qualified plans, etc.— A plan or arrangement~~  
17 ~~to which a contribution is made under this section shall not be~~  
18 ~~treated as violating any requirement under section 401, 403,~~  
19 ~~408A, or 457 solely by reason of accepting such contribution.~~

20 ~~“(4) Erroneous credits.—~~

21 ~~“(A) In general.— If any contribution is erroneously paid under~~  
22 ~~subsection (a)(2), including a payment that is not made to an~~  
23 ~~applicable retirement savings vehicle, the amount of such~~  
24 ~~erroneous payment shall be treated as an underpayment of tax~~  
25 ~~(other than for purposes of part II of subchapter A of chapter 68)~~  
26 ~~for the taxable year in which the Secretary determines the~~  
27 ~~payment is erroneous.~~

28 ~~“(B) Distribution of erroneous credits.— In the case of a~~

1 ~~contribution to which subparagraph (A) applies—~~

2 ~~“(i) section 72 shall not apply to the distribution of such~~  
3 ~~contribution (and any income attributable thereto) if such~~  
4 ~~distribution is received not later than the day prescribed by law~~  
5 ~~(including extensions of time) for filing the individual’s return~~  
6 ~~for such taxable year, and~~

7 ~~“(ii) any plan or arrangement from which such a distribution is~~  
8 ~~made under this subparagraph shall not be treated as violating~~  
9 ~~any requirement under section 401, 403, 408A, or 457 solely by~~  
10 ~~reason of making such distribution.~~

11 ~~“(g) Provision by Secretary of Information Relating to~~  
12 ~~Contributions.—In the case of an amount elected by an eligible~~  
13 ~~individual to be contributed to an account or plan under~~  
14 ~~subsection (e)(2), the Secretary shall provide guidance to the~~  
15 ~~custodian of the account or the plan sponsor, as the case may be,~~  
16 ~~detailing the treatment of such contribution under subsection~~  
17 ~~(f)(2) and the reporting requirements with respect to such~~  
18 ~~contribution under section 131201(c)(2) of the Act to provide~~  
19 ~~for reconciliation pursuant to title II of S. Con. Res. 14.~~

20 ~~“(h) Inflation Adjustments.—~~

21 ~~“(1) In general.—In the case of any taxable year beginning in a~~  
22 ~~calendar year after 2020, each of the dollar amounts in~~  
23 ~~subsections (a)(1) and (b)(3)(A)(i) shall be increased by an~~  
24 ~~amount equal to—~~

25 ~~“(A) such dollar amount, multiplied by~~

26  
27 ~~\* 102 “(B) the cost of living adjustment determined under~~  
28 ~~section 1(f)(3) for the calendar year in which the taxable year~~

1 ~~begins, determined by substituting ‘calendar year 2019’ for~~  
2 ~~‘calendar year 2016’ in subparagraph (A)(ii) thereof.~~

3 ~~“(2) Rounding.—Any increase determined under paragraph (1)~~  
4 ~~shall be rounded to the nearest multiple of—~~

5 ~~“(A) \$100 in the case of an adjustment of the amount in~~  
6 ~~subsection (a)(1), and~~

7 ~~“(B) \$1,000 in the case of an adjustment of the amount in~~  
8 ~~subsection (b)(3)(A)(i).”.~~

9 ~~(b) Treatment of Certain Possessions.—~~

10  
11 ~~\* 56 (1) Payments to possessions with mirror code tax~~  
12 ~~systems.—The Secretary of the Treasury shall pay to each~~  
13 ~~possession of the United States which has a mirror code tax~~  
14 ~~system amounts equal to the loss (if any) to that possession by~~  
15 ~~reason of the amendments made by this section. Such amounts~~  
16 ~~shall be determined by the Secretary of the Treasury based on~~  
17 ~~information provided by the government of the respective~~  
18 ~~possession.~~

19  
20 ~~\* 57 (2) Payments to other possessions.—The Secretary of the~~  
21 ~~Treasury shall pay to each possession of the United States which~~  
22 ~~does not have a mirror code tax system amounts estimated by~~  
23 ~~the Secretary of the Treasury as being equal to the aggregate~~  
24 ~~benefits (if any) that would have been provided to residents of~~  
25 ~~such possession by reason of the amendments made by this~~  
26 ~~section if a mirror code tax system had been in effect in such~~  
27 ~~possession. The preceding sentence shall not apply unless the~~  
28 ~~respective possession has a plan, which has been approved by~~

1 ~~the Secretary of the Treasury, under which such possession will~~  
2 ~~promptly distribute such payments to its residents.~~

3 ~~(3) Coordination with credit allowed against united states-~~  
4 ~~income taxes.— No credit shall be allowed against United States~~  
5 ~~income taxes under section 6433 of the Internal Revenue Code-~~  
6 ~~of 1986 (as added by this section) to any person—~~

7 ~~(A) to whom a credit is allowed against taxes imposed by the~~  
8 ~~possession by reason of the amendments made by this section,~~  
9 ~~or~~

10 ~~(B) who is eligible for a payment under a plan described in~~  
11 ~~paragraph (2).~~

12 ~~(4) Mirror code tax system.— For purposes of this subsection,~~  
13 ~~the term “mirror code tax system” means, with respect to any~~  
14 ~~possession of the United States, the income tax system of such~~  
15 ~~possession if the income tax liability of the residents of such~~  
16 ~~possession under such system is determined by reference to the~~  
17 ~~income tax laws of the United States as if such possession were~~  
18 ~~the United States.~~

19 ~~(5) Treatment of payments.— For purposes of section 1324 of~~  
20 ~~title 31, United States Code, the payments under this subsection~~  
21 ~~shall be treated in the same manner as a refund due from a credit~~  
22 ~~provision referred to in subsection (b)(2) of such section.~~

23 ~~(c) Administrative Provisions.—~~

24 ~~(1) Deficiencies.— Section 6211(b)(4) is amended by striking~~  
25 ~~“and 7527A” and inserting “7527A, and 6433”.~~

26 ~~(2) Reporting.— The Secretary of the Treasury shall—~~

27 ~~(A) amend Form 5500 to require separate reporting of the~~  
28 ~~aggregate amount of contributions received by the plan during~~

1 ~~the year under section 6433 of the Internal Revenue Code of~~  
2 ~~1986 (as added by this section), and~~

3 ~~(B) amend Form 5498 to require similar reporting with respect~~  
4 ~~to individual retirement accounts (as defined in section 408 of~~  
5 ~~such Code) and individual retirement annuities (as defined in~~  
6 ~~section 408(b) of such Code).~~

7 ~~(d) Payment Authority. Section 1324(b)(2) of title 31, United~~  
8 ~~States Code, is amended by striking “or 7527A” and inserting~~  
9 ~~“7527A, or 6433”.~~

10 ~~(e) Conforming Amendments.—~~

11 ~~(1) Section 25B is amended by striking subsections (a) through~~  
12 ~~(f) and inserting the following:~~

13 ~~“For payment of credit related to qualified retirement savings~~  
14 ~~contributions, see section 6433.”.~~

15 ~~(2) The table of sections for subchapter B of chapter 65 is~~  
16 ~~amended by adding at the end the following new item:~~

17 ~~“Sec. 6433. Matching payments for elective deferral and IRA~~  
18 ~~contributions by certain individuals.”.~~

19

20 ~~\* 110 (f) Effective Date. The amendments made by this~~  
21 ~~section shall apply to taxable years beginning after December~~  
22 ~~31, 2024.~~

23 ~~SEC. 131202. DEADLINE TO FUND IRA WITH TAX~~  
24 ~~REFUND.~~

25 ~~(a) In General. Section 219(f)(3) is amended—~~

26 ~~(1) by striking “is made not later than” and inserting “is made—~~  
27 ~~“(i) not later than”;~~

1 ~~(2) by striking the period at the end and inserting “, or”, and~~

2 ~~(3) by adding at the end the following new clause:~~

3 ~~“(ii) by direct deposit by the Secretary pursuant to an election on~~  
4 ~~the return for such taxable year to contribute all or a portion of~~  
5 ~~any amount owed to the taxpayer to an individual retirement~~  
6 ~~account of the taxpayer, but only if the return is filed not later~~  
7 ~~than the date described in clause (i).”.~~

8

9 ~~\* 109 (b) Effective Date. The amendments made by this~~  
10 ~~section shall apply to taxable years beginning after December~~  
11 ~~31, 2022.~~

12 ~~Subtitle C—Child Care Access and Equity~~

13 ~~SEC. 132001. CHILD CARE ACCESS.~~

14 ~~Part A of title IV of the Social Security Act (42 U.S.C. 601619)~~  
15 ~~is amended by inserting after section 418 the following:~~

16 ~~“SEC. 418A. CHILD CARE ACCESS.~~

17 ~~“(a) Establishing State Child Care Information Networks.—~~

18 ~~“(1) Development. The Secretary shall conduct a stakeholder~~  
19 ~~engagement process to make recommendations about the~~  
20 ~~development and implementation of the State Child Care~~  
21 ~~Information Networks to be operated by the States, Indian tribes,~~  
22 ~~and territories. The stakeholder engagement process may include~~  
23 ~~parents, center based child care providers, home based child~~  
24 ~~care providers, child care policy experts, trade associations,~~  
25 ~~labor unions, and other organizations representing child care~~  
26 ~~providers.~~

27 ~~“(2) Models. The Secretary may use funds made available to~~  
28 ~~the Secretary for administrative purposes to establish national~~

1 ~~technology models for State Child Care Information Networks,~~  
2 ~~and guidance on development and establishment of~~  
3 ~~interoperable data governance systems that address privacy and~~  
4 ~~allow for sharing and storing data across information systems,~~  
5 ~~including guidance on alignment with State child care consumer~~  
6 ~~education websites.~~

7 ~~“(3) Data exchange standards and interoperability.—~~

8 ~~“(A) Designation and use of data exchange standards.—~~

9 ~~“(i) Designation.— The Secretary shall, in consultation with an~~  
10 ~~interagency work group established by the Office of~~  
11 ~~Management and Budget and considering State government~~  
12 ~~perspectives, designate data exchange standards for necessary~~  
13 ~~categories of information that the Child Care Information~~  
14 ~~Network is required to electronically exchange with another~~  
15 ~~agency under applicable Federal law.~~

16 ~~“(ii) Data exchange standards must be nonproprietary and~~  
17 ~~interoperable.— The data exchange standards designated under~~  
18 ~~clause (i) shall, to the extent practicable, be nonproprietary and~~  
19 ~~interoperable.~~

20 ~~“(iii) Other requirements.— In designating data exchange~~  
21 ~~standards under this subparagraph, the Secretary shall, to the~~  
22 ~~extent practicable, incorporate—~~

23 ~~“(I) interoperable standards developed and maintained by an~~  
24 ~~international voluntary consensus standards body, as defined by~~  
25 ~~the Office of Management and Budget;~~

26 ~~“(II) interoperable standards developed and maintained by~~  
27 ~~intergovernmental partnerships, such as the National~~  
28 ~~Information Exchange Model; and~~



1 ~~“(III) interoperable standards developed and maintained by~~  
2 ~~Federal entities with authority over contracting and financial~~  
3 ~~assistance.~~

4 ~~“(B) Data exchange standards for federal reporting.—~~

5 ~~“(i) Designation.— The Secretary shall, in consultation with an~~  
6 ~~interagency work group established by the Office of~~  
7 ~~Management and Budget, and considering State government~~  
8 ~~perspectives, designate data exchange standards to govern~~  
9 ~~Federal reporting and exchange requirements under applicable~~  
10 ~~Federal law.~~

11 ~~“(ii) Requirements.— The data exchange reporting standards~~  
12 ~~required by clause (i) shall, to the extent practicable—~~

13 ~~“(I) incorporate a widely accepted, nonproprietary, searchable,~~  
14 ~~computer readable format;~~

15 ~~“(II) be consistent with and implement applicable accounting~~  
16 ~~principles;~~

17 ~~“(III) be implemented in a manner that is cost effective and~~  
18 ~~improves program efficiency and effectiveness; and~~

19 ~~“(IV) be capable of being continually upgraded as necessary.~~

20 ~~“(iii) Incorporation of nonproprietary standards.— In designating~~  
21 ~~data exchange standards under this subparagraph, the Secretary~~  
22 ~~shall, to the extent practicable, incorporate existing~~  
23 ~~nonproprietary standards.~~

24 ~~“(iv) Rule of interpretation.— Nothing in this subparagraph shall~~  
25 ~~be construed to require a change to existing data exchange~~  
26 ~~standards for Federal reporting under this section if the~~  
27 ~~Secretary finds the standards to be effective and efficient.~~

28 ~~“(4) State requirements.— A State meets the requirements of this~~

1 ~~paragraph with respect to a quarter if—~~

2 ~~“(A) during the quarter, the State has maintained an up-to-date,~~  
3 ~~publicly available compilation of child care providers who are~~  
4 ~~registered, licensed, or regulated by the State (in this section~~  
5 ~~referred to as the ‘State Child Care Information Network’), that~~  
6 ~~includes, with respect to each such provider—~~

7 ~~“(i) where the provider is located, and a description of any fees~~  
8 ~~imposed by the provider and the services offered by the~~  
9 ~~provider;~~

10 ~~“(ii) whether the provider is providing child care services that~~  
11 ~~may be funded under section 418;~~

12 ~~“(iii) the hours of operation of the provider;~~

13 ~~“(iv) whether the provider offers child care to the general public,~~  
14 ~~and if so, where an application for child care services from the~~  
15 ~~provider may be obtained, or a direct link to such an application;~~

16 ~~“(v) the total number of children, by age group, for whom the~~  
17 ~~provider is providing child care services, and how many~~  
18 ~~openings are available with the provider by age group;~~

19 ~~“(vi) whether the provider has a waiting list for child care~~  
20 ~~services, and if so, the average length of time parents are on the~~  
21 ~~waiting list before being offered child care services and how to~~  
22 ~~join the list;~~

23 ~~“(vii) the type of child care (such as family child care or~~  
24 ~~center-based care) provided, differentiating between licensed~~  
25 ~~and license-exempt child care providers; and~~

26 ~~“(viii) information about the languages spoken by staff of the~~  
27 ~~child care provider, and such other information as the Secretary~~  
28 ~~may require to help parents determine whether the provider can~~

1 ~~meet their child care needs and the parents can enroll a child in-~~  
2 ~~care, such as quality indicators or accreditation status;~~  
3 ~~“(B) the State Child Care Information Network—~~  
4 ~~“(i) by grant or contract, has been maintained or jointly-~~  
5 ~~maintained by—~~  
6 ~~“(I) a child care resource and referral agency that has operated in~~  
7 ~~the last fiscal year;~~  
8 ~~“(II) a local child care resource and referral agency that has-~~  
9 ~~operated in the most recently completed fiscal year and has-~~  
10 ~~applied to become a State Child Information Network; or~~  
11 ~~“(III) the lead agency, the State licensing entity, or other-~~  
12 ~~appropriate entities;~~  
13 ~~“(ii) may have been maintained in coordination with, or jointly-~~  
14 ~~with, other federally funded systems, so long as there is no-~~  
15 ~~supplantation of funding; and~~  
16 ~~“(iii) has been made—~~  
17 ~~“(I) publicly available, including through the Internet and by-~~  
18 ~~telephone, to families seeking information about obtaining child-~~  
19 ~~care services; and~~  
20 ~~“(II) accessible to State, county, and other government staff~~  
21 ~~involved in the provision of child care;~~  
22 ~~“(C) the State requires each provider listed in the State Child-~~  
23 ~~Care Information Network (or, at the option of the provider,~~  
24 ~~another entity designated by the provider) to update the-~~  
25 ~~information described in clauses (v) and (vi) of subparagraph-~~  
26 ~~(A) on a weekly basis, and to update all other information-~~  
27 ~~described in subparagraph (A) not less frequently than quarterly,~~  
28 ~~and ensures that publicly available information in the State-~~

1 ~~Child Care Information Network indicates when the slot~~  
2 ~~availability information about the provider was most recently~~  
3 ~~updated; and~~

4 ~~“(D) the State has submitted to the Secretary a plan that includes~~  
5 ~~an estimate of the total capacity of licensed, regulated, and~~  
6 ~~registered provider slots, and a description of the eligible~~  
7 ~~expenditures the State will make in the quarter, which may be~~  
8 ~~submitted with other plans required by the Secretary.~~

9 ~~“(b) Funding State Child Care Information Networks.—~~

10 ~~“(1) Start-up funds.—~~

11 ~~“(A) Grants.— For each fiscal year specified in subparagraph~~  
12 ~~(C), the Secretary shall make grants to lead agencies to conduct~~  
13 ~~activities related to the planning and implementation of State~~  
14 ~~Child Care Information Networks, which may include scaling~~  
15 ~~systems such as non-profit community-based referral registries,~~  
16 ~~staffed Family Child Care Networks, and child care resource and~~  
17 ~~referral systems.~~

18 ~~“(B) Distribution.— The Secretary shall distribute the grant~~  
19 ~~funds to the States that are not territories in accordance with the~~  
20 ~~formula referred to in section 418(a)(2)(B), and to the territories~~  
21 ~~according to relative need.~~

22 ~~“(C) Appropriation.— Out of any money in the Treasury not~~  
23 ~~otherwise appropriated, there are appropriated to the Secretary~~  
24 ~~\$200,000,000 for each of fiscal years 2022 and 2023 for grants~~  
25 ~~under this paragraph.~~

26 ~~“(2) Matching grants.—~~

27 ~~“(A) In general.— The Secretary shall pay to each State that~~  
28 ~~meets the requirements of subsection (a)(4) with respect to a~~

1 ~~calendar quarter in any of fiscal years 2022 through 2026 an~~  
2 ~~amount equal to 75 percent of the eligible expenditures of the~~  
3 ~~State in the quarter, subject to subsection (d)(3).~~

4 ~~“(B) Eligible expenditures.— In this section, the term ‘eligible~~  
5 ~~expenditures’ means all of the following, but only to the extent~~  
6 ~~supplementing, and not supplanting, funds made available under~~  
7 ~~other law:~~

8 ~~“(i) State child care information network.— Expenditures to~~  
9 ~~carry out subsection (a)(4).~~

10 ~~“(ii) Ease of application for subsidized child care~~  
11 ~~certificate.— Expenditures to establish an option, as indicated by~~  
12 ~~the State in a plan describing planned eligible expenditures~~  
13 ~~(which may be submitted with other plans required by the~~  
14 ~~Secretary)—~~

15 ~~“(I) for a family to file an application for a subsidized child care~~  
16 ~~certificate with a child care provider, for the provider to submit~~  
17 ~~the application to the State for processing, or for the lead~~  
18 ~~agency, a local child care resource and referral agency, or other~~  
19 ~~entity under grant or contract to respond to the family;~~

20 ~~“(II) to establish a statewide common application for child care,~~  
21 ~~which—~~

22 ~~“(aa) allows an application with respect to a child to be~~  
23 ~~submitted simultaneously to multiple child care providers;~~

24 ~~“(bb) allows the application to be for a particular site and~~  
25 ~~schedule;~~

26 ~~“(cc) is considered an application directly to each such provider~~  
27 ~~involved for purposes of any decision of the provider regarding~~  
28 ~~a wait list or an open slot based on the application date;~~

1 ~~“(dd) safeguards confidential information; and~~

2 ~~“(ee) allows for such a provider to seek and collect information~~  
3 ~~not on the common application so that the provider may~~  
4 ~~determine the priority to be given to the applicant on any~~  
5 ~~waiting list or for other specialized admission criteria such as~~  
6 ~~disability services; or~~

7 ~~“(III) to enable child care providers to respond to families~~  
8 ~~through other application methods.~~

9 ~~“(iii) Expenditures for technology needed to participate in the~~  
10 ~~state child care information network.— Expenditures for child~~  
11 ~~care providers, lead agencies, and contractors to support~~  
12 ~~system building and system implementation activities associated~~  
13 ~~with the State Child Care Information Network, including data~~  
14 ~~interoperability and the installation and maintenance of~~  
15 ~~equipment and software needed to develop, implement,~~  
16 ~~maintain, and provide electronic access to the State Child Care~~  
17 ~~Information Network.~~

18 ~~“(iv) Participation incentives.— Expenditures to provide~~  
19 ~~financial incentives and support to child care providers for~~  
20 ~~whom participating in the State Child Care Information Network~~  
21 ~~would be costly or time consuming. In providing the incentives,~~  
22 ~~a lead agency—~~

23 ~~“(I) shall take into account the differential burden on varying~~  
24 ~~types of providers to ensure that the incentives are sufficient to~~  
25 ~~encourage all types of providers, including family based~~  
26 ~~providers, to participate in the State Child Care Information~~  
27 ~~Network;~~

28 ~~“(II) may coordinate with staffed Family Child Care Networks,~~  
29 ~~child care resource and referral organizations, labor unions,~~

1 ~~labor management partnerships, or other community-based~~  
2 ~~organizations, to ensure that home-based providers are able to~~  
3 ~~participate in the State Child Care Information Network; and~~

4 ~~“(H) may reimburse coordinating partners and other entities for~~  
5 ~~expenses associated with helping providers participate in the~~  
6 ~~Child Care Information Network and provide information~~  
7 ~~required under subsection (a)(4)(A).~~

8 ~~“(C) Appropriation.— Out of any money in the Treasury not~~  
9 ~~otherwise appropriated, there are appropriated to the Secretary~~  
10 ~~for each of fiscal years 2022 through 2026 such sums as are~~  
11 ~~necessary for grants under this paragraph.~~

12 ~~“(c) HHS Participating Child Care Provider Certification.—~~

13 ~~“(1) In general.— The Secretary shall—~~

14 ~~“(A) maintain current information on child care providers who~~  
15 ~~are qualified to receive the HHS Participating Child Care~~  
16 ~~Provider Certification for a calendar quarter, and historical~~  
17 ~~information on child care providers who were so qualified for a~~  
18 ~~prior calendar quarter, including a quarter in a prior year, (in this~~  
19 ~~section referred to as the ‘HHS Participating Child Care~~  
20 ~~Provider Certification’) based on the information submitted by~~  
21 ~~lead agencies;~~

22 ~~“(B) update the list of providers who are so qualified, 1 month~~  
23 ~~before the end of each quarter, and electronically share with the~~  
24 ~~Internal Revenue Service current and historical information on~~  
25 ~~the providers who are so qualified; and~~

26 ~~“(C) at the end of each calendar year and on request of any~~  
27 ~~provider listed in the HHS Participating Child Care Provider~~  
28 ~~Certification who has qualified for the certification for an entire~~  
29 ~~calendar quarter, provide the provider and the lead agency of the~~

1 ~~jurisdiction in which the provider is located written-~~  
2 ~~documentation of the quarters with respect to which the provider~~  
3 ~~was so qualified.~~

4 ~~“(2) Qualifications.—A child care provider is qualified to~~  
5 ~~receive the HHS Participating Child Care Provider Certification-~~  
6 ~~for a calendar quarter if the provider—~~

7 ~~“(A)(i) is licensed with a State as a provider of child care~~  
8 ~~services, or is in a license exempt category of providers that~~  
9 ~~meets all health and safety standards and has zero unresolved~~  
10 ~~violations;~~

11 ~~“(ii) is providing child care services that may be funded under~~  
12 ~~section 418;~~

13 ~~“(iii) has submitted to the State Child Care Information-~~  
14 ~~Network, on a weekly basis, the information on all available~~  
15 ~~child care slots with the provider required under subsection-~~  
16 ~~(a)(4)(A)(v), and the waiting list information required under~~  
17 ~~subsection (a)(4)(A)(vi);~~

18 ~~“(iv) makes child care slots available to the general public, when~~  
19 ~~available, subject to any clearly explained priority system; and~~

20 ~~“(v) is in compliance with other requirements set by the State~~  
21 ~~regarding applications for or inquiries about available child care~~  
22 ~~slots; or~~

23 ~~“(B) was so qualified for the entire 3 month period preceding~~  
24 ~~the most recent update made under paragraph (1)(B).~~

25 ~~“(d) Administrative Provisions.—~~

26 ~~“(1) Accuracy checks.—The Secretary shall periodically~~  
27 ~~conduct accuracy checks of randomly sampled child care~~  
28 ~~providers participating in any State Child Care Information-~~



1 ~~Network to determine whether the providers are updating their~~  
2 ~~slot availability on a weekly basis, and if not, estimate the~~  
3 ~~statewide rate at which the providers are doing so.~~

4 ~~“(2) Privacy; security.— The Secretary shall issue guidance~~  
5 ~~regarding data interoperability (in accordance with the data~~  
6 ~~exchange standards for interoperability) and the privacy and~~  
7 ~~security of personally identifiable information in any State Child~~  
8 ~~Care Information Network.~~

9 ~~“(3) Penalty for excessive errors in state child care information~~  
10 ~~network.— The percentage specified in subsection (b)(2)(A)~~  
11 ~~with respect to a State shall be 70 percent if—~~

12 ~~“(A) a check conducted under paragraph (1) of this subsection~~  
13 ~~reveals that the number of child care providers erroneously~~  
14 ~~included or erroneously not included in the State Child Care~~  
15 ~~Information Network is at least 10 percent of the number of~~  
16 ~~providers included in the network; and~~

17 ~~“(B) the State has not submitted to the Secretary a report~~  
18 ~~demonstrating that action has been taken to reduce that error rate~~  
19 ~~to less than 10 percent.~~

20 ~~“(4) Eligible expenditures.— The Secretary shall issue guidance~~  
21 ~~to States which specifies the expenditures that will be~~  
22 ~~considered eligible expenditures for purposes of this section.~~

23 ~~“(5) Publication of amount of eligible expenditures of each~~  
24 ~~state.— Before issuing grant awards for fiscal year 2023 or a~~  
25 ~~succeeding fiscal year, the Secretary, in consultation with the~~  
26 ~~States, shall annually publish the amount of eligible~~  
27 ~~expenditures of each State in the preceding fiscal year.~~

28 ~~“(e) Appropriation.— Out of any funds in the Treasury not~~  
29 ~~otherwise appropriated, there is appropriated \$50,000,000 for~~

1 ~~each of fiscal years 2022 through 2026 for administrative-~~  
2 ~~expenses in carrying out subsections (c) and (d).”.~~

3 ~~SEC. 132002. INFRASTRUCTURE GRANTS TO IMPROVE-~~  
4 ~~CHILD CARE SAFETY.~~

5 ~~Part A of title IV of the Social Security Act (42 U.S.C. 601619)-~~  
6 ~~is further amended by inserting after section 418A the-~~  
7 ~~following:~~

8 ~~“SEC. 418B. INFRASTRUCTURE GRANTS TO IMPROVE-~~  
9 ~~CHILD CARE SAFETY.~~

10 ~~“(a) Child Care Facilities Grants.—~~

11 ~~“(1) Grants to states.—~~

12 ~~“(A) In general.—The Secretary shall award grants to States for-~~  
13 ~~the purpose of helping child care providers acquire, construct,~~  
14 ~~renovate, or improve child care facilities, including adapting,~~  
15 ~~reconfiguring, or expanding facilities.~~

16 ~~“(B) Duration of grants.—The Secretary shall award grants-~~  
17 ~~under this paragraph within 12 months after the date of the-~~  
18 ~~enactment of this section, for a period of not more than 5 years.~~

19 ~~“(C) Plan approval required before using grant.—A State to-~~  
20 ~~which a grant is made under this paragraph shall not obligate or-~~  
21 ~~expend the grant funds unless the State has submitted to the-~~  
22 ~~Secretary, and the Secretary has approved, a plan that—~~

23 ~~“(i) includes an analysis or assessment, in such form and manner~~  
24 ~~as the Secretary may require, of the need of the State for child-~~  
25 ~~care infrastructure;~~

26 ~~“(ii) is submitted at such time, in such manner, and containing-~~  
27 ~~such other information as the Secretary may require, which-~~  
28 ~~information shall—~~

- 1 ~~“(I) be disaggregated as the Secretary may require; and~~  
2 ~~“(II) include a plan to use a portion of the grant funds to report~~  
3 ~~to the Secretary on the effects of using the grant funds to~~  
4 ~~improve child care facilities, including center based and~~  
5 ~~home based child care facilities; and~~  
6 ~~“(iii) complies with paragraph (3), if applicable.~~  
7 ~~“(D) Requirement. In allocating grants awards under this~~  
8 ~~paragraph, the Secretary shall require approved plans to include~~  
9 ~~elements that—~~  
10 ~~“(i) provide for improving center based and home based child~~  
11 ~~care programs to meet or surpass State health and safety~~  
12 ~~standards, or include a project designed so that a facility is~~  
13 ~~expected to meet or surpass State health and safety standards on~~  
14 ~~completion of the project;~~  
15 ~~“(ii) aim to meet specific needs across urban, suburban, or rural~~  
16 ~~areas as determined by the State;~~  
17 ~~“(iii) show evidence of collaboration with—~~  
18 ~~“(I) local government officials;~~  
19 ~~“(II) other State agencies;~~  
20 ~~“(III) nongovernmental organizations, such as—~~  
21 ~~“(aa) certified community development financial institutions as~~  
22 ~~defined in section 103 of the Community Development Banking~~  
23 ~~and Financial Institutions Act of 1994 (12 U.S.C. 4702) that~~  
24 ~~have been certified by the Community Development Financial~~  
25 ~~Institutions Fund (12 U.S.C. 4703); and~~  
26 ~~“(bb) organizations that have demonstrated experience in—~~  
27 ~~“(AA) providing technical or financial assistance for the~~

1 ~~acquisition, construction, renovation, or improvement of child-~~  
2 ~~care facilities;~~

3 ~~“(BB) providing technical, financial, or managerial assistance to-~~  
4 ~~child care providers; and~~

5 ~~“(CC) securing private sources of capital financing for child care~~  
6 ~~facilities or other community development projects eligible for~~  
7 ~~assistance from a child care assistance program; and~~

8 ~~“(IV) local community organizations, such as—~~

9 ~~“(aa) child care providers;~~

10 ~~“(bb) community care agencies;~~

11 ~~“(cc) resource and referral agencies; and~~

12 ~~“(dd) labor unions and other employers of infrastructure trades-~~  
13 ~~that pay the prevailing wage; and~~

14 ~~“(iv) provide for improving the facilities of child care providers-~~  
15 ~~who qualify for the HHS Participating Child Care Provider~~  
16 ~~Certification for at least 1 fiscal quarter before the date of~~  
17 ~~application for the grant.~~

18 ~~“(E) Matching requirement.—~~

19 ~~“(i) In general.—As a condition of the receipt of a grant under~~  
20 ~~this paragraph, a State shall agree to make available, directly or~~  
21 ~~through donations from public or private entities, contributions-~~  
22 ~~with respect to the costs to be covered by the grant, which may~~  
23 ~~be provided in cash or in kind, in an amount equal to 10 percent~~  
24 ~~of the funds provided through the grant.~~

25 ~~“(ii) Determination of amount contributed.—Such a matching-~~  
26 ~~contribution may include philanthropic or private sector funds.~~

27 ~~“(F) Amount limit.—The annual amount of a grant under this-~~

1 ~~paragraph may not exceed \$250,000,000.~~

2 ~~“(G) Prohibition.— The Secretary may not, as a condition of~~  
3 ~~making a grant under this paragraph or section 418D, retain an~~  
4 ~~interest in any property, including any project involving a~~  
5 ~~privately owned family child care home or tribal land.~~

6 ~~“(H) Report.— Not later than 6 months after the last day of the~~  
7 ~~grant period, a State to which a grant is made under this~~  
8 ~~paragraph shall submit to the Secretary the report referred to in~~  
9 ~~subparagraph (C)(ii)(II)—~~

10 ~~“(i) to determine the effects of the grant in constructing,~~  
11 ~~renovating, or improving child care facilities, including any~~  
12 ~~changes in response to public health guidelines or efforts~~  
13 ~~associated with natural disaster emergency preparedness and~~  
14 ~~response and any effects on access to child care; and~~

15 ~~“(ii) to provide such other information as the Secretary may~~  
16 ~~require.~~

17 ~~“(I) Return of grant if plan not approved within 2 years.— A~~  
18 ~~State to which a grant is made under this paragraph shall remit~~  
19 ~~the grant to the Secretary if the Secretary has not provided the~~  
20 ~~approval required by subparagraph (C) within 2 years after the~~  
21 ~~date the grant is made.~~

22 ~~“(2) Grants to intermediary organizations.—~~

23 ~~“(A) In general.— The Secretary may award grants to~~  
24 ~~intermediary organizations, such as certified community~~  
25 ~~development financial institutions or other organizations with~~  
26 ~~demonstrated experience in child care facilities financing, for~~  
27 ~~the purpose of providing technical assistance, capacity building,~~  
28 ~~and financial products to develop or finance child care facilities.~~

1 ~~“(B) Application.—A grant under this paragraph may be made~~  
2 ~~only to an intermediary organization that submits to the~~  
3 ~~Secretary an application at such time, in such manner, and~~  
4 ~~containing such information as the Secretary may require, that~~  
5 ~~complies with paragraph (3) if applicable.~~

6 ~~“(C) Consultation.—In selecting intermediary organizations for~~  
7 ~~grants under this paragraph, the Secretary shall conduct~~  
8 ~~consultations with organizations that—~~

9 ~~“(i) demonstrate experience in child care facility financing or~~  
10 ~~related community facility financing;~~

11 ~~“(ii) demonstrate the capacity to assist States and local~~  
12 ~~governments in developing child care facilities and programs;~~

13 ~~“(iii) demonstrate the ability to leverage grant funding to support~~  
14 ~~financing tools to build the capacity of child care providers, such~~  
15 ~~as through credit enhancements;~~

16 ~~“(iv) propose to focus on child care facilities that operate under~~  
17 ~~nontraditional hours;~~

18 ~~“(v) propose to meet a diversity of needs across urban, suburban,~~  
19 ~~and rural areas at varying types of center based, home based,~~  
20 ~~and other child care settings, including early care programs~~  
21 ~~located in buildings in which the care center is the sole occupant~~  
22 ~~or in mixed use properties; and~~

23 ~~“(vi) propose to focus on child care facilities primarily serving~~  
24 ~~low income populations and children who have not attained 13~~  
25 ~~years of age.~~

26 ~~“(D) Amount limit.—The amount of a grant under this~~  
27 ~~paragraph may not exceed \$15,000,000.~~

28 ~~“(E) Annual report required.—As a condition of receiving funds~~

1 ~~under this paragraph, the recipient shall submit annual reports to~~  
2 ~~the lead agency of the jurisdiction in which the recipient is~~  
3 ~~located documenting how the recipient has expended the funds~~  
4 ~~and updating the planned future expenditures described in the~~  
5 ~~application submitted by the recipient for the funds.~~

6 ~~“(3) Labor standards.— In the case of an application for a grant~~  
7 ~~under this subsection for a project to construct, renovate, or~~  
8 ~~improve a child care facility, including a project to adapt,~~  
9 ~~reconfigure, or expand such a facility, the application shall~~  
10 ~~include a written assurance that all laborers and mechanics~~  
11 ~~employed by contractors or subcontractors in the performance of~~  
12 ~~construction, alteration, or repair, as part of the project, shall be~~  
13 ~~paid wages at rates not less than those prevailing on similar~~  
14 ~~work in the locality as determined by the Secretary of Labor in~~  
15 ~~accordance with subchapter IV of chapter of part A of subtitle II~~  
16 ~~of title 40, United States Code (commonly referred to as the~~  
17 ~~‘Davis Bacon Act’), and with respect to the labor standards~~  
18 ~~specified in such subchapter, the Secretary of Labor shall have~~  
19 ~~the authority and functions set forth in Reorganization Plan~~  
20 ~~Numbered 14 of 1950 (15 Fed. Reg. 3176; 5 U.S.C. App.).~~

21 ~~“(4) Use of funds.—~~

22 ~~“(A) Infrastructure improvement.—~~

23 ~~“(i) In general.— A recipient of funds under this subsection may~~  
24 ~~use the funds only to acquire, construct, renovate, or otherwise~~  
25 ~~physically improve the infrastructure of a building primarily~~  
26 ~~used for the provision of child care services by a child care~~  
27 ~~provider, subject to clause (ii).~~

28 ~~“(ii) Prohibition.— A recipient of funds under this subsection~~  
29 ~~may not use the funds for modernization, renovation, or repair of~~

1 facilities—

2 ~~“(I) that are primarily used for sectarian instruction or religious~~  
3 ~~worship; or~~

4 ~~“(II) in which a substantial portion of the functions of the~~  
5 ~~facilities are subsumed in a religious mission.~~

6 ~~“(B) Rules applicable to lead agencies.— A lead agency that is a~~  
7 ~~recipient of funds under this subsection may use not more than 5~~  
8 ~~percent of the funds for administrative purposes which may be~~  
9 ~~in addition to evaluation and reporting activities, and shall use~~  
10 ~~the balance of the funds to enter into grants or contracts, on a~~  
11 ~~competitive basis, with entities to carry out projects to acquire,~~  
12 ~~construct, renovate, or complete other physical improvements to~~  
13 ~~buildings in which child care services are provided or will be~~  
14 ~~provided on completion of the project.~~

15 ~~“(b) Appropriation.— Out of any funds in the Treasury not~~  
16 ~~otherwise appropriated, there is appropriated \$15,000,000,000~~  
17 ~~for fiscal year 2022 to carry out this section, which shall remain~~  
18 ~~available through fiscal year 2026.~~

19 ~~“(c) Reservations of Funds.—~~

20 ~~“(1) Territories.— The Secretary shall reserve \$100,000,000 of~~  
21 ~~the amount made available to carry out this section, for grants to~~  
22 ~~territories.~~

23 ~~“(2) Administration.— The Secretary may reserve not more than~~  
24 ~~\$200,000,000 of the amount made available to carry out this~~  
25 ~~section, for administrative costs.~~

26 ~~“(3) Assessments and development plans.— The Secretary shall~~  
27 ~~reserve for each lead agency not more than \$100,000 to conduct~~  
28 ~~assessments and develop plans for obligating and expending~~



1 ~~funds provided under this section, which may be expended by a~~  
2 ~~lead agency immediately on receipt.~~

3 ~~“(4) Data exchange standards for interoperability.—The~~  
4 ~~Secretary may reserve not more than \$200,000 of the amount~~  
5 ~~made available to carry out this section to implement data~~  
6 ~~exchange standards for interoperability.~~

7 ~~“(d) Limitation on Availability of Funds for Grants for~~  
8 ~~Intermediary Organizations.—Not more than \$2,250,000,000 of~~  
9 ~~the total amount made available to carry out this section may be~~  
10 ~~used to carry out subsection (a)(2).”.~~

11 ~~SEC. 132003. TECHNICAL ASSISTANCE.~~

12 ~~Part A of title IV of the Social Security Act (42 U.S.C. 601619)~~  
13 ~~is further amended by inserting after section 418B the following:~~

14 ~~“SEC. 418C. TECHNICAL ASSISTANCE.~~

15 ~~“(a) In General.—~~

16 ~~“(1) Child care information network.—The Secretary shall~~  
17 ~~provide technical assistance to lead agencies to support the~~  
18 ~~development and implementation of, and ongoing full~~  
19 ~~participation in, State Child Care Information Networks~~  
20 ~~provided for in section 418A(a)(4).~~

21 ~~“(2) Child care infrastructure.—The Secretary shall provide~~  
22 ~~technical assistance—~~

23 ~~“(A) to child care small business owners, entrepreneurs,~~  
24 ~~nonprofit organizations, and child care infrastructure grant~~  
25 ~~recipients, for the purpose of starting new licensed child care~~  
26 ~~businesses, or re-opening a closed child care facility, in areas in~~  
27 ~~which there is a child care shortage or that are at risk of having~~  
28 ~~such a shortage;~~

1 ~~“(B) to State and local governments to incentivize public-private~~  
2 ~~partnerships to identify excess buildings and land and conduct~~  
3 ~~feasibility studies, for new or expanded child care options that~~  
4 ~~could be available to child care entrepreneurs and infrastructure~~  
5 ~~grantees, or used for publicly run child care facilities; and~~

6 ~~“(C) to support child care business technical assistance, which~~  
7 ~~may include strategies to support management training and~~  
8 ~~shared services initiatives including provider networks such as~~  
9 ~~child care center alliances and family child care home provider~~  
10 ~~networks, as well as fundamental business support needs such as~~  
11 ~~budgeting and fiscal management skills, business planning,~~  
12 ~~understanding the cost of quality, and core best business~~  
13 ~~practices such as recordkeeping and payment reconciliation.~~

14 ~~“(3) Supplementing national technical assistance efforts.—The~~  
15 ~~Secretary may provide technical assistance to States (and submit~~  
16 ~~to the Congress reports on technical assistance activities) to~~  
17 ~~increase child care availability and affordability, including by—~~

18 ~~“(A) providing technical assistance on best practices for~~  
19 ~~conducting market rate surveys and establishing State~~  
20 ~~reimbursement rates and price per child rates for child care for~~  
21 ~~children who have not attained 13 years of age;~~

22 ~~“(B) increasing child care availability in tribal communities for~~  
23 ~~families with children who have not attained 13 years of age;~~

24 ~~“(C) improving the effectiveness and affordability of child care~~  
25 ~~assistance programs in meeting the needs of low-income~~  
26 ~~parents; or~~

27 ~~“(D) collecting, managing, analyzing, and reporting child care~~  
28 ~~administrative data, and use the data to support documentation~~  
29 ~~of changes in child care availability and affordability.~~

1 ~~“(b) Administrative Provision.—The Secretary may carry out~~  
2 ~~this section through means including the use of grants or~~  
3 ~~cooperative agreements.~~

4 ~~“(c) Appropriation.—Out of any funds in the Treasury not~~  
5 ~~otherwise appropriated, there is appropriated \$17,500,000 for~~  
6 ~~each of fiscal years 2022 through 2026 to carry out this~~  
7 ~~section.”.~~

8 ~~SEC. 132004. TRIBAL CHILD CARE ACCESS AND~~  
9 ~~GROWTH.~~

10 ~~Part A of title IV of the Social Security Act (42 U.S.C. 601619)~~  
11 ~~is further amended by inserting after section 418C the following:~~

12 ~~“SEC. 418D. TRIBAL CHILD CARE ACCESS AND~~  
13 ~~GROWTH.~~

14 ~~“(a) HHS Consultations With Indian Tribes.—Of the amount~~  
15 ~~appropriated under subsection (e) for each fiscal year, the~~  
16 ~~Secretary shall use not more than \$1,000,000 to—~~

17 ~~“(1) conduct such consultations with Indian tribes and tribal~~  
18 ~~organizations as are necessary to determine how to better~~  
19 ~~conduct consumer outreach and education and provide timely~~  
20 ~~availability for child care slots, improve child care~~  
21 ~~infrastructure, and otherwise inform best practices and~~  
22 ~~guidelines for carrying out the activities described in subsection~~  
23 ~~(b); and~~

24 ~~“(2) provide technical assistance to the lead agencies of Indian~~  
25 ~~tribes and tribal organizations with respect to carrying out the~~  
26 ~~activities.~~

27 ~~“(b) Activities Described.—The activities described in this~~  
28 ~~subsection are the following:~~

1 ~~“(1) Planning, start up, implementation, and maintenance costs~~  
2 ~~associated with establishing and funding a Child Care~~  
3 ~~Information Network designed to help parents determine which~~  
4 ~~child care providers can meet their child care needs and to give~~  
5 ~~parents ease of access in enrolling their children in child care.~~

6 ~~“(2) Coordinating with the Secretary regarding the HHS~~  
7 ~~Participating Child Care Provider Certification provided for in~~  
8 ~~section 418A(c).~~

9 ~~“(3) Conducting infrastructure projects to improve the safety of~~  
10 ~~child care facilities.~~

11 ~~“(c) Grants.—~~

12 ~~“(1) In general.—Of the amount appropriated under subsection~~  
13 ~~(e) for each fiscal year, the Secretary shall use not less than~~  
14 ~~\$199,000,000 to make grants to the lead agencies of Indian~~  
15 ~~tribes and tribal organizations for activities described in~~  
16 ~~subsection (b), which are to be carried out in accordance with~~  
17 ~~such rules as the Secretary may prescribe, taking into account~~  
18 ~~the results of the consultations conducted under subsection~~  
19 ~~(a)(1).~~

20 ~~“(2) Allocation.—The Secretary may make grants under this~~  
21 ~~subsection according to relative need.~~

22 ~~“(d) Nonsupplantation.—An entity to which an amount is~~  
23 ~~provided under this section shall use the amount to supplement,~~  
24 ~~but not supplant, other funds provided for any purpose or~~  
25 ~~activity for which the amount is used.~~

26 ~~“(e) Appropriation.—Out of any funds in the Treasury not~~  
27 ~~otherwise appropriated, there is appropriated to the Secretary~~  
28 ~~\$200,000,000 for each of fiscal years 2022 through 2026 to~~  
29 ~~carry out this section.”.~~

~~SEC. 132005. RAISING THE FLOOR FOR CHILD CARE  
PROVIDER WAGES.~~

~~(a) Planning for Child Care Wage Grants for Small  
Businesses.—~~

~~(1) In general.— For the purpose of maintaining an effective and  
diverse child care workforce, effective upon enactment, through  
the end of fiscal year 2022, the Secretary of Health and Human  
Services shall, regarding the development and implementation  
of the Child Care Wage Grant program provided for in section  
418E of the Social Security Act (as added by subsection (b) of  
this section)—~~

~~(A) issue guidance or technical assistance to lead agencies (as  
defined in such section) with respect to—~~

~~(i) consultation with field engagement organizations (as defined  
in such section);~~

~~(ii) wage supplement calculations, with the option of providing a  
bonus that may not be more than the equivalent of an annual  
wage;~~

~~(iii) application requirements;~~

~~(iv) reporting requirements;~~

~~(v) anti-discrimination protection measures; and~~

~~(vi) other related activities;~~

~~(B) engage in hiring, training, developing work plans,  
developing outreach materials, and other administrative  
overhead activities; and~~

~~(C) consult with relevant entities such as tribal leaders,  
governors, county and local government, and community  
stakeholders.~~

1 ~~(2) Funding.— Out of any money in the Treasury not otherwise~~  
2 ~~appropriated, there is appropriated to the Secretary of Health and~~  
3 ~~Human Services \$10,000,000, to remain available through~~  
4 ~~September 30, 2022, to carry out this paragraph.~~

5 ~~(b) Implementation.— Part A of title IV of the Social Security~~  
6 ~~Act (42 U.S.C. 601619) is further amended by inserting after~~  
7 ~~section 418D the following:~~

8 ~~“SEC. 418E. CHILD CARE WAGE GRANTS FOR SMALL-~~  
9 ~~BUSINESSES.~~

10 ~~“(a) Grants to Lead Agencies.—~~

11 ~~“(1) Grants.—~~

12 ~~“(A) In general.— The Secretary shall make grants to reimburse-~~  
13 ~~State, tribal, and territorial lead agencies for the amount of child-~~  
14 ~~care wage grants made to qualifying child care providers under~~  
15 ~~lead agency child care wage grant programs, and for~~  
16 ~~documented costs of administering the programs that are directly~~  
17 ~~related to determining provider eligibility, making payments,~~  
18 ~~data collection, and verifying provider compliance with program~~  
19 ~~rules.~~

20 ~~“(B) Limitation on reimbursement for documented-~~  
21 ~~administrative costs.— The amount of the reimbursement for the~~  
22 ~~documented administrative costs shall not exceed 5 percent of~~  
23 ~~the total amount of the child care wage grants.~~

24 ~~“(2) Consultation required as a condition of eligibility.— A lead-~~  
25 ~~agency shall not be eligible for a grant under this section with-~~  
26 ~~respect to a child care wage grant program unless the lead-~~  
27 ~~agency has consulted with field engagement organizations in-~~  
28 ~~developing and implementing the program, including~~  
29 ~~application process, eligibility determinations, community-~~

1 ~~outreach, and such other aspects of the program as the Secretary~~  
2 ~~deems appropriate, and if, after the consultation, the lead agency~~  
3 ~~intends to operate a child care wage grant program for small~~  
4 ~~businesses, the lead agency shall submit to the Secretary a~~  
5 ~~certification that the lead agency has conducted such a~~  
6 ~~consultation and intends to submit a claim for reimbursement~~  
7 ~~with respect to program expenditures at the end of the fiscal~~  
8 ~~year.~~

9 ~~“(b) State Child Care Wage Grant Program.—~~

10 ~~“(1) In general.—A lead agency child care wage grant program~~  
11 ~~is a program operated by a lead agency under which a child care~~  
12 ~~wage grant is made to qualified child care providers for the~~  
13 ~~1-year period covered by the grant, in an amount equal to the~~  
14 ~~aggregate of the eligible child care wage supplements provided~~  
15 ~~by the qualified child care provider during the year, which year~~  
16 ~~shall not begin before October 1, 2022.~~

17 ~~“(2) Reporting requirement.—~~

18 ~~“(A) In general.—A recipient of a child care wage grant from a~~  
19 ~~lead agency shall submit to the lead agency every fiscal quarter~~  
20 ~~a report that includes documentation of how the grant has been~~  
21 ~~expended including the number of full or part-time workers~~  
22 ~~providing child care and whether each such worker worked for~~  
23 ~~the full year, a description of the wage levels and demographics~~  
24 ~~of the child care employees of the qualified child care provider,~~  
25 ~~and such other information as the Secretary may require, and~~  
26 ~~may allow field engagement organizations to support grant~~  
27 ~~recipients in meeting quarterly reporting requirements.~~

28 ~~“(B) Authority to extend deadline.—A lead agency may approve~~  
29 ~~a request from such a recipient to extend the reporting deadline~~

1 ~~for 90 days, but shall accompany such an approval with a notice-~~  
2 ~~that failure to submit all information required in the report will~~  
3 ~~result in future ineligibility for such a grant.~~

4 ~~“(c) Reimbursement; Advance Estimated Payment. — A lead-~~  
5 ~~agency may submit to the Secretary a request for reimbursement-~~  
6 ~~or estimated advance payment of the costs of operating the lead-~~  
7 ~~agency child care wage grant program for the 1 year period-~~  
8 ~~covered by the request, which shall include documentation of~~  
9 ~~the grant awards made to qualified child care providers under~~  
10 ~~the program, an assurance that not more than 5 percent of the~~  
11 ~~costs in the reimbursement request are for administrative costs,~~  
12 ~~an assurance that the State will repay any advances based on-~~  
13 ~~payments to child care providers that were in excess of costs~~  
14 ~~allowable under this section (including payments for workers-~~  
15 ~~who did not work for the full year) or based on State-~~  
16 ~~administrative costs in excess of 5 percent, and the following:~~

17 ~~“(1) Qualified child care provider application data, including the~~  
18 ~~number of qualified child care providers and the proportion of~~  
19 ~~applications that were approved under the program,~~  
20 ~~documentation of rejected applications, including the reason for~~  
21 ~~disqualification, and demographic data of applicants.~~

22 ~~“(2) Qualified child care provider wage subsidy data, including~~  
23 ~~wage levels, the size and type of the qualified child care-~~  
24 ~~provider, the number of children served by the qualified child-~~  
25 ~~care provider, verification that the child care wage grant-~~  
26 ~~provided to the qualified child care provider was not used to~~  
27 ~~supplant Federal funds, verification that the qualified child care-~~  
28 ~~provider performs child care services as the primary function of~~  
29 ~~the qualified child care provider, verification that qualifying-~~  
30 ~~child care provider applications are approved for 1 year, and~~



1 ~~documentation of the number of full-time and part-time child-~~  
2 ~~care employees (which may include sole proprietors) including~~  
3 ~~the portion of the year for which each employee was employed~~  
4 ~~with that provider to provide child care.~~

5 ~~“(3) Certification that each qualified child care provider is not~~  
6 ~~eligible to receive a child care payroll tax credit under section~~  
7 ~~3135 of the Internal Revenue Code of 1986 with respect to~~  
8 ~~wages paid to any child care employee of the qualified child-~~  
9 ~~care provider.~~

10 ~~“(4) Qualified child care provider demographic data, including~~  
11 ~~racial, ethnic, and gender data of the qualified child care~~  
12 ~~provider and child care employees.~~

13 ~~“(5) Documentation of qualified child care provider wages, and~~  
14 ~~documentation of child care wages that, in the absence of a grant~~  
15 ~~made under this section, would have been paid at not less than~~  
16 ~~the applicable minimum rate.~~

17 ~~“(6) Documentation that each qualified child care provider is~~  
18 ~~licensed by, registered with, or regulated by the State.~~

19 ~~“(7) Documentation that each qualified child care provider was~~  
20 ~~so qualified throughout the year with respect to which~~  
21 ~~reimbursement is sought.~~

22 ~~“(8) Documentation that each employee for which a grant is~~  
23 ~~sought was employed for the full year, or if not, for what portion~~  
24 ~~of the year they were employed.~~

25 ~~“(9) Such other relevant items as the Secretary may require.~~

26 ~~“(d) Penalties.—~~

27 ~~“(1) Misuse of child care wage grant.— If the Secretary finds~~  
28 ~~that a qualified child care provider has used funds provided~~

1 ~~under this section with respect to a year other than to~~  
2 ~~supplement the applicable minimum rate of child care wages for~~  
3 ~~an employee engaged in child care work for the reported period,~~  
4 ~~the qualified child care provider shall—~~

5 ~~“(A) repay to the lead agency all funds so provided to the child~~  
6 ~~care provider for the year; and~~

7 ~~“(B) be ineligible for the succeeding 2 years to receive funds~~  
8 ~~made available under this section.~~

9 ~~“(2) Decrease in number of child care employees.— If a recipient~~  
10 ~~of a child care wage grant for a year reports under subsection~~  
11 ~~(b)(2)(A) that the number of child care employees of the~~  
12 ~~recipient has decreased during the year, then—~~

13 ~~“(A) the lead agency shall proportionately decrease the amount~~  
14 ~~of the child care wage grant (if any) payable to the recipient for~~  
15 ~~the next year; or~~

16 ~~“(B) if the recipient is not awarded a child care wage grant for~~  
17 ~~the next year, the recipient shall remit to the lead agency a~~  
18 ~~portion of the grant equal to the proportionate decrease in the~~  
19 ~~number of child care employees of the provider.~~

20 ~~“(e) Appropriation.— Out of any money in the Treasury not~~  
21 ~~otherwise appropriated, there is appropriated to the Secretary for~~  
22 ~~each of fiscal years 2023 through 2026 such sums as may be~~  
23 ~~necessary for reimbursements or estimated payments referred to~~  
24 ~~in subsection (a).~~

25 ~~“(f) Definitions.— In this section:~~

26 ~~“(1) Applicable minimum rate.— The term ‘applicable minimum~~  
27 ~~rate’ means the rate at which basic pay is payable for a position~~  
28 ~~at level 3, step 1, of the General Schedule under subchapter III~~

1 ~~of chapter 53 of title 5, United States Code, including any~~  
2 ~~applicable locality based comparability payment under section~~  
3 ~~5304 of such title or similar authority, at the time such wages are~~  
4 ~~paid and determined with respect to the locality in which~~  
5 ~~services are provided.~~

6 ~~“(2) Child care wages.— The term ‘child care wages’ means—~~

7 ~~“(A) wages paid to an employee for services in providing child~~  
8 ~~care; and~~

9 ~~“(B) an owner’s draw in lieu of wages, in the case of a sole~~  
10 ~~proprietor who provides child care services or an owner who~~  
11 ~~directly provides child care services alongside employees.~~

12 ~~“(3) Child care employee.— The term ‘child care employee’~~  
13 ~~means an employee—~~

14 ~~“(A) who is employed by a qualified child care provider;~~

15 ~~“(B) who provides child care services as a primary function of~~  
16 ~~employment; and~~

17 ~~“(C) whose wages do not qualify under section 3135(a) of the~~  
18 ~~Internal Revenue Code of 1986.~~

19 ~~“(4) Eligible child care wage supplement.—~~

20 ~~“(A) In general.— The term ‘eligible child care wage~~  
21 ~~supplement’ means, with respect to a year, a supplement to child~~  
22 ~~care wages of an employee (or owner), but only to the extent~~  
23 ~~that the total amount of the child care wage supplements~~  
24 ~~provided to the employee (or owner) during the year—~~

25 ~~“(i) in the case of a full-time employee (or an owner who works~~  
26 ~~on a full-time basis), is not more than \$16,000; or~~

27 ~~“(ii) in the case of a part-time employee (or an owner who works~~  
28 ~~on a part-time basis), is not more than \$10,000.~~

1 ~~In the case of any employee who is not employed as a child care~~  
2 ~~employee for the full year, the maximum dollar amounts set~~  
3 ~~forth in the preceding sentence shall be proportionately reduced.~~

4 ~~“(B) Inflation adjustment.— Each dollar amount in effect under~~  
5 ~~subparagraph (A) with respect to a year shall be increased by a~~  
6 ~~percentage equal to the percentage (if any) by which the~~  
7 ~~Consumer Price Index for all urban consumers (U.S. city~~  
8 ~~average) increased during the 12-month period ending with the~~  
9 ~~last month for which Consumer Price Index data is available.~~

10 ~~“(5) Field engagement organization.— The term ‘field~~  
11 ~~engagement organization’ means any nonprofit,~~  
12 ~~community based organization, labor union, trade association,~~  
13 ~~staffed family child care network, child care resource and~~  
14 ~~referral organization, or local government entity with experience~~  
15 ~~providing representation, technical assistance, or community~~  
16 ~~supports to child care providers or individuals seeking to enter~~  
17 ~~or re-enter the child care market.~~

18 ~~“(6) Qualified child care provider.— The term ‘qualified child~~  
19 ~~care provider’ means an entity who—~~

20 ~~“(A) provides child care services as the primary function of the~~  
21 ~~entity;~~

22 ~~“(B) is registered with, or regulated or licensed by, the State as a~~  
23 ~~child care provider;~~

24 ~~“(C) at the time of application for a child care wage grant under~~  
25 ~~this section, does not have an unresolved violation of a State law~~  
26 ~~or regulation pertaining to health or safety in the provision of~~  
27 ~~child care services;~~

28 ~~“(D) has at least 1 employee whose wages may not be taken into~~  
29 ~~account under section 3135(a) of the Internal Revenue Code of~~

1 ~~1986 because the employee is a sole proprietor or reports-~~  
2 ~~self employment income;~~

3 ~~“(E) as of the time of the application, pays child care wages at a~~  
4 ~~rate that is at least the applicable minimum rate, and certifies~~  
5 ~~that the entity will not reduce the hourly wage rate of any~~  
6 ~~employee during the 1 year period for which the entity has~~  
7 ~~applied for a child care wage grant under this section; and~~

8 ~~“(F) has submitted to the lead agency all data requested by the~~  
9 ~~Secretary under this section;~~

10 ~~“(G) has submitted the application to the lead agency, which has~~  
11 ~~approved the application; and~~

12 ~~“(H) has not failed to include all information required to be~~  
13 ~~included in any quarterly report required by subsection (b)(2) to~~  
14 ~~be submitted by the entity with respect to the year preceding the~~  
15 ~~year for which the application is submitted.”.~~

16 ~~SEC. 132006. COMMON PROVISIONS.~~

17 ~~(a) Definitions.—Section 419 of the Social Security Act (42-~~  
18 ~~U.S.C. 619) is amended by adding at the end the following:~~

19 ~~“(6) Lead agency.—The term ‘lead agency’ means, with respect~~  
20 ~~to a jurisdiction, the lead agency responsible for administering~~  
21 ~~the child care assistance program of the jurisdiction.~~

22 ~~“(7) Territory.—The term ‘territory’ means the Commonwealth~~  
23 ~~of Puerto Rico, the United States Virgin Islands, Guam,~~  
24 ~~American Samoa, and the Commonwealth of the Northern~~  
25 ~~Mariana Islands.”.~~

26 ~~(b) Reports to the Congress.—Section 411 of such Act (42-~~  
27 ~~U.S.C. 611) is amended by adding at the end the following:~~

28 ~~“(e) Reports on Certain State Child Care Expenditures.—The~~

~~Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate biennial reports on—~~

~~“(1) eligible expenditures (as defined in section 418A(b)(2)(B)) by the States, and on expenditures by the Secretary under section 418A during the period covered by the report;~~

~~“(2) the extent to which payments under section 418A have been made with respect to the expenditures;~~

~~“(3) to the extent that any funds made available to carry out such section have not been expended, the reasons therefor; and~~

~~“(4) expenditures under section 418C.”~~

~~(c) Inapplicability of Payment Limitation.—Section 1108(a) of such Act (42 U.S.C. 1308(a)) is amended by inserting “418A, 418B, 418C, 418D, 418E,” before “or”.~~

## ~~Subtitle D—Trade Adjustment Assistance~~

### ~~SEC. 133001. SHORT TITLE.~~

~~This subtitle may be cited as the “Trade Adjustment Assistance Modernization Act of 2021”.~~

### ~~SEC. 133002. APPLICATION OF PROVISIONS RELATING TO TRADE ADJUSTMENT ASSISTANCE.~~

~~(a) Effective Date; Applicability.—Except as otherwise provided in this subtitle, the provisions of chapters 2 through 6 of title II of the Trade Act of 1974, as in effect on June 30, 2021, and as amended by this subtitle, shall—~~

~~(1) take effect on the date of the enactment of this Act; and~~

~~(2) apply with respect to petitions for certification filed under chapter 2, 3, 4, or 6 of title II of the Trade Act of 1974 on or after such date of enactment.~~

~~(b) Reference.—Except as otherwise provided in this subtitle, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision of chapters 2 through 6 of title II of the Trade Act of 1974, the reference shall be considered to be made to a provision of any such chapter, as in effect on June 30, 2021.~~

~~(c) Repeal of Snapback.—Section 406 of the Trade Adjustment Assistance Reauthorization Act of 2015 (Public Law 114–27; 129 Stat. 379) is repealed.~~

# PART 1—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

## SEC. 133101. FILING PETITIONS.

Section 221(a)(1) of the Trade Act of 1974 (19 U.S.C. 2271(a)(1)) is amended—

(1) by amending subparagraph (A) to read as follows:

“(A) One or more workers in the group of workers.”; and

(2) in subparagraph (C), by striking “or a State dislocated worker unit” and inserting “a State dislocated worker unit, or workforce intermediaries, including labor-management organizations that carry out re-employment and training services”.

## SEC. 133102. GROUP ELIGIBILITY REQUIREMENTS.

(a) In General.—Section 222(a)(2) of the Trade Act of 1974 (19 U.S.C. 2272(a)(2)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting “, failed to increase, or will decrease absolutely due to a scheduled or imminently anticipated, long-term decrease in or reallocation of the production capacity of the firm” after “absolutely”; and

(B) in clause (iii)—

(i) by striking “to the decline” and inserting “to any decline or absence of increase”; and

(ii) by striking “or” at the end;

(2) in subparagraph (B)(ii), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(C)(i) the sales or production, or both, of such firm have decreased;

“(ii)(I) exports of articles produced or services supplied by such workers’ firm have decreased; or

“(II) imports of articles or services necessary for the production of articles or services supplied by such firm have decreased; and

“(iii) the decrease in exports or imports described in clause (ii) contributed to such workers’ separation or threat of separation and to the decline in the sales or production of such firm.”.

(b) Repeal.—Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(1) in subsections (a) and (b), by striking “importantly” each place it appears; and

(2) in subsection (c)—

(A) by striking paragraph (1); and

1 (B) by redesignating paragraphs (2) through (4) as paragraphs (1) through (3),  
2 respectively.

3 (c) Eligibility of Staffed Workers and Teleworkers.—Section 222 of the Trade Act of 1974  
4 (19 U.S.C. 2272), as amended by subsection (b), is further amended by adding at the end the  
5 following:

6 “(f) Treatment of Staffed Workers and Teleworkers.—

7 “(1) IN GENERAL.—For purposes of subsection (a), workers in a firm include staffed  
8 workers and teleworkers.

9 “(2) DEFINITIONS.—In this subsection:

10 “(A) STAFFED WORKER.—The term ‘staffed worker’ means a worker who performs  
11 work under the operational control of a firm that is the subject of a petition filed under  
12 section 221, even if the worker is directly employed by another firm.

13 “(B) TELEWORKER.—The term ‘teleworker’ means a worker who works remotely  
14 but who reports to the location listed for a firm in a petition filed under section 221.”.

15 **SEC. 133103. APPLICATION OF DETERMINATIONS OF**  
16 **ELIGIBILITY TO WORKERS EMPLOYED BY**  
17 **SUCCESSORS-IN-INTEREST.**

18 Section 223 of the Trade Act of 1974 (19 U.S.C. 2273) is amended by adding at the end the  
19 following:

20 “(f) Treatment of Workers of Successors-in-Interest.—If the Secretary certifies a group of  
21 workers of a firm as eligible to apply for adjustment assistance under this chapter, a worker of a  
22 successor-in-interest to that firm shall be covered by the certification to the same extent as a  
23 worker of that firm.”.

24 **SEC. 133104. PROVISION OF BENEFIT INFORMATION TO**  
25 **WORKERS.**

26 Section 225 of the Trade Act of 1974 (19 U.S.C. 2275) is amended—

27 (1) in subsection (a), by inserting after the second sentence the following new sentence:  
28 “The Secretary shall make every effort to provide such information and assistance to  
29 workers in their native language.”; and

30 (2) in subsection (b)—

31 (A) by redesignating paragraph (2) as paragraph (3);

32 (B) by inserting after paragraph (1) the following:

33 “(2) The Secretary shall provide a second notice to a worker described in paragraph (1) before  
34 the worker has exhausted all rights to any unemployment insurance to which the worker is  
35 entitled (other than additional compensation described in section 231(a)(3)(B) funded by a State  
36 and not reimbursed from Federal funds).”;

37 (C) in paragraph (3), as redesignated by paragraph (1), by striking “newspapers of



1 general circulation” and inserting “appropriate print or digital outlets”; and

2 (D) by adding at the end the following:

3 “(4) For purposes of providing sustained outreach regarding the benefits available under this  
4 chapter to workers covered by a certification made under this subchapter, the Secretary may take  
5 any necessary actions, including the following:

6 “(A) Collecting the email addresses and telephone numbers of such workers from the  
7 employers of such workers to provide sustained outreach to such workers.

8 “(B) Partnering with the certified or recognized union, a community-based worker  
9 organization, or other duly authorized representatives of such workers.

10 “(C) Hiring peer support workers to perform sustained outreach to other workers covered  
11 by that certification.

12 “(D) Using advertising methods and public information campaigns, including social  
13 media, in addition to notice published in print or digital outlets under paragraph (3).”.

## 14 SEC. 133105. QUALIFYING REQUIREMENTS FOR 15 WORKERS.

16 (a) ~~In General.—Section Modification of Conditions.—~~

17 ~~(1) In general.—Section 231(a) of the Trade Act of 1974 (19 U.S.C. 2291(a)) is amended—~~

18 ~~(A)(1)~~ by striking paragraph (2);

19 ~~(B)(2)~~ by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4),  
20 respectively; and

21 ~~(C)(3)~~ in paragraph (4) (as redesignated), by striking “paragraphs (1) and (2)” each place  
22 it appears and inserting “paragraph (1)”.

23 ~~(2)(b) Conforming amendments.—(A) Amendments.—(1)~~ Section 232 of the Trade Act of  
24 1974 (19 U.S.C. 2292) is amended by striking “section 231(a)(3)(B)” each place it appears and  
25 inserting “section 231(a)(2)(B)”.

26 ~~(B)(2)~~ Section 233(a) of the Trade Act of 1974 (19 U.S.C. 2293(a)) is amended—

27 ~~(i)(A)~~ in paragraph (1), by striking “section 231(a)(3)(A)” and inserting “section  
28 231(a)(2)(A)”;

29 ~~(ii)(B)~~ in paragraph (2)—

30 ~~(i)(i)~~ by striking “adversely affected employment” and all that follows through “(A)  
31 within” and inserting “adversely affected employment within”;

32 ~~(ii)(ii)~~ by striking “, and” and inserting a period; and

33 ~~(iii)(iii)~~ by striking subparagraph (B).

34  
35 ~~(b) Waivers of Training Requirements.—Section 231(c)(1) of~~

1 ~~the Trade Act of 1974 (19 U.S.C. 2291(c)(1)) is amended—~~

2 ~~(1) by redesignating subparagraphs (A), (B), and (C) as~~  
3 ~~subparagraphs (C), (D), and (E), respectively; and~~

4 ~~(2) by inserting before subparagraph (C) (as redesignated) the~~  
5 ~~following:~~

6 ~~“(A) Recall.—The worker has been notified that the worker will~~  
7 ~~be recalled by the firm from which the separation occurred.~~

8 ~~“(B) Retirement.—The worker is within 2 years of meeting all~~  
9 ~~requirements for entitlement to either—~~

10 ~~“(i) old age insurance benefits under title II of the Social~~  
11 ~~Security Act (42 U.S.C. 401 et seq.) (except for application~~  
12 ~~therefor); or~~

13 ~~“(ii) a private pension sponsored by an employer or labor~~  
14 ~~organization.”.~~

## 15 SEC. 133106. MODIFICATION TO TRADE 16 READJUSTMENT ALLOWANCES.

17 Section 233 of the Trade Act of 1974 (19 U.S.C. 2293) is amended—

18 (1) in subsection (a)—

19 (A) in paragraph (2), by inserting after “104-week period” the following: “(or, in the  
20 case of an adversely affected worker who requires a program of prerequisite education  
21 or remedial education (as described in section 236(a)(5)(D)) in order to complete  
22 training approved for the worker under section 236, the 130-week period)”;

23 (B) in paragraph (3), by striking “65 additional weeks in the 78-week period” and  
24 inserting “78 additional weeks in the 91-week period”; and

25 (C) in the flush text, by striking “78-week period” and inserting “91-week period”;

26 (2) by striking subsection (d); and

27 (3) by amending subsection (f) to read as follows:

28 “(f) Payment of Trade Readjustment Allowances to Complete Training.—Notwithstanding  
29 any other provision of this section, in order to assist an adversely affected worker to complete  
30 training approved for the worker under section 236 that includes a program of prerequisite  
31 education or remedial education (as described in section 236(a)(5)(D)), and in accordance with  
32 regulations prescribed by the Secretary, payments may be made as trade readjustment allowances

1 for up to 26 additional weeks in the 26-week period that follows the last week of entitlement to  
2 trade readjustment allowances otherwise payable under this chapter.”.

### 3 SEC. 133107. AUTOMATIC EXTENSION OF TRADE 4 READJUSTMENT ALLOWANCES.

5 (a) In General.—Part I of subchapter B of chapter 2 of title II of the Trade Act of 1974 (19  
6 U.S.C. 2291 ~~et seq.~~ **2294**) is amended by inserting after section 233 the following new section:

#### 7 “SEC. 233A. AUTOMATIC EXTENSION OF TRADE 8 READJUSTMENT ALLOWANCES.

9 “(a) In General.—Notwithstanding the limitations under section 233(a), the Secretary shall  
10 extend the period during which trade readjustment allowances are payable to an adversely  
11 affected worker who completes training approved under section 236 by the Secretary during a  
12 period of heightened unemployment with respect to the State in which such worker seeks  
13 benefits, for the shorter of—

14 “(1) the 26-week period beginning on the date of completion of such training; or

15 “(2) the period ending on the date on which the adversely affected worker secures  
16 employment.

17 “(b) Job Search Required.—A worker shall only be eligible for an extension under subsection  
18 (a) if the worker is complying with the job search requirements associated with unemployment  
19 insurance in the applicable State.

20 “(c) Period of Heightened Unemployment Defined.—In this section, the term ‘period of  
21 heightened unemployment’ with respect to a State means a 90-day period during which, in the  
22 determination of the Secretary, either of the following average rates equals or exceeds 5.5  
23 percent:

24 “(1) The average rate of total unemployment in such State (seasonally adjusted) for the  
25 period consisting of the most recent 3-month period for which data for all States are  
26 published before the close of such period.

27 “(2) The average rate of total unemployment in all States (seasonally adjusted) for the  
28 period consisting of the most recent 3-month period for which data for all States are  
29 published before the close of such period.”.

30 (b) Clerical Amendment.—The table of contents for the Trade Act of 1974 is amended by  
31 inserting after the item relating to section 233 the following:

32 “Sec.233A.Automatic extension of trade readjustment allowances.”.

### 33 SEC. 133108. EMPLOYMENT AND CASE MANAGEMENT 34 SERVICES.

35 Section 235 of the Trade Act of 1974 (19 U.S.C. 2295) is amended—

36 (1) in paragraph (3)—

37 (A) by inserting after “regional areas” the following: “(including information about

1 registered apprenticeship programs, on-the-job training opportunities, and other  
2 work-based learning opportunities”); and

3 (B) by inserting after “suitable training” the following: “, information regarding the  
4 track record of a training provider’s ability to successfully place participants into  
5 suitable employment”;

6 (2) by redesignating paragraph (8) as paragraph (10); and

7 (3) by inserting after paragraph (7) the following:

8 “(8) Information related to direct job placement, including facilitating the extent to which  
9 employers within the community commit to employing workers who would benefit from the  
10 employment and case management services under this section.

11 “(9) Sustained outreach to groups of workers likely to be certified as eligible for  
12 adjustment assistance under this chapter and members of certified worker groups who have  
13 not yet applied for or been enrolled in benefits or services under this chapter, especially  
14 such groups and members from underserved communities.”.

## 15 SEC. 133109. TRAINING.

16 Section 236 of the Trade Act of 1974 (19 U.S.C. 2296(a)) is amended—

17 (1) in subsection (a)—

18 (A) in paragraph (1)(D), by inserting “, with a demonstrated ability to place  
19 participants into employment” before the comma at the end;

20 (B) in paragraph (3), by adding at the end before the period the following: “, except  
21 that every effort shall be made to ensure that employment opportunities are available  
22 upon the completion of training”; and

23 (C) in paragraph (5)—

24 (i) in subparagraph (G), by striking “, and” and inserting a comma;

25 (ii) in subparagraph (H)(ii), by striking the period at the end and inserting “,  
26 and”; and

27 (iii) by adding at the end before the flush text the following:

28 “(I) pre-apprenticeship training.”; and

29 (2) by adding at the end the following:

30 “(h) Reimbursement for Out-of-pocket Training Expenses.—If the Secretary approves training  
31 for a worker under paragraph (1) of subsection (a), the Secretary may reimburse the worker for  
32 out-of-pocket expenses relating to training program described in paragraph (5) of that subsection  
33 that were incurred by the worker on and after the date of the worker’s total or partial separation  
34 and before the date on which the certification of eligibility under section 222 that covers the  
35 worker is issued.”.

## 36 SEC. 133110. JOB SEARCH, RELOCATION, AND CHILD 37 CARE ALLOWANCES.

1 (a) Job Search Allowances.—Section 237 of the Trade Act of 1974 (19 U.S.C. 2297) is  
2 amended—

3 (1) in subsection (a)(1), by striking “may use funds made available to the State to carry  
4 out sections 235 through 238” and inserting “shall use, from funds made available to the  
5 State to carry out sections 235 through 238A, such amounts as may be necessary”;

6 (2) in subsection (a)(2), in the matter preceding subparagraph (A), by striking “may  
7 grant” and inserting “shall grant”; and

8 (3) in subsection (b)—

9 (A) in paragraph (1), by striking “not more than 90 percent” and inserting “100  
10 percent”;

11 (B) in paragraph (2), by striking “\$1,250” and inserting “\$2,000 (subject to  
12 adjustment under paragraph (4))”; and

13 (C) by adding at the end the following;

14 “(4) ADJUSTMENT OF MAXIMUM ALLOWANCE LIMITATION FOR INFLATION.—

15 “(A) IN GENERAL.—The Secretary of Labor shall adjust the maximum allowance  
16 limitation under paragraph (2) on the date that is 30 days after the date of the  
17 enactment of this paragraph, and at the beginning of each fiscal year thereafter, to  
18 reflect the percentage (if any) of the increase in the average of the Consumer Price  
19 Index for the preceding 12-month period compared to the Consumer Price Index for  
20 fiscal year 2020.

21 “(B) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment  
22 under subparagraph (A), the Secretary—

23 “(i) shall round the amount of any increase in the Consumer Price Index to the  
24 nearest dollar; and

25 “(ii) may ignore any such increase of less than 1 percent.

26 “(C) CONSUMER PRICE INDEX DEFINED.—For purposes of this paragraph, the term  
27 ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers  
28 published by the Bureau of Labor Statistics of the Department of Labor.”.

29 (b) Relocation Allowances.—Section 238 of the Trade Act of 1974 (19 U.S.C. 2298) is  
30 amended—

31 (1) in subsection (a)(1), by striking “may use funds made available to the State to carry  
32 out sections 235 through 238” and inserting “shall use, from funds made available to the  
33 State to carry out sections 235 through 238A, such amounts as may be necessary”;

34 (2) in subsection (a)(2), in the matter preceding subparagraph (A), by striking “may be  
35 granted” and inserting “shall be granted”;

36 (3) in subsection (b)—

37 (A) in paragraph (1), by striking “not more than 90 percent” and inserting “100  
38 percent”; and

39 (B) in paragraph (2), by striking “\$1,250” and inserting “\$2,000 (subject to

1 adjustment under subsection (d)”; and

2 (4) by adding at the end the following:

3 “(d) Adjustment of Maximum Payment Limitation for Inflation.—

4 “(1) IN GENERAL.—The Secretary of Labor shall adjust the maximum payment limitation  
5 under subsection (b)(2) on the date that is 30 days after the date of the enactment of this  
6 subsection, and at the beginning of each fiscal year thereafter, to reflect the percentage (if  
7 any) of the increase in the average of the Consumer Price Index for the preceding 12-month  
8 period compared to the Consumer Price Index for fiscal year 2020.

9 “(2) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment under  
10 paragraph (1), the Secretary—

11 “(A) shall round the amount of any increase in the Consumer Price Index to the  
12 nearest dollar; and

13 “(B) may ignore any such increase of less than 1 percent.

14 “(3) CONSUMER PRICE INDEX DEFINED.—For purposes of this subsection, the term  
15 ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers  
16 published by the Bureau of Labor Statistics of the Department of Labor.”.

17 (c) Child Care Allowances.—

18 (1) IN GENERAL.—Part II of subchapter B of chapter 2 of title II of the Trade Act of 1974  
19 (19 U.S.C. 2295 ~~et seq.~~ **2298**) is amended by adding at the end the following:

20 **“SEC. 238A. CHILD CARE ALLOWANCES.**

21 “(a) Child Care Allowances Authorized.—

22 “(1) IN GENERAL.—Each State shall use, from funds made available to the State to carry  
23 out sections 235 through 238A, such amounts as may be necessary to allow an adversely  
24 affected worker covered by a certification issued under subchapter A of this chapter to file  
25 an application for a child care allowance with the Secretary, and the Secretary may grant the  
26 child care allowance, subject to the terms and conditions of this section.

27 “(2) CONDITIONS FOR GRANTING ALLOWANCE.—A child care allowance shall be granted if  
28 the allowance will assist an adversely affected worker to attend training or seek suitable  
29 employment, by providing for the care of one or more of the minor dependents of the  
30 worker.

31 “(b) Amount of Allowance.—Any child care allowance granted to a worker under subsection  
32 (a) shall not exceed \$2,000 per minor dependent per year.

33 “(c) Adjustment of Maximum Allowance Limitation for Inflation.—

34 “(1) IN GENERAL.—The Secretary of Labor shall adjust the maximum allowance  
35 limitation under subsection (b) on the date that is 30 days after the date of the enactment of  
36 this subsection, and at the beginning of each fiscal year thereafter, to reflect the percentage  
37 (if any) of the increase in the average of the Consumer Price Index for the preceding  
38 12-month period compared to the Consumer Price Index for fiscal year 2020.

39 “(2) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment under

1 paragraph (1), the Secretary—

2 “(A) shall round the amount of any increase in the Consumer Price Index to the  
3 nearest dollar; and

4 “(B) may ignore any such increase of less than 1 percent.

5 “(3) CONSUMER PRICE INDEX DEFINED.—For purposes of this subsection, the term  
6 ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers  
7 published by the Bureau of Labor Statistics of the Department of Labor.”.

8 (2) CONFORMING AMENDMENTS.—

9 (A) LIMITATIONS ON ADMINISTRATIVE EXPENSES AND EMPLOYMENT AND CASE  
10 MANAGEMENT SERVICES.—Section 235A of the Trade Act of 1974 (19 U.S.C. 2295a)  
11 is amended in the matter preceding paragraph (1) by striking “through 238” and  
12 inserting “through 238A”.

13 (B) TRAINING.—Section 236(a)(2) of the Trade Act of 1974 (19 U.S.C. 2296(a)(2))  
14 is amended—

15 (i) in subparagraph (A), by striking “and 238” and inserting “238, and 238A”;

16 (ii) in subparagraph (B), by striking “and 238” each place it appears and  
17 inserting “238, and 238A”;

18 (iii) in subparagraph (C)(i), by striking “and 238” and inserting “238, and  
19 238A”;

20 (iv) in subparagraph (C)(v), by striking “and 238” and inserting “238, and  
21 238A”; and

22 (v) in subparagraph (E), by striking “and 238” each place it appears and  
23 inserting “238, and 238A”.

24 (3) CLERICAL AMENDMENT.—The table of contents for the Trade Act of 1974 is amended  
25 by adding after the item relating to section 238 the following new item:

26 “Sec.238A.Child care allowances.”.

## 27 SEC. 133111. AGREEMENTS WITH STATES.

28 (a) Coordination.—Section 239(f) of the Trade Act of 1974 (19 U.S.C. 2311(f)) is amended—

29 (1) by striking “(f) Any agreement” and inserting the following:

30 “(f)(1) Any agreement”; and

31 (2) by adding at the end the following:

32 “(2) In arranging for training programs to be carried out under this chapter, each  
33 cooperating State agency shall, among other factors, take into account and measure the  
34 progress of the extent to which such programs—

35 “(A) achieve a satisfactory rate of completion and placement in jobs that provide a  
36 living wage and that increase economic security;

37 “(B) assist workers in developing the skills, networks, and experiences necessary to

1 advance along a career path;

2 “(C) assist workers from underserved communities to establish a work history,  
3 demonstrate success in the workplace, and develop the skills that lead to entry into and  
4 retention in unsubsidized employment; and

5 “(D) adequately serve individuals who face the greatest barriers to employment,  
6 including people with low incomes, people of color, immigrants, persons with  
7 disabilities, and formerly incarcerated individuals.

8 “(3) Each cooperating State agency shall facilitate joint cooperation between training  
9 programs, representatives of workers, employers, and communities, especially in  
10 underserved rural and urban regions, to ensure a fair and engaging workplace that balances  
11 the priorities and well-being of workers with the needs of businesses.

12 “(4) Each cooperating State agency shall seek, including through agreements and training  
13 programs described in this subsection, to ensure the reemployment of adversely affected  
14 workers upon completion of training as described in section 236.”.

15 (b) Administration.—Section 239(g) of the Trade Act of 1974 (19 U.S.C. 2311(g)) is  
16 amended—

17 (1) by redesignating—

18 (A) paragraphs (1) through (4) as paragraphs (3) through (6), respectively; and

19 (B) paragraph (5) as paragraph (8);

20 (2) by inserting before paragraph (3) (as redesignated) the following:

21 “(1) review each layoff of more than 5 workers in a firm to determine whether trade  
22 played a role in the layoff and whether workers in such firm are potentially eligible to  
23 receive benefits under this chapter,

24 “(2) perform sustained outreach to firms to facilitate and assist with filing petitions under  
25 section 221 and collecting necessary supporting information,”;

26 (3) in paragraph (3) (as redesignated), by striking “who applies for unemployment  
27 insurance of” and inserting “identified under paragraph (1) of unemployment insurance  
28 benefits and”;

29 (4) in paragraph (4) (as redesignated), by inserting “and assist with” after “facilitate”;

30 (5) in paragraph (6) (as redesignated), by striking “and” at the end;

31 (6) by inserting after paragraph (6) (as redesignated) the following:

32 “(7) perform sustained outreach to workers from underserved communities and to firms  
33 that employ a majority or a substantial percentage of workers from underserved  
34 communities and develop a plan, in consultation with the Secretary, for addressing common  
35 barriers to receiving services that such workers have faced.”;

36 (7) in paragraph (8) (as redesignated), by striking “funds provided to carry out this  
37 chapter are insufficient to make such services available, make arrangements to make such  
38 services available through other Federal programs” and inserting “support services are  
39 needed beyond what this chapter can provide, make arrangements to coordinate such



1 services available through other Federal programs” ; and

2 (8) by adding at the end the following:

3 “(9) develop a strategy to engage with local workforce development institutions,  
4 including local community colleges and other educational institutions, and

5 “(10) develop a comprehensive strategy to provide agency staffing to support the  
6 requirements of paragraphs (1) through (9).”.

7 (c) Staffing.—Section 239 of the Trade Act of 1974 (19 U.S.C. 2311) is amended by striking  
8 subsection (k) and inserting the following:

9 “(k) Staffing.—An agreement entered into under this section shall provide that the cooperating  
10 State or cooperating State agency shall require that any individual engaged in functions (other  
11 than functions that are not inherently governmental) to carry out the trade adjustment assistance  
12 program under this chapter shall be a State employee covered by a merit system of personnel  
13 administration.”.

## 14 SEC. 133112. REEMPLOYMENT TRADE ADJUSTMENT 15 ASSISTANCE PROGRAM.

16 Section 246(a) of the Trade Act of 1974 (19 U.S.C. 2318(a)) is amended—

17 (1) in paragraph (3)(B)(ii), by striking “\$50,000” and inserting “\$70,000 (subject to  
18 adjustment under paragraph (8))”;

19 (2) in paragraph (5)(B)(i), by striking “\$10,000” and inserting “\$20,000 (subject to  
20 adjustment under paragraph (8))”; and

21 (3) by adding at the end the following:

22 “(8) ADJUSTMENT OF SALARY LIMITATION AND TOTAL AMOUNT OF PAYMENTS FOR  
23 INFLATION.—

24 “(A) IN GENERAL.—The Secretary of Labor shall adjust the salary limitation under  
25 paragraph (3)(B)(ii) and the amount under paragraph (5)(B)(i) on the date that is 30  
26 days after the date of the enactment of this paragraph, and at the beginning of each  
27 fiscal year thereafter, to reflect the percentage (if any) of the increase in the average of  
28 the Consumer Price Index for the preceding 12-month period compared to the  
29 Consumer Price Index for fiscal year 2020.

30 “(B) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment  
31 under subparagraph (A), the Secretary—

32 “(i) shall round the amount of any increase in the Consumer Price Index to the  
33 nearest dollar; and

34 “(ii) may ignore any such increase of less than 1 percent.

35 “(C) CONSUMER PRICE INDEX DEFINED.—For purposes of this paragraph, the term  
36 ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers  
37 published by the Bureau of Labor Statistics of the Department of Labor.”.

## 38 SEC. 133113. EXTENSION OF TRADE ADJUSTMENT

## 1 ASSISTANCE TO PUBLIC AGENCY WORKERS.

2 (a) Definitions.—Section 247 of the Trade Act of 1974 (19 U.S.C. 2319) is amended—

3 (1) in paragraph (3)—

4 (A) in the matter preceding subparagraph (A), by striking “The” and inserting  
5 “Subject to section 222(d)(5), the”; and

6 (B) in subparagraph (A), by striking “or service sector firm” and inserting “, service  
7 sector firm, or public agency”; and

8 (2) by adding at the end the following:

9 “(20) The term ‘public agency’ means a department or agency of a State or local  
10 government or of the Federal Government.”.

11 (b) Group Eligibility Requirements.—Section 222 of the Trade Act of 1974 (19 U.S.C. 2272),  
12 as amended by subsections (b) and (c) of section 133102, is further amended—

13 (1) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g),  
14 respectively;

15 (2) by inserting after subsection (b) the following:

16 “(c) Adversely Affected Workers in Public Agencies.—A group of workers in a public agency  
17 shall be certified by the Secretary as eligible to apply for adjustment assistance under this chapter  
18 pursuant to a petition filed under section 221 if the Secretary determines that—

19 “(1) a significant number or proportion of the workers in the public agency have become  
20 totally or partially separated, or are threatened to become totally or partially separated;

21 “(2) the public agency has acquired from a foreign country services like or directly  
22 competitive with services which are supplied by such agency; and

23 “(3) the acquisition of services described in paragraph (2) contributed to such workers’  
24 separation or threat of separation.”;

25 (3) in subsection (d) (as redesignated), by adding at the end the following:

26 “(5) REFERENCE TO FIRM.—For purposes of subsections (a) and (b), the term ‘firm’ does  
27 not include a public agency.”; and

28 (4) in paragraph (2) of subsection (e) (as redesignated), by striking “subsection (a) or (b)”  
29 and inserting “subsection (a), (b), or (c)”.

## 30 SEC. 133114. DEFINITIONS.

31 (a) Extension of Adjustment Assistance for Workers to Territories.—Section 247(7) of the  
32 Trade Act of 1974 (19 U.S.C. 2319(7)) is amended—

33 (1) by inserting “, Guam, the Virgin Islands of the United States, American Samoa, the  
34 Commonwealth of the Northern Mariana Islands,” after “District of Columbia”; and

35 (2) by striking “such Commonwealth.” and inserting “such territories.”.

36 (b) Underserved Community.—Section 247 of the Trade Act of 1974 (19 U.S.C. 2319), as

1 amended by section 133113(a), is further amended by adding at the end the following:

2 “(21) The term ‘underserved community’ means a community with populations sharing a  
3 particular characteristic that have been systematically denied a full opportunity to  
4 participate in aspects of economic, social, or civic life, such as Black, Latino, and  
5 Indigenous and Native American persons, Asian Americans and Pacific Islanders, other  
6 persons of color, members of other minority communities, persons with disabilities, persons  
7 who live in rural areas, and other populations otherwise adversely affected by persistent  
8 poverty or inequality.”.

9 **SEC. 133115. REQUIREMENTS FOR CERTAIN**  
10 **TERRITORIES.**

11 **Section 248 of the Trade Act of 1974 (19 U.S.C. 2320) is amended by adding at the end**  
12 **the following:**

13 **“(c) Requirements for Certain Territories.—The Secretary shall establish such**  
14 **requirements as may be necessary and appropriate to modify the requirements of this**  
15 **chapter, including requirements relating to eligibility for trade readjustment allowances, to**  
16 **address the particular circumstances of Guam, American Samoa, and the Commonwealth**  
17 **of the Northern Mariana Islands in implementing and carrying out this chapter.”.**

18 **SEC. 133116. SUBPOENA POWER.**

19 Section 249 of the Trade Act of 1974 (19 U.S.C. 2321) is amended—

20 (1) in subsection (a), by adding at the end the following: “The authority under the  
21 preceding sentence includes the authority of States to require, by subpoena, a firm to  
22 provide information on workers employed by, or totally or partially separated from, the firm  
23 that is necessary to make a determination under this chapter or to provide outreach to  
24 workers, including the names and address of workers.”; and

25 (2) by adding at the end the following:

26 **“(c) Enforcement of Subpoenas by States.—A State may enforce compliance with a subpoena**  
27 **issued under subsection (a)—**

28 **“(1) as provided for under State law; and**

29 **“(2) by petitioning an appropriate United States district court for an order requiring**  
30 **compliance with the subpoena.”.**

31 **PART 2—TRADE ADJUSTMENT ASSISTANCE FOR**  
32 **FIRMS**

33 **SEC. 133201. PETITIONS AND DETERMINATIONS.**

34 Section 251 of the Trade Act of 1974 (19 U.S.C. 2341) is amended—

35 (1) in the second sentence of subsection (a), by striking “Upon” and inserting “Not later  
36 than 15 days after”;

37 (2) by amending subsection (c) to read as follows:

1 “(c)(1) The Secretary shall certify a firm (including any agricultural firm or service sector  
2 firm) as eligible to apply for adjustment assistance under this chapter if the Secretary  
3 determines—

4 “(A)(i) that a significant number or proportion of the workers in such firm have become  
5 totally or partially separated, or are threatened to become totally or partially separated, or

6 “(ii) that—

7 “(I) sales or production, or both, of the firm have decreased absolutely or failed to  
8 increase,

9 “(II) sales or production, or both, of an article or service that accounted for not less  
10 than 25 percent of the total sales or production of the firm during the 12-month period  
11 preceding the most recent 12-month period for which data are available have decreased  
12 absolutely or failed to increase,

13 “(III) sales or production, or both, of the firm during the most recent 12-month  
14 period for which data are available have decreased or failed to increase compared to—

15 “(aa) the average annual sales or production for the firm during the 24-month  
16 period preceding that 12-month period, or

17 “(bb) the average annual sales or production for the firm during the 36-month  
18 period preceding that 12-month period, ~~and~~ or

19 “(IV) sales or production, or both, of an article or service that accounted for not less  
20 than 25 percent of the total sales or production of the firm during the most recent  
21 12-month period for which data are available have decreased or failed to increase  
22 compared to—

23 “(aa) the average annual sales or production for the article or service during the  
24 24-month period preceding that 12-month period, or

25 “(bb) the average annual sales or production for the article or service during the  
26 36-month period preceding that 12-month period, and

27 “(B)(i) increases of imports of articles or services like or directly competitive with  
28 articles which are produced or services which are supplied by such firm contributed to such  
29 total or partial separation, or threat thereof, or to such decline or failure to increase in sales  
30 or production, or

31 “(ii) decreases in exports of articles produced or services supplied by such firm, or  
32 imports of articles or services necessary for the production of articles or services supplied  
33 by such firm, contributed to such total or partial separation, or threat thereof, or to such  
34 decline in sales or production.

35 “(2) For purposes of paragraph (1)(B):

36 “(A) Any firm which engages in exploration or drilling for oil or natural gas shall be  
37 considered to be a firm producing oil or natural gas.

38 “(B) Any firm that engages in exploration or drilling for oil or natural gas, or otherwise  
39 produces oil or natural gas, shall be considered to be producing articles directly competitive  
40 with imports of oil and with imports of natural gas.”; and

1 (3) in subsection (d)—

2 (A) by striking “this section,” and inserting “this section.”; and

3 (B) by striking “but in any event” and all that follows and inserting the following:  
4 “If the Secretary does not make a determination with respect to a petition within 55  
5 days after the date on which an investigation is initiated under subsection (a) with  
6 respect to the petition, the Secretary shall be deemed to have certified the firm as  
7 eligible to apply for adjustment assistance under this chapter.”.

## 8 SEC. 133202. APPROVAL OF ADJUSTMENT PROPOSALS.

9 Section 252 of the Trade Act of 1974 (19 U.S.C. 2342) is amended—

10 (1) in the second sentence of subsection (a), by adding at the end before the period the  
11 following: “and an assessment of the potential employment outcomes of such proposal”;

12 (2) in subsection (b)(1)(B), by striking “gives adequate consideration to” and inserting “is  
13 in”;

14 (3) by redesignating subsection (c) as subsection (d); and

15 (4) by inserting after subsection (b) the following:

16 “(c) Amount of Assistance.—

17 “(1) IN GENERAL.—A firm may receive adjustment assistance under this chapter with  
18 respect to the firm’s economic adjustment proposal in an amount not to exceed \$300,000,  
19 subject to adjustment under paragraph (2) and the matching requirement under paragraph  
20 (3).

21 “(2) ADJUSTMENT OF ASSISTANCE LIMITATION FOR INFLATION.—

22 “(A) IN GENERAL.—The Secretary of Commerce shall adjust the technical assistance  
23 limitation under paragraph (1) on the date that is 30 days after the date of the  
24 enactment of this paragraph, and at the beginning of each fiscal year thereafter, to  
25 reflect the percentage (if any) of the increase in the average of the Consumer Price  
26 Index for the preceding 12-month period compared to the Consumer Price Index for  
27 fiscal year 2020.

28 “(B) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment  
29 under subparagraph (A), the Secretary—

30 “(i) shall round the amount of any increase in the Consumer Price Index to the  
31 nearest dollar; and

32 “(ii) may ignore any such increase of less than 1 percent.

33 “(C) CONSUMER PRICE INDEX DEFINED.—For purposes of this paragraph, the term  
34 ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers  
35 published by the Bureau of Labor Statistics of the Department of Labor.

36 “(3) MATCHING REQUIREMENT.—A firm may receive adjustment assistance under this  
37 chapter only if the firm provides matching funds in an amount equal to the amount of  
38 adjustment assistance received under paragraph (1).”.

1 **SEC. 133203. TECHNICAL ASSISTANCE.**

2 Section 253(a)(3) of the Trade Act of 1974 (19 U.S.C. 2343(a)(3)) is amended by adding at  
3 the end before the period the following: “, including assistance to provide skills training  
4 programs to employees of the firm”.

5 **SEC. 133204. DEFINITIONS.**

6 Section 259 of the Trade Act of 1974 (19 U.S.C. 2351) is amended by adding at the end the  
7 following:

8 “(3) **UNDERSERVED COMMUNITY.**—The term ‘underserved community’ has the meaning  
9 given that term in section 247.”.

10 **SEC. 133205. PLAN FOR SUSTAINED OUTREACH TO**  
11 **POTENTIALLY-ELIGIBLE FIRMS.**

12 (a) In General.—Chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341 ~~et seq.~~-**2355**)  
13 is amended by adding at the end the following:

14 **“SEC. 263. PLAN FOR SUSTAINED OUTREACH TO**  
15 **POTENTIALLY-ELIGIBLE FIRMS.**

16 “(a) In General.—The Secretary shall develop a plan to provide sustained outreach to firms  
17 that may be eligible for adjustment assistance under this chapter.

18 “(b) Matters to Be Included.—The plan required by paragraph (1) shall include the following:

19 “(1) Outreach to the United States International Trade Commission and to such firms in  
20 industries with increased imports identified in the Commission’s annual report regarding the  
21 operation of the trade agreements program under section 163(c).

22 “(2) Outreach to such firms in the service sector.

23 “(3) Outreach to such firms that are small businesses.

24 “(4) Outreach to such firms that are minority- or women-owned firms.

25 “(5) Outreach to such firms that employ a majority or a substantial percentage of workers  
26 from underserved communities.

27 “(c) Updates.—The Secretary shall update the plan required under this section on an annual  
28 basis.

29 “(d) Submission to Congress.—The Secretary shall submit the plan and each update to the  
30 plan required under this section to Congress.”.

31 (b) Clerical Amendment.—The table of contents for the Trade Act of 1974 is amended by  
32 inserting after the item relating to section 262 the following new item:

33 “Sec.263.Plan for sustained outreach to potentially-eligible firms.”.

34 **PART 3—TRADE ADJUSTMENT ASSISTANCE FOR**

1 COMMUNITIES AND COMMUNITY COLLEGES

2 SEC. 133301. TRADE ADJUSTMENT ASSISTANCE FOR  
3 COMMUNITIES.

4 (a) In General.—Chapter 4 of title II of the Trade Act of 1974 (19 U.S.C. 2371 ~~et seq.~~)-**2372**)  
5 is amended—

6 (1) by inserting after the chapter heading the following:

7 “Subchapter B—Trade Adjustment Assistance for Community  
8 Colleges and Career Training”; and

9 (2) by redesignating sections 271 and 272 as sections 279 and 279A, respectively; and

10 (3) by inserting before subchapter B (as designated by paragraph (1)) the following:

11 “Subchapter A—Trade Adjustment Assistance for Communities

12 “SEC. 271. DEFINITIONS.

13 “In this subchapter:

14 “(1) AGRICULTURAL COMMODITY PRODUCER.—The term ‘agricultural commodity  
15 producer’ has the meaning given that term in section 291.

16 “(2) COMMUNITY.—The term ‘community’ means—

17 “(A) a city or other political subdivision of a State, including a special purpose unit  
18 of a State or local government engaged in economic or infrastructure development  
19 activities, or a consortium of political subdivisions;

20 “(B) an Economic Development District designated by the Economic Development  
21 Administration of the Department of Commerce; or

22 “(C) an Indian Tribe.

23 “(3) ELIGIBLE COMMUNITY.—The term ‘eligible community’ means a community that is  
24 impacted by trade under section 273(a)(2) and is determined to be eligible for assistance  
25 under this subchapter.

26 “(4) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

27 “(A) an eligible community;

28 “(B) an institution of higher education or a consortium of institutions of higher  
29 education; or

30 “(C) a public or private nonprofit organization or association acting in cooperation  
31 with officials of a political subdivision of a State.

32 “~~(4)~~“(5) SECRETARY.—The term ‘Secretary’ means the Secretary of Commerce.

33 “~~(5)~~“(6) UNDERSERVED COMMUNITY.—The term ‘underserved community’ has the  
34 meaning given that term in section 247.

1 “SEC. 272. ESTABLISHMENT OF TRADE ADJUSTMENT  
2 ASSISTANCE FOR COMMUNITIES PROGRAM.

3 “The Secretary, acting through the Assistant Secretary for Economic Development, shall, not  
4 later than 180 days after the date of enactment of this subchapter, establish a program to provide  
5 communities impacted by trade with assistance in accordance with the requirements of this  
6 subchapter.

7 “SEC. 273. ELIGIBILITY; NOTIFICATION OF  
8 ELIGIBILITY.

9 “(a) Eligibility.—

10 “(1) IN GENERAL.—A community shall be eligible for assistance under this subchapter if  
11 the community is a community impacted by trade under paragraph (2).

12 “(2) COMMUNITY IMPACTED BY TRADE.—A community is impacted by trade if it meets  
13 each of the following requirements:

14 “(A) One or more of the following certifications are made with respect to the  
15 community:

16 “(i) By the Secretary of Labor, that a group of workers located in the  
17 community is eligible to apply for assistance under section 223.

18 “(ii) By the Secretary of Commerce, that a firm located in the community is  
19 eligible to apply for adjustment assistance under section 251.

20 “(iii) By the Secretary of Agriculture, that a group of agricultural commodity  
21 producers located in the community is eligible to apply for adjustment assistance  
22 under section 293.

23 “(B) The community—

24 “(i) applies for assistance not later than 180 days after the date on which the  
25 most recent certification described in subparagraph (A) is made; or

26 “(ii) in the case of a community with respect to which one or more such  
27 certifications were made on or after January 1, 1994, and before the date of the  
28 enactment of this subchapter, applies for assistance not later than September 30,  
29 2024.

30 “(C) The community—

31 “(i) has a per capita income of 80 percent or less of the national average;

32 “(ii) has ~~an unemployment rate that is, for the most recent 24-month period for~~  
33 ~~which data are available, at least 1 percent greater than the national average-~~  
34 ~~unemployment rate; a history of economic distress and long-term~~  
35 **unemployment, as determined by the Secretary;** or

36 “(iii) is significantly affected by a loss of, or threat to, the jobs associated with  
37 any certification described in subparagraph (A), or the community is undergoing  
38 transition of its economic base as a result of changing trade patterns, as



1 determined by the Secretary.

2 “(b) Notification of Eligibility.—If one or more certifications described in subsection  
3 (a)(2)(A) are made with respect to a community, the applicable Secretary with respect to such  
4 certification shall concurrently, notify the Governor of the State in which the community is  
5 located of the ability of the community to apply for assistance under this section.

## 6 “SEC. 274. GRANTS TO ELIGIBLE COMMUNITIES.

7 “(a) In General.—The Secretary may—

8 “(1) upon the application of an eligible community, award a grant under this section to  
9 the community to assist in developing or updating a strategic plan that meets the  
10 requirements of section 275; or

11 “(2) upon the application of an eligible entity, award an implementation grant under this  
12 section to the entity to assist in implementing projects included in a strategic plan that meets  
13 the requirements of section 275.

14 “(b) Special Provisions.—

15 “(1) REVOLVING LOAN FUND GRANTS.—

16 “(A) IN GENERAL.—The Secretary shall maintain the proper operation and financial  
17 integrity of revolving loan funds established by eligible entities with assistance under  
18 this section.

19 “(B) EFFICIENT ADMINISTRATION.—The Secretary may—

20 “(i) at the request of an eligible entity, amend and consolidate grant agreements  
21 governing revolving loan funds to provide flexibility with respect to lending areas  
22 and borrower criteria; and

23 “(ii) assign or transfer assets of a revolving loan fund to third party for the  
24 purpose of liquidation, and the third party may retain assets of the fund to defray  
25 costs related to liquidation.

26 “(C) TREATMENT OF ACTIONS.—An action taken by the Secretary under this  
27 subsection with respect to a revolving loan fund shall not constitute a new obligation if  
28 all grant funds associated with the original grant award have been disbursed to the  
29 recipient.

30 “(2) USE OF FUNDS IN PROJECTS CONSTRUCTED UNDER PROJECT COST.—

31 “(A) IN GENERAL.—In the case of a grant for a construction project under this  
32 section, if the Secretary determines, before closeout of the project, that the cost of the  
33 project, based on the designs and specifications that were the basis of the grant, has  
34 decreased because of decreases in costs, the Secretary may approve the use of the  
35 excess funds (or a portion of the excess funds) to improve the project.

36 “(B) OTHER USES OF EXCESS FUNDS.—Any amount of excess funds remaining after  
37 application of subparagraph (A) may be used by the Secretary for providing assistance  
38 under this section.

39 “(c) Coordination.—If an eligible institution (as such term is defined in section 279) located in

1 an eligible community is seeking a grant under section 279 at the same time the community is  
2 seeking an implementation grant under subsection (a)—

3 “(1) the Secretary, upon receipt of such information from the Secretary of Labor as  
4 required under section 279(e), shall notify the community that the institution is seeking a  
5 grant under section 279; and

6 “(2) the community shall provide to the Secretary, in coordination with the institution, a  
7 description of how the community will integrate projects included in the strategic plan with  
8 the specific project for which the institution submits the grant proposal under section 279.

9 “(d) Limitation.—The total amount of grants awarded with respect to an eligible community  
10 under this section for fiscal years 2022 through ~~2026~~ **2025** may not exceed \$25,000,000.

11 “(e) Priority.—The Secretary shall, in awarding grants under this section, provide higher  
12 levels of funding with respect to eligible communities that have a history of economic distress  
13 and long-term unemployment, as determined by the Secretary.

14 “(f) Geographic Diversity.—

15 “(1) IN GENERAL.—The Secretary shall, in awarding grants under this section, ensure that  
16 grants are awarded with respect to eligible communities from geographically diverse areas.

17 “(2) GEOGRAPHIC REGION REQUIREMENT.—The Secretary shall, in meeting the  
18 requirement under paragraph (1), award a grant under this section for each of the fiscal  
19 years 2022 through ~~2026~~ **2025** to at least one eligible community located in each geographic  
20 region for which regional offices of the Economic Development Administration of the  
21 Department of Commerce are responsible, to the extent that the Secretary receives an  
22 application from at least one eligible community in each such geographic region.

23 “(g) **Technical Assistance.—The Secretary shall provide technical assistance for**  
24 **communities—**

25 **\*\* 19** “(1) to identify significant impediments to economic development that result from  
26 the impact of trade on the community, including in the course of developing a strategic plan  
27 under section 275; and

28 **\*\* 20** “(2) to access assistance under other available sources, including State, local, or  
29 private sources, to implement projects that diversify and strengthen the economy in the  
30 community.

## 31 “SEC. 275. STRATEGIC PLANS.

32 “(a) In General.—A strategic plan meets the requirements of this section if—

33 “(1) the consultation requirements of subsection (b) are met with respect to the  
34 development of the plan;

35 “(2) the plan meets the requirements of subsection (c); and

36 “(3) the plan is approved in accordance with the requirements of subsection (d).

37 “(b) Consultation.—

38 “(1) IN GENERAL.—To the extent practicable, an eligible community shall consult with  
39 the entities described in paragraph (2) in developing the strategic plan.

1           “(2) ENTITIES DESCRIBED.—The entities described in this paragraph are public and private  
2 entities located in or serving the eligible community, including—

3           “(A) local, county, or State government agencies;

4           “(B) firms, including small- and medium-sized firms;

5           “(C) local workforce investment boards;

6           “(D) labor organizations, including State labor federations and labor-management  
7 initiatives, representing workers in the community;

8           “(E) educational institutions, local educational agencies, and other training  
9 providers; and

10          “(F) local civil rights organizations and community-based organizations, including  
11 organizations representing underserved communities.

12          “(c) Contents.—The strategic plan may contain, as applicable to the community, the  
13 following:

14          “(1) A description and analysis of the capacity of the eligible community to achieve  
15 economic adjustment to the impact of trade.

16          “(2) An analysis of the economic development challenges and opportunities facing the  
17 community, including the strengths and weaknesses of the economy of the community.

18          “(3) An assessment of—

19           “(A) the commitment of the community to carry out the strategic plan on a  
20 long-term basis;

21           “(B) the participation and input of members of the community who are dislocated  
22 from employment due to the impact of trade; and

23           “(C) the extent to which underserved communities have been impacted by trade.

24          “(4) A description of how underserved communities will benefit from the strategic plan.

25          “(5) A description of the role of the entities described in subsection (b)(2) in developing  
26 the strategic plan.

27          “(6) A description of projects under the strategic plan to facilitate the community’s  
28 economic adjustment to the impact of trade, including projects to—

29           “(A) develop public facilities, public services, jobs, and businesses (including  
30 establishing a revolving loan fund);

31           “(B) provide for planning and technical assistance;

32           “(C) provide for training;

33           “(D) provide for the demolition of vacant or abandoned commercial, industrial, or  
34 residential property;

35           “(E) redevelop brownfields;

36           “(F) establish or support land banks;

1 “(G) support energy conservation; and

2 “(H) support historic preservation.

3 “(7) A strategy for continuing the community’s economic adjustment to the impact of  
4 trade after the completion of such projects.

5 “(8) A description of the educational and training programs and the potential employment  
6 opportunities available to workers in the community, including for workers under the age of  
7 25, and the future employment needs of the community.

8 “(9) An assessment of—

9 “(A) the cost of implementing the strategic plan; and

10 “(B) the timing of funding required by the community to implement the strategic  
11 plan.

12 “(10) A description of the methods of financing to be used to implement the strategic  
13 plan, including—

14 “(A) an implementation grant received under section 274 or under other authorities;

15 “(B) a loan, including the establishment of a revolving loan fund; or

16 “(C) other types of financing.

17 “(11) An assessment of how the community will address unemployment among  
18 agricultural commodity producers, if applicable.

19 “(d) Approval; CEDS Equivalent.—

20 “(1) APPROVAL.—The Secretary shall approve the strategic plan developed by an eligible  
21 community under this section if the Secretary determines that the strategic plan meets the  
22 requirements of this section.

23 “(2) CEDS OR EQUIVALENT.—The Secretary may deem an eligible community’s  
24 Comprehensive Economic Development Strategy that substantially meets the requirements  
25 of this section to be an approved strategic plan for purposes of this subchapter.

26 “(e) Allocation.—Of the funds appropriated to carry out this chapter for each of the fiscal  
27 years 2022 through ~~2026~~ 2025, the Secretary may make available not more than \$50,000,000 to  
28 award grants under section 274(a)(1).

29 ~~“SEC. 276. COORDINATION OF FEDERAL RESPONSE~~  
30 ~~AND OTHER ADDITIONAL TECHNICAL ASSISTANCE.~~

31 ~~“(a) In General.—The Secretary shall coordinate the Federal~~  
32 ~~response with respect to an eligible community that is awarded~~  
33 ~~an implementation grant under section 274(a)(2) to implement~~  
34 ~~the community’s strategic plan that meets the requirements of~~  
35 ~~section 275 by—~~

1 ~~“(1) identifying and consulting, as appropriate, with any other~~  
2 ~~Federal, State, regional, or local government agency;~~

3 ~~“(2) assisting the community to access assistance from other~~  
4 ~~available Federal sources as necessary to fulfill the community’s~~  
5 ~~strategic plan developed under section 275; and~~

6 ~~“(3) ensuring that such assistance is provided in a targeted,~~  
7 ~~integrated manner.~~

8 ~~“(b) Transfer of Funds.—~~

9 ~~“(1) Transfer of funds to other federal agencies.— Funds~~  
10 ~~appropriated to carry out this chapter may be transferred~~  
11 ~~between Federal agencies, if the funds are used for the purposes~~  
12 ~~for which the funds are specifically appropriated.~~

13 ~~“(2) Transfer of funds from other federal agencies.—~~

14 ~~“(A) In general.— Subject to subparagraph (B), for the purposes~~  
15 ~~of this chapter, the Secretary may accept transfers of funds from~~  
16 ~~other Federal agencies if the funds are used for the purposes for~~  
17 ~~which (and in accordance with the terms under which) the funds~~  
18 ~~are specifically appropriated.~~

19 ~~“(B) Use of funds.— The transferred funds—~~

20 ~~“(i) shall remain available until expended; and~~

21 ~~“(ii) may, to the extent necessary to carry out this chapter, be~~  
22 ~~transferred to and merged by the Secretary with the~~  
23 ~~appropriations for salaries and expenses.~~

24 ~~“(c) Additional Technical Assistance.— In addition to the~~  
25 ~~coordination and assistance described in subsection (a), the~~  
26 ~~Secretary shall provide technical assistance for communities—~~

1 ~~\* 19 “(1) to identify significant impediments to economic~~  
2 ~~development that result from the impact of trade on the~~  
3 ~~community, including in the course of developing a strategic~~  
4 ~~plan under section 275; and~~

5  
6 ~~\* 20 “(2) to access assistance under other available sources,~~  
7 ~~including State, local, or private sources, to implement projects~~  
8 ~~that diversify and strengthen the economy in the community.~~

9 **“SEC. ~~277~~ 276. GENERAL PROVISIONS.**

10 **“(a) Regulations.—**

11 **“(1) IN GENERAL.—**The Secretary shall, subject to paragraph (3), promulgate such  
12 regulations as may be necessary to carry out this subchapter, including with respect to—

13 **“(A)** administering the awarding of grants under section 274, including establishing  
14 guidelines for the submission and evaluation of grant applications under such section;  
15 and

16 **“(B)** establishing guidelines for the evaluation of strategic plans developed to meet  
17 the requirements of section 275.

18 **“(2) CONSULTATIONS.—**The Secretary shall consult with the Committee on Ways and  
19 Means of the House of Representatives and the Committee on Finance of the Senate not  
20 later than 90 days prior to promulgating any final rule or regulation under this subsection.

21 **“(3) RELATIONSHIP TO EXISTING REGULATIONS.—**The Secretary, to the maximum extent  
22 practicable, shall—

23 **“(A)** rely on and apply regulations promulgated to carry out other economic  
24 development programs of the Department of Commerce in carrying out this  
25 subchapter; and

26 **“(B)** provide guidance regarding the manner and extent to which such other  
27 economic development programs relate to this subchapter.

28 **“(b) Resources.—**The Secretary shall allocate such resources as may be necessary to provide  
29 sufficiently individualized assistance to each eligible community that receives a grant under  
30 section 274(a) or seeks technical assistance under section ~~276(e)~~ **274(g)** to develop and  
31 implement a strategic plan that meets the requirements of section 275.”.

32 **(b) Clerical Amendment.—**The table of contents for the Trade Act of 1974 is amended by  
33 striking the items relating to chapter 4 of title II and inserting the following:

34 **“Chapter 4—Trade Adjustment Assistance for Communities**

1 “subchapter a—trade adjustment assistance for communities

2 “Sec.271.Definitions.

3 “Sec.272.Establishment of trade adjustment assistance for communities program.

4 “Sec.273.Eligibility; notification of eligibility.

5 “Sec.274.Grants to eligible communities.

6 “Sec.275.Strategic plans.

7 ~~“Sec.276.Coordination of Federal response and other additional technical assistance.~~

8 ~~“Sec.277.General”~~“Sec.276.General provisions.

9 “subchapter b—community college and career training grant  
10 program

11 “Sec.279.Community College and Career Training Grant Program.

12 “Sec.279A.Authorization of appropriations.”.

13 **SEC. 133302. TRADE ADJUSTMENT ASSISTANCE FOR**  
14 **COMMUNITY COLLEGES AND CAREER TRAINING.**

15 Section 279 of the Trade Act of 1974, as redesignated by section 133301(a)(2), is amended as  
16 follows:

17 (1) In subsection (a)—

18 (A) in paragraph (1), by striking “eligible institutions” and inserting “eligible  
19 entities”; and

20 (B) in paragraph (2)—

21 (i) in the matter preceding subparagraph (A), by striking “eligible institution”  
22 and inserting “eligible entity”; and

23 (ii) in subparagraph (B)—

24 (I) by striking “\$1,000,000” and inserting “\$2,500,000”;

25 (II) by striking “(B)” and inserting “(B)(i) in the case of an eligible  
26 institution,”;

27 (III) by striking the period at the end and inserting “; or”; and

28 (IV) by adding at the end the following:

29 “(ii) in the case of a consortium of eligible institutions, a grant under this section in  
30 excess of \$15,000,000.”.

31 (2) In subsection (b), by adding at the end the following:

32 “(3) ELIGIBLE ENTITY.—The term ‘eligible entity’ means an eligible institution or a  
33 consortium of eligible institutions.

1 “(4) UNDERSERVED COMMUNITY.—The term ‘underserved community’ has the meaning  
2 given that term in section 247.”.

3 (3) In subsection (c)—

4 (A) by striking “eligible institution” each place it appears and inserting “eligible  
5 entity”; and

6 (B) in paragraph (5)(A)(i)—

7 (i) in subclause (I), by striking “and” at the end; and

8 (ii) by adding at the end the following:

9 “(III) any opportunities to support industry or sector partnerships to  
10 develop or expand quality academic programs and curricula; and”.

11 (4) In subsection (d), by striking “eligible institution” each place it appears and inserting  
12 “eligible entity”.

13 (5) By redesignating subsection (e) as subsection (h) and inserting after subsection (d) the  
14 following:

15 “(e) Use of Funds.—

16 “(1) IN GENERAL.—An eligible entity shall use a grant awarded under this section to  
17 establish and scale career training programs, including career and technical education  
18 programs, and career pathways and supports for students participating in such programs.

19 “(2) STUDENT SUPPORT AND EMERGENCY SERVICES.—Not less than 15 percent of the  
20 amount of a grant awarded to an eligible entity under this section shall be used to carry out  
21 student support services, which may include the following:

22 “(A) Supportive services, including childcare, transportation, mental health services,  
23 ~~or~~ substance use disorder prevention and treatment, assistance in obtaining health  
24 insurance coverage, housing, and other benefits, as appropriate.

25 “(B) Connecting students to State or Federal means-tested benefits programs.

26 “(C) The provision of direct financial assistance to help students facing financial  
27 hardships that may impact enrollment in or completion of a program supported by such  
28 funds.

29 “(D) Navigation, coaching, mentorship, and case management services, including  
30 providing information and outreach to the population described in subparagraph (C) to  
31 take part in such a program.

32 “(E) Providing access to necessary supplies, materials, technological devices, or  
33 required equipment, and other supports necessary to participate in such a program.

34 “(f) Plan for Outreach to Underserved Communities.—

35 “(1) IN GENERAL.—In awarding grants under this section, the Secretary shall—

36 “(A) ensure that eligible institutions effectively serve individuals from underserved  
37 communities; and

38 “(B) develop a plan to ensure that grants provided under this subchapter effectively



1 serve individuals from underserved communities.

2 “(2) UPDATES.—The Secretary shall update the plan required by paragraph (1)(B) on an  
3 annual basis.

4 “(3) SUBMISSION TO CONGRESS.—The Secretary shall submit the plan required by  
5 paragraph (1)(B) and each update to the plan required by paragraph (2) to Congress.

6 “(g) Geographic Diversity.—The Secretary shall, in awarding grants under this section, ensure  
7 that grants are awarded with respect to eligible entities from geographically diverse areas.”.

## 8 PART 4—TRADE ADJUSTMENT ASSISTANCE FOR 9 FARMERS

### 10 SEC. 133401. DEFINITIONS.

11 Section 291 of the Trade Act of 1974 (19 U.S.C. 2401) is amended—

12 (1) by striking paragraph (3);

13 (2) by redesignating paragraphs (4) through (7) as paragraphs (3) through (6),  
14 respectively; and

15 (3) by adding at the end the following:

16 “(7) UNDERSERVED COMMUNITY.—The term ‘underserved community’ has the meaning  
17 given that term in section 247.”.

### 18 SEC. 133402. GROUP ELIGIBILITY REQUIREMENTS.

19 Section 292 of the Trade Act of 1974 (19 U.S.C. 2401a) is amended—

20 (1) in subsection (c)—

21 (A) in paragraph (1)—

22 (i) by striking “85 percent of” each place it appears; and

23 (ii) in subparagraph (D), by adding “and” at the end;

24 (B) in paragraph (2), by striking “(2)” and inserting “(2)(A)(i)”;

25 (C) by redesignating paragraph (3) as clause (ii) of paragraph (2)(A) (as designated  
26 by subparagraph (B));

27 (D) in clause (ii) of paragraph (2)(A) (as redesignated by subparagraph (C))—

28 (i) by striking “importantly”; and

29 (ii) by striking the period at the end and inserting “; or”; and

30 (E) in paragraph (2), by adding at the end the following:

31 “(B)(i) the volume of exports of the agricultural commodity produced by the group in the  
32 marketing year with respect to which the group files the petition decreased compared to the  
33 average volume of such exports during the 3 marketing years preceding such marketing  
34 year; and

1           “(ii) the decrease in such exports contributed to the decrease in the national average price,  
2           quantity of production, or value of production of, or cash receipts for, the agricultural  
3           commodity, as described in paragraph (1).”; and

4           (2) in subsection (e)(3), by adding at the end before the period the following: “or  
5           exports”.

## 6   **SEC. 133403. BENEFIT INFORMATION TO** 7   **AGRICULTURAL COMMODITY PRODUCERS.**

8           Section 295(a) of the Trade Act of 1974 (19 U.S.C. 2401d(a)) is amended by adding at the end  
9           the following: “The Secretary shall develop a plan to conduct targeted sustained outreach and  
10           offer assistance to agricultural commodity producers from underserved communities”.

## 11   **SEC. 133404. QUALIFYING REQUIREMENTS AND** 12   **BENEFITS FOR AGRICULTURAL COMMODITY** 13   **PRODUCERS.**

14           Section 296 of the Trade Act of 1974 (19 U.S.C. 2401e) is amended—

15           (1) in subsection (a)(1)(A), by striking “90 days” and inserting “120 days”;

16           (2) in subsection (b)—

17                   (A) in paragraph (3)(B), by striking “\$4,000” and inserting “\$12,000”; and

18                   (B) in paragraph (4)(C), by striking “\$8,000” and inserting “\$24,000”;

19           (3) in subsection (c), by striking “\$12,000” and inserting “\$36,000”; and

20           (4) by adding at the end the following new subsection:

21           “(e) Adjustments for Inflation.—

22                   “(1) IN GENERAL.—The Secretary of Agriculture shall adjust each dollar amount  
23                   limitation described in this section on the date that is 30 days after the date of the enactment  
24                   of this subsection, and at the beginning of each fiscal year thereafter, to reflect the  
25                   percentage (if any) of the increase in the average of the Consumer Price Index for the  
26                   preceding 12-month period compared to the Consumer Price Index for fiscal year 2020.

27                   “(2) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment under  
28                   paragraph (1), the Secretary—

29                           “(A) shall round the amount of any increase in the Consumer Price Index to the  
30                           nearest dollar; and

31                           “(B) may ignore any such increase of less than 1 percent.

32                   “(3) CONSUMER PRICE INDEX DEFINED.—For purposes of this subsection, the term  
33                   ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers  
34                   published by the Bureau of Labor Statistics of the Department of Labor.”.

## 35   **PART 5—APPROPRIATIONS AND OTHER MATTERS**

1 SEC. 133501. EXTENSION OF AND APPROPRIATIONS  
2 FOR TRADE ADJUSTMENT ASSISTANCE PROGRAM.

3 (a) Extension of Termination Provisions.—Section 285 of the Trade Act of 1974 (19 U.S.C.  
4 2271 note) is amended by striking “2021” each place it appears and inserting “2028”“2025”.

5 (b) Training Funds.—Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C.  
6 2296(a)(2)(A)) , as amended by section 133110(c)(2)(B), is further amended—

7 (1) by striking “shall not exceed \$450,000,000” and inserting the following: “shall not  
8 exceed—

9 “(i) \$450,000,000”;

10 (2) by striking the period at the end and inserting “; and”; and

11 (3) by adding at the end the following:

12 “(ii) \$1,000,000,000 for each of the fiscal years 2022 through ~~2028.~~ 2025.”.

13 (c) Reemployment Trade Adjustment Assistance.—Section 246(b)(1) of the Trade Act of 1974  
14 (19 U.S.C. 2318(b)(1)) is amended by striking “2021” and inserting “2028”“2025”.

15 (d) Authorizations of Appropriations.—

16 (1) TRADE ADJUSTMENT ASSISTANCE FOR WORKERS.—Section 245 of the Trade Act of  
17 1974 (19 U.S.C. 2317) is amended—

18 (A) in subsection (a), by striking “2021” and inserting “2028”“2025”; and

19 (B) by adding at the end the following:

20 “(d) Reservation by the Secretary.—Of the funds appropriated to carry out this chapter for any  
21 fiscal year, the Secretary of Labor may reserve not more than ~~0.5 percent for~~ **1 percent for**  
22 **administration of the program (in addition to amounts otherwise available for such**  
23 **purposes)**, technical assistance, **grants for** pilots and demonstrations, and the evaluation of  
24 activities carried out under this chapter.”.

25 (2) TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.—Section 255(a) of the Trade Act of  
26 1974 (19 U.S.C. 2345(a)) is amended in the first sentence by adding at the end before the  
27 period the following: “and \$50,000,000 for each of the fiscal years 2022 through ~~2028.~~  
28 **2025**”.

29 ~~(3)~~**(3) TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITY COLLEGES AND CAREER**  
30 **TRAINING.—Subsection (a) of section 279A of the Trade Act of 1974 (as redesignated)**  
31 **is amended by striking “\$40,000,000” and all that follows through “December 31,**  
32 **2010,” and inserting “\$300,000,000 for each of the fiscal years 2022 through 2025”.**

33 (4) TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.—Section 298 of the Trade Act of  
34 1974 (19 U.S.C. 2401g(a)) is amended—

35 (A) in subsection (a)—

36 (i) by striking “\$90,000,000” and inserting “~~\$50,000,000~~”“**\$10,000,000**”; and

37 (ii) by striking “2021” and inserting “2028”“2025”; and

1 (B) by adding at the end the following:

2 “(c) Reservation by the Secretary.—Of the funds appropriated to carry out this chapter for any  
3 fiscal year, the Secretary of Agriculture may not reserve more than 5 percent for technical  
4 assistance, pilots and demonstrations, and the evaluation of activities carried out under this  
5 chapter.”.

6 (e) Appropriations.—

7 (1) TRADE ADJUSTMENT ASSISTANCE FOR WORKERS.—In addition to amounts otherwise  
8 available, there is appropriated for each of fiscal years 2022 through ~~2028~~ **2025**, out of any  
9 money in the Treasury not otherwise appropriated, \$1,000,000,000, to remain available until  
10 expended, to carry out the purposes of chapter 2 of title II of the Trade Act of 1974, as  
11 authorized by section 245 of the Trade Act of 1974 (19 U.S.C. 2317) (as amended by  
12 subsection (d)).

13 (2) TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.—In addition to amounts otherwise  
14 available, there is appropriated for each of fiscal years 2022 through ~~2028~~ **2025**, out of any  
15 money in the Treasury not otherwise appropriated, \$50,000,000, to remain available until  
16 expended, to carry out the provisions of chapter 3 of title II of the Trade Act of 1974, as  
17 authorized by section 255 of the Trade Act of 1974 (19 U.S.C. 2345) (as amended by  
18 subsection (d)).

19 (3) TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES.—

20 (A) IN GENERAL.—In addition to amounts otherwise available, there is appropriated  
21 for each of fiscal years 2022 through ~~2026~~ **2025**, out of any money in the Treasury not  
22 otherwise appropriated, ~~\$1,000,000,000~~ **\$300,000,000**, to remain available ~~until~~  
23 ~~expended~~ **for obligation until September 30, 2026**, to carry out subchapter A of  
24 chapter 4 of title II of the Trade Act of 1974, as added by section 133301 of this Act,  
25 ~~as added by subsection (d)~~.

26 (B) SALARIES AND EXPENSES.—Of the amounts appropriated pursuant subparagraph  
27 (A) for each of fiscal years 2022 through ~~2026~~ **2025**, not more than \$40,000,000 shall  
28 be made available for the salaries and expenses of personnel administering subchapter  
29 A of chapter 4 of title II of the Trade Act of 1974.

30 (C) SUPPLEMENT AND NOT SUPPLANT.—Amounts appropriated pursuant to  
31 subparagraph (A) for each of the fiscal years 2022 through ~~2026~~ **2025** shall be used to  
32 supplement, and not supplant, other Federal, State, regional, and local government  
33 funds made available to provide economic development assistance for communities.

34 (4) TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITY COLLEGES AND CAREER  
35 TRAINING.—

36 (A) IN GENERAL.—In addition to amounts otherwise available, there is appropriated  
37 for each of fiscal years 2022 through ~~2028~~ **2025**, out of any money in the Treasury not  
38 otherwise appropriated, ~~\$1,300,000,000~~ **\$300,000,000**, to remain available until  
39 expended, to carry out subchapter B of chapter 4 of title II of the Trade Act of 1974, as  
40 designated by section 13301 of this Act, as authorized by section 279A of such  
41 subchapter B (as redesignated **and as amended by subsection (d)**)).

42 (B) RESERVATION BY THE SECRETARY.—Of the funds appropriated to carry out

1 subchapter B of chapter 4 of title II of the Trade Act of 1974 for each of fiscal years  
2 ~~2002~~ **2022** through ~~2028~~ **2025**, the Secretary of Labor may reserve not more than 5  
3 percent for administration of the program, including providing technical assistance,  
4 sustained outreach to eligible institutions effectively serving underserved communities,  
5 **grants for** pilots and demonstrations, and a rigorous third-party evaluation of the  
6 program carried out under such subchapter.

7 (5) TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.—In addition to amounts otherwise  
8 available, there is appropriated for each of fiscal years 2022 through ~~2028~~ **2025**, out of any  
9 money in the Treasury not otherwise appropriated, ~~\$50,000,000~~ **\$10,000,000**, to remain  
10 available until expended, to carry out the purposes of chapter 6 of title II of the Trade Act of  
11 1974, as authorized by section 298 of the Trade Act of 1974 (19 U.S.C. 2401) (as amended  
12 by subsection (d)).

## 13 SEC. 133502. APPLICABILITY OF TRADE ADJUSTMENT 14 ASSISTANCE PROVISIONS.

### 15 (a) Workers Certified Before Date of Enactment.—

16 (1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a worker certified as  
17 eligible for adjustment assistance under section 222 of the Trade Act of 1974 before the  
18 date of the enactment of this Act shall be eligible, on and after such date of enactment, to  
19 receive benefits only under the provisions of chapter 2 of title II of the Trade Act of 1974,  
20 as in effect on such date of enactment, or as such provisions may be amended after such  
21 date of enactment.

22 (2) COMPUTATION OF MAXIMUM BENEFITS.—Benefits received by a worker described in  
23 paragraph (1) under chapter 2 of title II of the Trade Act of 1974 before the date of the  
24 enactment of this Act shall be included in any determination of the maximum benefits for  
25 which the worker is eligible under the provisions of chapter 2 of title II of the Trade Act of  
26 1974, as in effect on the date of the enactment of this Act, or as such provisions may be  
27 amended after such date of enactment.

28 (3) AUTHORITY TO MAKE ADJUSTMENTS TO BENEFITS.—For the 90-day period beginning  
29 on the date of the enactment of this Act, the Secretary is authorized to make any  
30 adjustments to benefits to workers described in paragraph (1) that the Secretary determines  
31 to be necessary and appropriate in applying and administering the provisions of chapter 2 of  
32 title II of the Trade Act of 1974, as in effect on the date of the enactment of this Act, or as  
33 such provisions may be amended after such date of enactment, in a manner that ensures  
34 parity of treatment between the benefits of such workers and the benefits of workers  
35 certified after such date of enactment.

### 36 (b) Workers Not Certified Pursuant to Certain Petitions Filed Before Date of Enactment.—

#### 37 (1) CERTIFICATIONS OF WORKERS NOT CERTIFIED BEFORE DATE OF ENACTMENT.—

38 (A) CRITERIA IF A DETERMINATION HAS NOT BEEN MADE.—If, as of the date of the  
39 enactment of this Act, the Secretary of Labor has not made a determination with  
40 respect to whether to certify a group of workers as eligible to apply for adjustment  
41 assistance under section 222 of the Trade Act of 1974 pursuant to a petition described  
42 in subparagraph (C), the Secretary shall make that determination based on the

1 requirements of section 222 of the Trade Act of 1974, as in effect on such date of  
2 enactment.

3 (B) RECONSIDERATION OF DENIALS OF CERTIFICATIONS.—If, before the date of the  
4 enactment of this Act, the Secretary made a determination not to certify a group of  
5 workers as eligible to apply for adjustment assistance under section 222 of the Trade  
6 Act of 1974 pursuant to a petition described in subparagraph (C), the Secretary shall—

7 (i) reconsider that determination; and

8 (ii) if the group of workers meets the requirements of section 222 of the Trade  
9 Act of 1974, as in effect on such date of enactment, certify the group of workers  
10 as eligible to apply for adjustment assistance.

11 (C) PETITION DESCRIBED.—A petition described in this subparagraph is a petition for  
12 a certification of eligibility for a group of workers filed under section 221 of the Trade  
13 Act of 1974 on or after January 1, 2021, and before the date of the enactment of this  
14 Act.

15 (2) ELIGIBILITY FOR BENEFITS.—

16 (A) IN GENERAL.—Except as provided in subparagraph (B), a worker certified as  
17 eligible to apply for adjustment assistance under section 222 of the Trade Act of 1974  
18 pursuant to a petition described in paragraph (1)(C) shall be eligible, on and after the  
19 date of the enactment of this Act, to receive benefits only under the provisions of  
20 chapter 2 of title II of the Trade Act of 1974, as in effect on such date of enactment, or  
21 as such provisions may be amended after such date of enactment.

22 (B) COMPUTATION OF MAXIMUM BENEFITS.—Benefits received by a worker  
23 described in paragraph (1) under chapter 2 of title II of the Trade Act of 1974 before  
24 the date of the enactment of this Act shall be included in any determination of the  
25 maximum benefits for which the worker is eligible under the provisions of chapter 2 of  
26 title II of the Trade Act of 1974, as in effect on the date of the enactment of this Act, or  
27 as such provisions may be amended after such date of enactment.

28 (c) Conforming Amendments.—

29 (1) TRADE ACT OF 2002.—Section 151 of the Trade Act of 2002 (19 U.S.C. note prec.  
30 2271) is amended by striking subsections (a), (b), and (c).

31 (2) TRADE AND GLOBALIZATION ADJUSTMENT ASSISTANCE ACT OF 2009.—Section 1891 of  
32 the Trade and Globalization Adjustment Assistance Act of 2009 (19 U.S.C. 2271 note) is  
33 repealed.

34 (3) TRADE ADJUSTMENT ASSISTANCE EXTENSION ACT OF 2011.—The Trade Adjustment  
35 Assistance Extension Act of 2011 is amended—

36 (A) in section 201 (19 U.S.C. note prec. 2271), by striking subsections (b) and (c);  
37 and

38 (B) in section 231(a) (19 U.S.C. 2271 note), by striking paragraphs (1)(B) and (2).

39 (4) TRADE ADJUSTMENT ASSISTANCE REAUTHORIZATION ACT OF 2015.—The Trade  
40 Adjustment Assistance Reauthorization Act of 2015 is amended—

1 (A) in section 402 (19 U.S.C. note prec. 2271), by striking subsections (b) and (c);  
2 and

3 (B) in section 405(a)(1) (19 U.S.C. 2319(a)(1)), by striking subparagraph (B).

4 (d) Trade Adjustment Assistance for Firms.—

5 (1) CERTIFICATION OF FIRMS NOT CERTIFIED BEFORE DATE OF ENACTMENT.—

6 (A) CRITERIA IF A DETERMINATION HAS NOT BEEN MADE.—If, as of the date of the  
7 enactment of this Act, the Secretary of Commerce has not made a determination with  
8 respect to whether to certify a firm as eligible to apply for adjustment assistance under  
9 section 251 of the Trade Act of 1974 pursuant to a petition described in subparagraph  
10 (C), the Secretary shall make that determination based on the requirements of section  
11 251 of the Trade Act of 1974, as in effect on such date of enactment.

12 (B) RECONSIDERATION OF DENIAL OF CERTAIN PETITIONS.—If, before the date of the  
13 enactment of this Act, the Secretary made a determination not to certify a firm as  
14 eligible to apply for adjustment assistance under section 251 of the Trade Act of 1974  
15 pursuant to a petition described in subparagraph (C), the Secretary shall—

16 (i) reconsider that determination; and

17 (ii) if the firm meets the requirements of section 251 of the Trade Act of 1974,  
18 as in effect on such date of enactment, certify the firm as eligible to apply for  
19 adjustment assistance.

20 (C) PETITION DESCRIBED.—A petition described in this subparagraph is a petition for  
21 a certification of eligibility filed by a firm or its representative under section 251 of the  
22 Trade Act of 1974 on or after January 1, 2021, and before the date of the enactment of  
23 this Act.

24 (2) CERTIFICATION OF FIRMS THAT DID NOT SUBMIT PETITIONS BETWEEN JANUARY 1, 2021,  
25 AND DATE OF ENACTMENT.—

26 (A) IN GENERAL.—The Secretary of Commerce shall certify a firm described in  
27 subparagraph (B) as eligible to apply for adjustment assistance under section 251 of  
28 the Trade Act of 1974, as in effect on the date of the enactment of this Act, if the firm  
29 or its representative files a petition for a certification of eligibility under section 251 of  
30 the Trade Act of 1974 not later than 90 days after such date of enactment.

31 (B) FIRM DESCRIBED.—A firm described in this subparagraph is a firm that the  
32 Secretary determines would have been certified as eligible to apply for adjustment  
33 assistance if—

34 (i) the firm or its representative had filed a petition for a certification of  
35 eligibility under section 251 of the Trade Act of 1974 on a date during the period  
36 beginning on January 1, 2021, and ending on the day before the date of the  
37 enactment of this Act; and

38 (ii) the provisions of chapter 3 of title II of the Trade Act of 1974, as in effect  
39 on such date of enactment, had been in effect on that date during the period  
40 described in clause (i).

1 ~~Subtitle E~~ **SEC. 133503. SUNSET PROVISIONS.**

2 (a) Application of Prior Law.—Subject to subsection (b), beginning on July 1, 2025, the  
3 provisions of chapters 2, 3, 5, and 6 of title II of the Trade Act of 1974 (19 U.S.C.  
4 2271-2401g), as in effect on January 1, 2014, shall be in effect and apply, except that in  
5 applying and administering such chapters—

6 (1) paragraph (1) of section 231(c) of that Act shall be applied and administered as if  
7 subparagraphs (A), (B), and (C) of that paragraph were not in effect;

8 (2) section 233 of that Act shall be applied and administered—

9 (A) in subsection (a)—

10 (i) in paragraph (2), by substituting “104-week period” for “104-week  
11 period” and all that follows through “130-week period”); and

12 (ii) in paragraph (3)—

13 (I) in the matter preceding subparagraph (A), by substituting “65” for  
14 “52”; and

15 (II) by substituting “78-week period” for “52-week period” each place  
16 it appears; and

17 (B) by applying and administering subsection (g) as if it read as follows:

18 “(g) Payment of Trade Readjustment Allowances To Complete  
19 Training.—Notwithstanding any other provision of this section, in order to assist an  
20 adversely affected worker to complete training approved for the worker under section 236  
21 that leads to the completion of a degree or industry-recognized credential, payments may  
22 be made as trade readjustment allowances for not more than 13 weeks within such period  
23 of eligibility as the Secretary may prescribe to account for a break in training or for  
24 justifiable cause that follows the last week for which the worker is otherwise entitled to a  
25 trade readjustment allowance under this chapter if—

26 “(1) payment of the trade readjustment allowance for not more than 13 weeks is  
27 necessary for the worker to complete the training;

28 “(2) the worker participates in training in each such week; and

29 “(3) the worker—

30 “(A) has substantially met the performance benchmarks established as part of  
31 the training approved for the worker;

32 “(B) is expected to continue to make progress toward the completion of the  
33 training; and

34 “(C) will complete the training during that period of eligibility.”;

35 (3) section 245(a) of that Act shall be applied and administered by substituting  
36 “June 30, 2025” for “December 31, 2007”;

37 (4) section 246(b)(1) of that Act shall be applied and administered by substituting  
38 “June 30, 2025” for “the date that is 5 years” and all that follows through “State”;



1 (5) section 256(b) of that Act shall be applied and administered by substituting “the  
2 1-year period beginning on July 1, 2025” for “each of fiscal years 2003 through 2007,  
3 and \$4,000,000 for the 3-month period beginning on October 1, 2007”;

4 (6) section 298(a) of that Act shall be applied and administered by substituting “the  
5 1-year period beginning on July 1, 2025” for “each of the fiscal years” and all that  
6 follows through “October 1, 2007”; and

7 (7) section 285 of that Act shall be applied and administered—

8 (A) in subsection (a), by substituting “June 30, 2026” for “December 31, 2007”  
9 each place it appears; and

10 (B) by applying and administering subsection (b) as if it read as follows:

11 “(b) Other Assistance.—

12 “(1) ASSISTANCE FOR FIRMS.—

13 “(A) IN GENERAL.—Except as provided in subparagraph (B), assistance may  
14 not be provided under chapter 3 after June 30, 2026.

15 “(B) EXCEPTION.—Notwithstanding subparagraph (A), any assistance  
16 approved under chapter 3 pursuant to a petition filed under section 251 on or  
17 before June 30, 2026, may be provided—

18 “(i) to the extent funds are available pursuant to such chapter for such  
19 purpose; and

20 “(ii) to the extent the recipient of the assistance is otherwise eligible to  
21 receive such assistance.

22 “(2) FARMERS.—

23 “(A) IN GENERAL.—Except as provided in subparagraph (B), assistance may  
24 not be provided under chapter 6 after June 30, 2026.

25 “(B) EXCEPTION.—Notwithstanding subparagraph (A), any assistance  
26 approved under chapter 6 on or before June 30, 2026, may be provided—

27 “(i) to the extent funds are available pursuant to such chapter for such  
28 purpose; and

29 “(ii) to the extent the recipient of the assistance is otherwise eligible to  
30 receive such assistance.”.

31 (b) Exceptions.—The provisions of chapters 2, 3, 5, and 6 of title II of the Trade Act of  
32 1974, as in effect on the date of the enactment of this Act, shall continue to apply on and  
33 after July 1, 2025, with respect to—

34 (1) workers certified as eligible for trade adjustment assistance benefits under  
35 chapter 2 of title II of that Act pursuant to petitions filed under section 221 of that Act  
36 before July 1, 2025;

37 (2) firms certified as eligible for technical assistance or grants under chapter 3 of  
38 title II of that Act pursuant to petitions filed under section 251 of that Act before July  
39 1, 2025; and

1           (3) agricultural commodity producers certified as eligible for technical or financial  
2           assistance under chapter 6 of title II of that Act pursuant to petitions filed under  
3           section 292 of that Act before July 1, 2025.

## 4       **Subtitle D—Career Pathways and Social Services**

### 5       **PART 1—PROVISIONS RELATING TO PATHWAYS TO** 6       **HEALTH CAREERS**

#### 7       **SEC. 134101. PATHWAYS TO HEALTH CAREERS ~~ACT.~~**

8           ~~(a) Transition Funding.—There is appropriated, out of any funds in the Treasury not otherwise~~  
9           ~~appropriated, \$15,000,000 to the Secretary of Health and Human Services to provide technical~~  
10           ~~assistance and cover administrative costs associated with implementing section 2071 of the~~  
11           ~~Social Security Act (as added by subsection (b)).~~

12           ~~(b) Career Pathways Through Health Profession Opportunity Grants.—Effective~~ **Effective**  
13           ~~October 1, 2021, title XX of the Social Security Act (42 U.S.C. ~~1397–1397n13~~)~~ **1397–1397n–13**)  
14           is amended by adding at the end the following:

#### 15       **“Subtitle D—Career Pathways Through Health Profession** 16       **Opportunity Grants**

#### 17       **“SEC. 2071. CAREER PATHWAYS THROUGH HEALTH** 18       **PROFESSION OPPORTUNITY GRANTS.**

19           “(a) Application Requirements.—An eligible entity desiring a grant under this section for a  
20           project shall submit to the Secretary an application for the grant, that includes the following:

21                   “(1) A description of how the applicant will use a career pathways approach to train  
22                   eligible individuals for health professions that ~~pay well or~~ will put eligible individuals on a  
23                   career path to an occupation that pays well, under the project.

24                   “(2) A description of the adult basic education and literacy activities, work readiness  
25                   activities, training activities, and case management and career coaching services that the  
26                   applicant will use to assist eligible individuals to gain work experience, connection to  
27                   employers, and job placement, and a description of the plan for recruiting, hiring, and  
28                   training staff to provide the case management, mentoring, and career coaching services,  
29                   under the project directly or through local governmental, apprenticeship, educational, or  
30                   charitable institutions.

31                   ~~“(3) In the case of an application for a grant under this section for a demonstration project~~  
32                   ~~described in subsection (c)(2)(B)(i)(I) —~~

33  
34                   \* 21 ~~“(A) a demonstration that the State in which the demonstration project is to be~~  
35                   ~~conducted has in effect policies or laws that permit certain allied health and behavioral~~  
36                   ~~health care credentials to be awarded to people with certain arrest or conviction records~~  
37                   ~~(which policies or laws shall include appeals processes, waivers, certificates, and other~~

1 ~~opportunities to demonstrate rehabilitation to obtain credentials, licensure, and approval to~~  
2 ~~work in the proposed health careers), and a plan described in the application that will use a~~  
3 ~~career pathway to assist participants with such a record in acquiring credentials, licensing,~~  
4 ~~and employment in the specified careers;~~

5  
6 \* 22 ~~“(B) a discussion of how the project or future strategic hiring decisions will~~  
7 ~~demonstrate the experience and expertise of the project in working with job seekers who~~  
8 ~~have arrest or conviction records or employers with experience working with people with~~  
9 ~~arrest or conviction records;~~

10  
11 \* 23 ~~“(C) an identification of promising innovations or best practices that can be used to~~  
12 ~~provide the training;~~

13  
14 \* 24 ~~“(D) a proof of concept or demonstration that the applicant has done sufficient~~  
15 ~~research on workforce shortage or in demand jobs for which people with certain types of~~  
16 ~~arrest or conviction records can be hired;~~

17 ~~“(E) a plan for recruiting students who are eligible individuals into the project; and~~

18  
19 \* 25 ~~“(F) a plan for providing post-employment support and ongoing training as part of a~~  
20 ~~career pathway under the project.~~

21 ~~“(4) In the case of an application for a grant under this section for a demonstration project~~  
22 ~~described in subsection (c)(2)(B)(i)(II)—~~

23 ~~“(A) a description of the partnerships, strategic staff hiring decisions, tailored program~~  
24 ~~activities, or other programmatic elements of the project, such as training plans for doulas~~  
25 ~~and other community health workers and training plans for midwives and other allied health~~  
26 ~~professions, that are designed to support a career pathway in pregnancy, birth, or~~  
27 ~~post-partum services; and~~

28 ~~“(B) a demonstration that the State in which the demonstration project is to be conducted~~  
29 ~~recognizes doulas or midwives, as the case may be.~~

30 ~~“(5)“(3) A demonstration that the applicant has experience working with low-income~~  
31 ~~populations, or a description of the plan of the applicant to work with a partner organization~~  
32 ~~that has the experience.~~

33 ~~“(6)“(4) A plan for providing post-employment support and ongoing training as part of a~~  
34 ~~career pathway under the project.~~

35 ~~“(7)“(5) A description of the support services that the applicant will provide under the~~  
36 ~~project, including a plan for how child care and transportation support services will be~~  
37 ~~guaranteed and, if the applicant will provide a cash stipend or wage supplement, how the~~  
38 ~~stipend or supplement would be calculated and distributed.~~

39 ~~“(8)“(6) A certification by the applicant that the project development included—~~

1           “(A) consultation **or commitment to consult** with a local workforce development  
2 board ~~established under section 107 of the Workforce Innovation and Opportunity Act;~~

3           “(B) consideration of **registered** apprenticeship and pre-apprenticeship models  
4 ~~registered under the Act of August 16, 1937 (also known as the ‘National~~  
5 ~~Apprenticeship Act’);~~

6           “(C) consideration of career pathway programs in the State in which the project is to  
7 be conducted; and

8           “(D) a review of the State plan under section 102 or 103 of the Workforce  
9 Innovation and Opportunity Act.

10       ~~“(9)“(7)~~ A description of the availability and relevance of recent labor market  
11 information and other pertinent evidence of in-demand jobs or worker shortages.

12       ~~“(10)“(8)~~ A certification that the applicant will directly provide or contract for the  
13 training services described in the application.

14       ~~“(11)“(9)~~ A commitment by the applicant that, if the grant is made to the applicant, the  
15 applicant will—

16           “(A) during the planning period for the project, provide the Secretary with any  
17 information needed by the Secretary to establish adequate data reporting and  
18 administrative structure for the project;

19           “(B) hire a person to direct the project not later than the end of the planning period  
20 applicable to the project;

21           “(C) accept all technical assistance offered by the Secretary with respect to the  
22 grant;

23           “(D) participate in peer technical assistance conferences as are regularly scheduled  
24 by the Secretary; and

25           “(E) provide all data required by the Secretary under subsection (g).

26       “(b) ~~Preferences in Considering Applications.~~ **In Additional Application Element.**—**In**  
27 **considering applications for a grant under this section, the Secretary shall give preference to—**  
28 **require qualified applicants to have at least 1 of the following application elements—**

29           “(1) applications submitted by applicants to whom a grant was made under this section or  
30 any predecessor to this section;

31           “(2) applications submitted by applicants who have business and community partners in  
32 each of the following categories:

33           “(A) State and local government agencies and social service providers, including a  
34 State or local entity that administers a State program funded under part A of this title;

35           “(B) institutions of higher education, apprenticeship programs, and local workforce  
36 development boards ~~established under section 107 of the Workforce Innovation and~~  
37 ~~Opportunity Act;~~ and

38           “(C) health care employers, health care industry or sector partnerships, labor unions,  
39 and labor-management partnerships;

1 “(3) applications that include opportunities for mentoring or peer support, and make  
2 career coaching available, as part of the case management plan;

3 “(4) applications which describe a project that will serve a rural area in which—

4 “(A) the community in which the individuals to be enrolled in the project reside is  
5 located;

6 “(B) the project will be conducted; or

7 “(C) an employer partnership that has committed to hiring individuals who  
8 successfully complete all activities under the project is located;

9 “(5) applications that include a commitment to providing project participants with a cash  
10 stipend or wage supplement; and

11 “(6) applications which have an emergency cash fund to assist project participants  
12 financially in emergency situations.

13 “(c) Grants.—

14 “(1) COMPETITIVE GRANTS.—

15 “(A) GRANT AUTHORITY.—

16 “(i) IN GENERAL.—The Secretary ~~may~~ **shall** make a grant in accordance with  
17 this paragraph to an eligible entity whose application for the grant is approved by  
18 the Secretary, to conduct a project designed to train low-income individuals for  
19 allied health professions, health information technology, ~~physicians~~ **physician**  
20 assistants, nursing assistants, registered nurse, advanced practice nurse, and other  
21 professions considered part of a health care career pathway model.

22 “(ii) GUARANTEE OF GRANTEES IN EACH STATE AND THE DISTRICT OF  
23 COLUMBIA.—For each grant cycle, the Secretary shall award a grant under this  
24 paragraph to at least 2 eligible entities in each State that is not a territory, to the  
25 extent there are a sufficient number of applications **that have a high likelihood**  
26 **of success and that are** submitted by the entities that meet the requirements  
27 applicable with respect to such a grant. If, for a grant cycle, there are fewer than 2  
28 such eligible entities in a State **that have submitted applications with a high**  
29 **likelihood of success**, the Secretary shall ~~include that information in the report~~  
30 ~~required by subsection (g)(2) that covers the fiscal year.~~ **identify qualified**  
31 **eligible applicants located elsewhere, that are otherwise approved but**  
32 **un-funded, and issue a Substitution of Grant and tailored technical**  
33 **assistance. In the preceding sentence, the term ‘issue a Substitution of Grant’**  
34 **means, in a case in which an approved grantee does not complete its full**  
35 **project period, or in which there are fewer than 2 qualified grantees per**  
36 **State with a high likelihood of success, substitute an applicant located in**  
37 **another State that was approved but un-funded during the competition for**  
38 **the award for the award recipient.**

39 “(B) GUARANTEE OF GRANTS FOR INDIAN POPULATIONS.—~~FROM THE AMOUNT~~  
40 ~~RESERVED UNDER SUBSECTION (1)(2)(B) FOR EACH FISCAL YEAR, THE~~

41 **POPULATIONS.—The Secretary shall award a grant under this paragraph to at least 10**

1 eligible entities that are an Indian tribe, **an Alaska Native Corporation**, a tribal  
2 organization, or a tribal college or university, to the extent there are a sufficient  
3 number of applications submitted by the entities that meet the requirements applicable  
4 with respect to such a grant.

5 ~~“(C) GUARANTEE OF GRANTEEES IN THE TERRITORIES.—FROM THE AMOUNT RESERVED~~  
6 ~~UNDER SUBSECTION (1)(2)(C) FOR EACH FISCAL YEAR, THE TERRITORIES.—The~~  
7 Secretary shall award a grant under this paragraph to at least 2 eligible entities that are  
8 located in a territory, to the extent there are a sufficient number of applications  
9 submitted by the entities that meet the requirements applicable with respect to such a  
10 grant.

11  
12 ~~“(2) Grants for demonstration projects.—~~

13 ~~“(A) Grant authority.—The Secretary shall make a grant in accordance with this~~  
14 ~~subsection to an eligible entity whose application for the grant is approved by the Secretary,~~  
15 ~~to conduct a demonstration project that meets the requirements of subparagraph (B).~~

16 ~~“(B) Requirements.—The requirements of this subparagraph are the following:~~

17 ~~“(i) Type of project.—The demonstration project shall be of 1 of the following types:~~

18 ~~“(I) Individuals with arrest or conviction records demonstration.—The demonstration~~  
19 ~~project shall be of a type designed to provide education and training for eligible individuals~~  
20 ~~with arrest or conviction records to enter and follow a career pathway in the health~~  
21 ~~professions through occupations that pay well and are expected to experience a labor~~  
22 ~~shortage or be in high demand.~~

23 ~~“(II) Pregnancy and childbirth career pathway demonstration.—The demonstration~~  
24 ~~project shall be of a type designed to provide education and training for eligible individuals~~  
25 ~~to enter and follow a career pathway in the field of pregnancy, childbirth, post partum, or~~  
26 ~~childbirth and post partum, in a State that recognizes doulas or midwives and that provides~~  
27 ~~payment for services provided by doulas or midwives, as the case may be, under private or~~  
28 ~~public health insurance plans.~~

29 ~~“(ii) Duration.—The demonstration project shall be conducted for not less than 5 years.~~

30 ~~“(C) Minimum allocation of funds for each type of demonstration project.—~~

31 ~~“(i) Individuals with arrest or conviction records demonstrations.—Not less than~~  
32 ~~\$6,375,000 of the amounts made available for grants under this paragraph shall be used to~~  
33 ~~make grants for demonstration projects of the type described in subparagraph (B)(i)(I).~~

34 ~~“(ii) Pregnancy and childbirth career pathway demonstrations.—Not less than \$6,375,000~~  
35 ~~of the amounts made available for grants under this paragraph shall be used to make grants~~  
36 ~~for demonstration projects of the type described in subparagraph (B)(i)(II).~~

37 ~~“(3)“(2) GRANT CYCLE.—The grant cycle under this section shall be not less than 5 years,~~  
38 ~~with a planning period of not more than the first 12 months of the grant cycle. During the~~  
39 ~~planning period, the amount of the grant shall be in such lesser amount as the Secretary~~  
40 ~~determines appropriate.~~

1 “(d) Use of Grant.—

2 “(1) IN GENERAL.—An entity to which a grant is made under this section shall use the  
3 grant in accordance with the approved application for the grant.

4 “(2) SUPPORT TO BE PROVIDED.—

5 “(A) REQUIRED SUPPORT.—A project for which a grant is made under this section  
6 shall include the following:

7 “(i) An assessment for adult basic skill competency, and provision of adult  
8 basic skills education if necessary for lower-skilled eligible individuals to enroll  
9 in the project and go on to enter and complete post-secondary training, through  
10 means including the following:

11 “(I) Establishing a network of partners that offer pre-training activities for  
12 project participants who need to improve basic academic skills or English  
13 language proficiency before entering a health occupational training career  
14 pathway program.

15 “(II) Offering resources to enable project participants to continue  
16 advancing adult basic skill proficiency while enrolled in a career pathway  
17 program.

18 “(III) Embedding adult basic skill maintenance as part of ongoing  
19 post-graduation career coaching and mentoring.

20 “(ii) A guarantee that child care is an available and affordable support service  
21 for project participants through means such as the following:

22 “(I) Referral to, and assistance with, enrollment in a subsidized child care  
23 program.

24 “(II) Direct payment to a child care provider if a slot in a subsidized child  
25 care program is not available or reasonably accessible.

26 “(III) Payment of co-payments or associated fees for child care.

27 “(iii) Case management plans that include career coaching (with the option to  
28 offer appropriate peer support and mentoring opportunities to help develop soft  
29 skills and social capital), which may be offered on an ongoing basis before,  
30 during, and after initial training as part of a career pathway model.

31 “(iv) A plan to provide project participants with transportation through means  
32 such as the following:

33 “(I) Referral to, and assistance with enrollment in, a subsidized  
34 transportation program.

35 “(II) If a subsidized transportation program is not reasonably available,  
36 direct payments to subsidize transportation costs.

37 For purposes of this clause, the term ‘transportation’ includes public transit, or  
38 gasoline for a personal vehicle if public transit is not reasonably accessible or  
39 available.

1           ~~“(v) In the case of a demonstration project of the type described in subsection~~  
2           ~~(e)(2)(B)(i)(I), access to legal assistance for project participants for the purpose of~~  
3           ~~addressing arrest or conviction records and associated workforce barriers.~~

4           “(B) ALLOWED SUPPORT.—The goods and services provided under a project for  
5           which a grant is made under this section may include the following:

6                 “(i) A cash stipend.

7                 “(ii) A reserve fund for financial assistance to project participants in emergency  
8                 situations.

9                 “(iii) Tuition, **certification exam fees**, and training materials such as books,  
10                 software, uniforms, shoes, ~~and~~ **connection to the internet**, hair nets, and personal  
11                 protective equipment.

12                 “(iv) In-kind resource donations such as interview clothing and conference  
13                 attendance fees.

14                 “(v) Assistance with accessing and completing high school equivalency or adult  
15                 basic education courses as necessary to achieve success in the project and make  
16                 progress toward career goals.

17                 “(vi) Assistance with programs and activities, including legal assistance,  
18                 deemed necessary to address arrest or conviction records as an employment  
19                 barrier.

20                 “(vii) Other support services as deemed necessary for family well-being,  
21                 success in the project, and progress toward career goals.

22           “(3) TRAINING.—The number of hours of training provided to an eligible individual  
23           under a project for which a grant is made under this section, for a recognized postsecondary  
24           credential (including an industry-recognized credential, and a certificate awarded by a local  
25           workforce development board ~~established under section 107 of the Workforce Innovation~~  
26           ~~and Opportunity Act~~)), which is awarded in recognition of attainment of measurable  
27           technical or occupational skills necessary to gain employment or advance within an  
28           occupation, shall be—

29                 “(A) not less than the number of hours of training required for certification in that  
30                 level of skill by the State in which the project is conducted; or

31                 “(B) if there is no such requirement, such number of hours of training as the  
32                 Secretary finds is necessary to achieve that skill level.

33           “(4) INCLUSION OF TANF RECIPIENTS.—In the case of a project for which a grant is made  
34           under this section that is conducted in a State that has a program funded under part A of title  
35           IV, at least 10 percent of the eligible individuals to whom support is provided under the  
36           project shall meet the income eligibility requirements under that State program, without  
37           regard to whether the individuals receive benefits or services directly under that State  
38           program.

39           “(5) INCOME LIMITATION.—An entity to which a grant is made under this section shall not  
40           use the grant to provide support to a person who is not an eligible individual.



1           “(6) PROHIBITION.—An entity to which a grant is made under this section shall not use  
2           the grant for purposes of entertainment, except that case management and career coaching  
3           services may include celebrations of specific career-based milestones such as completing a  
4           semester, graduation, or job placement.

5           “(e) Technical Assistance.—

6           “(1) IN GENERAL.—The Secretary shall provide technical assistance—

7           “(A) to assist eligible entities in applying for grants under this section;

8           “(B) that is tailored to meet the needs of grantees at each stage of the administration  
9           of projects for which grants are made under this section;

10           “(C) that is tailored to meet the specific needs of Indian tribes, **Alaska Native**  
11           **Corporations**, tribal organizations, and tribal colleges and universities;

12           “(D) that is tailored to meet the specific needs of the territories;

13           “(E) that is tailored to meet the specific needs of ~~eligible entities in carrying out~~  
14           ~~demonstration projects for which a grant is made under this section;~~ **applicants,**  
15           **eligible entities, and grantees, in carrying out dedicated career pathway projects**  
16           **pursuant to subsections (h) and (i);** and

17           “(F) to facilitate the exchange of information among eligible entities regarding best  
18           practices and promising practices used in the projects.

19           “(2) CONTINUATION OF PEER TECHNICAL ASSISTANCE CONFERENCES.—The Secretary shall  
20           continue to hold peer technical assistance conferences for entities to which a grant is made  
21           under this section or was made under the immediate predecessor of this section. The  
22           preceding sentence shall not be interpreted to require any such conference to be held in  
23           person.

24           “(f) Evaluation of ~~Demonstration Projects.~~— **Dedicated Career Pathways.**—

25           “(1) IN GENERAL.—The Secretary shall, by grant, contract, or interagency agreement,  
26           conduct rigorous and well-designed evaluations of the ~~demonstration projects for which a~~  
27           ~~grant is made under this section.~~ **dedicated career pathway projects carried out**  
28           **pursuant to subsections (h) and (i).**

29           “(2) REQUIREMENT APPLICABLE TO ~~INDIVIDUALS WITH ARREST OR CONVICTION RECORDS-~~  
30           ~~DEMONSTRATION.~~—**IN SECOND CHANCE CAREER PATHWAY.**—**In** the case of a project of the  
31           type described in subsection ~~(e)(2)(B)(i)(I)~~**(i)**, the evaluation shall include identification of  
32           successful activities for creating opportunities for developing and sustaining, particularly  
33           with respect to low-income individuals with arrest or conviction records, a health  
34           professions workforce that has accessible entry points, that meets high standards for  
35           education, training, certification, and professional development, and that provides increased  
36           wages and affordable benefits, including health care coverage, that are responsive to the  
37           needs of the workforce.

38           “(3) REQUIREMENT APPLICABLE TO ~~PREGNANCY AND CHILDBIRTH CAREER PATHWAY-~~  
39           ~~DEMONSTRATION.~~—**IN MATERNAL MORTALITY CAREER PATHWAY.**—**In** the case of a  
40           project of the type described in subsection ~~(e)(2)(B)(i)(II)~~**(h)**, the evaluation shall include  
41           identification of successful activities for creating opportunities for developing and

1 sustaining, particularly with respect to low-income individuals and other entry-level  
2 workers, a career pathway that has accessible entry points, that meets high standards for  
3 education, training, certification, and professional development, and that provides increased  
4 wages and affordable benefits, including health care coverage, that are responsive to the  
5 needs of the birth, pregnancy, and post-partum workforce.

6 ~~“(4) Rule of interpretation.—Evaluations conducted pursuant to this subsection may include a~~  
7 ~~randomized controlled trial, but this subsection shall not be interpreted to require an evaluation~~  
8 ~~to include such a trial.~~

9 ~~“(g) Reports.—~~

10 ~~“(1) To the secretary.—An~~ **“(g) Reports.—As a condition of funding, an** eligible entity  
11 awarded a grant to conduct a project under this section shall submit interim reports to the  
12 Secretary on the activities carried out under the project, and, on the conclusion of the project, a  
13 final report on the activities.

14 ~~Each such report shall include data on participant outcomes related to earnings, employment in~~  
15 ~~health professions, graduation rate, graduation timeliness, credential attainment, participant~~  
16 ~~demographics, and other data specified by the Secretary.~~ **“(h) Maternal Mortality Career**  
17 **Pathway.—**

18 ~~“(2) To the congress.—During each Congress, the Secretary~~ **“(1) GRANT**  
19 **AUTHORITY.—The Secretary shall award grants in accordance with this subsection to**  
20 **eligible entities to conduct career pathway projects for the purpose of providing**  
21 **education for professions such as doulas, lactation consultants, childbirth educators,**  
22 **infant massage therapists, newborn care specialists, midwives, and other community**  
23 **health worker professions, for individuals to enter and follow a dedicated career**  
24 **pathway in the field of pregnancy, childbirth, or post-partum services in a State that**  
25 **recognizes doulas or midwives as health care providers and that provides payment for**  
26 **services provided by doulas or midwives, as the case may be, under the State plan**  
27 **approved under title XIX.**

28 **“(2) DURATION.—A grant awarded under this subsection shall have the same grant**  
29 **cycle as is provided in subsection (c)(2), and as a condition of funding the grantee shall**  
30 **comply with all data reporting requirements associated with the grant cycle.**

31 **“(3) APPLICATION REQUIREMENTS.—An entity seeking a grant under this subsection**  
32 **for a project shall submit to the Committee on Ways and Means of the House of**  
33 **Representatives and the Committee on Finance of the Senate a report —**

34 ~~“(A) on the demographics of the participants in the projects for which a grant is made~~  
35 ~~under this section;~~

36 ~~“(B) on the rate of which project participants completed all activities under the projects;~~

37 ~~“(C) on the employment credentials acquired by project participants;~~

38 ~~“(D) on the employment of project participants on completion of activities under the~~  
39 ~~projects, and the earnings of project participants at entry into employment;~~

40 ~~“(E) on best practices and promising practices used in the projects;~~

41 ~~“(F) on the nature of any technical assistance provided to grantees under this section;~~

1           ~~“(G) on, with respect to the period since the period covered in the most recent prior report~~  
2           ~~submitted under this paragraph—~~

3           ~~“(i) the number of applications submitted under this section, with a separate statement of~~  
4           ~~the number of applications referred to in subsection (b)(5);~~

5           ~~“(ii) the number of applications that were approved, with a separate statement of the~~  
6           ~~number of such applications referred to in subsection (b)(5); and~~

7           ~~“(iii) a description of how grants were made in any case described in the last sentence of~~  
8           ~~subsection (c)(1)(A)(ii); and~~

9           ~~“(H) that includes an assessment of the effectiveness of the projects with respect to~~  
10           ~~addressing health professions workforce shortages or in-demand jobs.~~

11           ~~“(h) Definitions.—In this section: Secretary an application for the grant, that includes~~  
12           ~~the following:~~

13                   ~~“(A) A description of the partnerships, strategic staff hiring decisions, tailored~~  
14                   ~~program activities, or other programmatic elements of the project that are~~  
15                   ~~designed to support a strong career pathway in pregnancy, birth, or post-partum~~  
16                   ~~services.~~

17                   ~~“(B) A demonstration that the State in which the project is to be conducted~~  
18                   ~~recognizes and permits doulas and midwives to practice in the State.~~

19                   ~~“(C) A demonstration that the applicant has experience working with~~  
20                   ~~low-income populations, or a description of the plan of the applicant to work with~~  
21                   ~~a partner that has the experience.~~

22           ~~“(4) SUPPORT TO BE PROVIDED.—The recipient of a grant under this subsection for a~~  
23           ~~project shall provide required supportive services described in subsection (d)(2)(A) to~~  
24           ~~project participants who need the services, and may expend the funding on eligible~~  
25           ~~supportive services described in subsection (d)(2)(B).~~

26           ~~“(i) Second Chance Career Pathway.—~~

27                   ~~“(1) GRANT AUTHORITY.—The Secretary shall award grants in accordance with this~~  
28                   ~~subsection to eligible entities to conduct career pathway projects for the purpose of~~  
29                   ~~providing education and training for eligible individuals with arrest or conviction~~  
30                   ~~records to enter and follow a career pathway in the health professions through~~  
31                   ~~occupations that are expected to experience a labor shortage or be in high demand.~~

32                   ~~“(2) DURATION.—A grant awarded under this subsection shall have the same grant~~  
33                   ~~cycle as is provided in subsection (c)(2), and as a condition of funding the grantee shall~~  
34                   ~~comply with all data reporting requirements associated with the grant cycle.~~

35                   ~~“(3) APPLICATION REQUIREMENTS.—An entity seeking a grant under this subsection~~  
36                   ~~for a project shall submit to the Secretary an application for the grant, that includes~~  
37                   ~~the following:~~

38                           ~~\*\* 21 “(A) a A demonstration that the State in which the demonstration project is to~~  
39                           ~~be conducted has in effect policies or laws that permit certain allied health and~~  
40                           ~~behavioral health care credentials to be awarded to people with certain arrest or~~

1 conviction records (which policies or laws shall include appeals processes, ~~waivers,~~  
2 ~~certificates,~~ and other opportunities to demonstrate rehabilitation to obtain ~~credentials,~~  
3 licensure, and approval to work in the proposed health careers), and a plan described in  
4 the application ~~that~~ **which** will use a **legally permitted** career pathway to assist  
5 ~~participants~~ **train people** with such a record ~~in acquiring credentials, licensing, and~~  
6 ~~employment in the specified careers;~~ **to be trained and employed in such a career.**

7 **\*\* 22** ~~“(B) a~~ **A** discussion of how the project or future strategic hiring decisions will  
8 demonstrate the experience and expertise of the project in working with job seekers  
9 who have arrest or conviction records or employers with experience working with  
10 people with arrest or conviction records;

11 **“(C) A demonstration that the applicant has experience working with**  
12 **low-income populations, or a description of the plan of the applicant to work with**  
13 **a partner that has the experience.**

14 **\*\* 23** ~~“(C) an~~ **(D) An** identification of promising innovations or best practices that  
15 can be used to provide the training;

16 **\*\* 24** ~~“(D) a~~ **(E) A** proof of concept or demonstration that the applicant has done  
17 sufficient research on workforce shortage or in-demand jobs for which people with  
18 certain types of ~~arrest or conviction~~ **criminal** records can be hired;

19 **“(F) A plan for recruiting students who are eligible individuals into the project.**

20 **\*\* 25** ~~“(F) a~~ **(G) A** plan for providing post-employment support and ongoing  
21 training as part of a career pathway under the project.

22 **“(4) SUPPORT TO BE PROVIDED.—**

23 **“(A) REQUIRED SUPPORT.—A recipient of a grant under this subsection for a**  
24 **project shall provide—**

25 **“(i) access to legal assistance for project participants for the purpose of**  
26 **addressing arrest or conviction records and associated workforce barriers;**

27 **“(ii) assistance with programs and activities deemed necessary to address**  
28 **arrest or conviction records as an employment barrier;**

29 **“(iii) required supportive services described in subsection (d)(2)(A) to**  
30 **participants who need the services, and may expend funds on eligible**  
31 **supportive services described in subsection (d)(2)(B).**

32 **“(j) Definitions.—In this section:**

33 **“(1) ALASKA NATIVE CORPORATION.—The term ‘Alaska Native Corporation’ has the**  
34 **meaning given the term in section 3(m) of the Alaska Native Claims Settlement Act (43**  
35 **U.S.C. 1602(m)).**

36 **“(2)“(1) ALLIED HEALTH PROFESSION.—The term ‘allied health profession’ has the**  
37 **meaning given the term in section 799B(5) of the Public Health Service Act.**

38 **“(2)“(3) CAREER PATHWAY.—The term ‘career pathway’ has the meaning given that the**  
39 **term in section 3(7) of the Workforce Innovation and Opportunity Act.**

40 **“(3)“(4) DOULA.—The term ‘doula’ means an individual who—**

1           “(A) is certified by an organization that has been established for not less than 5 years  
2           and that requires the completion of continuing education to maintain the certification,  
3           to provide non-medical advice, information, emotional support, and physical comfort  
4           to an individual during the individual’s pregnancy, childbirth, and post-partum period;  
5           and

6           “(B) maintains the certification by completing the required continuing education.

7           ~~“(4)“(5)~~ ELIGIBLE ENTITY.—The term ‘eligible entity’ means any of the following entities  
8           that demonstrates in an application submitted under this section that the entity has the  
9           capacity to fully develop and administer the project described in the application:

10           “(A) A local workforce development board established under section 107 of the  
11           Workforce Innovation and Opportunity Act.

12           “(B) A State or territory, a political subdivision of a State or territory, or an agency  
13           of a State, territory, or such a political subdivision, including a State or local entity that  
14           administers a State program funded under part A of this title.

15           “(C) An Indian tribe, **an Alaska Native Corporation**, a tribal organization, or a  
16           tribal college or university.

17           “(D) An institution of higher education (as defined in the Higher Education Act of  
18           1965).

19           “(E) A hospital (as defined in section 1861(e)).

20           “(F) A high-quality skilled nursing facility.

21           “(G) A Federally qualified health center (as defined in section 1861(aa)(4)).

22           “(H) A nonprofit organization described in section 501(c)(3) of the Internal Revenue  
23           Code of 1986, a labor organization, or an entity with shared labor-management  
24           oversight, that has a demonstrated history of providing health profession training to  
25           eligible individuals.

26           “(I) In the case of a ~~demonstration~~ project of the type provided for in subsection  
27           ~~(e)(2)(B)(i)(H)(h)~~ of this section, an entity recognized by a State, **an Indian tribe, or an**  
28           **Alaska Native Corporation, or a** tribal organization as qualified to train doulas or  
29           midwives, if midwives or doulas, as the case may be, are permitted to practice in the  
30           State involved.

31           “(J) An opioid treatment program (as defined in section 1861(jjj)(2)), and other high  
32           quality comprehensive addiction care providers.

33           ~~“(5)“(6)~~ ELIGIBLE INDIVIDUAL.—The term ‘eligible individual’ means an individual  
34           whose family income does not exceed 200 percent of the Federal poverty level.

35           ~~“(6)“(7)~~ FEDERAL POVERTY LEVEL.—The term ‘Federal poverty level’ means the poverty  
36           line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981,  
37           including any revision required by such section applicable to a family of the size involved).

38           ~~“(7) Indian tribe; tribal organization.—The terms ‘Indian tribe’ and ‘tribal organization’~~  
39           ~~have the meaning given the terms in section 4 of the Indian Self Determination and~~  
40           ~~Education Assistance Act (25 U.S.C. 450b).~~

1           “(8) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has  
2 the meaning given the term in section 101 or 102(a)(1)(B) of the Higher Education Act of  
3 1965.

4           “(9) TERRITORY.—The term ‘territory’ means the Commonwealth of Puerto Rico, the  
5 United States Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

6           “(10) TRIBAL COLLEGE OR UNIVERSITY.—The term ‘tribal college or university’ has the  
7 meaning given the term in section 316(b) of the Higher Education Act of 1965.

8           ~~“(i) Funding.—~~**“(11) TRIBAL ORGANIZATION.—The term ‘tribal organization’ means**  
9 **the recognized governing body of any Indian tribe; any legally established**  
10 **organization of Indians which is controlled, sanctioned, or chartered by such**  
11 **governing body or which is democratically elected by the adult members of the Indian**  
12 **community to be served by such organization and which includes the maximum**  
13 **participation of Indians in all phases of its activities.**

14           ~~“(1) In general.—Out of any funds in the Treasury of the United States not otherwise-~~  
15 ~~appropriated, there are~~**“(k) Funding.—In addition to amounts otherwise available, there is**  
16 ~~appropriated to the Secretary to carry out this section \$425,000,000, out of any money in the~~  
17 **Treasury not otherwise appropriated—**

18           **“(1) for grants under subsection (c)(1)(A)—**

19           **“(A) \$318,750,000 for fiscal year 2022; and**

20           **“(B) \$338,108,438 for each of fiscal years ~~2022 through 2026.~~ 2023 through 2026;**

21           ~~“(2) Allocation of funds.—Of the amount appropriated for a fiscal year under paragraph-~~  
22 ~~(1) of this subsection—~~

23           ~~“(A) \$318,750,000 shall be available”~~**“(2) for grants under subsection**  
24 ~~(e)(1)(A);(c)(1)(B)—~~

25           ~~“(B) \$17,000,000 shall be reserved”~~**“(A) \$17,000,000 for fiscal year 2022; and**

26           **“(B) \$18,027,650 for each of fiscal years 2023 through 2026;**

27           **“(3) for grants under subsection ~~(e)(1)(B);(c)(1)(C)—~~**

28           ~~“(C) \$21,250,000 shall be reserved for grants under subsection (e)(1)(C);”~~**“(A)**  
29 **\$21,250,000 for fiscal year 2022; and**

30           ~~“(D) \$25,500,000 shall be available for demonstration project grants under-~~  
31 ~~subsection (e)(2);”~~**“(B) \$22,534,563 for each of fiscal years 2023 through 2026;**

32           ~~“(E) \$25,500,000;”~~**“(4) for projects conducted under subsections (h) and (i),**  
33 **\$27,041,475 for each of fiscal years 2023 through 2026;**

34           **“(5) for the provision of technical assistance and administration—**

35           **“(A) for fiscal year 2022, \$25,500,000 plus all amounts referred to in**  
36 ~~subparagraphs (A) paragraphs (1) through (D)~~**(3) of this paragraph subsection** that  
37 remain unused after all grant awards are made for the fiscal year, ~~shall be available for~~  
38 ~~the provision of technical assistance and associated staffing; and; and~~

39           ~~“(F) \$17,000,000 shall be available”~~**“(B) for each of fiscal years 2023 through**

1           **2026, \$27,041,475 plus all amounts referred to in paragraphs (1) through (4) of**  
2           **this subsection that remain unused after all grant awards are made for the fiscal**  
3           **year; and**

4           ~~“(6) for studying the effects of the demonstration and non-demonstration projects for~~  
5           ~~which a grant is made under this section, and for associated staffing~~ **administration**, for the  
6           purpose of supporting the rigorous evaluation of the ~~demonstration~~ projects, and supporting  
7           the continued study of the short-, medium-, and long-term effects of all such projects,  
8           including the effectiveness of new or added elements of the ~~non-demonstration projects.”.~~  
9           **projects—**

10           **“(A) \$17,000,000 for fiscal year 2022; and**

11           **“(B) \$18,027,650 for each of fiscal years 2023 through 2026.”.**

## 12   PART 2—PROVISIONS RELATING TO ELDER JUSTICE

### 13   SEC. 134201. REAUTHORIZATION OF FUNDING FOR 14   PROGRAMS TO PREVENT AND INVESTIGATE ELDER 15   ABUSE, NEGLECT, AND EXPLOITATION.

16           (a) Long-term Care Staff Training Grants.—Section 2041 of the Social Security Act (42  
17   U.S.C. 1397m) is amended to read as follows:

#### 18   “SEC. 2041. NURSING HOME WORKER TRAINING 19   GRANTS.

20           “(a) Appropriation.—Out of any funds in the Treasury not otherwise appropriated, **in addition**  
21           **to amounts otherwise available**, there is appropriated to the Secretary for each of fiscal years  
22           ~~2022 2023~~ through ~~2025— 2026—~~

23           ~~“(1) \$392,000,000 for~~ **\$415,696,400 for** grants under subsection (b)(1); and

24           ~~“(2) \$8,000,000~~ **\$8,483,600** for grants under subsection (b)(2).

25           “(b) Grants.—

26           “(1) STATE ENTITLEMENT.—

27           “(A) IN GENERAL.—Each State shall be entitled to receive from the Secretary for  
28           each fiscal year specified in subsection (a) a grant in an amount equal to the amount  
29           allotted to the State under subparagraph (B) of this paragraph.

30           “(B) STATE ALLOTMENTS.—The amount allotted to a State under this subparagraph  
31           for a fiscal year shall be—

32           “(i) the amount made available by subsection (a) for the fiscal year that is not  
33           required to be reserved by subsection (a); multiplied by

34           “(ii)(I) the number of State residents who have attained 65 years of age or are  
35           individuals with a disability, as determined by the Secretary using the most recent  
36           version of the American Community Survey published by the Bureau of the  
37           Census or a successor data set; divided by

1                   “(II) the total number of such residents of all States.

2                   “(2) GRANTS TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—

3                   “(A) IN GENERAL.—The Secretary, in consultation with the Indian tribes and tribal  
4 organizations, shall make grants in accordance with this section to Indian tribes and  
5 tribal organizations who operate at least 1 eligible setting.

6                   “(B) GRANT FORMULA.—The Secretary, in consultation with the Indian tribes and  
7 tribal organizations, shall devise a formula for distributing among Indian tribes and  
8 tribal organizations the amount required to be reserved by subsection (a) for each fiscal  
9 year.

10                  “(3) SUB-GRANTS.—A State, Indian tribe, or tribal organization to which an amount is  
11 paid under this paragraph may use the amount to make sub-grants to local organizations,  
12 including community organizations, local non-profits, elder rights and justice groups, and  
13 workforce development boards for any purpose described in paragraph (1) or (2) of  
14 subsection (c).

15                  “(c) Use of Funds.—

16                  “(1) REQUIRED USES.—A State to which an amount is paid under subsection (b) shall use  
17 the amount to—

18                   “(A) provide wage subsidies to eligible individuals;

19                   “(B) provide student loan repayment or tuition assistance to eligible individuals for a  
20 degree or certification in a field relevant to their position referred to in subsection  
21 (f)(1)(A);

22                   “(C) guarantee affordable and accessible child care for eligible individuals,  
23 including help with referrals, co-pays, or other direct assistance; and

24                   “(D) provide assistance where necessary with obtaining appropriate transportation,  
25 including public transportation if available, or gas money or transit vouchers for ride  
26 share, taxis, and similar types of transportation if public transportation is unavailable or  
27 impractical based on work hours or location.

28                  “(2) AUTHORIZED USES.—A State to which an amount is paid under subsection (b) may  
29 use the amount to—

30                   “(A) establish a reserve fund for financial assistance to eligible individuals in  
31 emergency situations;

32                   “(B) provide in-kind resource donations, such as interview clothing and conference  
33 attendance fees;

34                   “(C) provide assistance with programs and activities, including legal assistance,  
35 deemed necessary to address arrest or conviction records that are an employment  
36 barrier;

37                   “(D) support employers operating an eligible setting in the State in providing  
38 employees with not less than 2 weeks of paid leave per year; or

39                   “(E) provide other support services the Secretary deems necessary to allow for  
40 successful recruitment and retention of workers.



1           “(3) PROVISION OF FUNDS ONLY FOR THE BENEFIT OF ELIGIBLE INDIVIDUALS IN ELIGIBLE  
2           SETTINGS.—A State to which an amount is paid under subsection (b) may provide the  
3           amount to only an eligible individual or a partner organization serving an eligible  
4           individual.

5           “(4) NONSUPPLANTATION.—A State to which an amount is paid under subsection (b)  
6           shall not use the amount to supplant the expenditure of any State funds for recruiting or  
7           retaining employees in an eligible setting.

8           “(d) Administration.—A State to which a grant is made under subsection (b) shall reserve not  
9           more than 10 percent of the grant to—

10           “(1) administer subgrants in accordance with this section;

11           “(2) provide technical assistance and support for applying for and accessing such a  
12           subgrant opportunity;

13           “(3) publicize the availability of the subgrants;

14           “(4) carry out activities to increase the supply of eligible individuals; and

15           “(5) provide technical assistance to help subgrantees find and train individuals to provide  
16           the services for which they are contracted.

17           “(e) Definitions.—In this section:

18           “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible individual’ means an individual who—

19           “(A)(i) is a qualified home health aide, as defined in section 484.80(a) of title 42,  
20           Code of Federal Regulations;

21           “(ii) is a nurse aide approved by the State as meeting the requirements of sections  
22           483.150 through 483.154 of such title, and is listed in good standing on the State nurse  
23           aide registry;

24           “(iii) is a personal care aide approved by the State, and furnishes personal care  
25           services, as defined in section 440.167 of such title;

26           “(iv) is a qualified hospice aide, as defined in section 418.76 of such title; or

27           “(v) is a licensed practical nurse or a licensed or certified social worker; or

28           “(vi) is receiving training to be certified or licensed as such an aide, nurse, or social  
29           worker; and

30           “(B) provides (or, in the case of a trainee, intends to provide) services as such an  
31           aide, nurse, or social worker in an eligible setting.

32           “(2) ELIGIBLE SETTING.—The term ‘eligible setting’ means—

33           “(A) a skilled nursing facility, as defined in section 1819;

34           “(B) a nursing facility, as defined in section 1919;

35           “(C) a home health agency, as defined in section 1891;

36           “(D) a facility provider approved to deliver home or community-based services  
37           authorized under State options described in subsection (c) or (i) of section 1915 or, as

1 relevant, demonstration projects authorized under section 1115;

2 “(E) a hospice, as defined in section 1814;

3 ~~or~~“(F) an intermediate care facility, as defined in section 1905(d); or

4 ~~“(F)“(G) a tribal assisted living facility.~~

5 “(3) TRIBAL ORGANIZATION.—The term ‘tribal organization’ has the meaning given the  
6 term in section 4 of the Indian Self-Determination and Education Assistance Act.”.

7 (b) Adult Protective Services Functions and Grant Programs.—

8 (1) DIRECT FUNDING; STATE ENTITLEMENT.—Section 2042 of the Social Security Act (42  
9 U.S.C. 1397m–1) is amended—

10 (A) in subsection (a)—

11 (i) in paragraph (1)(A)—

12 (I) by striking “offices” and inserting “programs”; and

13 (II) by inserting “and adults who are under a disability (as defined in  
14 section 216(i)(1))” before the semicolon; and

15 (ii) by striking paragraph (2) and inserting the following:

16  
17 ~~\* 26 “(2) Appropriation.—Out of any money in the Treasury not otherwise appropriated,  
18 there are appropriated to the Secretary \$8,000,000 for each of fiscal years 2023 through  
19 2025 to carry out this subsection.”;~~

20 “(2) APPROPRIATION.—Out of any money in the Treasury not otherwise  
21 appropriated, in addition to amounts otherwise available, there are appropriated to  
22 the Secretary \$8,483,600 for each of fiscal years 2023 through 2025 to carry out this  
23 subsection.”;

24 (B) in subsection (b)—

25 (i) in paragraph (2)—

26 (I) in subparagraph (A), by striking “the availability of appropriations  
27 and”; and

28 (II) in subparagraph (B)—

29 (aa) in the heading for clause (i), by inserting “AND THE DISTRICT OF  
30 COLUMBIA” after “STATES”; and

31 (bb) in clause (ii), by inserting “or the District of Columbia” after  
32 “States”; and

33 (ii) by striking paragraph (5) and inserting the following:

34 ~~\*\* 26 “(2)“(5) APPROPRIATION.—Out of any money in the Treasury not otherwise  
35 appropriated, in addition to amounts otherwise available, there are appropriated to the  
36 Secretary \$8,000,000 for each of fiscal years 2023 through 2025 to carry out this  
37 subsection.”; 2025—~~

1  
2           ~~“(5) Appropriation.—Out of any money in the Treasury not otherwise appropriated,~~  
3 ~~there are appropriated to the Secretary for each of fiscal years 2023 through~~  
4 ~~2025—“(A) \$392,000,000 \$415,696,400 for grants to States under this subsection; and~~

5           ~~“(B) \$8,000,000 \$8,483,600 for grants to Indian tribes and tribal organizations under~~  
6 ~~this subsection.”; and~~

7           (C) in subsection (c), by striking paragraph (6) and inserting the following:

8           “(6) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, **in**  
9 **addition to amounts otherwise available**, there are appropriated to the Secretary  
10 **\$75,000,000 \$79,533,750** for each of fiscal years 2023 through 2025 to carry out this  
11 subsection.”.

12           (2) STATE ENTITLEMENT; GRANTS TO INDIAN TRIBES AND TRIBAL  
13 ORGANIZATIONS.—Section 2042 of such Act (42 U.S.C. 1397m–1) is amended—

14           (A) in subsection (a)(1)(A), by striking “State and local” and inserting “State, local,  
15 and tribal”;

16           (B) in subsection (b)(1), by striking “the Secretary shall annually award grants to  
17 States in the amounts calculated under paragraph (2)” and inserting “each State shall  
18 be entitled to annually receive from the Secretary in the amounts calculated under  
19 paragraph (2), and the Secretary may annually award to each Indian tribe and tribal  
20 organization in accordance with paragraph (3), grants”;

21           (C) in subsection (b)(2)—

22                   (i) in the paragraph heading, by inserting “FOR A STATE” after “PAYMENT”;

23                   (ii) in subparagraph (A), by striking “to carry out” and inserting “for grants to  
24 States under”; and

25                   (iii) in subparagraph (B)(i), by striking “such year” and inserting “for grants to  
26 States under this subsection for the fiscal year”; and

27           (D) in subsection (b), by redesignating paragraphs (3) through (5) as paragraphs (4)  
28 through (6), respectively, and inserting after paragraph (2) the following:

29           “(3) AMOUNT OF PAYMENT TO INDIAN TRIBE OR TRIBAL ORGANIZATION.—The Secretary,  
30 in consultation with Indian tribes and tribal organizations, shall determine the amount of  
31 any grant to be made to each Indian tribe and tribal organization under this subsection.  
32 Paragraphs (4) and (5) shall apply to grantees under this paragraph in the same manner in  
33 which the paragraphs apply to States.”;

34           (E) in subsection (c)—

35                   (i) in paragraph (1), by striking “to States” and inserting “to States, Indian  
36 tribes, and tribal organizations”;

37                   (ii) in paragraph (2)—

38                           (I) in the matter preceding subparagraph (A), by inserting “and Indian  
39 tribes and tribal organizations” after “government”; and

1 (II) in subparagraph (D), by inserting “or Indian tribe or tribal  
2 organization, as the case may be” after “government”;

3 (iii) in paragraph (4), by inserting “or Indian tribe or tribal organization” after  
4 “a State” the 1st place it appears; and

5 (iv) in paragraph (5)—

6 (I) by inserting “or Indian tribe or tribal organization” after “Each State”;  
7 and

8 (II) by inserting “or Indian tribe or tribal organization, as the case may be”  
9 after “the State”; and

10 (F) by adding at the end the following:

11 “(d) Definitions of Indian Tribe and Tribal Organization.—In this section, the terms ‘Indian  
12 tribe’ and ‘tribal organization’ have the meanings given the terms in section 419.”

13 (3) CONFORMING AMENDMENT.—Section 2011(2) of such Act (42 U.S.C. 1397j(2)) is  
14 amended by striking “such services provided to adults as the Secretary may specify” and  
15 inserting “services provided by an entity authorized by or under State law address neglect,  
16 abuse, and exploitation of older adults and people with disabilities”.

17 (c) Long-term Care Ombudsman Program Grants and Training.—Section 2043 of the Social  
18 Security Act (42 U.S.C. 1397m–2) is amended—

19 (1) in subsection (a), by striking paragraph (2) and inserting the following:

20 “(2) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, **in**  
21 **addition to amounts otherwise available**, there are appropriated to the Secretary to carry  
22 out this subsection—

23 “(A) ~~\$22,500,000~~ **\$23,860,125** for fiscal year 2023; and

24 “(B) ~~\$30,000,000~~ **\$31,813,500** for each of fiscal years 2024 and 2025.”; and

25 (2) in subsection (b), by striking paragraph (2) and inserting the following:

26 “(2) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, **in**  
27 **addition to amounts otherwise available**, there are appropriated to the Secretary  
28 ~~\$30,000,000~~ **\$31,813,500** for each of fiscal years 2023 through 2025 to carry out this  
29 subsection.”.

30 (d) Incentives for Developing and Sustaining Structural Competency in Providing Health and  
31 Human Services.—Part II of subtitle B of title XX of the Social Security Act (42 U.S.C.  
32 1397m-1397m-5) is amended by adding at the end the following:

33 “SEC. 2047. INCENTIVES FOR DEVELOPING AND  
34 SUSTAINING STRUCTURAL COMPETENCY IN  
35 PROVIDING HEALTH AND HUMAN SERVICES.

36 “(a) Grants to States to Support Linkages to Legal Services and Medical Legal Partnerships.—

37 “(1) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, **in**

1       **addition to amounts otherwise available**, there are appropriated to the Secretary  
2       **\$500,000,000 \$530,225,000** for fiscal year ~~2022~~ **2023**, to remain available for the purposes  
3       of this subsection through fiscal year 2028.

4       “(2) GRANTS.—Within 2 years after the date of the enactment of this section, the  
5       Secretary shall establish and administer a program of grants to States to support the  
6       adoption of evidence-based approaches to establishing or improving and maintaining  
7       real-time linkages between health and social services and supports for vulnerable elders or  
8       in conjunction with authorized representatives of vulnerable elders, including through the  
9       following:

10       “(A) MEDICAL-LEGAL PARTNERSHIPS.—The establishment and support of  
11       medical-legal partnerships, the incorporation of the partnerships in the elder justice  
12       framework and health and human services safety net, and the implementation and  
13       operation of such a partnership by an eligible grantee—

14               “(i) at the option of a State, in conjunction with an area agency on aging;

15               “(ii) in a solo provider practice in a health professional shortage area (as  
16               defined in section 332(a) of the Public Health Service Act), a medically  
17               underserved community (as defined in section 399V of such Act), or a rural area  
18               (as defined in section 330J of such Act);

19               “(iii) in a minority-serving institution of higher learning with health, law, and  
20               social services professional programs;

21               “(iv) in a federally qualified health center, as described in section 330 of the  
22               Public Health Service Act, or look-alike, as described in section 1905(1)(2)(B) of  
23               this Act; or

24               “(v) in certain hospitals that are critical access hospitals, Medicare-dependent  
25               hospitals, sole community hospitals, rural emergency hospitals, or that serve a  
26               high proportion of Medicare or Medicaid patients.

27       “(B) LEGAL HOTLINES DEVELOPMENT OR EXPANSION.—The provision of incentives  
28       to develop, enhance, and integrate platforms, such as legal assistance hotlines, that help  
29       to facilitate the identification of older adults who could benefit from linkages to  
30       available legal services such as those described in subparagraph (A).

31       “(3) STATE REPORTS.—Each State to which a grant is made under this subsection shall  
32       submit to the Secretary biannual reports on the activities carried out by the State pursuant to  
33       this subsection, which shall include assessments of the effectiveness of the activities with  
34       respect to—

35               “(A) the number of unique individuals identified through the mechanism outlined in  
36               paragraph (2)(B) who are referred to services described in paragraph (2)(A), and the  
37               average time period associated with resolving issues;

38               “(B) the success rate for referrals to community-based resources; and

39               “(C) other factors determined relevant by the Secretary.

40       “(4) EVALUATION.—The Secretary shall, by grant, contract, or interagency agreement,  
41       evaluate the activities conducted pursuant to this subsection, which shall include a

1 comparison among the States.

2 “(5) SUPPLEMENT NOT SUPPLANT.—Support provided to area agencies on aging, State  
3 units on aging, eligible entities, or other community-based organizations pursuant to this  
4 subsection shall be used to supplement and not supplant any other Federal, State, or local  
5 funds expended to provide the same or comparable services described in this subsection.

6 “(b) Grants and Training to Support Area Agencies on Aging or Other Community-based  
7 Organizations to Address Social Isolation Among Vulnerable Older Adults and People With  
8 Disabilities.—

9 “(1) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, **in**  
10 **addition to amounts otherwise available**, there are appropriated to the Secretary  
11 **\$250,000,000 \$265,112,500 for fiscal year 2023**, to remain available for the purposes of  
12 this subsection through fiscal year 2028.

13 “(2) GRANTS.—The Secretary shall make grants to eligible area agencies on aging or  
14 other community-based organizations for the purpose of—

15 “(A) conducting outreach to individuals at risk for, or already experiencing, social  
16 isolation or loneliness, through established screening tools or other methods identified  
17 by the Secretary;

18 “(B) developing community-based interventions for the purposes of mitigating  
19 loneliness or social isolation (including evidence-based programs, as defined by the  
20 Secretary, developed with multi-stakeholder input for the purposes of promoting social  
21 connection, mitigating social isolation or loneliness, or preventing social isolation or  
22 loneliness) among at-risk individuals;

23 “(C) connecting at-risk individuals with community social and clinical supports; and

24 “(D) evaluating the effect of programs developed and implemented under  
25 subparagraphs (B) and (C).

26 “(3) TRAINING.—The Secretary shall establish programs to provide and improve training  
27 for area agencies on aging or community-based organizations with respect to addressing and  
28 preventing social isolation and loneliness among older adults and people with disabilities.

29 “(4) EVALUATION.—Not later than 3 years after the date of the enactment of this section  
30 and at least once after fiscal year 2025, the Secretary shall submit to the Congress a written  
31 report which assesses the extent to which the programs established under this subsection  
32 address social isolation and loneliness among older adults and people with disabilities.

33 “(5) COORDINATION.—The Secretary shall coordinate with resource centers, grant  
34 programs, or other funding mechanisms established under section 411(a)(18) of the Older  
35 Americans Act (42 U.S.C. 3032(a)(18)), section 417(a)(1) of such Act (42 U.S.C.  
36 3032F(a)(1)), or other programs as determined by the Secretary.

37 “(c) Definitions.—In this section:

38 “(1) AREA AGENCY ON AGING.—The term ‘area agency on aging’ means an area agency  
39 on aging designated under section 305 of the Older Americans Act of 1965.

40 “(2) SOCIAL ISOLATION.—The term ‘social isolation’ means objectively being alone, or

1 having few relationships or infrequent social contact.

2 “(3) LONELINESS.—The term ‘loneliness’ means subjectively feeling alone, or the  
3 discrepancy between one’s desired level of social connection and one’s actual level of  
4 social connection.

5 “(4) SOCIAL CONNECTION.—The term ‘social connection’ means the variety of ways one  
6 can connect to others socially, through physical, behavioral, social–cognitive, and emotional  
7 channels.

8 “(5) COMMUNITY-BASED ORGANIZATION.—The term ‘community-based organization’  
9 includes, except as otherwise provided by the Secretary, a nonprofit community-based  
10 organization, a consortium of nonprofit community-based organizations, a national  
11 nonprofit organization acting as an intermediary for a community-based organization, or a  
12 community-based organization that has a fiscal sponsor that allows the organization to  
13 function as an organization described in section 501(c)(3) of the Internal Revenue Code of  
14 1986 and exempt from taxation under section 501(a) of such Code.”.

15 (e) Technical Amendment.—Section 2011(12)(A) of the Social Security Act (42 U.S.C.  
16 1397j(12)(A)) is amended by striking “450b” and inserting “5304”.

## 17 SEC. 134202. APPROPRIATION FOR ASSESSMENTS.

18 Out of any money in the Treasury not otherwise appropriated, **in addition to amounts**  
19 **otherwise available**, there are appropriated to the Secretary of Health and Human Services  
20 ~~\$5,000,000~~ **\$5,302,250** for each of fiscal years ~~2022~~ **2023** through ~~2025~~ **2026** to prepare and  
21 submit to the Committee on Ways and Means of the House of Representatives and the  
22 Committee on Finance of the Senate, not later than 3 years after the date of enactment of this  
23 Act, and at least once after fiscal year 2025, reports on the programs, coordinating bodies,  
24 registries, and activities established or authorized under subtitle B of title XX of the Social  
25 Security Act (~~42 U.S.C. 1397i et seq.~~) or section 6703(b) of the Patient Protection and  
26 Affordable Care Act (42 U.S.C. 1395i–3a), which shall assess the extent to which such  
27 programs, coordinating bodies, registries, and activities have improved access to, and the quality  
28 of, resources available to aging Americans and their caregivers to ultimately prevent, detect, and  
29 treat abuse, neglect, and exploitation, and shall include, as appropriate, recommendations to  
30 Congress on funding levels and policy changes to help these programs, coordinating bodies,  
31 registries, and activities better prevent, detect, and treat abuse, neglect, and exploitation of aging  
32 Americans.

## 33 ~~PART 3—SKILLED NURSING FACILITIES~~

### 34 ~~SEC. 134301. FUNDING TO IMPROVE THE ACCURACY~~ 35 ~~AND RELIABILITY OF CERTAIN SKILLED NURSING~~ 36 ~~FACILITY DATA.~~

37 ~~Section 1888 of the Social Security Act (42 U.S.C. 1395yy) is~~  
38 ~~amended—~~

1 ~~(1) in subsection (h)(12) —~~  
2 ~~(A) in subparagraph (A), by striking “and the data submitted~~  
3 ~~under subsection (e)(6)” and inserting “, the data submitted~~  
4 ~~under subsection (e)(6), and, during the period beginning with~~  
5 ~~fiscal year 2024 and ending with fiscal year 2031, the resident~~  
6 ~~assessment data described in section 1819(b)(3) and the direct~~  
7 ~~care staffing information described in section 1128I(g)”;~~ and  
8 ~~(B) in subparagraph (B) —~~  
9 ~~(i) by striking “Funding. For purposes” and inserting~~  
10 ~~“Funding. —~~  
11 ~~“(i) Fiscal years 2023 through 2025. For purposes”;~~ and  
12 ~~(ii) by adding at the end the following new clause:~~  
13 ~~“(ii) Fiscal years 2026 through 2031. There is appropriated to~~  
14 ~~the Secretary, out of any monies in the Treasury not otherwise~~  
15 ~~appropriated, \$50,000,000 for the period of fiscal years 2026~~  
16 ~~through 2031 for purposes of carrying out this paragraph.”;~~ and  
17 ~~(2) in subsection (e)(6)(A) —~~  
18 ~~(A) in the header, by striking “for failure to report”;~~ and  
19 ~~(B) in clause (i) —~~  
20 ~~(i) by striking “For fiscal years” and inserting the following:~~  
21 ~~“(I) Failure to report. For fiscal years”;~~ and  
22 ~~(ii) by adding at the end the following new subclause:~~  
23 ~~“(II) Reporting of inaccurate information. For fiscal years~~  
24 ~~during the period beginning with fiscal year 2025 and ending~~  
25 ~~with fiscal year 2031, in the case of a skilled nursing facility that~~  
26 ~~submits data under this paragraph, measures under subsection~~  
27 ~~(h), resident assessment data described in section 1819(b)(3), or~~



1 ~~direct care staffing information described in section 1128I(g)~~  
2 ~~with respect to such fiscal year that is inaccurate (as determined~~  
3 ~~by the Secretary through the validation process described in~~  
4 ~~section 1888(h)(12) or otherwise), after determining the~~  
5 ~~percentage described in paragraph (5)(B)(i), and after~~  
6 ~~application of clauses (ii) and (iii) of paragraph (5)(B) and of~~  
7 ~~subclause (I) of this clause (if applicable), the Secretary shall~~  
8 ~~reduce such percentage for payment rates during such fiscal year~~  
9 ~~by 2 percentage points.”.~~

10 ~~SEC. 134302. ENSURING ACCURATE INFORMATION ON~~  
11 ~~COST REPORTS. Subtitle E—Infrastructure Financing and~~  
12 ~~Community Development~~

13  
14 ~~\* 18 Section 1888(f) of the Social Security Act (42 U.S.C.~~  
15 ~~1395yy(f)) is amended by adding at the end the following new~~  
16 ~~paragraph:~~

17 ~~“(5) Audit of cost reports.—There is appropriated to the~~  
18 ~~Secretary, out of any monies in the Treasury not otherwise~~  
19 ~~appropriated, \$250,000,000 for fiscal year 2023 to remain~~  
20 ~~available until expended, for purposes of conducting an annual~~  
21 ~~audit (beginning with 2022 and ending with 2031) of cost~~  
22 ~~reports submitted under this title for a representative sample of~~  
23 ~~skilled nursing facilities.”.~~

24 ~~SEC. 134303. SURVEY IMPROVEMENTS.~~

25  
26 ~~\* 10 Section 1819 of the Social Security Act (42 U.S.C. 1395i3)~~  
27 ~~is amended by adding at the end the following new subsection:~~

28 ~~“(1) Survey Improvements.—~~

1 ~~“(1) In general.—There is appropriated to the Secretary, out of~~  
2 ~~any monies in the Treasury not otherwise appropriated,~~  
3 ~~\$325,000,000, for the period of fiscal years 2022 through 2031,~~  
4 ~~for purposes of—~~

5 ~~“(A) conducting reviews and identifying plans under paragraph~~  
6 ~~(2); and~~

7 ~~“(B) providing training, tools, technical assistance, and financial~~  
8 ~~support in accordance with paragraph (3).~~

9 ~~“(2) Review.—The Secretary shall conduct reviews, during the~~  
10 ~~period specified in paragraph (1), of (and, as appropriate,~~  
11 ~~identify plans to improve) the following:~~

12 ~~“(A) The extent to which surveys conducted under subsection~~  
13 ~~(g) and the enforcement process under subsection (h) result in~~  
14 ~~increased compliance with requirements under this section and~~  
15 ~~subpart B of part 483 of title 42, Code of Federal Regulations,~~  
16 ~~with respect to skilled nursing facilities (in this subsection~~  
17 ~~referred to as ‘facilities’).~~

18 ~~“(B) The timeliness and thoroughness of State agency~~  
19 ~~verification of deficiency corrections at facilities.~~

20 ~~“(C) The appropriateness of the scoping and substantiation of~~  
21 ~~cited deficiencies at facilities.~~

22 ~~“(D) The accuracy of the identification and appropriateness of~~  
23 ~~the scoping of life safety, infection control, and emergency~~  
24 ~~preparedness deficiencies at facilities.~~

25 ~~“(E) The timeliness of State agency investigations of—~~

26 ~~“(i) complaints at facilities; and~~

27 ~~“(ii) reported allegations of abuse, neglect, and exploitation at~~  
28 ~~facilities.~~

1 ~~“(F) The consistency of facility reporting of substantiated~~  
2 ~~complaints to law enforcement.~~

3 ~~“(G) The ability of the State agency to sufficiently hire, train,~~  
4 ~~and retain individuals who conduct surveys.~~

5 ~~“(H) Any other area related to surveys of facilities, or the~~  
6 ~~individuals conducting such surveys, determined appropriate by~~  
7 ~~the Secretary.~~

8 ~~“(3) Support.— Based on the review under paragraph (2), the~~  
9 ~~Secretary shall, during the period specified in paragraph (1),~~  
10 ~~provide training, tools, technical assistance, and financial~~  
11 ~~support to State agencies that perform surveys of facilities for~~  
12 ~~the purpose of improving the surveys conducted under~~  
13 ~~subsection (g) and the enforcement process under subsection (h)~~  
14 ~~with respect to the areas reviewed under paragraph (2).”.~~

15 ~~SEC. 134304. NURSE STAFFING REQUIREMENTS.~~

16 ~~Section 1819(d) of the Social Security Act (42 U.S.C.~~  
17 ~~1395i3(d)) is amended—~~

18 ~~(1) in paragraph (4)(A), by inserting “and any regulations~~  
19 ~~promulgated under paragraph (5)(C)” after “section 1124”; and~~  
20 ~~(2) by adding at the end the following new paragraph:~~

21 ~~“(5) Nurse staffing requirements.—~~

22 ~~“(A) Funding.— There is appropriated to the Secretary, out of~~  
23 ~~any monies in the Treasury not otherwise appropriated,~~  
24 ~~\$50,000,000 for the period of fiscal years 2022 through 2031 for~~  
25 ~~purposes of carrying out this paragraph.~~

26 ~~“(B) Study.— Not later than 3 years after the date of the~~  
27 ~~enactment of this paragraph, and not less frequently than once~~  
28 ~~every 5 years thereafter, the Secretary shall, out of funds~~

1 ~~appropriated under subparagraph (A), conduct a study and~~  
2 ~~submit to Congress a report on the appropriateness of~~  
3 ~~establishing minimum staff to resident ratios for nursing staff for~~  
4 ~~skilled nursing facilities. Each such report shall include—~~

5 ~~“(i) with respect to the first such report, recommendations~~  
6 ~~regarding appropriate minimum ratios of registered nurses (and,~~  
7 ~~if practicable, licensed practical nurses (or licensed vocational~~  
8 ~~nurses) and certified nursing assistants) to residents at such~~  
9 ~~skilled nursing facilities; and~~

10 ~~“(ii) with respect to each subsequent such report,~~  
11 ~~recommendations regarding appropriate minimum ratios of~~  
12 ~~registered nurses, licensed practical nurses (or licensed~~  
13 ~~vocational nurses), and certified nursing assistants to residents at~~  
14 ~~such skilled nursing facilities.~~

15 ~~“(C) Promulgation of regulations.—~~

16 ~~“(i) In general.— Not later than 2 years after the Secretary first~~  
17 ~~submits a report under subparagraph (B), the Secretary shall, out~~  
18 ~~of funds appropriated under subparagraph (A)—~~

19 ~~“(I) specify through regulations, consistent with such report,~~  
20 ~~appropriate minimum ratios (if any) of registered nurses (and, if~~  
21 ~~practicable, licensed practical nurses (or licensed vocational~~  
22 ~~nurses) and certified nursing assistants) to residents at skilled~~  
23 ~~nursing facilities; and~~

24 ~~“(II) except as provided in clause (ii), require such skilled~~  
25 ~~nursing facilities to comply with such ratios.~~

26 ~~“(ii) Exception.—~~

27 ~~“(I) In general.— In addition to the authority to waive the~~  
28 ~~application of clause (i)(II) under section 1135, the Secretary~~

1 ~~may waive the application of such clause with respect to a~~  
2 ~~skilled nursing facility if the Secretary finds that—~~

3 ~~“(aa) the facility is located in a rural area and the supply of~~  
4 ~~skilled nursing facility services in such area is not sufficient to~~  
5 ~~meet the needs of individuals residing therein;~~

6 ~~“(bb) the Secretary provides notice of the waiver to the State~~  
7 ~~long term care ombudsman (established under section~~  
8 ~~307(a)(12) of the Older Americans Act of 1965) and the~~  
9 ~~protection and advocacy system in the State for the mentally ill;~~  
10 ~~and~~

11 ~~“(cc) the facility that is granted such a waiver notifies residents~~  
12 ~~of the facility (or, where appropriate, the guardians or legal~~  
13 ~~representatives of such residents) and members of their~~  
14 ~~immediate families of the waiver.~~

15 ~~“(H) Renewal.— Any waiver in effect under this clause shall be~~  
16 ~~subject to annual renewal.~~

17 ~~“(iii) Update.— Not later than 2 years after the submission of~~  
18 ~~each subsequent report under subparagraph (B), the Secretary~~  
19 ~~shall, out of funds appropriated under subparagraph (A) and~~  
20 ~~consistent with such report, update the regulations described in~~  
21 ~~clause (i)(I) to reflect appropriate minimum ratios (if any) of~~  
22 ~~registered nurses, licensed practical nurses (or licensed~~  
23 ~~vocational nurses), and certified nursing assistants to residents at~~  
24 ~~skilled nursing facilities.”.~~

25 ~~PART 4— MEDICARE DENTAL, HEARING, AND VISION~~  
26 ~~COVERAGE~~

27 ~~SEC. 134401. PROVIDING COVERAGE FOR DENTAL AND~~  
28 ~~ORAL HEALTH CARE UNDER THE MEDICARE~~  
29 ~~PROGRAM.~~

1 ~~(a) Coverage.—Section 1861(s)(2) of the Social Security Act~~  
2 ~~(42 U.S.C. 1395x(s)(2)) is amended—~~

3 ~~(1) in subparagraph (GG), by striking “and” after the semicolon~~  
4 ~~at the end;~~

5 ~~(2) in subparagraph (HH), by striking the period at the end and~~  
6 ~~adding “; and”; and~~

7 ~~(3) by adding at the end the following new subparagraph:~~

8 ~~“(II) dental and oral health services (as defined in subsection~~  
9 ~~(III));”.~~

10 ~~(b) Dental and Oral Health Services Defined.—Section 1861 of~~  
11 ~~the Social Security Act (42 U.S.C. 1395x) is amended by adding~~  
12 ~~at the end the following new subsection:~~

13 ~~“(III) Dental and Oral Health Services.—~~

14 ~~“(1) In general.—The term ‘dental and oral health services’~~  
15 ~~means items and services (other than such items and services for~~  
16 ~~which payment may be made under part A as inpatient hospital~~  
17 ~~services) that are furnished during 2028 or a subsequent year,~~  
18 ~~for which coverage was not provided under part B as of the date~~  
19 ~~of the enactment of this subsection, and that are—~~

20 ~~“(A) the preventive and screening services described in~~  
21 ~~paragraph (2) furnished by a doctor of dental surgery or of~~  
22 ~~dental medicine (as described in subsection (r)(2)) or an oral~~  
23 ~~health professional (as defined in paragraph (4)); or~~

24 ~~“(B) the basic treatments specified for such year by the~~  
25 ~~Secretary pursuant to paragraph (3)(A) and the major treatments~~  
26 ~~specified for such year by the Secretary pursuant to paragraph~~  
27 ~~(3)(B) furnished by such a doctor or such a professional.~~

28 ~~“(2) Preventive and screening services.—The preventive and~~

1 ~~screening services described in this paragraph are the following:~~

2 ~~“(A) Oral exams.~~

3 ~~“(B) Dental cleanings.~~

4 ~~“(C) Dental x rays performed in the office of a doctor or~~  
5 ~~professional described in paragraph (1)(A).~~

6 ~~“(D) Fluoride treatments.~~

7 ~~“(3) Basic and major treatments. For 2028 and each~~  
8 ~~subsequent year, the Secretary shall specify—~~

9 ~~“(A) basic treatments (which may include basic tooth-~~  
10 ~~restorations, basic periodontal services, tooth extractions, and~~  
11 ~~oral disease management services); and~~

12 ~~“(B) major treatments (which may include major tooth-~~  
13 ~~restorations, major periodontal services, bridges, crowns, and~~  
14 ~~root canals);~~

15 ~~that shall be included as dental and oral health services for such~~  
16 ~~year.~~

17 ~~“(4) Oral health professional.—The term ‘oral health~~  
18 ~~professional’ means, with respect to dental and oral health~~  
19 ~~services, a health professional (other than a doctor of dental~~  
20 ~~surgery or of dental medicine (as described in subsection (r)(2)))~~  
21 ~~who is licensed to furnish such services, acting within the scope~~  
22 ~~of such license, by the State in which such services are~~  
23 ~~furnished.”.~~

24 ~~(c) Payment; Coinsurance; and Limitations.—~~

25 ~~(1) In general.—Section 1833(a)(1) of the Social Security Act~~  
26 ~~(42 U.S.C. 1395l(a)(1)) is amended—~~

27 ~~(A) in subparagraph (N), by inserting “and dental and oral health~~

1 ~~services (as defined in section 1861(III))” after “section-~~  
2 ~~1861(hhh)(1))”;~~

3 ~~(B) by striking “and” before “(DD)”;~~ and

4 ~~(C) by inserting before the semicolon at the end the following:-~~  
5 ~~“and (EE) with respect to dental and oral health services (as-~~  
6 ~~defined in section 1861(III)), the amount paid shall be the-~~  
7 ~~payment amount specified under section 1834(z)”.~~

8 ~~(2) Payment and limits specified.— Section 1834 of the Social-~~  
9 ~~Security Act (42 U.S.C. 1395m) is amended by adding at the-~~  
10 ~~end the following new subsection:~~

11 ~~“(z) Payment and Limits for Dental and Oral Health Services.—~~

12 ~~“(1) In general.— The payment amount under this part for dental-~~  
13 ~~and oral health services (as defined in section 1861(III)) shall be,~~  
14 ~~subject to paragraph (3), the applicable percent (specified in-~~  
15 ~~paragraph (2)) of the lesser of—~~

16 ~~“(A) the actual charge for the service; or~~

17 ~~“(B) the amount determined under the payment basis determined~~  
18 ~~under section 1848 for the service, or, in lieu of such amount, if~~  
19 ~~determined appropriate by the Secretary, an amount specified by~~  
20 ~~the Secretary for such service under a fee schedule determined-~~  
21 ~~appropriate by the Secretary, taking into account fee schedules-~~  
22 ~~for such services—~~

23 ~~“(i) under the TRICARE program under chapter 55 of title 10 of~~  
24 ~~the United States Code;~~

25 ~~“(ii) under the health insurance program under chapter 89 of title~~  
26 ~~5 of such Code;~~

27 ~~“(iii) under State plans (or waivers of such plans) under title-~~  
28 ~~XIX;~~



1 ~~“(iv) under Medicare Advantage plans under part C;~~

2 ~~“(v) established by the Secretary of Veterans Affairs; and~~

3 ~~“(vi) established by other health care payers.~~

4 ~~“(2) Applicable percent.—For purposes of paragraph (1), the~~  
5 ~~applicable percent specified in this paragraph is, with respect to~~  
6 ~~dental and oral health services (as defined in section 1861(l))~~  
7 ~~furnished in a year—~~

8 ~~“(A) that are preventive and screening services described in~~  
9 ~~paragraph (2) or basic treatments specified for such year~~  
10 ~~pursuant to paragraph (3)(A) of such section, 80 percent; and~~

11 ~~“(B) that are major treatments specified for such year pursuant~~  
12 ~~to paragraph (3)(B) of such section—~~

13 ~~“(i) in the case such services are furnished during 2028, 10~~  
14 ~~percent;~~

15 ~~“(ii) in the case such services are furnished during 2029 or a~~  
16 ~~subsequent year before 2032, the applicable percent specified~~  
17 ~~under this subparagraph for the previous year, increased by 10~~  
18 ~~percentage points; and~~

19 ~~“(iii) in the case such services are furnished during 2032 or a~~  
20 ~~subsequent year, 50 percent.~~

21 ~~“(3) Limitations.—With respect to dental and oral health~~  
22 ~~services that are—~~

23 ~~“(A) preventive and screening oral exams, payment may be~~  
24 ~~made under this part for not more than two such exams during a~~  
25 ~~12-month period;~~

26 ~~“(B) dental cleanings, payment may be made under this part for~~  
27 ~~not more than two such cleanings during a 12-month period; and~~

1 ~~“(C) not described in subparagraph (A) or (B), payment may be~~  
2 ~~made under this part only at such frequencies and under such~~  
3 ~~circumstances determined appropriate by the Secretary.~~

4 ~~“(4) Use of bundled payments.—The Secretary may make~~  
5 ~~payment for dentures and associated professional services, and~~  
6 ~~for any other dental and oral health services, as bundled~~  
7 ~~payments as the Secretary determines appropriate.~~

8 ~~“(5) Limitation on judicial review.—There shall be no~~  
9 ~~administrative or judicial review under section 1869 or~~  
10 ~~otherwise of—~~

11 ~~“(A) the determination of payment amounts under this~~  
12 ~~subsection for dental and oral health services and under~~  
13 ~~subsection (h)(6) or subsection (z)(4) for dentures;~~

14 ~~“(B) the determination of what services are basic and major~~  
15 ~~services under subparagraphs (A) and (B) of section~~  
16 ~~1861(III)(3); or~~

17 ~~“(C) the determination of the frequency and circumstance~~  
18 ~~limitations for dental and oral health services under paragraph~~  
19 ~~(3)(C).”.~~

20 ~~(d) Payment Under Physician Fee Schedule.—~~

21 ~~(1) In general.—Section 1848(j)(3) of the Social Security Act~~  
22 ~~(42 U.S.C. 1395w4(j)(3)) is amended by inserting “(2)(II),”~~  
23 ~~before “(3)”.~~

24 ~~(2) Exclusion from mips.—Section 1848(q)(1)(C)(ii) of the~~  
25 ~~Social Security Act (42 U.S.C. 1395w4(q)(1)(C)(ii)) is~~  
26 ~~amended—~~

27 ~~(A) in subclause (II), by striking “or” at the end;~~

28 ~~(B) in subclause (III), by striking the period at the end and~~

1 ~~inserting “; or”; and~~

2 ~~(C) by adding at the end the following new subclause:~~

3 ~~“(IV) with respect to 2028 and each subsequent year, is a doctor-~~  
4 ~~of dental surgery or of dental medicine (as described in section-~~  
5 ~~1861(r)(2)) or is an oral health professional (as defined in-~~  
6 ~~section 1861(III)(4)).”.~~

7 ~~(3) Inclusion of oral health professionals as certain-~~  
8 ~~practitioners.— Section 1842(b)(18)(C) of the Social Security-~~  
9 ~~Act (42 U.S.C. 1395u(b)(18)(C)) is amended by adding at the-~~  
10 ~~end the following new clause:~~

11 ~~“(vii) With respect to 2028 and each subsequent year, an oral-~~  
12 ~~health professional (as defined in section 1861(III)(4)).”.~~

13 ~~(e) Dentures.—~~

14 ~~(1) In general.— Section 1861(s)(8) of the Social Security Act-~~  
15 ~~(42 U.S.C. 1395x(s)(8)) is amended—~~

16 ~~(A) by striking “(other than dental)”;~~ and

17 ~~(B) by inserting “and excluding dental, except for a full or-~~  
18 ~~partial set of dentures (as described in section 1834(h)(6))-~~  
19 ~~furnished on or after January 1, 2028” after “colostomy care”.~~

20 ~~(2) Special payment rules.—~~

21 ~~(A) Limitations.— Section 1834(h) of the Social Security Act-~~  
22 ~~(42 U.S.C. 1395m(h)) is amended by adding at the end the-~~  
23 ~~following new paragraph:~~

24 ~~“(6) Special payment rule for dentures.— Payment may be made-~~  
25 ~~under this part with respect to an individual for dentures—~~

26 ~~“(A) not more than once during any 5-year period (except in the-~~  
27 ~~case that a doctor described in section 1861(III)(1)(A)-~~

1 ~~determines such dentures do not fit the individual); and~~  
2 ~~“(B) only to the extent that such dentures are furnished pursuant~~  
3 ~~to a written order of such a doctor or professional.”.~~  
4 ~~(B) Application of competitive acquisition.—~~  
5 ~~(i) In general.— Section 1834(h)(1)(H) of the Social Security~~  
6 ~~Act (42 U.S.C. 1395m(h)(1)(H)) is amended—~~  
7 ~~(I) in the subparagraph heading, by inserting “, dentures” after~~  
8 ~~“orthotics”;~~  
9 ~~(II) by inserting “, of dentures described in paragraph (2)(D) of~~  
10 ~~such section,” after “2011,”; and~~  
11 ~~(III) in clause (i), by inserting “, such dentures” after “orthotics”.~~  
12 ~~(ii) Conforming amendment.— Section 1847(a)(2) of the Social~~  
13 ~~Security Act (42 U.S.C. 1395w3(a)(2)) is amended by adding at~~  
14 ~~the end the following new subparagraph:~~  
15 ~~“(D) Dentures.— Dentures described in section 1861(s)(8) for~~  
16 ~~which payment would otherwise be made under section~~  
17 ~~1834(h).”.~~  
18 ~~(iii) Exemption of certain items from competitive~~  
19 ~~acquisition.— Section 1847(a)(7) of the Social Security Act (42~~  
20 ~~U.S.C. 1395w3(a)(7)) is amended by adding at the end the~~  
21 ~~following new subparagraph:~~  
22 ~~“(C) Certain dentures.— Those items and services described in~~  
23 ~~paragraph (2)(D) if furnished by a physician or other practitioner~~  
24 ~~(as defined by the Secretary) to the physician’s or practitioner’s~~  
25 ~~own patients as part of the physician’s or practitioner’s~~  
26 ~~professional service.”.~~  
27 ~~(f) Exclusion Modifications.— Section 1862(a) of the Social~~  
28 ~~Security Act (42 U.S.C. 1395y(a)) is amended—~~

- 1 ~~(1) in paragraph (1) —~~  
2 ~~(A) in subparagraph (O), by striking “and” at the end;~~  
3 ~~(B) in subparagraph (P), by striking the semicolon at the end and~~  
4 ~~inserting “, and”; and~~  
5 ~~(C) by adding at the end the following new subparagraph:~~  
6 ~~“(Q) in the case of dental and oral health services (as defined in~~  
7 ~~section 1861(l)) that are preventive and screening services~~  
8 ~~described in paragraph (2) of such section, which are furnished~~  
9 ~~more frequently than provided under section 1834(z)(3) or under~~  
10 ~~circumstances other than circumstances determined appropriate~~  
11 ~~under subparagraph (C) of such section;”;~~ and  
12 ~~(2) in paragraph (12), by inserting before the semicolon at the~~  
13 ~~end the following: “and except that payment may be made under~~  
14 ~~part B for dental and oral health services that are covered under~~  
15 ~~section 1861(s)(2)(II) and for dentures under section~~  
16 ~~1861(s)(8)”.~~  
17 ~~(g) Certain Non-application. —~~  
18 ~~(1) In general. — Paragraphs (1) and (4) of section 1839(a) of the~~  
19 ~~Social Security Act (42 U.S.C. 1395r(a)) are amended by adding~~  
20 ~~at the end of each such paragraphs the following: “In applying~~  
21 ~~this paragraph there shall not be taken into account benefits and~~  
22 ~~administrative costs attributable to the amendments made by~~  
23 ~~section 134401 (other than subsection (g)) of An Act to provide~~  
24 ~~for reconciliation pursuant to title II of S. Con. Res. 14 and the~~  
25 ~~Government contribution under section 1844(a)(5)”.~~  
26 ~~(2) Payment. — Section 1844(a) of such Act (42 U.S.C.~~  
27 ~~1395w(a)) is amended —~~

1 ~~\* 87 (A) in paragraph (4), by striking the period at the end and~~  
2 ~~inserting “; plus”;~~

3 ~~(B) by adding at the end the following new paragraph:~~

4 ~~“(5) a Government contribution equal to the amount that is~~  
5 ~~estimated to be payable for benefits and related administrative~~  
6 ~~costs incurred that are attributable to the amendments made by~~  
7 ~~section 134401 (other than subsection (g)) of the An Act to~~  
8 ~~provide for reconciliation pursuant to title II of S. Con. Res.~~  
9 ~~14.”; and~~

10 ~~(C) in the flush matter at the end, by striking “paragraph (4)”~~  
11 ~~and inserting “paragraphs (4) and (5)”.~~

12 ~~(h) Implementation.—~~

13 ~~(1) Funding.—~~

14 ~~(A) In general.— In addition to amounts otherwise available, the~~  
15 ~~Secretary of Health and Human Services (in this subsection~~  
16 ~~referred to as the “Secretary”) shall provide for the transfer from~~  
17 ~~the Federal Supplementary Medical Insurance Trust Fund under~~  
18 ~~section 1841 of the Social Security Act (42 U.S.C. 1395t) to the~~  
19 ~~Centers for Medicare & Medicaid Services Program~~  
20 ~~Management Account of—~~

21 ~~(i) \$20,000,000 for each of fiscal years 2022 through 2028 for~~  
22 ~~purposes of implementing the amendments made by this section;~~  
23 ~~and~~

24 ~~(ii) such sums as determined appropriate by the Secretary for~~  
25 ~~each subsequent fiscal year for purposes of administering the~~  
26 ~~provisions of such amendments.~~

27 ~~(B) Availability and additional use of funds.— Funds transferred~~  
28 ~~pursuant to subparagraph (A) shall remain available until—~~

1 ~~expended and may be used, in addition to the purpose specified~~  
2 ~~in subparagraph (A)(i), to implement the amendments made by~~  
3 ~~sections 134402 and 134403.~~

4 ~~(2) Administration.—Notwithstanding any other provision of~~  
5 ~~law, the Secretary may implement, by program instruction or~~  
6 ~~otherwise, any of the provisions of, or amendments made by,~~  
7 ~~this section.~~

8 ~~(3) Paperwork reduction act.—Chapter 35 of title 44, United~~  
9 ~~States Code, shall not apply to the provisions of, or the~~  
10 ~~amendments made by, this section.~~

11 ~~SEC. 134402. PROVIDING COVERAGE FOR HEARING~~  
12 ~~CARE UNDER THE MEDICARE PROGRAM.~~

13 ~~(a) Provision of Aural Rehabilitation and Treatment Services by~~  
14 ~~Qualified Audiologists.—Section 1861(l)(3) of the Social~~  
15 ~~Security Act (42 U.S.C. 1395x(l)(3)) is amended by inserting~~  
16 ~~“(and, beginning October 1, 2023, such aural rehabilitation and~~  
17 ~~treatment services)” after “assessment services”.~~

18 ~~(b) Coverage of Hearing Aids.—~~

19 ~~(1) Inclusion of hearing aids as prosthetic devices.—Section~~  
20 ~~1861(s)(8) of the Social Security Act (42 U.S.C. 1395x(s)(8)) is~~  
21 ~~amended by inserting “, and including hearing aids (as described~~  
22 ~~in section 1834(h)(7)) furnished on or after October 1, 2023, to~~  
23 ~~individuals diagnosed with profound or severe hearing loss”~~  
24 ~~before the semicolon at the end.~~

25 ~~(2) Payment limitations for hearing aids.—Section 1834(h) of~~  
26 ~~the Social Security Act (42 U.S.C. 1395m(h)), as amended by~~  
27 ~~section 134401(e)(2)(A), is further amended by adding at the~~  
28 ~~end the following new paragraph:~~

1 ~~“(7) Limitations for hearing aids.—~~

2 ~~“(A) In general.— Payment may be made under this part with~~  
3 ~~respect to an individual, with respect to hearing aids furnished~~  
4 ~~on or after October 1, 2023—~~

5 ~~“(i) not more than once during a 5-year period;~~

6 ~~“(ii) only for types of such hearing aids that are not~~  
7 ~~over the counter hearing aids (as defined in section 520(q)(1) of~~  
8 ~~the Federal Food, Drug, and Cosmetic Act) and that are~~  
9 ~~determined appropriate by the Secretary; and~~

10 ~~“(iii) only if furnished pursuant to a written order of a physician-~~  
11 ~~or qualified audiologist (as defined in section 1861(l)(4)(B)).~~

12 ~~“(B) Limitation on judicial review.— There shall be no~~  
13 ~~administrative or judicial review under section 1869 or~~  
14 ~~otherwise of—~~

15 ~~“(i) the determination of the types of hearing aids paid for under~~  
16 ~~subparagraph (A)(ii); or~~

17 ~~“(ii) the determination of fee schedule rates for hearing aids~~  
18 ~~described in this paragraph.”.~~

19 ~~(3) Application of competitive acquisition.—~~

20 ~~(A) In general.— Section 1834(h)(1)(H) of the Social Security~~  
21 ~~Act (42 U.S.C. 1395m(h)(1)(H)), as amended by section-~~  
22 ~~134401(e)(2)(B)(i), is further amended—~~

23 ~~(i) in the header, by inserting “, hearing aids” after “dentures”;~~

24 ~~(ii) by inserting “, of hearing aids described in paragraph (2)(E)~~  
25 ~~of such section,” after “paragraph (2)(D) of such section”; and~~

26 ~~(iii) in clause (i), by inserting “, such hearing aids” after “such~~  
27 ~~dentures”.~~



1 ~~(B) Conforming amendment.—~~

2 ~~(i) In general.— Section 1847(a)(2) of the Social Security Act~~  
3 ~~(42 U.S.C. 1395w3(a)(2)), as amended by section~~  
4 ~~134401(e)(2)(B)(ii), is further amended by adding at the end the~~  
5 ~~following new subparagraph:~~

6 ~~“(E) Hearing aids.— Hearing aids described in section~~  
7 ~~1861(s)(8) for which payment would otherwise be made under~~  
8 ~~section 1834(h).”.~~

9 ~~(ii) Exemption of certain items from competitive~~  
10 ~~acquisition.— Section 1847(a)(7) of the Social Security Act (42-~~  
11 ~~U.S.C. 1395w3(a)(7)), as amended by section~~  
12 ~~134401(e)(2)(B)(iii), is further amended by adding at the end the~~  
13 ~~following new subparagraph:~~

14 ~~“(D) Certain hearing aids.— Those items and services described~~  
15 ~~in paragraph (2)(E) if furnished by a physician or other~~  
16 ~~practitioner (as defined by the Secretary) to the physician’s or~~  
17 ~~practitioner’s own patients as part of the physician’s or~~  
18 ~~practitioner’s professional service.”.~~

19 ~~(4) Inclusion of audiologists as certain practitioners to receive~~  
20 ~~payment on an assignment related basis.— Section~~  
21 ~~1842(b)(18)(C) of the Social Security Act (42 U.S.C.~~  
22 ~~1395u(b)(18)(C)), as amended by section 134401(d)(4), is~~  
23 ~~further amended by adding at the end the following new clause:~~

24 ~~“(viii) Beginning October 1, 2023, a qualified audiologist (as~~  
25 ~~defined in section 1861(l)(4)(B)).”.~~

26 ~~(c) Exclusion Modification.— Section 1862(a)(7) of the Social~~  
27 ~~Security Act (42 U.S.C. 1395y(a)(7)) is amended by inserting~~  
28 ~~“(except such hearing aids or examinations therefor as described~~  
29 ~~in and otherwise allowed under section 1861(s)(8))” after~~

1 ~~“hearing aids or examinations therefor”.~~

2 ~~(d) Certain Non-application.—~~

3 ~~(1) In general.—The last sentence of section 1839(a)(1) of the~~  
4 ~~Social Security Act (42 U.S.C. 1395r(a)(1)), as added by section~~  
5 ~~134401(g)(1), is amended by striking “section 134401 (other~~  
6 ~~than subsection (g))” and inserting “sections 134401 (other than~~  
7 ~~subsection (g)), 134402 (other than subsection (d))”.~~

8 ~~(2) Payment.—Paragraph (4) of section 1844(a) of such Act (42~~  
9 ~~U.S.C. 1395w(a)), as added by section 134401(g)(2), is~~  
10 ~~amended by striking “section 134401 (other than subsection~~  
11 ~~(g))” and inserting “sections 134401 (other than subsection (g)),~~  
12 ~~134402 (other than subsection (d))”.~~

13 ~~(e) Implementation.—~~

14 ~~(1) Funding.—~~

15 ~~(A) In general.—In addition to amounts otherwise available, the~~  
16 ~~Secretary of Health and Human Services (in this subsection~~  
17 ~~referred to as the “Secretary”) shall provide for the transfer from~~  
18 ~~the Federal Supplementary Medical Insurance Trust Fund under~~  
19 ~~section 1841 of the Social Security Act (42 U.S.C. 1395t) to the~~  
20 ~~Centers for Medicare & Medicaid Services Program~~  
21 ~~Management Account of—~~

22 ~~(i) \$20,000,000 for each of fiscal years 2022 through 2023 for~~  
23 ~~purposes of implementing the amendments made by this section;~~  
24 ~~and~~

25 ~~(ii) such sums as determined appropriate by the Secretary for~~  
26 ~~each subsequent fiscal year for purposes of administering the~~  
27 ~~provisions of such amendments.~~

28 ~~(B) Availability and additional use of funds.—Funds transferred~~

1 ~~pursuant to subparagraph (A) shall remain available until~~  
2 ~~expended and may be used, in addition to the purpose specified~~  
3 ~~in subparagraph (A)(i), to implement the amendments made by~~  
4 ~~sections 134401 and 134403.~~

5 ~~(2) Administration.—Notwithstanding any other provision of~~  
6 ~~law, the Secretary may implement, by program instruction or~~  
7 ~~otherwise, any of the provisions of, or amendments made by,~~  
8 ~~this section.~~

9 ~~(3) Paperwork reduction act.—Chapter 35 of title 44, United~~  
10 ~~States Code, shall not apply to the provisions of, or the~~  
11 ~~amendments made by, this section.~~

12 ~~SEC. 134403. PROVIDING COVERAGE FOR VISION CARE~~  
13 ~~UNDER THE MEDICARE PROGRAM.~~

14 ~~(a) Coverage.—Section 1861(s)(2) of the Social Security Act~~  
15 ~~(42 U.S.C. 1395x(s)(2)), as amended by section 134401(a), is~~  
16 ~~further amended—~~

17 ~~(1) in subparagraph (HH), by striking “and” after the semicolon~~  
18 ~~at the end;~~

19 ~~(2) in subparagraph (II), by striking the period at the end and~~  
20 ~~adding “; and”; and~~

21 ~~(3) by adding at the end the following new subparagraph:~~

22 ~~“(JJ) vision services (as defined in subsection (mmm));”.~~

23 ~~(b) Vision Services Defined.—Section 1861 of the Social~~  
24 ~~Security Act (42 U.S.C. 1395x), as amended by section~~  
25 ~~134401(b), is further amended by adding at the end the~~  
26 ~~following new subsection:~~

27 ~~“(mmm) Vision Services.—The term ‘vision services’ means—~~

28 ~~“(1) routine eye examinations to determine the refractive state of~~

1 ~~the eyes, including procedures performed during the course of~~  
2 ~~such examination; and~~

3 ~~“(2) contact lens fitting services;~~

4 ~~furnished on or after October 1, 2022, by or under the direct~~  
5 ~~supervision of an ophthalmologist or optometrist who is legally~~  
6 ~~authorized to furnish such examinations, procedures, or fitting~~  
7 ~~services (as applicable) under State law (or the State regulatory~~  
8 ~~mechanism provided by State law) of the State in which the~~  
9 ~~examinations, procedures, or fitting services are furnished.”.~~

10 ~~(c) Payment Limitations.—Section 1834 of the Social Security~~  
11 ~~Act (42 U.S.C. 1395m), as amended by section 134401(c)(2), is~~  
12 ~~further amended by adding at the end the following new~~  
13 ~~subsection:~~

14 ~~“(aa) Limitation for Vision Services.—With respect to vision~~  
15 ~~services (as defined in section 1861(mmm)) and an individual,~~  
16 ~~payment may be made under this part for only 1 routine eye~~  
17 ~~examination described in paragraph (1) of such section and 1~~  
18 ~~contact lens fitting service described in paragraph (2) of such~~  
19 ~~section during a 2-year period.”.~~

20 ~~(d) Payment Under Physician Fee Schedule.—Section~~  
21 ~~1848(j)(3) of the Social Security Act (42 U.S.C. 1395w4(j)(3)),~~  
22 ~~as amended by section 134401(d)(1), is further amended by~~  
23 ~~inserting “(2)(JJ),” before “(3)”.~~

24 ~~(e) Coverage of Conventional Eyeglasses and Contact Lenses.—~~

25 ~~(1) In general.—Section 1861(s)(8) of the Social Security Act~~  
26 ~~(42 U.S.C. 1395x(s)(8)), as amended by section 134402(b)(1), is~~  
27 ~~further amended by striking “, and including one pair of~~  
28 ~~conventional eyeglasses or contact lenses furnished subsequent~~  
29 ~~to each cataract surgery with insertion of an intraocular lens”.~~

1 ~~and inserting “, including one pair of conventional eyeglasses or~~  
2 ~~contact lenses furnished subsequent to each cataract surgery~~  
3 ~~with insertion of an intraocular lens, if furnished before October~~  
4 ~~1, 2022, and including conventional eyeglasses or contact lenses~~  
5 ~~(as described in section 1834(h)(8)), whether or not furnished~~  
6 ~~subsequent to such a surgery, if furnished on or after October 1,~~  
7 ~~2022”.~~

8 ~~(2) Conforming amendment.—Section 1842(b)(11)(A) of the~~  
9 ~~Social Security Act (42 U.S.C. 1395u(b)(11)(A)) is amended by~~  
10 ~~inserting “furnished prior to October 1, 2022,” after “relating to~~  
11 ~~them,”.~~

12 ~~(f) Special Payment Rules for Eyeglasses and Contact Lenses.—~~

13 ~~(1) Limitations.—Section 1834(h) of the Social Security Act (42~~  
14 ~~U.S.C. 1395m(h)), as amended by section 134401(e)(2)(A) and~~  
15 ~~section 134402(b)(2), is further amended by adding at the end~~  
16 ~~the following new paragraph:~~

17 ~~“(8) Payment limitations for eyeglasses and contact lenses.—~~

18 ~~“(A) In general.—With respect to eyeglasses and contact lenses~~  
19 ~~furnished to an individual on or after October 1, 2022, subject to~~  
20 ~~subparagraph (B), payment may be made under this part only—~~

21 ~~“(i) during a 2-year period, for either 1 pair of eyeglasses~~  
22 ~~(including lenses and frames) or not more than a 2-year supply~~  
23 ~~of contact lenses;~~

24 ~~“(ii) with respect to amounts attributable to the lenses and~~  
25 ~~frames of such a pair of eyeglasses or amounts attributable to~~  
26 ~~such a 2-year supply of contact lenses, in an amount not greater~~  
27 ~~than—~~

28 ~~“(I) for a pair of eyeglasses furnished in, or a 2-year supply of~~

1 ~~contact lenses beginning in, 2022—~~  
2 ~~“(aa) \$85 for the lenses of such pair of eyeglasses and \$85 for~~  
3 ~~the frames of such pair of eyeglasses; or~~  
4 ~~“(bb) \$85 for such 2-year supply of contact lenses; and~~  
5 ~~“(II) for the lenses and frames of a pair of eyeglasses furnished~~  
6 ~~in, or a 2-year supply of contact lenses beginning in, a~~  
7 ~~subsequent year, the dollar amounts specified under this~~  
8 ~~subparagraph for the previous year, increased by the percentage~~  
9 ~~change in the consumer price index for all urban consumers~~  
10 ~~(United States city average) for the 12-month period ending with~~  
11 ~~June of the previous year;~~  
12 ~~“(iii) if furnished pursuant to a written order of a physician~~  
13 ~~described in section 1861(III); and~~  
14 ~~“(iv) if during the 2-year period described in clause (i), the~~  
15 ~~individual did not already receive (as described in subparagraph~~  
16 ~~(B)) one pair of conventional eyeglasses or contact lenses~~  
17 ~~subsequent to a cataract surgery with insertion of an intraocular~~  
18 ~~lens furnished during such period.~~  
19 ~~“(B) Exception.—With respect to a 2-year period described in~~  
20 ~~subparagraph (A)(i), in the case of an individual who receives~~  
21 ~~cataract surgery with insertion of an intraocular lens,~~  
22 ~~notwithstanding subparagraph (A), payment may be made under~~  
23 ~~this part for one pair of conventional eyeglasses or contact~~  
24 ~~lenses furnished subsequent to such cataract surgery during such~~  
25 ~~period.~~  
26 ~~“(C) Limitation on judicial review.—There shall be no~~  
27 ~~administrative or judicial review under section 1869 or~~  
28 ~~otherwise of—~~

1 ~~“(i) the determination of the types of eyeglasses and contact~~  
2 ~~lenses covered under this paragraph; or~~

3 ~~“(ii) the determination of fee schedule rates under this~~  
4 ~~subsection for eyeglasses and contact lenses.”.~~

5 ~~(2) Application of competitive acquisition.—~~

6 ~~(A) In general.— Section 1834(h)(1)(H) of the Social Security~~  
7 ~~Act (42 U.S.C. 1395m(h)(1)(H)), as amended by section~~  
8 ~~134401(e)(2)(B)(i) and section 134402(b)(3)(A), is further~~  
9 ~~amended—~~

10 ~~(i) in the header by inserting “, eyeglasses, and contact lenses”~~  
11 ~~after “hearing aids”;~~

12 ~~(ii) by inserting “and of eyeglasses and contact lenses described~~  
13 ~~in paragraph (2)(F) of such section,” after “paragraph (2)(E) of~~  
14 ~~such section,”; and~~

15 ~~(iii) in clause (i), by inserting “, or such eyeglasses and contact~~  
16 ~~lenses” after “such hearing aids”.~~

17 ~~(B) Conforming amendment.—~~

18 ~~(i) In general.— Section 1847(a)(2) of the Social Security Act~~  
19 ~~(42 U.S.C. 1395w3(a)(2)), as amended by section~~  
20 ~~134401(e)(2)(B)(ii) and section 134402(b)(3)(B)(i), is further~~  
21 ~~amended by adding at the end the following new subparagraph:~~

22 ~~“(F) Eyeglasses and contact lenses.— Eyeglasses and contact~~  
23 ~~lenses described in section 1861(s)(8) for which payment would~~  
24 ~~otherwise be made under section 1834(h).”.~~

25 ~~(ii) Exemption of certain items from competitive~~  
26 ~~acquisition.— Section 1847(a)(7) of the Social Security Act (42~~  
27 ~~U.S.C. 1395w3(a)(7)), as amended by section~~  
28 ~~134401(e)(2)(B)(iii) and section 134402(b)(3)(B)(ii), is further~~

1 ~~amended by adding at the end the following new subparagraph:~~

2 ~~“(E) Certain eyeglasses and contact lenses.— Those items and~~  
3 ~~services described in paragraph (2)(F) if furnished by a~~  
4 ~~physician or other practitioner (as defined by the Secretary) to~~  
5 ~~the physician’s or practitioner’s own patients as part of the~~  
6 ~~physician’s or practitioner’s professional service.”.~~

7 ~~(g) Exclusion Modifications.— Section 1862(a) of the Social~~  
8 ~~Security Act (42 U.S.C. 1395y(a)), as amended by section~~  
9 ~~134401(f), is further amended—~~

10 ~~(1) in paragraph (1)—~~

11 ~~(A) in subparagraph (P), by striking “and” at the end;~~

12 ~~(B) in subparagraph (Q), by striking the semicolon at the end~~  
13 ~~and inserting “, and”; and~~

14 ~~(C) by adding at the end the following new subparagraph:~~

15 ~~“(R) in the case of vision services (as defined in section~~  
16 ~~1861(mmm)) that are routine eye examinations and contact lens-~~  
17 ~~fitting services (as described in paragraph (1) or (2),~~  
18 ~~respectively, of such section), which are furnished more~~  
19 ~~frequently than once during a 2-year period;”;~~ and

20 ~~(2) in paragraph (7)—~~

21 ~~(A) by inserting “(other than such an examination that is a vision~~  
22 ~~service that is covered under section 1861(s)(2)(JJ))” after “eye~~  
23 ~~examinations”; and~~

24 ~~(B) by inserting “(other than such a procedure that is a vision~~  
25 ~~service that is covered under section 1861(s)(2)(JJ))” after~~  
26 ~~“refractive state of the eyes”.~~

27 ~~(h) Certain Non application.—~~



1 ~~(1) In general.— The last sentence of section 1839(a)(1) of the~~  
2 ~~Social Security Act (42 U.S.C. 1395r(a)(1)), as added by section~~  
3 ~~134401(g)(1) and amended by section 134402(d)(1), is further~~  
4 ~~amended by inserting “, and 134403 (other than subsection (h))”~~  
5 ~~after “134402 (other than subsection (d))”.~~

6 ~~(2) Payment.— Paragraph (4) of section 1844(a) of such Act (42-~~  
7 ~~U.S.C. 1395w(a)), as added by section 134401(g)(2) and~~  
8 ~~amended by section 134402(d)(2), is further amended by~~  
9 ~~inserting “, and 134403 (other than subsection (h))” after~~  
10 ~~“134402 (other than subsection (d))”.~~

11 ~~(i) Implementation.—~~

12 ~~(1) Funding.—~~

13 ~~(A) In general.— In addition to amounts otherwise available, the~~  
14 ~~Secretary of Health and Human Services (in this subsection~~  
15 ~~referred to as the “Secretary”) shall provide for the transfer from~~  
16 ~~the Federal Supplementary Medical Insurance Trust Fund under~~  
17 ~~section 1841 of the Social Security Act (42 U.S.C. 1395t) to the~~  
18 ~~Centers for Medicare & Medicaid Services Program~~  
19 ~~Management Account of—~~

20 ~~(i) \$20,000,000 for each of fiscal years 2022 and 2023 for~~  
21 ~~purposes of implementing the amendments made by this section;~~  
22 ~~and~~

23 ~~(ii) such sums as determined appropriate by the Secretary for~~  
24 ~~each subsequent fiscal year for purposes of administering the~~  
25 ~~provisions of such amendments.~~

26 ~~(B) Availability and additional use of funds.— Funds transferred~~  
27 ~~pursuant to subparagraph (A) shall remain available until~~  
28 ~~expended and may be used, in addition to the purpose specified~~  
29 ~~in subparagraph (A)(i), to implement the amendments made by~~

1 ~~sections 134401 and 134402.~~

2 ~~(2) Administration. Notwithstanding any other provision of~~  
3 ~~law, the Secretary may implement, by program instruction or~~  
4 ~~otherwise, any of the provisions of, or amendments made by,~~  
5 ~~this section.~~

6 ~~(3) Paperwork reduction act. Chapter 35 of title 44, United~~  
7 ~~States Code, shall not apply to the provisions of, or the~~  
8 ~~amendments made by, this section.~~

9 ~~Subtitle F Infrastructure Financing and Community~~  
10 ~~Development~~

11 SEC. 135001. AMENDMENT OF 1986 CODE.

12 Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is  
13 expressed in terms of an amendment to, or repeal of, a section or other provision, the reference  
14 shall be considered to be made to a section or other provision of the Internal Revenue Code of  
15 1986.

16 ~~PART 1 INFRASTRUCTURE FINANCING~~

17 ~~Subpart A Bond Financing~~

18 ~~SEC. 135101. CREDIT TO ISSUER FOR CERTAIN~~  
19 ~~INFRASTRUCTURE BONDS.~~

20 ~~(a) In General. Subchapter B of chapter 65 is amended by~~  
21 ~~inserting before section 6432 the following new section:~~

22 ~~“SEC. 6431A. CREDIT ALLOWED TO ISSUER FOR~~  
23 ~~QUALIFIED INFRASTRUCTURE BONDS.~~

24 ~~“(a) In General. In the case of a qualified infrastructure bond,~~  
25 ~~the issuer of such bond shall be allowed a credit with respect to~~  
26 ~~each interest payment under such bond which shall be payable~~  
27 ~~by the Secretary as provided in subsection (b).~~

28 ~~“(b) Payment of Credit.—~~

1 ~~“(1) In general.—The Secretary shall pay (contemporaneously~~  
2 ~~with each date on which interest is paid, including any interest~~  
3 ~~paid after the originally scheduled payment date) to the issuer of~~  
4 ~~such bond (or, at the direction of the issuer, to any person who~~  
5 ~~makes such interest payments on behalf of such issuer) an~~  
6 ~~amount equal to the applicable percentage of such interest so~~  
7 ~~paid.~~

8 ~~“(2) Applicable percentage.—For purposes of this subsection,~~  
9 ~~except as provided in subsection (d), the applicable percentage~~  
10 ~~with respect to any bond shall be determined under the~~  
11 ~~following table:~~

12 ~~“In the case of a bond issued during calendar year:~~

13 ~~The applicable percentage is:~~

14 ~~2022 through 2024~~

15 ~~35%~~

16 ~~2025~~

17 ~~32%~~

18 ~~2026~~

19 ~~30%~~

20 ~~2027 and thereafter~~

21 ~~28%~~

22 ~~“(3) Limitation.—~~

23 ~~“(A) In general.—The amount of any interest payment taken~~  
24 ~~into account under paragraph (1) with respect to a bond for any~~  
25 ~~payment date shall not exceed the amount of interest which~~  
26 ~~would have been payable under such bond for such payment~~  
27 ~~date if interest were determined at the applicable credit rate~~

1 ~~multiplied by the applicable amount for such bond for such~~  
2 ~~payment date.~~

3 ~~“(B) Applicable credit rate.— For purposes of subparagraph~~  
4 ~~(A)—~~

5 ~~“(i) In general.— The applicable credit rate is the rate which the~~  
6 ~~Secretary estimates will permit the issuance of qualified~~  
7 ~~infrastructure bonds with a specified maturity or redemption~~  
8 ~~date without discount and without additional interest cost to the~~  
9 ~~issuer.~~

10 ~~“(ii) Date of determination.— The applicable credit rate with~~  
11 ~~respect to any qualified infrastructure bond shall be determined~~  
12 ~~as of the first day on which there is a binding, written contract~~  
13 ~~for the sale or exchange of the bond.~~

14 ~~“(C) Applicable amount.—~~

15 ~~“(i) Bonds with more than de minimis original issue~~  
16 ~~discount.— In the case of any bond that has more than a de~~  
17 ~~minimis amount of original issue discount (determined under the~~  
18 ~~rules of section 1273(a)(3)), the applicable amount for a~~  
19 ~~payment date is the issue price of such bond (within the meaning~~  
20 ~~of section 148), as adjusted for any principal payments made~~  
21 ~~prior to such date.~~

22 ~~“(ii) Other bonds.— In the case of any other bond, the applicable~~  
23 ~~amount for a payment date is the outstanding principal amount~~  
24 ~~of such bond on such payment date (determined without taking~~  
25 ~~into account any principal payment on such bond on such date).~~

26 ~~“(c) Qualified Infrastructure Bond.—~~

27 ~~“(1) In general.— For purposes of this section, the term~~  
28 ~~‘qualified infrastructure bond’ means any bond (other than a~~

1 ~~private activity bond) issued as part of an issue if—~~

2 ~~“(A) 100 percent of the excess of available project proceeds of~~  
3 ~~such issue over the amounts in a reasonably required reserve~~  
4 ~~(within the meaning of section 150(a)(3)) with respect to such~~  
5 ~~issue are to be used for—~~

6 ~~“(i) capital expenditures or operations and maintenance~~  
7 ~~expenditures in connection with property the acquisition,~~  
8 ~~construction, or improvement of which would be a capital~~  
9 ~~expenditure, or~~

10 ~~“(ii) payments made by a State or political subdivision of a State~~  
11 ~~to a custodian of a rail corridor for purposes of the transfer,~~  
12 ~~lease, sale, or acquisition of an established railroad right of way~~  
13 ~~consistent with section 8(d) of the National Trails Act of 1968,~~  
14 ~~but only if the Surface Transportation Board has issued a~~  
15 ~~certificate of interim trail use or notice of interim trail use for~~  
16 ~~purposes of authorizing such transfer, lease, sale, or acquisition,~~

17 ~~“(B) the interest on such bond would (but for this section) be~~  
18 ~~excludable from gross income under section 103,~~

19 ~~“(C) the issue price has not more than a de minimis amount~~  
20 ~~(determined under rules similar to the rules of section~~  
21 ~~1273(a)(3)) of premium over the stated principal amount of the~~  
22 ~~bond, and~~

23 ~~“(D) prior to the issuance of such bond, the issuer makes an~~  
24 ~~irrevocable election to have this section apply.~~

25 ~~“(2) Applicable rules.— For purposes of applying paragraph~~  
26 ~~(1)—~~

27 ~~“(A) Not treated as federally guaranteed.— For purposes of~~  
28 ~~section 149(b), a qualified infrastructure bond shall not be~~

1 ~~treated as federally guaranteed by reason of the credit allowed~~  
2 ~~under this section.~~

3 ~~“(B) Application of arbitrage rules.—For purposes of section~~  
4 ~~148, the yield on a qualified infrastructure bond shall be reduced~~  
5 ~~by the credit allowed under this section, except that no such~~  
6 ~~reduction shall apply in determining the amount of gross~~  
7 ~~proceeds of an issue that qualifies as a reasonably required~~  
8 ~~reserve or replacement fund.~~

9 ~~“(d) Definition and Special Rules.—For purposes of this~~  
10 ~~section—~~

11 ~~“(1) Interest includible in gross income.—For purposes of this~~  
12 ~~title, interest on any qualified infrastructure bond shall be~~  
13 ~~includible in gross income.~~

14 ~~“(2) Available project proceeds.—The term ‘available project~~  
15 ~~proceeds’ means—~~

16 ~~“(A) the excess of—~~

17 ~~“(i) the proceeds from the sale of an issue, over~~

18 ~~“(ii) issuance costs financed by the issue (to the extent that such~~  
19 ~~costs do not exceed 2 percent of such proceeds), and~~

20 ~~“(B) the proceeds from any investment of the excess described~~  
21 ~~in subparagraph (A).~~

22 ~~“(3) Current refundings allowed.—~~

23 ~~“(A) In general.—In the case of a bond issued to refund a~~  
24 ~~qualified infrastructure bond, such refunding bond shall not be~~  
25 ~~treated as a qualified infrastructure bond for purposes of this~~  
26 ~~section unless—~~

27 ~~“(i) the average maturity date of the issue of which the refunding~~  
28 ~~bond is a part is not later than the average maturity date of the~~

1 ~~bonds to be refunded by such issue,~~

2 ~~“(ii) the amount of the refunding bond does not exceed the~~  
3 ~~outstanding amount of the refunded bond,~~

4 ~~“(iii) the refunded bond is redeemed not later than 90 days after~~  
5 ~~the date of the issuance of the refunding bond, and~~

6 ~~“(iv) the refunded bond was issued more than 30 days after the~~  
7 ~~date of the enactment of this section.~~

8 ~~“(B) Applicable percentage limitation.—The applicable~~  
9 ~~percentage with respect to any bond to which subparagraph (A)~~  
10 ~~applies shall be 28 percent.~~

11 ~~“(C) Determination of average maturity.—For purposes of~~  
12 ~~subparagraph (A)(i), average maturity shall be determined in~~  
13 ~~accordance with section 147(b)(2)(A).~~

14 ~~“(4) Application of davis bacon act requirements with respect to~~  
15 ~~qualified infrastructure bonds.—Subchapter IV of chapter 31 of~~  
16 ~~title 40, United States Code, shall apply to projects financed~~  
17 ~~with the proceeds of qualified infrastructure bonds.~~

18 ~~“(e) Regulations.—The Secretary may prescribe such~~  
19 ~~regulations and other guidance as may be necessary or~~  
20 ~~appropriate to carry out this section.”. 1—LOW INCOME~~

21 **HOUSING CREDIT**

22

23 ~~\* 50 (b) Gross up of Payment to Issuers in Case of~~  
24 ~~Sequestration.—In the case of any payment under section~~  
25 ~~6431A of the Internal Revenue Code of 1986 made after the date~~  
26 ~~of the enactment of this Act to which sequestration applies, the~~  
27 ~~amount of such payment shall be increased to an amount equal~~  
28 ~~to—~~

~~(1) such payment (determined before such sequestration), multiplied by~~

~~\* 51 (2) the quotient obtained by dividing 1 by the amount by which 1 exceeds the percentage reduction in such payment pursuant to such sequestration.~~

~~\* 52 For purposes of this subsection, the term “sequestration” means any reduction in direct spending ordered in accordance with a sequestration report prepared by the Director of the Office and Management and Budget pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 or the Statutory Pay As You Go Act of 2010.~~

~~(c) Conforming Amendments.—~~

~~(1) Section 1324(b)(2) of title 31, United States Code, is amended by striking “or 6431” and inserting “6431, or 6431A”.~~

~~(2) The table of sections for subchapter B of chapter 65 is amended by inserting before the item relating to section 6432 the following new item:~~

~~“Sec. 6431A. Credit allowed to issuer for qualified infrastructure bonds.”.~~

~~\* 89 (d) Effective Date.— The amendments made by this section shall apply to bonds issued after December 31, 2021.~~

~~SEC. 135102. ADVANCE REFUNDING BONDS.~~

~~(a) In General.— Section 149(d) is amended—~~

~~(1) by striking “to advance refund another bond.” in paragraph~~



1 ~~(1) and inserting “as part of an issue described in paragraph (2),~~  
2 ~~(3), or (4).”;~~

3 ~~(2) by redesignating paragraphs (2) and (3) as paragraphs (5)~~  
4 ~~and (7), respectively;~~

5 ~~(3) by inserting after paragraph (1) the following new~~  
6 ~~paragraphs:~~

7 ~~“(2) Certain private activity bonds.— An issue is described in~~  
8 ~~this paragraph if any bond (issued as part of such issue) is issued~~  
9 ~~to advance refund a private activity bond (other than a qualified~~  
10 ~~501(c)(3) bond).~~

11 ~~“(3) Other bonds.—~~

12 ~~“(A) In general.— An issue is described in this paragraph if any~~  
13 ~~bond (issued as part of such issue), hereinafter in this paragraph~~  
14 ~~referred to as the ‘refunding bond’, is issued to advance refund a~~  
15 ~~bond unless—~~

16 ~~“(i) the refunding bond is only—~~

17 ~~“(I) the first advance refunding of the original bond if the~~  
18 ~~original bond is issued after 1985, or~~

19 ~~“(II) the first or second advance refunding of the original bond if~~  
20 ~~the original bond was issued before 1986,~~

21 ~~“(ii) in the case of refunded bonds issued before 1986, the~~  
22 ~~refunded bond is redeemed not later than the earliest date on~~  
23 ~~which such bond may be redeemed at par or at a premium of 3-~~  
24 ~~percent or less;~~

25 ~~“(iii) in the case of refunded bonds issued after 1985, the~~  
26 ~~refunded bond is redeemed not later than the earliest date on~~  
27 ~~which such bond may be redeemed,~~

28 ~~“(iv) the initial temporary period under section 148(c) ends—~~

1 ~~“(I) with respect to the proceeds of the refunding bond not later-~~  
2 ~~than 30 days after the date of issue of such bond, and~~

3 ~~“(II) with respect to the proceeds of the refunded bond on the~~  
4 ~~date of issue of the refunding bond, and~~

5 ~~“(v) in the case of refunded bonds to which section 148(e) did-~~  
6 ~~not apply, on and after the date of issue of the refunding bond,~~  
7 ~~the amount of proceeds of the refunded bond invested in higher-~~  
8 ~~yielding investments (as defined in section 148(b)) which are~~  
9 ~~nonpurpose investments (as defined in section 148(f)(6)(A))~~  
10 ~~does not exceed—~~

11 ~~“(I) the amount so invested as part of a reasonably required~~  
12 ~~reserve or replacement fund or during an allowable temporary~~  
13 ~~period, and~~

14 ~~“(II) the amount which is equal to the lesser of 5 percent of the~~  
15 ~~proceeds of the issue of which the refunded bond is a part or~~  
16 ~~\$100,000 (to the extent such amount is allocable to the refunded~~  
17 ~~bond).~~

18 ~~“(B) Special rules for redemptions.—~~

19 ~~“(i) Issuer must redeem only if debt service savings.— Clause~~  
20 ~~(ii) and (iii) of subparagraph (A) shall apply only if the issuer~~  
21 ~~may realize present value debt service savings (determined~~  
22 ~~without regard to administrative expenses) in connection with~~  
23 ~~the issue of which the refunding bond is a part.~~

24 ~~“(ii) Redemptions not required before 90th day.— For purposes~~  
25 ~~of clauses (ii) and (iii) of subparagraph (A), the earliest date~~  
26 ~~referred to in such clauses shall not be earlier than the 90th day~~  
27 ~~after the date of issuance of the refunding bond.~~

28 ~~“(4) Abusive transactions prohibited.— An issue is described in~~

~~1 this paragraph if any bond (issued as part of such issue) is issued  
2 to advance refund another bond and a device is employed in  
3 connection with the issuance of such issue to obtain a material  
4 financial advantage (based on arbitrage) apart from savings  
5 attributable to lower interest rates.”, and~~

~~6 (4) by inserting after paragraph (5) (as so redesignated) the  
7 following new paragraph:~~

~~8 “(6) Special rules for purposes of paragraph (3).— For purposes  
9 of paragraph (3), bonds issued before October 22, 1986, shall be  
10 taken into account under subparagraph (A)(i) thereof except—~~

~~11 “(A) a refunding which occurred before 1986 shall be treated as  
12 an advance refunding only if the refunding bond was issued  
13 more than 180 days before the redemption of the refunded bond,  
14 and~~

~~15 “(B) a bond issued before 1986, shall be treated as advance  
16 refunded no more than once before March 15, 1986.”.~~

~~17 (b) Conforming Amendment.— Section 148(f)(4)(C) is amended  
18 by redesignating clauses (xiv) through (xvi) as clauses (xv) to  
19 (xvii), respectively, and by inserting after clause (xiii) the  
20 following new clause:~~

~~21 “(xiv) Determination of initial temporary period.— For purposes  
22 of this subparagraph, the end of the initial section temporary  
23 period shall be determined without regard to section  
24 149(d)(3)(A)(iv).”.~~

~~25 (c) Effective Date.— The amendments made by this section shall  
26 apply to advance refunding bonds issued more than 30 days after  
27 the date of the enactment of this Act.~~

~~28 SEC. 135103. PERMANENT MODIFICATION OF SMALL~~

~~1 ISSUER EXCEPTION TO TAX EXEMPT INTEREST  
2 EXPENSE ALLOCATION RULES FOR FINANCIAL  
3 INSTITUTIONS.~~

~~4 (a) Permanent Increase in Limitation.— Subparagraphs (C)(i),  
5 (D)(i), and (D)(iii)(II) of section 265(b)(3) are each amended by  
6 striking “\$10,000,000” and inserting “\$30,000,000”.~~

~~7 (b) Permanent Modification of Other Special Rules.— Section  
8 265(b)(3) is amended—~~

~~9 (1) by redesignating clauses (iv), (v), and (vi) of subparagraph  
10 (G) as clauses (ii), (iii), and (iv), respectively, and moving such  
11 clauses to the end of subparagraph (H) (as added by paragraph  
12 (2)), and~~

~~13 (2) by striking so much of subparagraph (G) as precedes such  
14 clauses and inserting the following:~~

~~15 “(G) Qualified 501(c)(3) bonds treated as issued by exempt  
16 organization.— In the case of a qualified 501(c)(3) bond (as  
17 defined in section 145), this paragraph shall be applied by  
18 treating the 501(c)(3) organization for whose benefit such bond  
19 was issued as the issuer.~~

~~20 “(H) Special rule for qualified financings.—~~

~~21 “(i) In general.— In the case of a qualified financing issue—~~

~~22 “(I) subparagraph (F) shall not apply, and~~

~~23 “(II) any obligation issued as a part of such issue shall be treated  
24 as a qualified tax exempt obligation if the requirements of this  
25 paragraph are met with respect to each qualified portion of the  
26 issue (determined by treating each qualified portion as a separate  
27 issue which is issued by the qualified borrower with respect to  
28 which such portion relates).”.~~

1 ~~(c) Inflation Adjustment.— Section 265(b)(3), as amended by~~  
2 ~~subsection (b), is amended by adding at the end the following~~  
3 ~~new subparagraph:~~

4 ~~“(I) Inflation adjustment.— In the case of any calendar year after~~  
5 ~~2021, the \$30,000,000 amounts contained in subparagraphs~~  
6 ~~(C)(i), (D)(i), and (D)(iii)(II) shall each be increased by an~~  
7 ~~amount equal to—~~

8 ~~“(i) such dollar amount, multiplied by~~

9 ~~“(ii) the cost of living adjustment determined under section~~  
10 ~~1(f)(3) for such calendar year, determined by substituting~~  
11 ~~‘calendar year 2020’ for ‘calendar year 2016’ in subparagraph~~  
12 ~~(A)(ii) thereof.~~

13 ~~Any increase determined under the preceding sentence shall be~~  
14 ~~rounded to the nearest multiple of \$100,000.”.~~

15 ~~(d) Effective Date.— The amendments made by this section shall~~  
16 ~~apply to obligations issued after the date of the enactment of this~~  
17 ~~Act.~~

18 ~~SEC. 135104. MODIFICATIONS TO QUALIFIED SMALL~~  
19 ~~ISSUE BONDS.~~

20 ~~(a) Manufacturing Facilities To Include Production of Intangible~~  
21 ~~Property and Functionally Related Facilities.— Subparagraph~~  
22 ~~(C) of section 144(a)(12) is amended to read as follows:~~

23 ~~“(C) Manufacturing facility.— For purposes of this paragraph—~~

24 ~~“(i) In general.— The term ‘manufacturing facility’ means any~~  
25 ~~facility which—~~

26 ~~“(I) is used in the manufacturing or production of tangible~~  
27 ~~personal property (including the processing resulting in a change~~  
28 ~~in the condition of such property);~~

1 ~~“(II) is used in the creation or production of intangible property~~  
2 ~~which is described in section 197(d)(1)(C)(iii), or~~

3 ~~“(III) is functionally related and subordinate to a facility~~  
4 ~~described in subclause (I) or (II) if such facility is located on the~~  
5 ~~same site as the facility described in subclause (I) or (II).~~

6 ~~“(ii) Certain facilities included.—The term ‘manufacturing~~  
7 ~~facility’ includes facilities that are directly related and ancillary~~  
8 ~~to a manufacturing facility (determined without regard to this~~  
9 ~~clause) if—~~

10 ~~“(I) those facilities are located on the same site as the~~  
11 ~~manufacturing facility, and~~

12 ~~“(II) not more than 25 percent of the net proceeds of the issue~~  
13 ~~are used to provide those facilities.~~

14 ~~“(iii) Limitation on office space.—A rule similar to the rule of~~  
15 ~~section 142(b)(2) shall apply for purposes of clause (i).~~

16 ~~“(iv) Limitation on refundings for certain property.—Subclauses~~  
17 ~~(II) and (III) of clause (i) shall not apply to any bond issued on~~  
18 ~~or before the date of the enactment of the Act to provide for~~  
19 ~~reconciliation pursuant to title II of S. Con. Res. 14, or to any~~  
20 ~~bond issued to refund a bond issued on or before such date~~  
21 ~~(other than a bond to which clause (iii) of this subparagraph (as~~  
22 ~~in effect before the date of the enactment of such Act) applies),~~  
23 ~~either directly or in a series of refundings.”.~~

24 ~~(b) Increase in Limitations.—Section 144(a)(4) is amended—~~

25 ~~(1) in subparagraph (A)(i), by striking “\$10,000,000” and~~  
26 ~~inserting “\$30,000,000”, and~~

27 ~~(2) in the heading, by striking “\$10,000,000” and inserting~~  
28 ~~“\$30,000,000”.~~

1 ~~(c) Adjustment for Inflation.— Section 144(a)(4) is amended by~~  
2 ~~adding at the end the following new subparagraph:~~

3 ~~“(H) Adjustment for inflation.— In the case of any calendar year~~  
4 ~~after 2021, the \$30,000,000 amount in subparagraph (A) shall be~~  
5 ~~increased by an amount equal to—~~

6 ~~“(i) such dollar amount, multiplied by~~

7 ~~“(ii) the cost of living adjustment determined under section~~  
8 ~~1(f)(3) for the calendar year, determined by substituting~~  
9 ~~‘calendar year 2020’ for ‘calendar year 2016’ in subparagraph~~  
10 ~~(A)(ii) thereof.~~

11 ~~If any amount as increased under the preceding sentence is not a~~  
12 ~~multiple of \$100,000, such amount shall be rounded to the~~  
13 ~~nearest multiple of \$100,000.”.~~

14 ~~(d) Effective Date.— The amendments made by this section shall~~  
15 ~~apply to obligations issued after the date of the enactment of this~~  
16 ~~Act.~~

17 ~~SEC. 135105. EXPANSION OF CERTAIN EXCEPTIONS TO~~  
18 ~~THE PRIVATE ACTIVITY BOND RULES FOR FIRST TIME~~  
19 ~~FARMERS.~~

20 ~~(a) Increase in Dollar Limitation.—~~

21 ~~(1) In general.— Section 147(c)(2)(A) is amended by striking~~  
22 ~~“\$450,000” and inserting “\$552,500”.~~

23 ~~(2) Repeal of separate lower dollar limitation on used farm~~  
24 ~~equipment.— Section 147(c)(2) is amended by striking~~  
25 ~~subparagraph (F) and by redesignating subparagraphs (G) and~~  
26 ~~(H) as subparagraphs (F) and (G), respectively.~~

27 ~~(3) Qualified small issue bond limitation conformed to increased~~  
28 ~~dollar limitation.— Section 144(a)(11)(A) is amended by striking~~

1 ~~“\$250,000” and inserting “\$552,500”.~~

2 ~~(4) Inflation adjustment.—~~

3 ~~(A) In general.— Section 147(c)(2)(G), as redesignated by~~  
4 ~~paragraph (2), is amended—~~

5 ~~(i) by striking “after 2008, the dollar amount in subparagraph~~  
6 ~~(A) shall be increased” and inserting “after 2021, the dollar~~  
7 ~~amounts in subparagraph (A) and section 144(a)(11)(A) shall~~  
8 ~~each be increased”, and~~

9 ~~(ii) in clause (ii), by striking “2007” and inserting “2020”.~~

10 ~~(B) Cross reference.— Section 144(a)(11) is amended by adding~~  
11 ~~at the end the following new subparagraph:~~

12 ~~“(D) Inflation adjustment.— For inflation adjustment of dollar~~  
13 ~~amount contained in subparagraph (A), see section~~  
14 ~~147(c)(2)(G).”.~~

15 ~~(b) Substantial Farmland Determined on Basis of Average~~  
16 ~~Rather Than Median Farm Size.— Section 147(c)(2)(E) is~~  
17 ~~amended by striking “median” and inserting “average”.~~

18 ~~(c) Effective Date.— The amendments made by this section shall~~  
19 ~~apply to bonds issued after the date of the enactment of this Act.~~

20 ~~SEC. 135106. CERTAIN WATER AND SEWAGE FACILITY~~  
21 ~~BONDS EXEMPT FROM VOLUME CAP ON PRIVATE~~  
22 ~~ACTIVITY BONDS.~~

23 ~~(a) In General.— Section 146(g) is amended by striking “and” at~~  
24 ~~the end of paragraph (3), striking the period at the end of~~  
25 ~~paragraph (4) and inserting “, and”, and inserting after paragraph~~  
26 ~~(4) the following new paragraph:~~

27 ~~“(5) any exempt facility bond issued as part of an issue~~  
28 ~~described in paragraph (4) or (5) of section 142(a) if 95 percent~~



1 ~~or more of the net proceeds of such issue are to be used to~~  
2 ~~provide facilities which—~~

3 ~~“(A) will be used—~~

4 ~~“(i) by a person who was, as of July 1, 2020, engaged in~~  
5 ~~operation of a facility described in such paragraph, and~~

6 ~~“(ii) to provide service within the area served by such person on~~  
7 ~~such date (or within a county or city any portion of which is~~  
8 ~~within such area), or~~

9 ~~“(B) will be used by a successor in interest to such person for~~  
10 ~~the same use and within the same service area as described in~~  
11 ~~subparagraph (A).”.~~

12 ~~(b) Effective Date.—The amendments made by this section shall~~  
13 ~~apply to bonds issued after the date of the enactment of this Act.~~

14 ~~SEC. 135107. EXEMPT FACILITY BONDS FOR~~  
15 ~~ZERO EMISSION VEHICLE INFRASTRUCTURE.~~

16 ~~(a) In General.—Section 142 is amended—~~

17 ~~(1) in subsection (a)—~~

18 ~~(A) in paragraph (14), by striking “or” at the end,~~

19

20 ~~\* 84 (B) in paragraph (15), by striking the period at the end and~~  
21 ~~inserting “, or”, and~~

22 ~~(C) by adding at the end the following new paragraph:~~

23 ~~“(16) zero emission vehicle infrastructure.”, and~~

24 ~~(2) by adding at the end the following new subsection:~~

25 ~~“(n) Zero Emission Vehicle Infrastructure.—~~

26 ~~“(1) In general.—For purposes of subsection (a)(16), the term~~

1 ~~‘zero emission vehicle infrastructure’ means any property (not~~  
2 ~~including a building and its structural components) if such~~  
3 ~~property is part of a unit which—~~  
4 ~~“(A) is used to charge or fuel zero emissions vehicles,~~  
5 ~~“(B) is located where the vehicles are charged or fueled,~~  
6 ~~“(C) is of a character subject to the allowance for depreciation~~  
7 ~~(or amortization in lieu of depreciation),~~  
8 ~~“(D) is made available for use by members of the general public,~~  
9 ~~“(E) accepts payment via a credit card reader, including a credit~~  
10 ~~card reader that uses contactless technology, and~~  
11 ~~“(F) is capable of charging or fueling vehicles produced by more~~  
12 ~~than one manufacturer (within the meaning of section~~  
13 ~~30D(d)(3)).~~  
14 ~~“(2) Inclusion of utility service connections, etc.—The term~~  
15 ~~‘zero emission vehicle infrastructure’ shall include any utility~~  
16 ~~service connections, utility panel upgrades, line extensions and~~  
17 ~~conduit, transformer upgrades, or similar property, in connection~~  
18 ~~with property meeting the requirements of paragraph (1).~~  
19 ~~“(3) Zero emissions vehicle.—The term ‘zero emissions~~  
20 ~~vehicle’ means—~~  
21 ~~“(A) a zero emission vehicle as defined in section 88.10294 of~~  
22 ~~title 40, Code of Federal Regulations, or~~  
23 ~~“(B) a vehicle that produces zero exhaust emissions of any~~  
24 ~~criteria pollutant (or precursor pollutant) or greenhouse gas~~  
25 ~~under any possible operational modes and conditions.~~  
26 ~~“(4) Zero emissions vehicle infrastructure located within other~~  
27 ~~facilities or projects.—For purposes of subsection (a), any~~  
28 ~~zero emission vehicle infrastructure located within—~~

1 ~~“(A) a facility or project described in subsection (a), or~~  
2 ~~“(B) an area adjacent to a facility or project described in~~  
3 ~~subsection (a) that primarily serves vehicles traveling to or from~~  
4 ~~such facility or project,~~  
5 ~~shall be treated as described in the paragraph in which such~~  
6 ~~facility or project is described.~~

7 ~~“(5) Exception for refueling property for fleet~~  
8 ~~vehicles. Subparagraphs (D), (E), and (F) of paragraph (1)~~  
9 ~~shall not apply to property which is part of a unit which is used~~  
10 ~~exclusively by fleets of commercial or governmental vehicles.”.~~

11 ~~(b) Effective Date. The amendments made by this section shall~~  
12 ~~apply to obligations issued after December 31, 2021.~~

13 ~~SEC. 135108. APPLICATION OF DAVIS BACON ACT~~  
14 ~~REQUIREMENTS WITH RESPECT TO CERTAIN EXEMPT~~  
15 ~~FACILITY BONDS.~~

16  
17 ~~\* 124 (a) In General. Section 142(b) is amended by adding at~~  
18 ~~the end the following new paragraph:~~

19 ~~“(3) Application of davis bacon act requirements with respect to~~  
20 ~~certain exempt facility bonds. If any proceeds of any issue are~~  
21 ~~used for construction, alteration, or repair of any facility~~  
22 ~~otherwise described in paragraph (4), (5), (15), or (16) of~~  
23 ~~subsection (a), such facility shall be treated for purposes of~~  
24 ~~subsection (a) as described in such paragraph only if each entity~~  
25 ~~that receives such proceeds to conduct such construction,~~  
26 ~~alteration, or repair agrees to comply with the provisions of~~  
27 ~~subchapter IV of chapter 31 of title 40, United States Code with~~  
28 ~~respect to such construction, alteration, or repair.”.~~

1 ~~(b) Effective Date.~~—~~The amendment made by this section shall~~  
2 ~~apply to bonds issued after the date of the enactment of this Act.~~

3 ~~Subpart B—Other Provisions Related to Infrastructure~~  
4 ~~Financing~~

5 ~~SEC. 135111. CREDIT FOR OPERATIONS AND~~  
6 ~~MAINTENANCE COSTS OF GOVERNMENT OWNED~~  
7 ~~BROADBAND.~~

8 ~~(a) In General.~~—~~Subchapter B of chapter 65, as amended by the~~  
9 ~~preceding provisions of this Act, is amended by inserting before~~  
10 ~~section 6432 the following new section:~~

11 ~~“SEC. 6431B. CREDIT FOR OPERATIONS AND~~  
12 ~~MAINTENANCE COSTS OF GOVERNMENT OWNED~~  
13 ~~BROADBAND.~~

14 ~~“(a) In General.~~—~~In the case of any eligible governmental~~  
15 ~~entity, there shall be allowed a credit equal to the applicable~~  
16 ~~percentage of the qualified broadband expenses paid or incurred~~  
17 ~~by such entity during the taxable year which credit shall be~~  
18 ~~payable by the Secretary as provided in subsection (b).~~

19 ~~“(b) Payment of Credit.~~—~~Upon receipt from an eligible~~  
20 ~~governmental entity of such information as the Secretary may~~  
21 ~~require for purposes of carrying out this section, the Secretary~~  
22 ~~shall pay to such entity the amount of the credit determined~~  
23 ~~under subsection (a) for the taxable year.~~

24 ~~“(c) Limitation.~~—~~The amount of qualified broadband expenses~~  
25 ~~taken into account under this section for any taxable year with~~  
26 ~~respect to any qualified broadband network shall not exceed the~~  
27 ~~product of \$400 multiplied by the number of qualified~~  
28 ~~households subscribed to the qualified broadband service~~  
29 ~~provided by such network (determined as of any time during~~

1 ~~such taxable year).~~

2 ~~“(d) Definitions. For purposes of this section—~~

3 ~~“(1) Applicable percentage. The term ‘applicable percentage’~~  
4 ~~means—~~

5 ~~“(A) in the case of any taxable year beginning in 2021 through~~  
6 ~~2026, 30 percent,~~

7 ~~“(B) in the case of any taxable year beginning in 2027, 26~~  
8 ~~percent, and~~

9 ~~“(C) in the case of any taxable year beginning in 2028, 24~~  
10 ~~percent.~~

11 ~~“(2) Eligible governmental entity. The term ‘eligible~~  
12 ~~governmental entity’ means—~~

13 ~~“(A) any State, local, or Indian tribal government,~~

14 ~~“(B) any political subdivision or instrumentality of any~~  
15 ~~government described in subparagraph (A), and~~

16 ~~“(C) any entity wholly owned by one or more entities described~~  
17 ~~in subparagraph (A) or (B).~~

18 ~~For purposes of this paragraph, the term ‘State’ includes any~~  
19 ~~possession of the United States.~~

20 ~~“(3) Qualified broadband expenses. The term ‘qualified~~  
21 ~~broadband expenses’ means so much of the amounts paid or~~  
22 ~~incurred for the operation and maintenance of a qualified~~  
23 ~~broadband network as are properly allocable to qualified~~  
24 ~~households subscribed to the qualified broadband service~~  
25 ~~provided by such network.~~

26 ~~“(4) Qualified household. The term ‘qualified household’~~  
27 ~~means a personal residence which—~~

1 ~~“(A) is located in a low-income community (as defined in~~  
2 ~~section 45D(e)), and~~

3 ~~“(B) did not have access to qualified broadband service from the~~  
4 ~~eligible governmental entity (determined as of the beginning of~~  
5 ~~the taxable year of such entity).~~

6 ~~“(5) Qualified broadband network.—The term ‘qualified~~  
7 ~~broadband network’ means property owned by an eligible~~  
8 ~~governmental entity and used for the purpose of providing~~  
9 ~~qualified broadband service.~~

10 ~~“(6) Qualified broadband service.—The term ‘qualified~~  
11 ~~broadband service’ means fixed, terrestrial broadband service~~  
12 ~~providing downloads at a speed of at least 25 megabits per~~  
13 ~~second and uploads at a speed of at least 3 megabits per second.~~

14 ~~“(7) Taxable year.—Except as otherwise provided by the~~  
15 ~~Secretary, the term ‘taxable year’ means, with respect to any~~  
16 ~~eligible governmental entity, the fiscal year of such entity.~~

17 ~~“(e) Special Rules.—~~

18 ~~“(1) Allocations.—For purposes of subsection (d)(3), amounts~~  
19 ~~shall be treated as properly allocated if allocated ratably among~~  
20 ~~the subscribers of the qualified broadband service.~~

21 ~~“(2) Denial of double benefit.—Qualified broadband expenses~~  
22 ~~shall not include any amount which is paid or reimbursed~~  
23 ~~(directly or indirectly) by any grant from the Federal~~  
24 ~~Government.~~

25 ~~“(f) Regulations.—The Secretary may prescribe such regulations~~  
26 ~~and other guidance as may be necessary or appropriate to carry~~  
27 ~~out this section.~~

28 ~~“(g) Termination.—No credit shall be allowed under this section~~

1 ~~for any taxable year beginning after December 31, 2028.”.~~

2 ~~(b) Payments Made Under Section 6431B(b) of Internal~~  
3 ~~Revenue Code of 1986.—Section 255(h) of the Balanced~~  
4 ~~Budget and Emergency Deficit Control Act of 1985 (2 U.S.C.~~  
5 ~~905(h)) is amended by inserting: “Payments made under section~~  
6 ~~6431B(b) of the Internal Revenue Code of 1986” after the item~~  
7 ~~related to Payments for Foster Care and Permanency.~~

8 ~~(c) Conforming Amendments.—~~

9 ~~(1) Section 1324(b)(2) of title 31, United States Code, as~~  
10 ~~amended by the preceding provisions of this Act, is amended by~~  
11 ~~striking “or 6431A” and inserting “6431A, or 6431B”.~~

12 ~~(2) The table of sections for subchapter B of chapter 65, as~~  
13 ~~amended by the preceding provisions of this Act, is amended by~~  
14 ~~inserting before the item relating to section 6432 the following~~  
15 ~~new item:~~

16 ~~“Sec.6431B.Credit for operations and maintenance costs of~~  
17 ~~government owned broadband.”.~~

18  
19 ~~\* 125 (d) Effective Date.—The amendments made by this~~  
20 ~~section shall apply to taxable years beginning after December~~  
21 ~~31, 2020.~~

## 22 ~~PART 2 NEW MARKETS TAX CREDIT~~

### 23 ~~SEC. 135201. PERMANENT EXTENSION OF NEW~~ 24 ~~MARKETS TAX CREDIT.~~

25 ~~(a) Temporary Limit Increase and Permanent~~  
26 ~~Extension.—Section 45D(f)(1) is amended by striking “and” at~~  
27 ~~the end of subparagraph (G) and by striking subparagraph (H)~~  
28 ~~and inserting the following new subparagraphs:~~

1 ~~“(H) \$5,000,000,000 for each of calendar years 2020 and 2021,~~  
2 ~~“(I) \$7,000,000,000 for calendar year 2022,~~  
3 ~~“(J) \$6,000,000,000 for calendar year 2023, and~~  
4 ~~“(K) \$5,000,000,000 for calendar year 2024 and each calendar~~  
5 ~~year thereafter.”.~~

6 ~~(b) Alternative Minimum Tax Relief.— Section 38(c)(4)(B) is~~  
7 ~~amended—~~

8 ~~(1) by redesignating clauses (v) through (xii) as clauses (vi)~~  
9 ~~through (xiii), respectively, and~~

10 ~~(2) by inserting after clause (iv) the following new clause:~~

11 ~~“(v) the credit determined under section 45D, but only with~~  
12 ~~respect to credits determined with respect to qualified equity~~  
13 ~~investments (as defined in section 45D(b)) initially made after~~  
14 ~~December 31, 2021.”.~~

15 ~~(c) Inflation Adjustment.— Section 45D(f) is amended by adding~~  
16 ~~at the end the following new paragraph:~~

17 ~~“(4) Inflation adjustment.—~~

18 ~~“(A) In general.— In the case of any calendar year beginning~~  
19 ~~after 2024, the dollar amount paragraph (1)(H) shall be~~  
20 ~~increased by an amount equal to—~~

21 ~~“(i) such dollar amount, multiplied by~~

22 ~~“(ii) the cost of living adjustment determined under section~~  
23 ~~1(f)(3) for the calendar year, determined by substituting~~  
24 ~~‘calendar year 2023’ for ‘calendar year 2016’ in subparagraph~~  
25 ~~(A)(ii) thereof.~~

26 ~~“(B) Rounding rule.— Any increase under subparagraph (A)~~  
27 ~~which is not a multiple of \$1,000,000 shall be rounded to the~~



1 ~~nearest multiple of \$1,000,000.”.~~

2 ~~(d) Conforming Amendment.— Section 45D(f)(3) is amended by~~  
3 ~~striking the last sentence.~~

4 ~~(e) Effective Dates.—~~

5 ~~(1) In general.— Except as otherwise provided in this subsection,~~  
6 ~~the amendments made by this section shall apply to new markets~~  
7 ~~tax credit limitation determined for calendar years after 2021.~~

8 ~~(2) Alternative minimum tax relief.— The amendments made by~~  
9 ~~subsection (b) shall apply to credits determined with respect to~~  
10 ~~qualified equity investments (as defined in section 45D(b) of the~~  
11 ~~Internal Revenue Code of 1986) initially made after December~~  
12 ~~31, 2021.~~

### 13 ~~PART 3 REHABILITATION TAX CREDIT~~

#### 14 ~~SEC. 135301. DETERMINATION OF CREDIT~~ 15 ~~PERCENTAGE.~~

16 ~~(a) In General.— Section 47(a)(2) is amended by striking “20-~~  
17 ~~percent” and inserting “the applicable percentage”.~~

18 ~~(b) Applicable Percentage.— Section 47(a) is amended by~~  
19 ~~adding at the end the following new paragraph:~~

20 ~~“(3) Applicable percentage.— For purposes of this subsection,~~  
21 ~~the term ‘applicable percentage’ means the percentage~~  
22 ~~determined in accordance with the following~~  
23 ~~table:2,L2(4,4,4,4,0,0),tp0,p10,10/12,s150,x1150~~

24 ~~1 “In the case of taxable years beginning: 1 The applicable~~  
25 ~~percentage is:~~

26 ~~Before 2020 20 percent~~

27 ~~In 2020 through 2025 30 percent~~

1 ~~In 202626 percent~~

2 ~~In 202723 percent~~

3 ~~After 202720 percent~~

4 ~~“(4) Application of percentages to year of expenditure.— In the~~  
5 ~~case of qualified rehabilitation expenditures with respect to the~~  
6 ~~qualified rehabilitated building that are paid or incurred in 2 or~~  
7 ~~more taxable years for which there is a different applicable~~  
8 ~~percentage under paragraph (3), the ratable share shall be~~  
9 ~~determined by applying to such expenditures the applicable~~  
10 ~~percentage corresponding to the taxable year in which such~~  
11 ~~expenditures were paid or incurred.”~~

12

13 ~~\* 90 (d) Effective Date.— The amendments made by this section~~  
14 ~~shall apply to property placed in service after March 31, 2021.~~

15 ~~SEC. 135302. INCREASE IN THE REHABILITATION~~  
16 ~~CREDIT FOR CERTAIN SMALL PROJECTS.~~

17 ~~(a) In General.— Section 47 is amended by adding at the end the~~  
18 ~~following new subsection:~~

19 ~~“(e) Special Rule Regarding Certain Smaller Projects.—~~

20 ~~“(1) In general.— In the case of any smaller project—~~

21 ~~“(A) the applicable percentage determined under subsection~~  
22 ~~(a)(3) shall be 30 percent, and~~

23 ~~“(B) the qualified rehabilitation expenditures taken into account~~  
24 ~~under this section with respect to such project shall not exceed~~  
25 ~~\$2,500,000.~~

26 ~~“(2) Smaller project.— For purposes of this subsection, the term~~  
27 ~~‘smaller project’ means the rehabilitation of any qualified~~

1 ~~rehabilitated building if—~~

2 ~~“(A) the qualified rehabilitation expenditures taken into account~~  
3 ~~under this section (or which would be so taken into account but~~  
4 ~~for paragraph (1)(B)) with respect to such rehabilitation do not~~  
5 ~~exceed \$3,750,000,~~

6 ~~“(B) no credit was allowed under this section with respect to~~  
7 ~~such building to any taxpayer for either of the 2 taxable years~~  
8 ~~immediately preceding the first taxable year in which~~  
9 ~~expenditures described in subparagraph (A) were paid or~~  
10 ~~incurred, and~~

11 ~~“(C) the taxpayer elects (at such time and manner as the~~  
12 ~~Secretary may provide) to have this subsection apply with~~  
13 ~~respect to such rehabilitation.”.~~

14

15 ~~\* 139 (b) Effective Date.—The amendment made by this section~~  
16 ~~shall apply to taxable years beginning after December 31, 2021.~~

17 ~~SEC. 135303. MODIFICATION OF DEFINITION OF~~  
18 ~~SUBSTANTIALLY REHABILITATED.~~

19 ~~(a) In General.—Section 47(c)(1)(B)(i)(I) is amended by~~  
20 ~~inserting “50 percent of” before “the adjusted basis”.~~

21 ~~(b) Effective Date.—The amendment made by subsection (a)~~  
22 ~~shall apply to determinations with respect to 24 month periods~~  
23 ~~(referred to in clause (i) of section 47(c)(1)(B) of the Internal~~  
24 ~~Revenue Code of 1986) and 60 month periods (referred to in~~  
25 ~~clause (ii) of such section) which end after December 31, 2021.~~

26 ~~SEC. 135304. ELIMINATION OF REHABILITATION~~  
27 ~~CREDIT BASIS ADJUSTMENT.~~

28 ~~(a) In General.—Section 50(c) is amended by adding at the end~~

1 ~~the following new paragraph:~~

2 ~~“(6) Exception for rehabilitation credit.— In the case of the~~  
3 ~~rehabilitation credit, paragraph (1) shall not apply.”.~~

4 ~~(b) Treatment in Case of Credit Allowed to Lessee.— Section~~  
5 ~~50(d) is amended by adding at the end the following: “In the~~  
6 ~~case of the rehabilitation credit, paragraph (5)(B) of the section~~  
7 ~~48(d) referred to in paragraph (5) of this subsection shall not~~  
8 ~~apply.”.~~

9  
10 ~~\* 98 (c) Effective Date.— The amendments made by this section~~  
11 ~~shall apply to property placed in service after December 31,~~  
12 ~~2022.~~

13 ~~SEC. 135305. MODIFICATIONS REGARDING CERTAIN~~  
14 ~~TAX EXEMPT USE PROPERTY.~~

15 ~~(a) In General.— Section 47(c)(2)(B)(v) is amended by adding at~~  
16 ~~the end the following new subclause:~~

17 ~~“(III) Disqualified lease rules to apply only in case of~~  
18 ~~government entity.— For purposes of subclause (I), except in the~~  
19 ~~case of a tax exempt entity described in section 168(h)(2)(A)(i)~~  
20 ~~(determined without regard to the last sentence of section~~  
21 ~~168(h)(2)(A)), the determination of whether property is~~  
22 ~~tax exempt use property shall be made under section 168(h)~~  
23 ~~without regard to whether the property is leased in a disqualified~~  
24 ~~lease (as defined in section 168(h)(1)(B)(ii)).”.~~

25 ~~(b) Effective Date.— The amendments made by this section shall~~  
26 ~~apply to leases entered into after December 31, 2021.~~

27 ~~SEC. 135306. QUALIFICATION OF REHABILITATION~~  
28 ~~EXPENDITURES FOR PUBLIC SCHOOL BUILDINGS FOR~~

1 ~~REHABILITATION CREDIT.~~

2 ~~(a) In General. Section 47(c)(2)(B)(v), as amended by the~~  
3 ~~preceding provisions of this Act, is amended by adding at the~~  
4 ~~end the following new subclause:~~

5 ~~“(IV) Clause not to apply to public schools. This clause shall~~  
6 ~~not apply in the case of the rehabilitation of any building which~~  
7 ~~was used as a qualified public educational facility (as defined in~~  
8 ~~section 142(k)(1), determined without regard to subparagraph~~  
9 ~~(B) thereof) at any time during the 5-year period ending on the~~  
10 ~~date that such rehabilitation begins and which is used as such a~~  
11 ~~facility immediately after such rehabilitation.”.~~

12 ~~(b) Report. Not later than the date which is 5 years after the~~  
13 ~~date of the enactment of this Act, the Secretary of the Treasury,~~  
14 ~~after consultation with the heads of appropriate Federal~~  
15 ~~agencies, shall report to Congress on the effects resulting from~~  
16 ~~the amendment made by subsection (a), including—~~

17 ~~(1) the number of qualified public education facilities~~  
18 ~~rehabilitated (stated separately with respect to each State) and~~  
19 ~~the number of students using such facilities (stated separately~~  
20 ~~with respect to each such State),~~

21 ~~(2) the number of qualified public education facilities~~  
22 ~~rehabilitated in low income communities (as section 45D(e)(1)~~  
23 ~~of the Internal Revenue Code of 1986) and the number of~~  
24 ~~students using such facilities,~~

25 ~~(3) the amount of qualified rehabilitation expenditures for each~~  
26 ~~qualified public education facility rehabilitated, and~~

27 ~~(4) and any other data determined by the Secretary to be useful~~  
28 ~~in evaluating the impact of such amendment.~~

1 ~~(c) Effective Date.~~—~~The amendment made by this section shall~~  
2 ~~apply to property placed in service after December 31, 2021.~~

3 ~~PART 4—DISASTER AND RESILIENCY~~

4  
5 ~~\* 28 SEC. 135401. EXCLUSION OF AMOUNTS RECEIVED~~  
6 ~~FROM STATE BASED CATASTROPHE LOSS~~  
7 ~~MITIGATION PROGRAMS.~~

8  
9 ~~\* 29 (a) In General.~~—~~Section 139 is amended by redesignating~~  
10 ~~subsection (h) as subsection (i) and by inserting after subsection~~  
11 ~~(g) the following new subsection:~~

12 ~~“(h) State Based Catastrophe Loss Mitigation Programs.—~~

13 ~~“(1) In general.—Gross income shall not include any amount~~  
14 ~~received by an individual as a qualified catastrophe mitigation~~  
15 ~~payment under a program established by a State, or a political~~  
16 ~~subdivision or instrumentality thereof, for the purpose of making~~  
17 ~~such payments.~~

18  
19 ~~\* 30 “(2) Qualified catastrophe mitigation payment.—For~~  
20 ~~purposes of this section, the term ‘qualified catastrophe~~  
21 ~~mitigation payment’ means any amount which is received by an~~  
22 ~~individual to make improvements to such individual’s residence~~  
23 ~~for the sole purpose of reducing the damage that would be done~~  
24 ~~to such residence by a windstorm, earthquake, or wildfire.~~

25  
26 ~~\* 31 “(3) No increase in basis.—Rules similar to the rules of~~  
27 ~~subsection (g)(3) shall apply in the case of this subsection.”.~~

1 ~~(b) Conforming Amendments.—~~

2  
3 ~~\* 32 (1) Section 139(d) is amended by striking “and qualified”~~  
4 ~~and inserting “, qualified catastrophe mitigation payments, and~~  
5 ~~qualified”.~~

6  
7 ~~\* 33 (2) Section 139(i) (as redesignated by subsection (a)) is~~  
8 ~~amended by striking “or qualified” and inserting “, qualified~~  
9 ~~catastrophe mitigation payment, or qualified”.~~

10  
11 ~~\* 113 (c) Effective Date.— The amendments made by this~~  
12 ~~section shall apply to taxable years beginning after December~~  
13 ~~31, 2020.~~

14 ~~SEC. 135402. REPEAL OF TEMPORARY LIMITATION ON~~  
15 ~~PERSONAL CASUALTY LOSSES.~~

16 ~~(a) In General.— Section 165(h) is amended by striking~~  
17 ~~paragraph (5).~~

18 ~~(b) Extension of Period of Limitation on Filing Claim in Certain~~  
19 ~~Circumstances.— In the case of a claim for credit or refund~~  
20 ~~which is properly allocable to a loss which is—~~

21 ~~(1) deductible under section 165(a) of the Internal Revenue~~  
22 ~~Code of 1986,~~

23 ~~(2) described in Revenue Procedure 2017-60 (as modified by~~  
24 ~~Revenue Procedure 2018-14), and~~

25 ~~(3) claimed for a taxable year beginning after December 31,~~  
26 ~~2016,~~

27 ~~the period of limitation prescribed in section 6511 of the Internal~~

1 ~~Revenue Code of 1986 for the filing of such claim shall be~~  
2 ~~treated as not expiring earlier than the date that is 1 year after~~  
3 ~~the date of the enactment of this Act.~~

4 ~~(c) Effective Date.— The amendment made by subsection (a)~~  
5 ~~shall apply to losses incurred in taxable years beginning after~~  
6 ~~December 31, 2017.~~

7 ~~(d) Regulations.— The Secretary of the Treasury (or the~~  
8 ~~Secretary’s delegate) shall issue such regulations or other~~  
9 ~~guidance as are necessary to implement the amendment made by~~  
10 ~~this section, including regulations or guidance consistent with~~  
11 ~~Revenue Procedure 201760 (as so modified).~~

12 ~~SEC. 135403. CREDIT FOR QUALIFIED WILDFIRE~~  
13 ~~MITIGATION EXPENDITURES.~~

14  
15 ~~\* 58 (a) In General.— Subpart B of part IV of subchapter A of~~  
16 ~~chapter 1 is amended by inserting after section 27 the following~~  
17 ~~new section:~~

18 ~~“SEC. 28. QUALIFIED WILDFIRE MITIGATION~~  
19 ~~EXPENDITURES.~~

20  
21 ~~\* 59 “(a) In General.— There shall be allowed as a credit against~~  
22 ~~the tax imposed by this chapter for the taxable year an amount~~  
23 ~~equal to 30 percent of the qualified wildfire mitigation~~  
24 ~~expenditures paid or incurred by the taxpayer during such~~  
25 ~~taxable year with respect to real property owned or leased by the~~  
26 ~~taxpayer.~~

27 ~~“(b) Qualified Wildfire Mitigation Expenditures.— For purposes~~  
28 ~~of this section—~~



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~~\* 60 “(1) In general. The term ‘qualified wildfire mitigation expenditures’ means any specified wildfire mitigation expenditure made pursuant to a qualified State wildfire mitigation program of a State which requires expenditures for wildfire mitigation to be paid both by the taxpayer and such State. Such term shall not include any item of expenditure unless the ratio of the State’s expenditure for such item to the sum of the State’s and taxpayer’s expenditures for such item is not less than 25 percent.~~

~~\* 61 “(2) Specified wildfire mitigation expenditure. The term ‘specified wildfire mitigation expenditure’ means, with respect to any real property owned or leased by the taxpayer, any amount paid or incurred to reduce the risk of wildfire by removing accumulations of vegetation (including establishing, expanding, or maintaining fuel breaks to serve as fire breaks) on such real property.~~

~~\* 62 “(3) Qualified state wildfire mitigation program. The term ‘qualified State wildfire mitigation program’ means any program of a State the primary purpose of which is to mitigate the risk of wildfires in such State.~~

~~\* 63 “(4) Treatment of reimbursements. Any amount originally paid or incurred by the taxpayer which is reimbursed by a State under a qualified wildfire mitigation program of such State shall be treated as paid by such State (and not by such taxpayer).~~

1 ~~“(c) Application With Other Credits.—~~

2  
3 ~~\* 64 “(1) Business credit treated as part of general business-~~  
4 ~~credit.— So much of the credit which would be allowed under~~  
5 ~~subsection (a) for any taxable year (determined without regard~~  
6 ~~to this subsection) that is attributable to expenditures made in~~  
7 ~~the ordinary course of the taxpayer’s trade or business (or, in the~~  
8 ~~case of expenditures made by a State, would have been~~  
9 ~~expenditures made in the ordinary course of the taxpayer’s trade~~  
10 ~~or business if made by the taxpayer) shall be treated as a credit~~  
11 ~~listed in section 38(b) for taxable year (and not allowed under~~  
12 ~~subsection (a)).~~

13  
14 ~~\* 65 “(2) Personal credit.— For purposes of this title, the credit~~  
15 ~~allowed under subsection (a) for any taxable year (determined~~  
16 ~~after application of paragraph (1)) shall be treated as a credit~~  
17 ~~allowable under subpart A for such taxable year.~~

18  
19 ~~\* 66 “(d) Reduction of Credit Percentage Where Taxpayer~~  
20 ~~Expenditures Less Than 30 Percent.—~~

21  
22 ~~\* 67 “(1) In general.— If the expenditure percentage with respect~~  
23 ~~to any item of qualified wildfire mitigation expenditure is less~~  
24 ~~than 30 percent, subsection (a) shall be applied by substituting~~  
25 ~~‘the expenditure percentage’ for ‘30 percent’ with respect to~~  
26 ~~such item of expenditure.~~

27  
28 ~~\* 68 “(2) Expenditure percentage.— For purposes of this section,~~

1 ~~the term ‘expenditure percentage’ means, with respect to any~~  
2 ~~item of qualified wildfire mitigation expenditure any portion of~~  
3 ~~which is paid or incurred by a State, the ratio (expressed as a~~  
4 ~~percentage) of—~~

5 ~~“(A) the taxpayer’s expenditure for such item, divided by~~

6 ~~“(B) the sum of the taxpayer’s and such State’s expenditures for~~  
7 ~~such item.~~

8 ~~“(e) Special Rules.—~~

9

10 ~~\* 69 “(1) Treatment of expenditures related to marketable~~  
11 ~~timber.— An expenditure shall not be taken into account for~~  
12 ~~purposes of this section (whether made by the taxpayer or a~~  
13 ~~State pursuant to a qualified State wildfire mitigation program of~~  
14 ~~such State) if such expenditure is properly allocable to timber~~  
15 ~~which is sold or exchanged by the taxpayer. The preceding~~  
16 ~~sentence shall not apply to the extent that such amount exceeds~~  
17 ~~the gain on such sale or exchange.~~

18

19 ~~\* 70 “(2) Basis reduction.— For purposes of this subtitle, if the~~  
20 ~~basis of any property would (but for this paragraph) be~~  
21 ~~determined by taking into account any qualified wildfire~~  
22 ~~mitigation expenditure, the basis of such property shall be~~  
23 ~~reduced by the amount of the credit allowed under subsection (a)~~  
24 ~~with respect to such expenditure (determined without regard to~~  
25 ~~subsection (c)).~~

26

27 ~~\* 71 “(3) Denial of double benefit.— The amount of any~~  
28 ~~deduction or other credit allowable under this chapter for any~~

1 ~~expenditure for which a credit is allowable under subsection (a)-~~  
2 ~~shall be reduced by the amount of credit allowed under such~~  
3 ~~subsection for such expenditure (determined without regard to~~  
4 ~~subsection (c)).”.~~

5 ~~(b) Conforming Amendments.—~~

6  
7 ~~\* 72 (1) Section 38(b), as amended by the preceding provisions-~~  
8 ~~of this Act, is amended by striking “plus” at the end of~~  
9 ~~paragraph (33), by striking the period at the end of paragraph-~~  
10 ~~(34) and inserting “, plus”, and by adding at the end the~~  
11 ~~following new paragraph:~~

12  
13 ~~\* 73 “(35) the portion of the qualified wildfire mitigation-~~  
14 ~~expenditures credit to which section 28(c)(1) applies.”.~~

15  
16 ~~\* 74 (2) Section 1016(a) is amended by redesignating-~~  
17 ~~paragraphs (35) through (38) as paragraphs (36) through (39),-~~  
18 ~~respectively, and by inserting after paragraph (34) the following~~  
19 ~~new paragraph:~~

20 ~~“(35) to the extent provided in section 28(e)(2),”.~~

21  
22 ~~\* 75 (3) The table of sections for subpart B of part IV of~~  
23 ~~subchapter A of chapter 1 is amended by inserting after the item-~~  
24 ~~relating to section 27 the following new item:~~

25 ~~“Sec.28. Qualified wildfire mitigation expenditures.”.~~

26  
27 ~~\* 76 (c) Effective Date.— The amendments made by this section-~~

1 ~~shall apply to expenditures paid or incurred after the date of the~~  
2 ~~enactment of this Act, in taxable years ending after such date.~~

3 ~~PART 5—HOUSING~~

4 ~~Subpart A—Low Income Housing Tax Credit~~

5 ~~SEC. 135501~~ **SEC. 135101. INCREASES IN STATE**  
6 **ALLOCATIONS.**

7 (a) In General.—Section 42(h)(3)(I) is amended to read as follows:

8 “(I) INCREASE IN STATE HOUSING CREDIT CEILING ~~FOR 2022 THROUGH 2028.~~— **AFTER**  
9 **2021.**—

10 “(i) IN GENERAL.—In the case of calendar years 2022 through ~~2028~~ **2025**, the  
11 dollar amounts under subclauses (I) and (II) of subparagraph (C)(ii) for any such  
12 calendar year shall be determined ~~under clause (ii) and~~ in accordance with the  
13 following table:3,L2(4,4,4,4,0,0),tp0,p10,10/12,s180,10,10

14 1“In the case of calendar year: 1The subclause (I) amount shall be: 1The subclause (II) amount  
15 shall be:

16 ~~2022\$3.22\$3,711,575~~ **2022\$3.14\$3,629,096**

17 ~~2023\$3.70\$4,269,471~~ **2023\$3.54\$4,081,825**

18 ~~2024\$4.25\$4,901,620~~ **2024\$3.97\$4,582,053**

19 ~~2025\$4.88\$5,632,880~~ **2025\$2.65\$3,120,000**

20 “(ii) INFLATION ADJUSTMENT ~~FOR 2026, 2027, AND 2028.~~—**IN AFTER 2025.**—**In**  
21 the case of calendar years ~~2026, 2027, and 2028~~ **after 2025**, the subclause (I) and  
22 (II) dollar amounts shall be the respective dollar amounts corresponding to  
23 calendar year 2025 in the table under clause (i) each increased by an amount equal  
24 to—

25 “(I) such dollar amount, multiplied by

26 “(II) the cost-of-living adjustment determined under section 1(f)(3) for  
27 such calendar year by substituting ‘calendar year ~~2025~~’ **2024**’ for ‘calendar  
28 year 2016’ in paragraph (A)(ii) thereof.

29 Any increase under this clause shall be rounded to the nearest cent in the case of  
30 the subclause (I) amount and the nearest dollar in the case of the subclause (II)  
31 amount.”.

32 (b) Effective Date.—The amendments made by this section shall apply to calendar years  
33 beginning after December 31, 2021.

34 ~~SEC. 135502~~ **135102. TAX-EXEMPT BOND FINANCING**  
35 **REQUIREMENT.**

1 (a) In General.—Section 42(h)(4)(B) is amended ~~by adding at the end the following: “The~~  
2 ~~preceding sentence shall be applied by substituting ‘25 percent’ for ‘50 percent’ in the case of~~  
3 ~~any building which to read as follows:~~

4 **“(B) SPECIAL RULE WHERE A REQUIRED PERCENT OF BUILDINGS IS FINANCED**  
5 **WITH TAX-EXEMPT BONDS SUBJECT TO VOLUME CAP.—For purposes of**  
6 **subparagraph (A), paragraph (1) shall not apply to any portion of the credit**  
7 **allowable under subsection (a) with respect to a building if—**

8 **“(i) 50 percent or more of the aggregate basis of any such building and the**  
9 **land on which the building is located is financed by any obligation described in**  
10 **subparagraph (A), or**

11 **“(ii) 25 percent or more of the aggregate basis of such building and the**  
12 **land on which the building is located is financed by any obligation described**  
13 **in subparagraph (A) and issued in calendar year 2022, 2023, 2024, 2025, ~~2026,~~**  
14 **~~2027, or 2028 (and not by any obligation on which the application of this~~**  
15 **~~subparagraph is based during any taxable year beginning during calendar year~~**  
16 **~~2019, 2020, or 2021).” or 2026.”.~~**

17 (b) Effective Date.—The amendment made by this section shall apply to ~~buildings placed in~~  
18 ~~service in taxable years beginning~~ **any building some portion of which, or of the land on**  
19 **which the building is located, is financed by an obligation which is described in section**  
20 **42(h)(4)(A) and which is part of an issue the issue date of which is after December 31, 2021.**

## 21 **SEC. ~~135503~~ 135103. BUILDINGS DESIGNATED TO** 22 **SERVE EXTREMELY LOW-INCOME HOUSEHOLDS.**

23 (a) Reserved State Allocation.—

24 (1) IN GENERAL.—Section 42(h) is amended—

25 (A) by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8), and (9),  
26 respectively, and

27 (B) by inserting after paragraph (5) the following new paragraph:

28 **“(6) PORTION OF STATE CEILING SET-ASIDE FOR PROJECTS DESIGNATED TO SERVE**  
29 **EXTREMELY LOW-INCOME HOUSEHOLDS.—**

30 **“(A) IN GENERAL.—Not more than ~~90~~ 92 percent of the portion of the State housing**  
31 **credit ceiling amount described in paragraph (3)(C)(ii) for any State for any calendar**  
32 **year shall be allocated to buildings other than buildings described in subparagraph (B).**

33 **“(B) BUILDINGS DESCRIBED.—A building is described in this subparagraph if 20**  
34 **percent or more of the residential units in such building are rent-restricted (determined**  
35 **as if the imputed income limitation applicable to such units were 30 percent of area**  
36 **median gross income) and are designated by the taxpayer for occupancy by households**  
37 **the aggregate household income of which does not exceed the greater of—**

38 **“(i) 30 percent of area median gross income, or**

39 **“(ii) 100 percent of an amount equal to the Federal poverty line (within the**

1 meaning of section 36B(d)(3)).

2 **“(C) EXCEPTION.—A building shall not be treated as described in subparagraph**  
3 **(B) if such building is a part of a qualified low-income housing project elected by**  
4 **the taxpayer to meet the requirements of subsection (f)(1)(C).**

5 **“(D) STATE MAY NOT OVERRIDE SET-ASIDE.—**Nothing in subparagraph (F) of  
6 paragraph (3) shall be construed to permit a State not to comply with subparagraph (A)  
7 of this **paragraph.”.** ~~paragraph.~~

8 ~~“(D) Termination.—This paragraph shall not apply to allocations after December 31,~~  
9 ~~2031.”.~~

10 (2) CONFORMING AMENDMENT.—Section 42(b)(4)(C) is amended by striking “(h)(7)” and  
11 inserting “(h)(8)”.

12 (b) Increase in Credit.—Paragraph (5) of section 42(d) is amended by adding at the end the  
13 following new subparagraph:

14 **“(C) INCREASE IN CREDIT FOR PROJECTS DESIGNATED TO SERVE EXTREMELY**  
15 **LOW-INCOME HOUSEHOLDS.—**

16 **“(i) IN GENERAL.—**In the case of any building—

17 **“(I) which is described in subsection (h)(6)(B), and**

18 **“(II) which is designated by the housing credit agency as requiring the**  
19 **increase in credit under this subparagraph in order for such building to be**  
20 **financially feasible as part of a qualified low-income housing project,**

21 **subparagraph (B) shall not apply to the portion of such building which is**  
22 **comprised of such units, and the eligible basis of such portion of the building**  
23 **shall be 150 percent of such basis determined without regard to this subparagraph.**

24 **“(ii) ALLOCATION RULES APPLICABLE TO PROJECTS TO WHICH CLAUSE (I)**  
25 **APPLIES.—**

26 **“(I) STATE HOUSING CREDIT CEILING.—**For any calendar year, the housing  
27 credit agency shall not allocate more than ~~15~~ **13** percent of the portion of the  
28 State housing credit ceiling amount described in subsection (h)(3)(C)(ii) to  
29 buildings to which clause (i) applies, and

30 **“(II) PRIVATE ACTIVITY BOND VOLUME CAP.—**In the case of projects  
31 financed by tax-exempt bonds as described in subsection (h)(4), for any  
32 calendar year, the State shall not issue more than ~~10~~ **8** percent of the private  
33 activity bond volume cap as described in section 146(d)(1) to buildings to  
34 which clause (i) **applies.”.** ~~applies.~~

35 ~~“(iii) Termination.—This subparagraph shall not apply to allocations after~~  
36 ~~December 31, 2031.”.~~

37 (c) Effective Date.—The amendments made by this section shall apply to allocations, ~~and~~  
38 ~~determinations,~~ of housing credit dollar amount after December 31, 2021, **and to buildings that**  
39 **are described in section 42(h)(4)(B) taking into account only obligations that are part of an**  
40 **issue the issue date of which is after December 31, 2021.-**

1     ~~SEC. 135504. INCLUSION OF RURAL AREAS AS DIFFICULT DEVELOPMENT~~  
2     ~~AREAS.~~

3     ~~(a) In General.—Subclause (I) of section 42(d)(5)(B)(iii) is amended by inserting before the~~  
4     ~~period the following: “, and any rural area”.~~

5  
6     ~~\* 27 (b) Rural Area.— Clause (iii) of section 42(d)(5)(B) is~~  
7     ~~amended by redesignating subclause (II) as subclause (III) and~~  
8     ~~by inserting after subclause (I) the following new subclause:~~  
9     ~~“(II) Rural area.— For purposes of subclause (I), the term ‘rural~~  
10    ~~area’ means any non metropolitan area, or any rural area as~~  
11    ~~defined by section 520 of the Housing Act of 1949, which is~~  
12    ~~identified by the qualified allocation plan under subsection~~  
13    ~~(m)(1)(B).”.~~

14  
15    ~~\* 140 (c) Effective Date.— The amendments made by this~~  
16    ~~section shall apply to buildings placed in service after December~~  
17    ~~31, 2021.~~

18    ~~SEC. 135505~~ **135104. REPEAL OF QUALIFIED CONTRACT**  
19    ~~OPTION.~~

20    ~~(a) Termination of Option for Certain Buildings.—~~

21         ~~(1) IN GENERAL.—Subclause (II) of section 42(h)(7)(E)(i), as redesignated by section~~  
22         ~~135503~~ **135403**, is amended by inserting “in the case of a building described in clause (iii),”  
23         ~~before “on the last day”.~~

24         ~~(2) BUILDINGS DESCRIBED.—Subparagraph (E) of section 42(h)(7), as so redesignated, is~~  
25         ~~amended by adding at the end the following new clause:~~

26                 ~~“(iii) BUILDINGS DESCRIBED.—A building described in this clause is a~~  
27                 ~~building—~~

28                         ~~“(I) which received its allocation of housing credit dollar amount before~~  
29                         ~~January 1, 2022, or~~

30                         ~~“(II) in the case of a building any portion of which is financed as described~~  
31                         ~~in paragraph (4), and which received before January 1, 2022, under the~~  
32                         ~~rules of paragraphs (1) and (2) of subsection (m), a determination from~~  
33                         ~~the issuer of the tax-exempt bonds or the housing credit agency that the~~



1 building is **would be eligible under the qualified allocation plan** to receive  
2 an allocation of housing credit dollar amount ~~under the rules of paragraphs~~  
3 ~~(1) and (2) of subsection (m).~~ **or that the credits to be earned are**  
4 **necessary for financial feasibility of the project and its viability as a**  
5 **qualified low-income housing project throughout the credit period.”.**

6 (b) Rules Relating to Existing Projects.—Subparagraph (F) of section 42(h)(7), as  
7 redesignated by section ~~135503~~ **135403**, is amended by striking “the nonlow-income portion”  
8 and all that follows and inserting “the nonlow-income portion and the low-income portion of the  
9 building for fair market value (determined by the housing credit agency by taking into account  
10 the rent restrictions required for the low-income portion of the building to continue to meet the  
11 standards of paragraphs (1) and (2) of subsection (g)). The Secretary shall prescribe such  
12 regulations as may be necessary or appropriate to carry out this paragraph.”.

13 (c) Conforming Amendments.—

14 (1) Paragraph (7) of section 42(h), as redesignated by section ~~135503~~ **135403**, is amended  
15 by striking subparagraph (G) and by redesignating subparagraphs (H), (I), (J), and (K) as  
16 subparagraphs (G), (H), (I), and (J), respectively.

17 (2) Subclause (II) of section 42(h)(7)(E)(i), as so redesignated and as amended by  
18 subsection (a), is further amended by striking “subparagraph (I)” and inserting  
19 “subparagraph (H)”.

20 (d) Effective ~~Date.~~— **Dates.**—

21 (1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this  
22 section shall take effect on the date of the enactment of this Act.

23 (2) SUBSECTION (B).—The amendments made by subsection (b) shall apply to buildings  
24 with respect to which a written request described in section 42(h)(7)(H) of the Internal  
25 Revenue Code of 1986, as redesignated by section ~~135503~~ **135403** and subsection (c), is  
26 submitted after the date of the enactment of this Act.

## 27 SEC. ~~135506~~ **135105**. MODIFICATION AND 28 CLARIFICATION OF RIGHTS RELATING TO BUILDING 29 PURCHASE.

30 (a) Modification of Right of First Refusal.—

31 (1) IN GENERAL.—Subparagraph (A) of section 42(i)(7) is amended by striking “a right of  
32 1st refusal” and inserting “an option”.

33 (2) CONFORMING AMENDMENT.—The heading of paragraph (7) of section 42(i) is  
34 amended by striking “RIGHT OF 1ST REFUSAL” and inserting “OPTION”.

35 (b) Clarification With Respect to Right of First Refusal and Purchase Options.—

36 (1) PURCHASE OF PARTNERSHIP INTEREST.—~~SUBPARAGRAPH INTEREST.~~—

37 (A) IN GENERAL.—**Subparagraph** (A) of section 42(i)(7), as amended by  
38 subsection (a), is amended by striking “the property” and inserting “the property or all  
39 of the partnership interests (other than interests of the person exercising such option or

1 a related party thereto (within the meaning of section 267(b) or 707(b)(1))) relating to  
2 the property”.

3 **(B) APPLICATION TO S CORPORATIONS AND OTHER PASS-THROUGH**  
4 **ENTITIES.—Subparagraph (A) of section 42(i)(7) is amended by adding at the end**  
5 **the following: “Except as provided by the Secretary, the rules of this paragraph**  
6 **shall apply to S corporations and other pass-through entities in the same manner**  
7 **as such rules apply to partnerships.”**

8 **(C) CONFORMING AMENDMENT.—Subparagraph (B) of section 42(i)(7) is**  
9 **amended by adding at the end the following: “In the case of a purchase of all of**  
10 **the partnership interests, the minimum purchase price under this subparagraph**  
11 **shall be an amount not less than the sum of the interests’ shares of the amount**  
12 **which would be determined with respect to the property under this subparagraph**  
13 **without regard to this sentence.”**

14 (2) PROPERTY INCLUDES ASSETS RELATING TO THE BUILDING.—Paragraph (7) of section  
15 42(i) is amended by adding at the end the following new subparagraph:

16 “(C) PROPERTY.—For purposes of subparagraph (A), the term ‘property’ may  
17 include all or any of the assets held for the development, operation, or maintenance of  
18 a building.”.

19 (3) EXERCISE OF RIGHT OF FIRST REFUSAL AND PURCHASE OPTIONS.—Subparagraph (A) of  
20 section 42(i)(7), as amended by subsection (a) and paragraph (1)(A), is amended by adding  
21 at the end the following: “For purposes of determining whether an option, including a right  
22 of first refusal, to purchase property or **all of the** partnership interests holding (directly or  
23 indirectly) such property is described in the preceding sentence—

24 “(i) such option or right of first refusal shall be exercisable with or without the  
25 approval of any owner of the project (including any partner, member, or affiliated  
26 organization of such an owner), and

27 “(ii) a right of first refusal shall be exercisable in response to any offer to  
28 purchase the property or **all of the** partnership interests, including an offer by a  
29 related party.”.

30 (c) ~~Other Conforming Amendments.—Subparagraph Amendment.~~ **Subparagraph (B) of**  
31 **section 42(i)(7), as amended by subsection (b), is amended by striking “the sum of” and all that**  
32 **follows through “application of clause (ii).” and inserting the following: “the principal amount**  
33 **of outstanding indebtedness secured by the building (other than indebtedness incurred within the**  
34 **5-year period ending on the date of the sale to the tenants). In the case of a purchase of a**  
35 **partnership interest, the minimum purchase price is an amount not less than such interest’s**  
36 **ratable share of the amount determined under the first sentence of this subparagraph.”.**  
37 **tenants).”.**

38 (d) Effective Dates.—

39 (1) MODIFICATION OF RIGHT OF FIRST REFUSAL.—The amendments made by subsections  
40 (a) and (c) shall apply to agreements entered into or amended after the date of the enactment  
41 of this Act.

42 (2) CLARIFICATION.—The amendments made by subsection (b) shall apply to agreements

1 among the owners of the project (including partners, members, and their affiliated  
2 organizations) and persons described in section 42(i)(7)(A) of the Internal Revenue Code of  
3 1986 entered into before, on, or after the date of the enactment of this Act.

4 (3) NO EFFECT ON AGREEMENTS.—None of the amendments made by this section is  
5 intended to supersede express language in any agreement with respect to the terms of a right  
6 of first refusal or option permitted by section 42(i)(7) of the Internal Revenue Code of 1986  
7 in effect on the date of the enactment of this Act.

8 ~~SEC. 135507. INCREASE IN CREDIT FOR~~  
9 ~~BOND FINANCED PROJECTS DESIGNATED BY~~  
10 ~~HOUSING CREDIT AGENCY. PART~~  
11 ~~2—NEIGHBORHOOD HOMES INVESTMENT ACT~~

12 ~~(a) In General.—Section 42(d)(5)(B)(v) is amended by striking~~  
13 ~~“The preceding sentence” and inserting “In the case of~~  
14 ~~determinations of housing credit dollar amount after December~~  
15 ~~31, 2028, the preceding sentence”.~~

16 ~~(b) Effective Date.—The amendments made by this section shall~~  
17 ~~apply to buildings which receive a determination of housing~~  
18 ~~credit dollar amount pursuant to section 42(m)(2)(D) of the~~  
19 ~~Internal Revenue Code of 1986 after the date of the enactment~~  
20 ~~of this Act.~~

21 ~~Subpart B—Neighborhood Homes Investment Act~~

22 ~~SEC. 135511~~ **SEC. 135201. NEIGHBORHOOD HOMES**  
23 **CREDIT.**

24 (a) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by inserting  
25 after section 42 the following new section:

26 **“SEC. 42A. NEIGHBORHOOD HOMES CREDIT.**

27 **“(a) Allowance of Credit.—For purposes of section 38, the neighborhood homes credit**  
28 **determined under this section for the taxable year is, with respect to each qualified residence sold**  
29 **by the taxpayer during such taxable year in an affordable sale, the lesser of—**

30 **“(1) the excess (if any) of—**

31 **“(A) the reasonable development costs paid or incurred by the taxpayer with respect**  
32 **to such qualified residence, over**

33 **“(B) the sale price of such qualified residence (reduced by any reasonable expenses**

1 paid or incurred by the taxpayer in connection with such sale), or

2 “(2) 35 percent of the lesser of—

3 “(A) the eligible development costs paid or incurred by the taxpayer with respect to  
4 such qualified residence, or

5 “(B) 80 percent of the national median sale price for new homes (as determined  
6 pursuant to the most recent census data available as of the date on which the  
7 neighborhood homes credit agency makes an allocation for the qualified project).

8 “(b) Development Costs.—For purposes of this section—

9 “(1) REASONABLE DEVELOPMENT COSTS.—

10 “(A) IN GENERAL.—The term ‘reasonable development costs’ means amounts paid  
11 or incurred for the acquisition of buildings and land, construction, substantial  
12 rehabilitation, demolition of structures, or environmental remediation, to the extent that  
13 the neighborhood homes credit agency determines that such amounts meet the  
14 standards specified pursuant to subsection (f)(1)(C) (as of the date on which  
15 construction or substantial rehabilitation is substantially complete, as determined by  
16 such agency) and are necessary to ensure the financial feasibility of such qualified  
17 residence.

18 “(B) CONSIDERATIONS IN MAKING DETERMINATION.—In making the determination  
19 under subparagraph (A), the neighborhood homes credit agency shall consider—

20 “(i) the sources and uses of funds and the total financing,

21 “(ii) any proceeds or receipts generated or expected to be generated by reason  
22 of tax benefits, and

23 “(iii) the reasonableness of the developmental costs and fees.

24 “(2) ELIGIBLE DEVELOPMENT COSTS.—The term ‘eligible development costs’ means the  
25 amount which would be reasonable development costs if the amounts taken into account as  
26 paid or incurred for the acquisition of buildings and land did not exceed 75 percent of such  
27 costs determined without regard to any amount paid or incurred for the acquisition of  
28 buildings and land.

29 “(3) SUBSTANTIAL REHABILITATION.—The term ‘substantial rehabilitation’ means  
30 amounts paid or incurred for rehabilitation of a qualified residence if such amounts exceed  
31 the greater of—

32 “(A) \$20,000, or

33 “(B) 20 percent of the amounts paid or incurred by the taxpayer for the acquisition  
34 of buildings and land with respect to such qualified residence.

35 “(4) CONSTRUCTION AND REHABILITATION ONLY AFTER ALLOCATION TAKEN INTO  
36 ACCOUNT.—

37 “(A) IN GENERAL.—The terms ‘reasonable development costs’ and ‘eligible  
38 development costs’ shall not include any amount paid or incurred before the date on  
39 which an allocation is made to the taxpayer under subsection (e) with respect to the  
40 qualified project of which the qualified residence is part unless such amount is paid or

1 incurred for the acquisition of buildings or land.

2 “(B) LAND AND BUILDING ACQUISITION COSTS.—Amounts paid or incurred for the  
3 acquisition of buildings or land shall be included under paragraph (A) only if paid or  
4 incurred not more than 3 years before the date on which the allocation referred to in  
5 subparagraph (A) is made. If the taxpayer acquired any building or land from an entity  
6 (or any related party to such entity) that holds an ownership interest in the taxpayer,  
7 then such entity must also have acquired such property within such 3-year period, and  
8 the acquisition cost included under subparagraph (A) with respect to the taxpayer shall  
9 not exceed the amount such entity paid or incurred to acquire such property.

10 “(c) Qualified Residence.—For purposes of this section—

11 “(1) IN GENERAL.—The term ‘qualified residence’ means a residence that—

12 “(A) is real property affixed on a permanent foundation,

13 “(B) is—

14 “(i) a house which is comprised of 4 or fewer residential units,

15 “(ii) a condominium unit, or

16 “(iii) a house or an apartment owned by a cooperative housing corporation (as  
17 defined in section 216(b)),

18 “(C) is part of a qualified project with respect to the neighborhood homes credit  
19 agency has made an allocation under subsection (e), and

20 “(D) is located in a qualified census tract (determined as of the date of such  
21 allocation).

22 “(2) QUALIFIED CENSUS TRACT.—

23 “(A) IN GENERAL.—The term ‘qualified census tract’ means a census tract—

24 “(i) which—

25 “(I) has a median family income which does not exceed 80 percent of the  
26 median family income for the applicable area,

27 “(II) has a poverty rate that is not less than 130 percent of the poverty rate  
28 of the applicable area, and

29 “(III) has a median value for owner-occupied homes that does not exceed  
30 the median value for owner-occupied homes in the applicable area,

31 “(ii) which—

32 “(I) is located in a city which has a population of not less than 50,000 and  
33 such city has a poverty rate that is not less than 150 percent of the poverty  
34 rate of the applicable area,

35 “(II) has a median family income which does not exceed the median  
36 family income for the applicable area, and

37 “(III) has a median value for owner-occupied homes that does not exceed  
38 80 percent of the median value for owner-occupied homes in the applicable

1 area,  
2 “(iii) which—  
3 “(I) is located in a nonmetropolitan county,  
4 “(II) has a median family income which does not exceed the median  
5 family income for the applicable area, and  
6 “(III) has been designated by a neighborhood homes credit agency under  
7 this clause, or  
8 “(iv) which is not otherwise a qualified census tract and is located in a disaster  
9 area (as defined in section 7508A(d)(3)), but only with respect to credits allocated  
10 in any period during which the President of the United States has determined that  
11 such area warrants individual or individual and public assistance by the Federal  
12 Government under the Robert T. Stafford Disaster Relief and Emergency  
13 Assistance Act.  
14 “(B) APPLICABLE AREA.—The term ‘applicable area’ means—  
15 “(i) in the case of a metropolitan census tract, the metropolitan area in which  
16 such census tract is located, and  
17 “(ii) in the case of a census tract other than a census tract described in clause  
18 (i), the State.  
19 “(d) Affordable Sale.—For purposes of this section—  
20 “(1) IN GENERAL.—The term ‘affordable sale’ means a sale to a qualified homeowner of a  
21 qualified residence that the neighborhood homes credit agency certifies as meeting the  
22 standards promulgated under subsection (f)(1)(D) for a price that does not exceed—  
23 “(A) in the case of any qualified residence not described in subparagraph (B), (C), or  
24 (D), the amount equal to the product of 4 multiplied by the median family income for  
25 the applicable area (as determined pursuant to the most recent census data available as  
26 of the date of the contract for such sale),  
27 “(B) in the case of a house comprised of 2 residential units, 125 percent of the  
28 amount described in subparagraph (A),  
29 “(C) in the case of a house comprised of 3 residential units, 150 percent of the  
30 amount described in subparagraph (A), or  
31 “(D) in the case of a house comprised of 4 residential units, 175 percent of the  
32 amount described in subparagraph (A).  
33 “(2) QUALIFIED HOMEOWNER.—The term ‘qualified homeowner’ means, with respect to a  
34 qualified residence, an individual—  
35 “(A) who owns and uses such qualified residence as the principal residence of such  
36 individual, and  
37 “(B) whose family income (determined as of the date that a binding contract for the  
38 affordable sale of such residence is entered into) is 140 percent or less of the median  
39 family income for the applicable area in which the qualified residence is located.

1 “(e) Credit Ceiling and Allocations.—

2 “(1) CREDIT LIMITED BASED ON ALLOCATIONS TO QUALIFIED PROJECTS.—

3 “(A) IN GENERAL.—The credit allowed under subsection (a) to any taxpayer for any  
4 taxable year with respect to one or more qualified residences which are part of the  
5 same qualified project shall not exceed the excess (if any) of—

6 “(i) the amount allocated by the neighborhood homes credit agency under this  
7 paragraph to such taxpayer with respect to such qualified project, over

8 “(ii) the aggregate amount of credit allowed under subsection (a) to such  
9 taxpayer with respect to qualified residences which are a part of such qualified  
10 project for all prior taxable years.

11 “(B) DEADLINE FOR COMPLETION.—No credit shall be allowed under subsection (a)  
12 with respect to any qualified residence unless the affordable sale of such residence is  
13 during the 5-year period beginning on the date of the allocation to the qualified project  
14 of which such residence is a part (or, in the case of a qualified residence to which  
15 subsection (i) applies, the rehabilitation of such residence is completed during such  
16 5-year period).

17 “(2) LIMITATIONS ON ALLOCATIONS TO QUALIFIED PROJECTS.—

18 “(A) ALLOCATIONS LIMITED BY STATE NEIGHBORHOOD HOMES CREDIT CEILING.—The  
19 aggregate amount allocated to taxpayers with respect to qualified projects by the  
20 neighborhood homes credit agency of any State for any calendar year shall not exceed  
21 the State neighborhood homes credit amount of such State for such calendar year.

22 “(B) SET-ASIDE FOR CERTAIN PROJECTS INVOLVING QUALIFIED NONPROFIT  
23 ORGANIZATIONS.—Rules similar to the rules of section 42(h)(5) shall apply for  
24 purposes of this section.

25 “(3) DETERMINATION OF STATE NEIGHBORHOOD HOMES CREDIT CEILING.—

26 “(A) IN GENERAL.—The State neighborhood homes credit amount for a State for a  
27 calendar year is an amount equal to the sum of—

28 “(i) the greater of—

29 “(I) the product of ~~\$6~~ **\$3** (**\$6 in the case of calendar year 2025**),  
30 multiplied by the State population (determined in accordance with section  
31 146(j)), or

32 “(II) ~~\$8,000,000~~, **\$4,000,000** (**\$8,000,000 in the case of calendar year**  
33 **2025**), and

34 “(ii) any amount previously allocated to any taxpayer with respect to any  
35 qualified project by the neighborhood homes credit agency of such State which  
36 can no longer be allocated to any qualified residence because the 5-year period  
37 described in paragraph (1)(B) expires during calendar year.

38 “(B) TERMINATION OF ADDITIONAL AMOUNTS.—**The amount determined under**  
39 **subparagraph (A)(i) shall be zero with respect to any calendar year beginning**  
40 **after December 31, 2025.**

1           “(C) 3-YEAR CARRYFORWARD OF UNUSED LIMITATION.—The State neighborhood  
2 homes credit amount for a State for a calendar year shall be increased by the excess (if  
3 any) of the State neighborhood homes credit amount for such State for the preceding  
4 calendar year over the aggregate amount allocated by the neighborhood homes credit  
5 agency of such State during such preceding calendar year. Any amount carried forward  
6 under the preceding sentence shall not be carried past the third calendar year after the  
7 calendar year in which such credit amount originally arose, determined on a first-in,  
8 first-out basis.

9           “(f) Responsibilities of Neighborhood Homes Credit Agencies.—

10           “(1) IN GENERAL.—Notwithstanding subsection (e), the State neighborhood homes credit  
11 dollar amount shall be zero for a calendar year unless the neighborhood homes credit  
12 agency of the State—

13           “(A) allocates such amount pursuant to a qualified allocation plan of the  
14 neighborhood homes credit agency,

15           “(B) allocates not more than 20 percent of amounts allocated in the previous year (or  
16 for allocations made in 2022, not more than 20 percent of the neighborhood homes  
17 credit ceiling for such year) to projects with respect to qualified residences which—

18           “(i) are located in census tracts described in subsection (c)(2)(A)(iii),  
19 (c)(2)(A)(iv), (i)(5), or

20           “(ii) are not located in a qualified census tract but meet the requirements of  
21 (i)(8),

22           “(C) promulgates standards with respect to reasonable qualified development costs  
23 and fees,

24           “(D) promulgates standards with respect to construction quality,

25           “(E) in the case of any neighborhood homes credit agency which makes an  
26 allocation to a qualified project which includes any qualified residence to which  
27 subsection (i) applies, promulgates standards with respect to protecting the owners of  
28 such residences, including the capacity of such owners to pay rehabilitation costs not  
29 covered by the credit provided by this section and providing for the disclosure to such  
30 owners of their rights and responsibilities with respect to the rehabilitation of such  
31 residences, and

32           “(F) submits to the Secretary (at such time and in such manner as the Secretary may  
33 prescribe) an annual report specifying—

34           “(i) the amount of the neighborhood homes credits allocated to each qualified  
35 project for the previous year,

36           “(ii) with respect to each qualified residence completed in the preceding  
37 calendar year—

38           “(I) the census tract in which such qualified residence is located,

39           “(II) with respect to the qualified project that includes such qualified  
40 residence, the year in which such project received an allocation under this



- 1 section,
- 2 “(III) whether such qualified residence was new, substantially
- 3 rehabilitated and sold to a qualified homeowner, or substantially rehabilitated
- 4 pursuant to subsection (i),
- 5 “(IV) the eligible development costs of such qualified residence,
- 6 “(V) the amount of the neighborhood homes credit with respect to such
- 7 qualified residence,
- 8 “(VI) the sales price of such qualified residence, if applicable, and
- 9 “(VII) the family income of the qualified homeowner (expressed as a
- 10 percentage of the applicable area median family income for the location of
- 11 the qualified residence), and
- 12 “(iii) such other information as the Secretary may require.

13 “(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term ‘qualified

14 allocation plan’ means any plan which—

15 “(A) sets forth the selection criteria to be used to prioritize qualified projects for

16 allocations of State neighborhood homes credit dollar amounts, including—

17 “(i) the need for new or substantially rehabilitated owner-occupied homes in

18 the area addressed by the project,

19 “(ii) the expected contribution of the project to neighborhood stability and

20 revitalization, including the impact on neighborhood residents,

21 “(iii) the capability and prior performance of the project sponsor, and

22 “(iv) the likelihood the project will result in long-term homeownership,

23 “(B) has been made available for public comment, and

24 “(C) provides a procedure that the neighborhood homes credit agency (or any agent

25 or contractor of such agency) shall follow for purposes of—

26 “(i) identifying noncompliance with any provisions of this section, and

27 “(ii) notifying the Internal Revenue Service of any such noncompliance of

28 which the agency becomes aware.

29 “(g) Repayment.—

30 “(1) IN GENERAL.—

31 “(A) SOLD DURING 5-YEAR PERIOD.—If a qualified residence is sold during the

32 5-year period beginning immediately after the affordable sale of such qualified

33 residence referred to in subsection (a), the seller (with respect to the sale during such

34 5-year period) shall transfer an amount equal to the repayment amount to the relevant

35 neighborhood homes credit agency.

36 “(B) USE OF REPAYMENTS.—A neighborhood homes credit agency shall use any

37 amount received pursuant to subparagraph (A) only for purposes of qualified projects.



1 “(6) RELATED PARTY SALES NOT TREATED AS AFFORDABLE SALES.—

2 “(A) IN GENERAL.—A sale between related persons shall not be treated as an  
3 affordable sale.

4 “(B) RELATED PERSONS.—For purposes of this paragraph, a person (in this  
5 subparagraph referred to as the ‘related person’) is related to any person if the related  
6 person bears a relationship to such person specified in section 267(b) or 707(b)(1), or  
7 the related person and such person are engaged in trades or businesses under common  
8 control (within the meaning of subsections (a) and (b) of section 52). For purposes of  
9 the preceding sentence, in applying section 267(b) or 707(b)(1), ‘10 percent’ shall be  
10 substituted for ‘50 percent’.

11 “(7) INFLATION ADJUSTMENT.—

12 “(A) IN GENERAL.—In the case of a calendar year after 2022, the dollar amounts in  
13 subsections (b)(3)(A), (e)(3)(A)(i)(I), (e)(3)(A)(i)(II), and (i)(2)(C) shall each be  
14 increased by an amount equal to—

15 “(i) such dollar amount, multiplied by

16 “(ii) the cost-of-living adjustment determined under section 1(f)(3) for such  
17 calendar year by substituting ‘calendar year 2021’ for ‘calendar year 2016’ in  
18 subparagraph (A)(ii) thereof.

19 “(B) ROUNDING.—

20 “(i) In the case of the dollar amounts in subsection (b)(3)(A) and (i)(2)(C), any  
21 increase under paragraph (1) which is not a multiple of \$1,000 shall be rounded to  
22 the nearest multiple of \$1,000.

23 “(ii) In the case of the dollar amount in subsection (e)(3)(A)(i)(I), any increase  
24 under paragraph (1) which is not a multiple of \$0.01 shall be rounded to the  
25 nearest multiple of \$0.01.

26 “(iii) In the case of the dollar amount in subsection (e)(3)(A)(i)(II), any  
27 increase under paragraph (1) which is not a multiple of \$100,000 shall be rounded  
28 to the nearest multiple of \$100,000.

29 “(8) REPORT.—

30 “(A) IN GENERAL.—The Secretary shall annually issue a report, to be made available  
31 to the public, which contains the information submitted pursuant to subsection  
32 (f)(1)(F).

33 “(B) DE-IDENTIFICATION.—The Secretary shall ensure that any information made  
34 public pursuant to paragraph (1) excludes any information that would allow for the  
35 identification of qualified homeowners.

36 “(9) LIST OF QUALIFIED CENSUS TRACTS.—The Secretary of Housing and Urban  
37 Development shall, for each year, make publicly available a list of qualified census tracts  
38 under—

39 “(A) on a combined basis, clauses (i) and (ii) of subsection (c)(2)(A),

40 “(B) clause (iii) of such subsection, and

1           “(C) subsection (i)(5)(A).

2           “(i) Application of Credit With Respect to Owner-occupied Rehabilitations.—

3           “(1) IN GENERAL.—In the case of a qualified rehabilitation by the taxpayer of any  
4           qualified residence which is owned (as of the date that the written binding contract referred  
5           to in paragraph (3) is entered into) by a specified homeowner, the rules of paragraphs (2)  
6           through (7) shall apply.

7           “(2) ALTERNATIVE CREDIT DETERMINATION.—In the case of any qualified residence  
8           described in paragraph (1), the neighborhood homes credit determined under subsection (a)  
9           with respect to such residence shall (in lieu of any credit otherwise determined under  
10          subsection (a) with respect to such residence) be allowed in the taxable year during which  
11          the qualified rehabilitation is completed (as determined by the neighborhood homes credit  
12          agency) and shall be equal to the least of—

13          “(A) the excess (if any) of—

14                  “(i) the amounts paid or incurred by the taxpayer for the qualified rehabilitation  
15                  of the qualified residence to the extent that such amounts are certified by the  
16                  neighborhood homes credit agency (at the time of the completion of such  
17                  rehabilitation) as meeting the standards specified pursuant to subsection (f)(1)(C),  
18                  over

19                  “(ii) any amounts paid to such taxpayer for such rehabilitation,

20          “(B) 50 percent of the amounts described in subparagraph (A)(i), or

21          “(C) \$50,000.

22          “(3) QUALIFIED REHABILITATION.—

23                  “(A) IN GENERAL.—For purposes of this subsection, the term ‘qualified  
24                  rehabilitation’ means a rehabilitation or reconstruction performed pursuant to a written  
25                  binding contract between the taxpayer and the qualified homeowner if the amount paid  
26                  or incurred by the taxpayer in the performance of such rehabilitation or reconstruction  
27                  exceeds the dollar amount in effect under subsection (b)(3)(A).

28                  “(B) APPLICATION OF LIMITATION TO EXPENSES PAID OR INCURRED AFTER  
29                  ALLOCATION.—A rule similar to the rule of section (b)(4) shall apply for purposes of  
30                  this subsection.

31          “(4) SPECIFIED HOMEOWNER.—For purposes of this subsection, the term ‘qualified  
32          homeowner’ means, with respect to a qualified residence, an individual—

33                  “(A) who owns and uses such qualified residence as the principal residence of such  
34                  individual as of the date that the written binding contract referred to in paragraph (3) is  
35                  entered into, and

36                  “(B) whose family income (determined as of such date) does not exceed the median  
37                  family income for the applicable area (with respect to the census tract in which the  
38                  qualified residence is located).

39          “(5) ADDITIONAL CENSUS TRACTS IN WHICH OWNER-OCCUPIED RESIDENCES MAY BE  
40          LOCATED.—In the case of any qualified residence described in paragraph (1), the term

1 ‘qualified census tract’ includes any census tract which—

2 “(A) meets the requirements of subsection (c)(2)(A)(i) without regard to subclause  
3 (III) thereof, and

4 “(B) is designated by the neighborhood homes credit agency for purposes of this  
5 paragraph.

6 “(6) MODIFICATION OF REPAYMENT REQUIREMENT.—In the case of any qualified  
7 residence described in paragraph (1), subsection (g) shall be applied by beginning the 5-year  
8 period otherwise described therein on the date on which the qualified owner acquired the  
9 residence.

10 “(7) RELATED PARTIES.—Paragraph (1) shall not apply if the taxpayer is the owner of the  
11 qualified residence described in paragraph (1) or is related (within the meaning of  
12 subsection (h)(6)(B)) to such owner.

13 “(8) PYRRHOTITE REMEDIATION.—The requirement of subsection (c)(1)(C) shall not  
14 apply to a qualified rehabilitation under this subsection of a qualified residence that is  
15 documented by an engineer’s report and core testing to have a foundation that is adversely  
16 impacted by pyrrhotite or other iron sulfide minerals.

17 “(j) Regulations.—The Secretary shall prescribe such regulations as may be necessary or  
18 appropriate to carry out the purposes of this section, including regulations that prevent avoidance  
19 of the rules, and abuse of the purposes, of this section.”.

20 (b) Credit Allowed as Part of General Business Credit.—Section 38(b), as amended by the  
21 preceding provisions of this Act, is amended by striking “plus” at the end of paragraph (34), by  
22 striking the period at the end of paragraph (35) and inserting “, plus”, and by adding at the end  
23 the following new paragraph:

24 “(36) the neighborhood homes credit determined under section 42A(a).”.

25 (c) Credit Allowed Against Alternative Minimum Tax.—Section 38(c)(4)(B), as amended by  
26 the preceding provisions of this Act, is amended by redesignating clauses (iv) through (xiii) as  
27 clauses (v) through (xiv), respectively, and by inserting after clause (iii) the following new  
28 clause:

29 “(iv) the credit determined under section 42A.”.

30 (d) Conforming Amendments.—

31 (1) Subsections (i)(3)(C), (i)(6)(B)(i), and (k)(1) of section 469 are each amended by  
32 inserting “or 42A” after “section 42”.

33 (2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended  
34 by inserting after the item relating to section 42 the following new item:

35 “Sec.42A.Neighborhood homes credit.”.

36 (e) Effective Date.—The amendments made by this section shall apply to taxable years  
37 beginning after December 31, 2021.

38 ~~PART 6—INVESTMENTS~~ **3—INVESTMENTS IN TRIBAL**  
39 **INFRASTRUCTURE**

1 **SEC. ~~135601~~ 135301. TREATMENT OF INDIAN TRIBES AS**  
2 **STATES WITH RESPECT TO BOND ISSUANCE.**

3 (a) In General.—Section 7871(c) is amended to read as follows:

4 “(c) Special Rules for Tax-exempt Bonds.—

5 “(1) IN GENERAL.—In applying section 146 to bonds issued by Indian Tribal  
6 Governments the Secretary shall annually—

7 “(A) establish a national bond volume cap based on the greater of—

8 “(i) the State population formula approach in section 146(d)(1)(A) (using  
9 national Tribal population estimates supplied annually by the Department of the  
10 Interior in consultation with the Census Bureau), and

11 “(ii) the minimum State ceiling amount in section 146(d)(1)(B) (as adjusted in  
12 accordance with the cost of living provision in section 146(d)(2)), **and**

13 “(B) allocate such national bond volume cap among all Indian Tribal Governments  
14 seeking such an allocation in a particular year under regulations prescribed by the  
15 Secretary.

16 “(2) APPLICATION OF GEOGRAPHIC RESTRICTION.—In the case of national bond volume  
17 cap allocated under paragraph (1), section 146(k)(1) shall not apply to the extent that such  
18 cap is used with respect to financing for a facility located on qualified Indian lands.

19 “(3) RESTRICTION ON FINANCING OF CERTAIN GAMING FACILITIES.—No portion of the  
20 volume cap allocated under this subsection may be used with respect to the financing of any  
21 portion of a building in which class II or class III gaming (as defined in section 4 of the  
22 Indian Gaming Regulatory Act) is conducted or housed or any property actually used in the  
23 conduct of such gaming.

24 “(4) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

25 “(A) INDIAN TRIBAL GOVERNMENT.—The term ‘Indian Tribal Government’ means  
26 the governing body of an Indian Tribe, band, nation, or other organized group or  
27 community, or of Alaska Natives, which is recognized as eligible for the special  
28 programs and services provided by the United States to Indians because of their status  
29 as Indians, and also includes any agencies, instrumentalities or political subdivisions  
30 thereof.

31 “(B) INTERTRIBAL CONSORTIUMS, ETC.—In any case in which an Indian Tribal  
32 Government has authorized an intertribal consortium, a Tribal organization, or an  
33 Alaska Native regional or village corporation, as defined in, or established pursuant to,  
34 the Alaska Native Claims Settlement Act, to plan for, coordinate or otherwise  
35 administer services, finances, functions, or activities on its behalf under this  
36 subsection, the authorized entity shall have the rights and responsibilities of the  
37 authorizing Indian Tribal Government only to the extent provided in the Authorizing  
38 resolution.

39 “(C) QUALIFIED INDIAN LANDS.—The term ‘qualified Indian lands’ shall mean an  
40 Indian reservation as defined in section 3(d) of the Indian Financing Act of 1974 (25

1 U.S.C. 1452(d)), including lands which are within the jurisdictional area of an  
2 Oklahoma Indian Tribe (as determined by the Secretary of the Interior) and shall  
3 include lands outside a reservation where the facility is to be placed in service in  
4 connection with—

5 “(i) the active conduct of a trade or business by an Indian Tribe on, contiguous  
6 to, within reasonable proximity of, or with a substantial connection to, an Indian  
7 reservation or Alaska Native village, or

8 “(ii) infrastructure (including roads, power lines, water systems, railroad spurs,  
9 and communication facilities) serving an Indian reservation or Alaska Native  
10 village.”.

11 (b) Conforming Amendment.—Subparagraph (B) of section 45(c)(9) is amended to read as  
12 follows:

13 “(B) INDIAN TRIBE.—For purposes of this paragraph, the term ‘Indian tribe’ has the  
14 meaning given the term ‘Indian Tribal Government’ by section 7871(c)(3)(A).”.

15 (c) Effective Date.—The amendments made by this section shall apply to obligations issued in  
16 calendar years beginning after the date of the enactment of this Act.

## 17 ~~SEC. 135602~~ **135302. NEW MARKETS TAX CREDIT FOR** 18 **TRIBAL STATISTICAL AREAS.**

19 (a) Additional Allocations for Tribal Statistical Areas.—Section 45D(f), ~~as amended by the~~  
20 ~~preceding provisions of this Act~~, is amended by adding at the end the following new paragraph:

21 “(5) ADDITIONAL ALLOCATIONS FOR TRIBAL STATISTICAL AREAS.—

22 “(A) IN GENERAL.—In the case of ~~each calendar year after 2021~~ **years 2022 through**  
23 **2025**, there is (in addition to any limitation under any other paragraph of this  
24 subsection) a new markets tax credit limitation of \$175,000,000 which shall be  
25 allocated by the Secretary as provided in paragraph (2) except that such limitation may  
26 only be allocated with respect to Tribal Statistical Areas.

27 “(B) CARRYOVER OF UNUSED TRIBAL STATISTICAL AREA LIMITATION.—

28 “(i) IN GENERAL.—If the credit limitation under subparagraph (A) for any  
29 calendar year exceeds the amount of such limitation allocated by the Secretary for  
30 such calendar year, such limitation for the succeeding calendar year shall be  
31 increased by the amount of such excess.

32 “(ii) LIMITATION ON CARRYOVER.—No amount of credit limitation may be  
33 carried under clause (i) past the 5th calendar year following the calendar year in  
34 which such amount of credit limitation arose.

35 “(iii) TRANSFER OF EXPIRED TRIBAL STATISTICAL AREA LIMITATION TO GENERAL  
36 LIMITATION.—In the case of any amount of credit limitation which would (but for  
37 clause (ii)) be carried under clause (i) to the 6th calendar year following the  
38 calendar year in which such amount of credit limitation arose, the new market tax  
39 credit limitation under paragraph (1) for such 6th calendar year shall be increased  
40 by the amount of such credit limitation, **except that no such increase shall be**

1                   **made for any calendar year after 2030.**

2                   “(C) TRIBAL STATISTICAL AREA.—For purposes of this paragraph, the term ‘Tribal  
3                   Statistical Area’ means—

4                   “(i) any low-income community which is located in any Tribal Census Tract,  
5                   Oklahoma Tribal Statistical Area, Tribal-Designated Statistical Area, Alaska  
6                   Native Village Statistical Area, or Hawaiian Home Land, and

7                   “(ii) any low-income community described in subsection (e)(1)(B).”.

8                   (b) Eligibility of Certain Projects Serving Tribal Members.—Section 45D(e)(1) is amended to  
9                   read as follows:

10                   “(1) IN GENERAL.—The term ‘low-income community’ means any area—

11                   “(A) comprising a population census tract if—

12                   “(i) the poverty rate for such tract is at least 20 percent, or

13                   “(ii)(I) in the case of a tract not located within a metropolitan area, the median  
14                   family income for such tract does not exceed 80 percent of statewide median  
15                   family income, or

16                   “(II) in the case of a tract located within a metropolitan area, the median family  
17                   income for such tract does not exceed 80 percent of the greater of statewide  
18                   median family income or the metropolitan area median family income,

19                   “(B) which is used for a qualified active low-income community business which—

20                   “(i) services a significant population of Tribal or Alaska Native Village  
21                   members who are residents of a low-income community described in subsection  
22                   (f)(5)(C)(i), and

23                   “(ii) obtains a written statement from the relevant Indian Tribal Government  
24                   (within the meaning of section 7871(c)) that documents the eligibility such project  
25                   with respect to the requirement of clause (i).

26                   Subparagraph (A)(ii) shall be applied using possession wide median family income in the  
27                   case of census tracts located within a possession of the United States.”.

28                   (c) ~~Application of Inflation Adjustment.—Section 45D(f)(4), as added by the preceding~~  
29                   ~~provisions of this Act, is amended by striking “the dollar amount paragraph (1)(H) shall be~~  
30                   ~~increased” and inserting “the dollar amounts in paragraphs (1)(H) and (5)(A) shall each be~~  
31                   ~~increased”.~~

32                   (d) ~~Coordination With Existing Carryover.—Section 45D(f)(3), as amended by the preceding~~  
33                   ~~provisions of this Act, is amended to read as follows:~~

34                   ~~“(3) Carryover of unused limitation.—If the new markets tax credit limitation under paragraph~~  
35                   ~~(1) for any calendar year exceeds the is amended—~~

36                   **(1) is amended by inserting “under paragraph (1)” after “new markets tax credit**  
37                   **limitation”, and**

38                   **(2) by striking “the aggregate amount allocated” and inserting “the amount of such**  
39                   **limitation allocated by the Secretary under paragraph (2) for such year, such limitation for**



1 ~~the succeeding calendar year shall be increased by the amount of such excess.”. Secretary”.~~

2 (e)(d) Regulatory Authority.—Section 45D(i) is amended by striking “and” at the end of  
3 paragraph (5), by striking the period at the end of paragraph (6) and inserting “, and”, and by  
4 adding at the end the following new paragraph:

5 “(7) which provide documentation requirements for the written statement required under  
6 subsection (e)(1)(B)(ii), and

7 “(8) which provide procedures for determining which projects under subsection (e)(1)(B)  
8 are qualified active low-income community businesses with respect to the populations  
9 described in such subsection. Such procedures shall take into account the location needs of  
10 such projects, especially with respect to projects that serve multiple tribal or Alaska Native  
11 Village communities.”.

12 (f)(e) Effective Date.—The amendments made by this section shall apply to new markets tax  
13 credit limitation determined for calendar years after December 31, 2021.

14 **SEC. ~~135603~~ 135303. INCLUSION OF INDIAN AREAS AS**  
15 **DIFFICULT DEVELOPMENT AREAS FOR PURPOSES OF**  
16 **CERTAIN BUILDINGS.**

17 (a) In General.—Subclause (I) of section 42(d)(5)(B)(iii), ~~as amended by the preceding~~  
18 ~~provisions of this Act,~~ is amended by inserting “, **or any Indian area**” before the period at the  
19 **end. any Indian area**” after “median gross income”.

20 (b) Indian Area.—Clause (iii) of section 42(d)(5)(B), ~~as amended by the preceding provisions~~  
21 ~~of this Act is amended by redesignating subclause (III) as subclause (V) and by inserting after~~  
22 ~~subclause (II) the following new subclauses:~~

23 **\*\* 27 (b) Rural Indian Area.**—Clause (iii) of section 42(d)(5)(B) is amended by redesignating  
24 subclause (II) as subclause ~~(III)~~(IV) and by inserting after subclause (I) the following new  
25 **subclause subclauses:**

26 ~~“(II)”~~**“(II) INDIAN AREA.**—For purposes of subclause (I), the term ‘Indian  
27 area’ means any Indian area (as defined in section 4(11) of the Native  
28 American Housing Assistance and Self Determination Act of 1996 (25  
29 U.S.C. 4103(11))).

30 ~~“(IV)”~~**“(III) SPECIAL RULE FOR BUILDINGS IN INDIAN AREAS.**—In the case of  
31 an area which is a difficult development area solely because it is an Indian  
32 area, a building shall not be treated as located in such area unless such  
33 building is assisted or financed under the Native American Housing  
34 Assistance and Self Determination Act of 1996 (25 U.S.C. 4101 et seq.) or  
35 the project sponsor is an Indian tribe (as defined in section 45A(c)(6)), a  
36 tribally designated housing entity (as defined in section 4(22) of such Act (25  
37 U.S.C. 4103(22))), or wholly owned or controlled by such an Indian tribe or  
38 tribally designated housing entity.”.

39 (c) Effective Date.—The amendments made by this section shall apply to buildings placed in  
40 service after December 31, 2021.

1 ~~PART 7—INVESTMENTS IN THE TERRITORIES~~

2 ~~4—OTHER PROVISIONS~~

3 ~~SEC. 135701~~ **SEC. 135401. POSSESSIONS ECONOMIC**  
4 **ACTIVITY CREDIT.**

5 (a) In General.—Subpart D of part IV of subchapter A of chapter 1, as amended by the  
6 preceding provisions of this Act, is amended by adding at the end the following new section:

7 **“SEC. 45V. POSSESSIONS ECONOMIC ACTIVITY**  
8 **CREDIT.**

9 “(a) Allowance of Credit.—For purposes of section 38, in the case of a qualified domestic  
10 corporation the possessions economic activity credit determined under this section for a taxable  
11 year is an amount equal to 20 percent of the sum of the qualified possession wages and allocable  
12 employee fringe benefit expenses paid or incurred by the taxpayer for the taxable year.

13 “(b) Qualified Domestic Corporation; Qualified Corporation.—For purposes of this section—

14 “(1) IN GENERAL.—The term ‘qualified domestic corporation’ means any domestic  
15 corporation which is—

16 “(A) a qualified corporation, or

17 “(B) a United States shareholder of a foreign corporation which—

18 “(i) is a qualified corporation, and

19 “(ii) is wholly owned by the United States shareholder together with any  
20 corporations which are members of the same affiliated group (within the meaning  
21 of section 1504(a)) as such United States shareholder.

22 “(2) QUALIFIED CORPORATION.—The term ‘qualified corporation’ means any corporation  
23 if such corporation meets the following requirements:

24 “(A) SOURCE QUALIFICATION.—80 percent or more of the gross income of the  
25 corporation for the 3-year period immediately preceding the close of the taxable year  
26 (or for such part of such period immediately preceding the close of such taxable year  
27 as may be applicable) was derived from sources within a possession of the United  
28 States (determined without regard to section 904(f)).

29 “(B) TRADE OR BUSINESS QUALIFICATION.—75 percent or more of the gross income  
30 of the corporation for such period or such part thereof was derived from the active  
31 conduct of a trade or business within a possession of the United States.

32 “(3) SPECIAL RULE FOR SEPARATE AND CLEARLY IDENTIFIED UNITS OF FOREIGN  
33 CORPORATIONS.—

34 “(A) IN GENERAL.—In the case of a United States shareholder of a foreign  
35 corporation which—

36 “(i) is not a qualified corporation but with respect to which the ownership  
37 requirements of paragraph (1)(B)(ii) are met, and

1                   “(ii) has an eligible foreign business unit which, if such unit were a corporation,  
2                   would be a qualified corporation with respect to which such ownership  
3                   requirements would be met,

4                   then, for purposes of this section, the United States shareholder may elect to treat such  
5                   unit as a separate foreign corporation which meets the requirements of paragraph  
6                   (1)(B) and with respect to which such shareholder is a United States shareholder.

7                   “(B) ELIGIBLE FOREIGN BUSINESS UNIT.—For purposes of this paragraph, the term  
8                   ‘eligible foreign business unit’ means a separate and clearly identified foreign unit of a  
9                   trade or business, including a partnership or an entity treated as disregarded as a  
10                  separate entity from its owner (under section 7701 or other provision under this title),  
11                  which maintains separate books and records.

12                  “(C) SPECIAL ELECTION FOR AFFILIATED GROUPS.—In the case of an affiliated group  
13                  described in paragraph (1)(B)(ii), the election under subparagraph (A) with respect to  
14                  any eligible foreign business unit shall be made by the common parent of such group  
15                  and shall apply uniformly to all members of such group which are United States  
16                  shareholders with respect to the foreign corporation which has such unit.

17                  “(c) Qualified Possession Wages.—For purposes of this section—

18                  “(1) IN GENERAL.—The term ‘qualified possession wages’ means wages paid or incurred  
19                  by the qualified corporation during the taxable year in connection with the active conduct of  
20                  a trade or business within a possession of the United States to any employee for services  
21                  performed in such possession, but only if such services are performed while the principal  
22                  place of employment of such employee is within such possession.

23                  “(2) LIMITATION ON AMOUNT OF WAGES TAKEN INTO ACCOUNT.—

24                  “(A) IN GENERAL.—The amount of wages which may be taken into account under  
25                  paragraph (1) with respect to any employee for any taxable year shall not exceed  
26                  \$50,000.

27                  “(B) TREATMENT OF PART-TIME EMPLOYEES, ETC.—If—

28                  “(i) any employee is not employed by the qualified corporation on a  
29                  substantially full-time basis at all times during the taxable year, or

30                  “(ii) the principal place of employment of any employee with the qualified  
31                  corporation is not within a possession at all times during the taxable year,

32                  the limitation applicable under paragraph (1) with respect to such employee shall be  
33                  the appropriate portion (as determined by the Secretary) of the limitation which would  
34                  otherwise be in effect under paragraph (1).

35                  “(C) WAGES.—

36                  “(i) IN GENERAL.—Except as provided in clause (ii), the term ‘wages’ has the  
37                  meaning given to such term by subsection (b) of section 3306 (determined  
38                  without regard to any dollar limitation contained in such section). For purposes of  
39                  the preceding sentence, such subsection (b) shall be applied as if the term ‘United  
40                  States’ included all possessions of the United States.

1                   “(ii) SPECIAL RULE FOR AGRICULTURAL LABOR AND RAILWAY LABOR.—In any  
2                   case to which subparagraph (A) or (B) of paragraph (1) of section 51(h) applies,  
3                   the term ‘wages’ has the meaning given to such term by section 51(h)(2).

4                   “(3) ALLOCABLE EMPLOYEE FRINGE BENEFIT EXPENSES.—

5                   “(A) IN GENERAL.—The allocable employee fringe benefit expenses of any qualified  
6                   corporation for any taxable year is an amount which bears the same ratio to the amount  
7                   determined under subparagraph (B) for such taxable year as—

8                   “(i) the aggregate amount of the qualified corporation’s qualified possession  
9                   wages for such taxable year, bears to

10                   “(ii) the aggregate amount of the wages paid or incurred by such qualified  
11                   corporation during such taxable year.

12                   In no event shall the amount determined under the preceding sentence exceed 15  
13                   percent of the amount referred to in clause (i).

14                   “(B) EXPENSES TAKEN INTO ACCOUNT.—For purposes of subparagraph (A), the  
15                   amount determined under this subparagraph for any taxable year is the aggregate  
16                   amount allowable (or, in the case of a foreign corporation, which would be allowable if  
17                   such foreign corporation were a domestic corporation) as a deduction under this  
18                   chapter to the qualified corporation for such taxable year with respect to—

19                   “(i) employer contributions under a stock bonus, pension, profit-sharing, or  
20                   annuity plan,

21                   “(ii) employer-provided coverage under any accident or health plan for  
22                   employees, and

23                   “(iii) the cost of life or disability insurance provided to employees.

24                   Any amount treated as wages under paragraph (2)(C) shall not be taken into account  
25                   under this subparagraph.

26                   “(d) Special Rule for Qualified Small Domestic Corporation.—For purposes of this section—

27                   “(1) INCREASED CREDIT PERCENTAGE.—In the case of a qualified small domestic  
28                   corporation, subsection (a) shall be applied by substituting ‘50 percent’ for ‘20 percent’.

29                   “(2) QUALIFIED SMALL DOMESTIC CORPORATION.—

30                   “(A) IN GENERAL.—The term ‘qualified small domestic corporation’ means a  
31                   qualified domestic corporation that meets the requirements of subparagraphs (B) and  
32                   (C).

33                   “(B) FULL-TIME EMPLOYMENT.—A qualified domestic corporation meets the  
34                   requirements of this subparagraph if the qualified corporation which is the qualified  
35                   domestic corporation under subsection (b)(1)(A) or the foreign corporation under  
36                   subsection (b)(1)(B)(i)—

37                   “(i) has at least 5 full-time employees in a possession of the United States for  
38                   each year in the 3-year period immediately preceding the close of the taxable year  
39                   (or for such part of such period immediately preceding the close of such taxable  
40                   year as may be applicable), and

1                   “(ii) has not more than a total of 30 full-time employees for each year in such  
2                   3-year period.

3                   “(C) GROSS RECEIPTS.—A qualified domestic corporation meets the requirements of  
4                   this subparagraph if the annual gross receipts of the qualified domestic corporation  
5                   (and all persons related thereto) for each year in such 3-year period is not more than  
6                   \$50,000,000.

7                   “(3) RELATED PERSONS.—In determining whether the limitations under subparagraphs  
8                   (B)(ii) and (C) of paragraph (2) are met, all persons who are treated as ~~related to the~~  
9                   ~~qualified domestic corporation~~ **a single employer** for purposes of subsection (a) or (b) of  
10                  section 52 shall be taken into account.

11                  “(4) AMOUNT OF WAGES TAKEN INTO ACCOUNT.—Subsection (c)(2)(A) shall be applied  
12                  by substituting ~~‘\$139,500’~~ **‘\$142,800’** for ‘\$50,000’.

13                  “(e) Possession of the United States.—

14                  “(1) IN GENERAL.—The term ‘possession of the United States’ means American Samoa,  
15                  the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico,  
16                  Guam, and the Virgin Islands.

17                  “(2) MIRROR CODE POSSESSIONS.—In the case of any possession of the United States with  
18                  a mirror code tax system (as defined in section 24(k)), this section shall not be treated as  
19                  part of the income tax laws of the United States for purposes of determining the income tax  
20                  law of such possession unless such possession elects to have this section be so treated.

21                  “(f) Separate Application to Each Possession.—For purposes of determining the amount of the  
22                  credit allowed under this section, this section shall be applied separately with respect to each  
23                  possession of the United States.

24                  “(g) Termination.—No credit shall be allowed under this section for any taxable year  
25                  beginning after December 31, 2031.”.

26                  (b) Credit Made Part of General Business Credit.—Subsection (b) of section 38, as amended  
27                  by the preceding provisions of this Act, is amended by striking “plus” at the end of paragraph  
28                  ~~(35)~~**(34)**, by striking the period at the end of paragraph ~~(36)~~**(35)** and inserting “, plus”, and by  
29                  adding at the end the following new paragraph:

30                  ~~“(37)”~~**“(36) the possessions economic activity credit determined under section 45V.”.**

31                  (c) Clerical Amendment.—The table of sections for subpart B of part IV of subchapter A of  
32                  chapter 1 is amended by adding at the end the following:

33                  “Sec.45V.Possessions ~~Economic Activity Credit.~~” **economic activity credit.”.**

34                  (d) Effective Date.—The amendments made by this section shall apply to taxable years  
35                  beginning after the date of the enactment of this Act, and in the case of a qualified corporation  
36                  that is a foreign corporation, to taxable years beginning after the date of enactment and to taxable  
37                  years of United States shareholders in which or with which such taxable years of foreign  
38                  corporations end.

39                  ~~SEC. 135702. ADDITIONAL NEW MARKETS TAX CREDIT~~

1 ~~ALLOCATIONS FOR THE TERRITORIES. 135402. TAX~~  
2 ~~TREATMENT OF CERTAIN ASSISTANCE TO~~  
3 ~~FARMERS, ETC.~~

4 (a) In General.—For purposes of the Internal Revenue Code of 1986, in the case of any  
5 payment described in section 1005(b) or 1006(e) of the American Rescue Plan Act of 2021  
6 (as amended by this Act)—

7 (1) such payment shall not be included in the gross income of the person on whose  
8 behalf, or to whom, such payment is made,

9 (2) no deduction shall be denied, no tax attribute shall be reduced, and no basis  
10 increase shall be denied, by reason of the exclusion from gross income provided by  
11 paragraph (1), and

12 (3) in the case of a partnership or S corporation on whose behalf, or to whom, such a  
13 payment is made—

14 (A) any amount excluded from income by reason of paragraph (1) shall be  
15 treated as tax exempt income for purposes of sections 705 and 1366 of such Code,  
16 and

17 (B) except as provided by the Secretary of the Treasury (or the Secretary's  
18 delegate), any increase in the adjusted basis of a partner's interest in a  
19 partnership under section 705 of such Code with respect to any amount described  
20 in subparagraph (A) shall equal the partner's distributive share of deductions  
21 resulting from interest that is part of such payment and the partner's share, as  
22 determined under section 752 of such Code, of principal that is part of such  
23 payment.

24 (b) Authority to Waive Certain Information Reporting Requirements.—The Secretary of  
25 the Treasury (or the Secretary's delegate) may provide an exception from any requirement  
26 to file an information return otherwise required by chapter 61 of the Internal Revenue  
27 Code of 1986 with respect to any amount excluded from gross income by reason of  
28 subsection (a).

29  
30 ~~\* 54 (a) In General.—Section 45D(f), as amended by the~~  
31 ~~preceding provisions of this Act, is amended by adding at the~~  
32 ~~end the following new paragraph:~~

33 ~~“(6) Additional allocations for possessions of the united~~  
34 ~~states.—~~

35 ~~“(A) In general.—In the case of each calendar year after 2021,~~  
36 ~~there is (in addition to the limitation under paragraph (1))—~~

1 ~~“(i) a new markets tax credit limitation of \$80,000,000 which~~  
2 ~~shall be allocated by the Secretary as provided in paragraph (2)~~  
3 ~~except that such limitation may only be allocated with respect to~~  
4 ~~low income communities located in Puerto Rico, and~~

5 ~~“(ii) a new markets tax credit limitation of \$20,000,000 which~~  
6 ~~shall be allocated by the Secretary as provided in paragraph (2)~~  
7 ~~except that such limitation may only be allocated with respect to~~  
8 ~~low income communities located in possessions of the United~~  
9 ~~States other than Puerto Rico.~~

10 ~~“(B) Carryover of unused limitation.—~~

11 ~~“(i) In general.— If the credit limitation under clause (i) or~~  
12 ~~clause (ii) of subparagraph (A) for any calendar year exceeds the~~  
13 ~~amount of such limitation allocated by the Secretary for such~~  
14 ~~calendar year, such limitation for the succeeding calendar year~~  
15 ~~shall be increased by the amount of such excess.~~

16 ~~“(ii) Limitation on carryover.— No amount of credit limitation~~  
17 ~~may be carried under clause (i) past the 5th calendar year~~  
18 ~~following the calendar year in which such amount of credit~~  
19 ~~limitation arose.~~

20 ~~“(iii) Transfer of expired possession limitation to general~~  
21 ~~limitation.— In the case of any amount of credit limitation which~~  
22 ~~would (but for clause (ii)) be carried under clause (i) to the 6th~~  
23 ~~calendar year following the calendar year in which such amount~~  
24 ~~of credit limitation arose, the new market tax credit limitation~~  
25 ~~under paragraph (1) for such 6th calendar year shall be increased~~  
26 ~~by the amount of such credit limitation.”.~~

27 ~~(b) Application of Inflation Adjustment.— Section 45D(f)(4), as~~  
28 ~~added and amended by the preceding provisions of this Act, is~~  
29 ~~amended by striking “paragraphs (1)(H) and (5)(A)” and~~

1 ~~inserting “paragraphs (1)(H), (5)(A), (6)(A)(i), and (6)(A)(ii)”.~~  
2 ~~(c) Effective Dates.—The amendments made by this section~~  
3 ~~shall apply to new markets tax credit limitation determined for~~  
4 ~~calendar years after December 31, 2021.~~

5 ~~Subtitle G—Green Energy~~

6 **\*\* 28 SEC. ~~135401~~ 135403. EXCLUSION OF AMOUNTS**  
7 **RECEIVED FROM STATE-BASED CATASTROPHE LOSS**  
8 **MITIGATION PROGRAMS.**

9 **\*\* 29** (a) In General.—Section 139 is amended by redesignating subsection (h) as subsection  
10 (i) and by inserting after subsection (g) the following new subsection:

11 **“(h) State-Based Catastrophe Loss Mitigation Programs.—**

12 **“(1) IN GENERAL.—Gross income shall not include any amount received by an**  
13 **individual as a qualified catastrophe mitigation payment under a program established**  
14 **by—**

15 **“(A) a State, or a political subdivision or instrumentality thereof,**

16 **“(B) a joint powers authority, or**

17 **“(C) an entity created under State law to ensure the availability of an adequate**  
18 **market of last resort for essential property insurance, over which a State agency**  
19 **or State department of insurance has regulatory oversight.**

20 **\*\* 30** **“(2) QUALIFIED CATASTROPHE MITIGATION PAYMENT.—**For purposes of this  
21 section, the term ‘qualified catastrophe mitigation payment’ means any amount which is  
22 received by an individual to make improvements to such individual’s residence for the sole  
23 purpose of reducing the damage that would be done to such residence by a windstorm,  
24 earthquake, or wildfire.

25 **\*\* 31** **“(3) NO INCREASE IN BASIS.—**Rules similar to the rules of subsection (g)(3) shall  
26 apply in the case of this subsection.”.

27 **(b) Conforming Amendments.—**

28 **\*\* 32** (1) Section 139(d) is amended by striking “and qualified” and inserting “, qualified  
29 catastrophe mitigation payments, and qualified”.

30 **\*\* 33** (2) Section 139(i) (as redesignated by subsection (a)) is amended by striking “or  
31 qualified” and inserting “, qualified catastrophe mitigation payment, or qualified”.

32 **\*\* 34** (c) Effective Date.—The amendments made by this section shall apply to ~~plan~~ **taxable**  
33 years beginning after December 31, ~~2022~~ **2020**.

34 **Subtitle F—Green Energy**



1 SEC. 136001. AMENDMENT OF 1986 CODE.

2 Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is  
3 expressed in terms of an amendment to, or repeal of, a section or other provision, the reference  
4 shall be considered to be made to a section or other provision of the Internal Revenue Code of  
5 1986.

6 PART 1—RENEWABLE ELECTRICITY AND REDUCING  
7 CARBON EMISSIONS

8 SEC. 136101. EXTENSION AND MODIFICATION OF  
9 CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN  
10 RENEWABLE RESOURCES.

11 (a) In General.—The following provisions of section 45(d) are each amended by striking  
12 “January 1, 2022” each place it appears and inserting “January 1, ~~2034~~ 2027”:

13 (1) Paragraph (2)(A).

14 (2) Paragraph (3)(A).

15 (3) Paragraph (4)(B).

16 (4) Paragraph (6).

17 (5) Paragraph (7).

18 (6) Paragraph (9).

19 (7) Paragraph (11)(B).

20 (b) **Base Credit Amount.**—Section 45 is amended by striking “1.5 cents” each place it  
21 appears and inserting “0.3 cents”.

22 (c) Application of Extension to Solar.—Section 45(d)(4)(A) is amended by striking “is placed  
23 in service before January 1, 2006” and inserting “the construction of which begins before  
24 January 1, ~~2034~~ 2027.”.

25 ~~(e)~~(d) Extension of Election to Treat Qualified Facilities as Energy Property.—Section  
26 48(a)(5)(C)(ii) is amended by striking “January 1, 2022” and inserting “January 1, ~~2034~~ 2027”.

27 ~~(d)~~(e) Application of Extension to Wind Facilities.—

28 (1) IN GENERAL.—Section 45(d)(1) is amended by striking “January 1, 2022” and  
29 inserting “January 1, ~~2034~~ 2027”.

30 (2) APPLICATION OF PHASEOUT PERCENTAGE.—

31 (A) RENEWABLE ELECTRICITY PRODUCTION CREDIT.—Section 45(b)(5)(~~D~~) is  
32 amended by inserting “placed in service before January 1, 2022” after “In the case of  
33 any facility”.

34 (B) ENERGY CREDIT.—Section 48(a)(5)(E)(~~iv~~) is amended by inserting “placed in  
35 service before January 1, 2022” after “In the case of any facility”.

1 (3) QUALIFIED OFFSHORE WIND FACILITIES UNDER ENERGY CREDIT.—Section  
2 48(a)(5)(F)(i) is amended by striking “offshore wind facility—” and all that follows and  
3 inserting the following: “offshore wind facility, subparagraph (E) shall not apply.”.

4 ~~(e) Percentage Phaseout of Credit.—Section 45(b) is amended by adding at the end the~~  
5 ~~following new paragraph:~~

6 ~~“(6) Percentage phaseout of credit.—In the case of any facility, the amount of the credit~~  
7 ~~determined under subsection (a) shall be reduced by—~~

8  
9 \* 35 ~~“(A) in the case of any facility the construction of which begins after December 31, 2031~~  
10 ~~and before January 1, 2033, 20 percent,~~

11  
12 \* 36 ~~“(B) in the case of any facility the construction of which begins after December 31, 2032~~  
13 ~~and before January 1, 2034, 40 percent, and~~

14 ~~“(C) in the case of any facility the construction of which begins after December 31, 2033, 100~~  
15 ~~percent.”.~~

16 (f) Wage and Apprenticeship Requirements.—Section 45(b) is amended by adding at the end  
17 the following new paragraphs:

18 ~~“(7) Base credit amount and increased”~~**(6) INCREASED CREDIT AMOUNT FOR QUALIFIED**  
19 **FACILITIES.—**

20 ~~“(A) IN GENERAL.—In the case of any qualified facility which does not satisfy~~  
21 **satisfies** the requirements of subparagraph (B), the amount of the credit determined  
22 under subsection (a) (determined after the application of paragraphs (1) through  
23 ~~(6))~~**(5))** shall be ~~20 percent of~~ **equal to** such amount **multiplied by 5** (determined  
24 without regard to this sentence).

25 ~~“(B) QUALIFIED FACILITY REQUIREMENTS.—A qualified facility increased credit~~  
26 ~~for certain facilities meeting project requirements.—~~

27 ~~“(i) In general.—In the case of any qualified facility which meets the project~~  
28 ~~requirements of this subparagraph, subparagraph (A) shall not apply.~~

29 ~~“(ii) Project requirements.—A project meets the requirements of this subparagraph~~  
30 ~~if it is one of the following:~~

31 ~~“(I)“(i) A project facility~~ with a maximum net output of less than 1 megawatt.

32 ~~“(II) A project which commences construction prior to the date of the~~  
33 ~~enactment of this paragraph.”~~**(ii) A facility the construction of which begins**  
34 **prior to the date that is 60 days after the Secretary publishes guidance with**  
35 **respect to the requirements of paragraphs (7) and (8).**

36 ~~“(III) A project”~~**(iii) A facility** which satisfies the requirements of paragraphs  
37 ~~(8)~~**(7) and (9)****(8).**

38 ~~“(8)“(7) PREVAILING WAGE REQUIREMENTS.—~~

39 ~~“(A) IN GENERAL.—The requirements described in this subparagraph with respect to~~

1 any qualified facility are that the taxpayer shall ensure that any laborers and mechanics  
2 employed by contractors and subcontractors in—

3 “(i) the construction of such facility, and

4  
5 \* 81 ~~“(ii) for the 10-year period beginning on the date the facility was~~  
6 ~~originally placed in service, the alteration or repair of such facility,~~

7  
8 \* 82 ~~shall be paid wages at rates not less than the prevailing rates for~~  
9 ~~construction, alteration, or repair of a similar character in the locality as most~~  
10 ~~recently determined by the Secretary of Labor, in accordance with subchapter IV~~  
11 ~~of chapter 31 of title 40, United States Code.~~

12 **“(ii) for the period of the taxable year which is within the 10-year period**  
13 **beginning on the date the facility was originally placed in service, the**  
14 **alteration or repair of such facility,**

15 **shall be paid wages at rates not less than the prevailing rates for construction,**  
16 **alteration, or repair of a similar character in the locality as most recently**  
17 **determined by the Secretary of Labor, in accordance with subchapter IV of**  
18 **chapter 31 of title 40, United States Code. For purposes of determining an**  
19 **increased credit amount under paragraph (6)(A) for a taxable year, the**  
20 **requirement under clause (ii) is applied to such taxable year in which the**  
21 **alteration or repair of the qualified facility occurs.”**

22 **“(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE**  
23 **REQUIREMENTS.—**

24 **“(i) IN GENERAL.—**In the case of any taxpayer which fails to satisfy the  
25 requirement under subparagraph (A) with respect to the construction of any  
26 qualified facility or with respect to the alteration or repair of a facility in any year  
27 during the period described in subparagraph (A)(ii), such taxpayer shall be  
28 deemed to have satisfied such requirement under such subparagraph with respect  
29 to such facility for any year if, with respect to any laborer or mechanic who was  
30 paid wages at a rate below the rate described in such subparagraph for any period  
31 during such year, such taxpayer—

32 **“(I) makes payment to such laborer or mechanic in an amount equal to the**  
33 **sum of—**

34 **“(aa) an amount equal to the difference ~~between~~ between—**

35 **“(AA) the amount of wages paid to such laborer or mechanic**  
36 **during such period, ~~and~~ and**

37 **~~“(AA)”~~“(BB) the amount of wages required to be paid to such**  
38 **laborer or mechanic pursuant to such subparagraph during such**  
39 **period, plus**

40 **~~“(BB)”~~“(bb) interest on the amount determined under item (aa) at the**

1 underpayment rate established under section 6621 (**determined by**  
2 **substituting ‘6 percentage points’ for ‘3 percentage points’ in**  
3 **subsection (a)(2) of such section**) for the period described in such item,  
4 and

5 “(II) makes payment to the Secretary of a penalty in an amount equal to  
6 the product of—

7 “(aa) \$5,000, multiplied by

8 “(bb) the total number of laborers and mechanics who were paid  
9 wages at a rate below the rate described in subparagraph (A) for any  
10 period during such year.

11 ~~“(ii) PENALTY ASSESSED AS TAX.—THE PENALTY DESCRIBED IN CLAUSE (I)(II)~~  
12 ~~SHALL BE TREATED IN THE SAME MANNER AS A PENALTY IMPOSED UNDER~~  
13 ~~SUBCHAPTER B OF CHAPTER 68. DEFICIENCY PROCEDURES NOT TO~~  
14 ~~APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for~~  
15 ~~income, estate, gift, and certain excise taxes) shall not apply with respect to~~  
16 ~~the assessment or collection of any penalty imposed by this paragraph.~~

17 ~~“(9)“(iii) INTENTIONAL DISREGARD.—If the Secretary determines that any~~  
18 ~~failure described in subclause (i) is due to intentional disregard of the~~  
19 ~~requirements under subparagraph (A), subclause (I) shall be applied by~~  
20 ~~substituting ‘three times the sum’ for ‘the sum’ in item (aa) thereof and~~  
21 ~~subclause (II) shall be applied by substituting ‘\$10,000’ for ‘5,000’ in item~~  
22 ~~(aa) thereof.~~

23 ~~“(iv) LIMITATION ON PERIOD FOR PAYMENT.—Pursuant to rules issued by~~  
24 ~~the Secretary which are similar to the rules under chapter 63, in the case of a~~  
25 ~~final determination by the Secretary with respect to any failure by the~~  
26 ~~taxpayer to satisfy the requirement under subparagraph (A), subparagraph~~  
27 ~~(B)(i) shall not apply unless the payments described in subclauses (I) and (II)~~  
28 ~~of such clause are made by the taxpayer on or before the date which is 180~~  
29 ~~days after the date of such determination.~~

30 **“(8) APPRENTICESHIP REQUIREMENTS.—**The requirements described in this subparagraph  
31 with respect to the construction of any qualified facility are as follows:

32 **“(A) LABOR HOURS.—**

33 ~~“(i) PERCENTAGE OF TOTAL LABOR HOURS.—ALL CONTRACTORS AND~~  
34 ~~SUBCONTRACTORS ENGAGED IN THE PERFORMANCE OF HOURS.—Taxpayers shall~~  
35 ~~ensure that not less than the applicable percentage of the total labor hours of~~  
36 ~~the construction, alteration, or repair work on any project (including such work~~  
37 ~~performed by any contractor or subcontractor) on any qualified facility shall,~~  
38 ~~subject to subparagraph (B), ensure that not less than the applicable percentage of~~  
39 ~~the total labor hours of such work be performed by qualified apprentices.~~

40 ~~“(ii) APPLICABLE PERCENTAGE.—For purposes of paragraph (1) clause (i), the~~  
41 ~~applicable percentage shall be—~~

42 ~~“(I) in the case of any applicable project a qualified facility the~~

1 construction of which begins before January 1, 2023, ~~5~~ **10** percent,

2 “(II) in the case of ~~any applicable project~~ **a qualified facility** the  
3 construction of which begins after December 31, 2022, and before January 1,  
4 2024, ~~10~~ **12.5** percent, and

5 “(III) in the case of ~~any applicable project~~ **a qualified facility** the  
6 construction of which begins after December 31, 2023, 15 percent.

7 “(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under  
8 subparagraph (A)(i) shall be subject to any applicable requirements for  
9 apprentice-to-journeyworker ratios of the Department of Labor or the applicable State  
10 apprenticeship agency.

11 “(C) PARTICIPATION.—Each contractor and subcontractor who employs 4 or more  
12 individuals to perform construction, alteration, or repair work on ~~an applicable project~~  
13 **a qualified facility** shall employ 1 or more qualified apprentices to perform such work.

14 “(D) EXCEPTION.—

15 “(i) ~~IN GENERAL.—NOTWITHSTANDING ANY OTHER PROVISION OF THIS~~  
16 ~~PARAGRAPH, THIS PARAGRAPH SHALL NOT APPLY IN THE CASE OF A TAXPAYER~~  
17 ~~WHO—~~ **GENERAL.—A taxpayer shall not be treated as failing to satisfy the**  
18 **requirements of this paragraph if such taxpayer—**

19 ~~“(I) demonstrates a lack of availability of qualified apprentices in the~~  
20 ~~geographic area of the construction, alteration, or repair work, and~~

21 ~~“(H)“(I)~~ **“(I)** makes a good faith effort to comply with the requirements of this  
22 paragraph, or

23 **“(II) subject to clause (iii), in the case of any failure by the taxpayer to**  
24 **satisfy the requirement under subparagraphs (A) and (C) with respect**  
25 **to the construction, alteration, or repair work on any qualified facility to**  
26 **which subclause (I) does not apply, makes payment to the Secretary of a**  
27 **penalty in an amount equal to the product of—**

28 **“(aa) \$50, multiplied by**

29 **“(bb) the total labor hours for which the requirement described**  
30 **in such subparagraph was not satisfied with respect to the**  
31 **construction, alteration, or repair work on such qualified facility.**

32 “(ii) GOOD FAITH EFFORT.—For purposes of clause (i), a taxpayer shall be  
33 deemed to have satisfied the requirements under such paragraph with respect to ~~an~~  
34 ~~applicable project~~ **a qualified facility** if such taxpayer has requested qualified  
35 apprentices from a registered apprenticeship program, as defined in section  
36 3131(e)(3)(B), ~~and and—~~

37 **“(I)** such request has been denied, provided that such denial is not the  
38 result of a refusal by the contractors or subcontractors engaged in the  
39 performance of construction, alteration, or repair work on such ~~applicable~~  
40 ~~project~~ **qualified facility** to comply with the established standards and  
41 requirements of ~~such~~ **the registered** apprenticeship program, **or**

1                   **“(II) the registered apprenticeship program fails to respond to such**  
2                   **request within 5 business days after the date on which such registered**  
3                   **apprenticeship program received such request.**

4                   **“(iii) INTENTIONAL DISREGARD.—If the Secretary determines that any**  
5                   **failure described in subclause (i)(II) is due to intentional disregard of the**  
6                   **requirements under subparagraphs (A) and (C), subclause (i)(II) shall be**  
7                   **applied by substituting ‘\$500’ for ‘\$50’ in item (aa) thereof.**

8                   **“(E) DEFINITIONS.—For purposes of this paragraph—**

9                   **“(i) LABOR HOURS.—The term ‘labor hours’—**

10                   **“(I) means the total number of hours devoted to the performance of**  
11                   **construction, alteration, or repair work by employees of the contractor or**  
12                   **subcontractor, taxpayer (including construction, alteration, or repair**  
13                   **work by any contractor or subcontractor), and**

14                   **“(II) excludes any hours worked by—**

15                   **“(aa) foremen,**

16                   **“(bb) superintendents,**

17                   **“(cc) owners, or**

18                   **“(dd) persons employed in a bona fide executive, administrative, or**  
19                   **professional capacity (within the meaning of those terms in part 541 of**  
20                   **title 29, Code of Federal Regulations).**

21                   **“(ii) QUALIFIED APPRENTICE.—The term ‘qualified apprentice’ means an**  
22                   **individual who is an employee of the contractor or subcontractor and who is**  
23                   **participating in a registered apprenticeship program, as defined in section**  
24                   **3131(e)(3)(B).**

25                   **“(10)“(9) DOMESTIC CONTENT BONUS CREDIT AMOUNT.—**

26                   **“(A) IN GENERAL.—In the case of any qualified facility which satisfies the**  
27                   **requirement under subparagraph (B), the amount of the credit determined under**  
28                   **subsection (a) (determined after the application of paragraphs (1) through ~~(9)~~(8)) shall**  
29                   **be increased by an amount equal to 10 percent of the amount otherwise in effect under**  
30                   **such subsection.**

31                   **“(B) REQUIREMENT.—**

32                   **“(i) IN GENERAL.—~~SUBJECT TO CLAUSE (III), THE GENERAL.—~~The requirement**  
33                   **described in this subclause with respect to any qualified facility is ~~that, prior to~~**  
34                   **~~the end of the taxable year in which such facility is placed in service, the taxpayer~~**  
35                   **~~shall certify to the Secretary that, satisfied if the taxpayer certifies to the~~**  
36                   ****Secretary (at such time, and in such form and manner, as the Secretary may****  
37                   ****prescribe) that any steel, iron, or manufactured product used in the construction****  
38                   ****which is a component of such facility (upon completion of construction) was****  
39                   ****produced in the United States.****

40                   **“(ii) STEEL AND IRON.—IN IRON.—**

1                   **“(I) IN GENERAL.—**In the case of steel or iron, clause (i) shall be applied  
2                   in a manner consistent with section 661.5(b) of title 49, Code of Federal  
3                   Regulations.

4                   **“(II) EXCEPTION.—**Subclause (I) shall not apply with respect to any  
5                   steel or iron which is used as a component or subcomponent of a  
6                   manufactured product which is not primarily made of steel or iron.

7                   **“(iii) MANUFACTURED PRODUCT.—**For purposes of clause (i), ~~a manufactured~~  
8                   ~~product~~ **the manufactured products which are components of a qualified**  
9                   **facility upon completion of construction** shall be deemed to have been  
10                  **manufactured produced** in the United States if not less than ~~55 percent of the~~  
11                  ~~total cost of the components of such product is attributable to components~~ **the**  
12                  **adjusted percentage of the total costs across all such manufactured products**  
13                  **of such facility are attributable to manufactured products (including**  
14                  **components)** which are mined, produced, or manufactured in the United States.

15                  ~~“(C) INTERNATIONAL AGREEMENTS.— THIS PARAGRAPH SHALL BE APPLIED IN A~~  
16                  ~~MANNER WHICH IS CONSISTENT WITH THE OBLIGATIONS OF THE UNITED STATES UNDER~~  
17                  ~~INTERNATIONAL AGREEMENTS. ADJUSTED PERCENTAGE.—~~

18                  ~~“(11) Penalty for direct pay.—~~**“(i) IN GENERAL.—**Subject to subclause (ii),  
19                  for purposes of subparagraph (B)(iii), the adjusted percentage shall be—

20                  **“(I) in the case of a facility the construction of which begins before**  
21                  **January 1, 2025, 40 percent,**

22                  \*\* 35 ~~“(A)“(II)~~ in the case of ~~any a~~ facility the construction of which  
23                  begins after December 31, ~~2034~~ **2024**, and before January 1, ~~2033, 20~~ **2026**,  
24                  **45 percent,**

25                  \*\* 36 ~~“(B)“(III)~~ in the case of ~~any a~~ facility the construction of which  
26                  begins after December 31, ~~2032~~ **2025**, and before January 1, ~~2034, 40~~ **2027**,  
27                  **50 percent, and**

28                  **“(IV) in the case of a facility the construction of which begins after**  
29                  **December 31, 2026, 55 percent.**

30                  **“(ii) OFFSHORE WIND FACILITY.—**For purposes of subparagraph (B)(iii), in  
31                  the case of a qualified facility which is an offshore wind facility, the adjusted  
32                  percentage shall be—

33                  **“(I) in the case of a facility the construction of which begins before**  
34                  **January 1, 2025, 20 percent,**

35                  \*\* 37 ~~“(iii)“(II)~~ in the case of ~~any property a~~ facility the construction of  
36                  which begins after December 31, ~~2034~~ **2024**, and before January 1, ~~2033, 26~~  
37                  **2026, 27.5 percent, and**

38                  \*\* 38 ~~“(iii)“(III)~~ in the case of ~~any property a~~ facility the construction of  
39                  which begins after December 31, ~~2034~~ **2025**, and before January 1, ~~2033, 26~~  
40                  **2027, 35 percent, and**

41                  **“(IV) in the case of a facility the construction of which begins after**

1                   **December 31, 2026, and before January 1, 2028, 45 percent, and**

2                   **“(V) in the case of a facility the construction of which begins after**  
3                   **December 31, 2027, 55 percent.**

4           **“(10) PHASEOUT FOR ELECTIVE PAYMENT.—**

5                   **“(A) IN GENERAL.—**In the case of a taxpayer making an election under section 6417  
6 with respect to a credit under this section, the amount of such credit shall be replaced  
7 with—

8                   **“(i) the value of such credit (determined without regard to this paragraph),**  
9                   **multiplied by**

10                   **“(ii) the applicable percentage.**

11                   **“(B) 100 PERCENT APPLICABLE PERCENTAGE FOR CERTAIN QUALIFIED FACILITIES.—**In  
12 the case of any qualified facility—

13                   **“(i) which satisfies the requirements under paragraph ~~(10)~~(9) with respect to the**  
14 **construction of such facility, or**

15                   **“(ii) with a maximum net output of less than 1 megawatt,**  
16 **the applicable percentage shall be 100 percent.**

17                   **“(C) PHASED DOMESTIC CONTENT REQUIREMENT.—**Subject to subparagraph (D), in  
18 the case of any qualified facility which is not described in subparagraph (B), the  
19 applicable percentage shall be—

20                   **“(i) if construction of such facility began before January 1, 2024, 100 percent,**

21                   **“(ii) if construction of such facility began in calendar year 2024, 90 percent,**

22                   **“(iii) if construction of such facility began in calendar year 2025, 85 percent,**  
23 **and**

24                   **“(iv) if construction of such facility began after December 31, 2025, 0 percent.**

25                   **“(D) EXCEPTIONS.—**~~IN ORDER TO FACILITATE THE USE OF AMOUNTS MADE~~  
26 ~~AVAILABLE IN THIS SECTION, INCREASE THE TAX INCENTIVES FOR INVESTMENT IN CLEAN~~  
27 ~~ENERGY, AND GROW THE DOMESTIC SUPPLY CHAINS~~ **EXCEPTION.—**

28                   **“(i) IN GENERAL.—****For purposes of this paragraph,** the Secretary shall  
29 provide appropriate exceptions to the ~~domestic content~~ requirements for products  
30 under subparagraph ~~(C)~~(B) for the construction of qualified facilities ~~if either~~ **if—**

31                   **“(I) the inclusion of domestic products increases the overall costs of**  
32 **projects construction of qualified facilities** by more than 25 percent, or

33                   **“(II) relevant manufactured domestic products are not produced in the**  
34 **United States in sufficient and reasonably available quantities or of a**  
35 **satisfactory quality.**

36                   **“(ii) APPLICABLE PERCENTAGE.—****In any case in which the Secretary**  
37 **provides an exception pursuant to clause (i), the applicable percentage shall**  
38 **be 100 percent.**



1           “(11) SPECIAL RULE FOR QUALIFIED FACILITY LOCATED IN ENERGY COMMUNITY.—

2                   “(A) IN GENERAL.—In the case of a qualified facility which is located in an  
3                   energy community, the credit determined under subsection (a) shall be increased  
4                   by an amount equal to 10 percent of the amount otherwise in effect under such  
5                   subsection (without application of subsection (b)(9)).

6                   “(B) ENERGY COMMUNITY.—The term ‘energy community’ means a census  
7                   tract or any directly adjoining census tract in which—

8                           “(i) after December 31, 1999, a coal mine has closed, or

9                           “(ii) after December 31, 2009, a coal-fired electric generating unit has been  
10                          retired.

11           “(12) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other  
12           guidance as the Secretary determines necessary or appropriate to carry out the purposes of  
13           this subsection.”. **subsection, including regulations or other guidance which provides**  
14           **for requirements for recordkeeping or information reporting for purposes of**  
15           **establishing the requirements of this subsection.”.**

16           ~~(g) Effective Date.—The amendments made by this section shall apply to facilities placed in~~  
17           ~~service after December 31, 2021.~~ **(g) Credit Reduced for Tax-exempt Bonds.—Section**  
18           **45(b)(3) is amended to read as follows:**

19                   “(3) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—The amount of the credit  
20                   determined under subsection (a) with respect to any facility for any taxable year  
21                   (determined after the application of paragraphs (1) and (2)) shall be reduced by the  
22                   amount which is the product of the amount so determined for such year and the lesser  
23                   of 15 percent or a fraction—

24                           “(A) the numerator of which is the sum, for the taxable year and all prior  
25                           taxable years, of proceeds of an issue of any obligations used to provide financing  
26                           for the qualified facility the interest on which is exempt from tax under section  
27                           103, and

28                           “(B) the denominator of which is the aggregate amount of additions to the  
29                           capital account for the qualified facility for the taxable year and all prior taxable  
30                           years.

31           The amounts under the preceding sentence for any taxable year shall be determined as  
32           of the close of the taxable year.”.

33           **(h) Rounding Adjustment.—Section 45(b)(2) is amended by striking “If any amount as**  
34           **increased under the preceding sentence is not a multiple of 0.1 cent, such amount shall be**  
35           **rounded to the nearest multiple of 0.1 cent” and inserting “If the 0.3 cent amount as**  
36           **increased under the preceding sentence is not a multiple of 0.05 cent, such amount shall be**  
37           **rounded to the nearest multiple of 0.05 cent. In any other case, if an amount as increased**  
38           **under this paragraph is not a multiple of 0.1 cent, such amount shall be rounded to the**  
39           **nearest multiple of 0.1 cent”.**

40           **(i) Conforming Amendment.—Section 45(b)(4)(A) is amended by striking “last sentence”**  
41           **and inserting “last two sentences”.**

1 (j) Effective Dates.—

2 \*\* 39 (1) The amendments made by subsections (a), (b), (c), (d), (e), (f), ~~(g)~~, (h), and  
3 ~~(h)~~(i) of this section shall apply to ~~property~~ facilities placed in service after December 31,  
4 2021.

5 \*\* 40 ~~(1) Extension.—The~~(2) The amendment made by subsection ~~(a)~~(g) shall apply to  
6 facilities the construction of which begins after December 31, ~~2025~~ 2021.

7 SEC. 136102. EXTENSION AND MODIFICATION OF  
8 ENERGY CREDIT.

9 (a) Extension of Credit.—The following provisions of section 48 are each amended by striking  
10 “January 1, 2024” each place it appears and inserting “January 1, ~~2034~~: 2027”:

11 ~~(1) Subsection (a)(2)(A)(i)(II).~~

12 (2) Subsection (a)(3)(A)(ii).

13 ~~(2) Subsection (a)(3)(A)(vii).~~

14 (3) Subsection (c)(1)(D).

15 (4) Subsection (c)(2)(D).

16 (5) Subsection (c)(4)(C).

17 (b) Further Extension for Certain Energy Property.—The following provisions of section  
18 48 are each amended by striking “January 1, 2024” each place it appears and inserting  
19 “January 1, 2034”:

20 (1) Subsection (a)(3)(A)(vii).

21 (2) Subsection (c)(3)(A)(iv).

22 ~~(6) Subsection (e)(4)(C).~~

23 ~~(b)(c)~~(c) Phaseout of Credit.—Section 48(a) is amended by striking paragraphs (6) and (7) and  
24 inserting the following new paragraphs: paragraph:

25 “~~(6) Phaseout for solar energy property.—~~

26 “(A) In general.—Subject to subparagraph (B), in the case of any “(6) PHASEOUT FOR  
27 CERTAIN ENERGY PROPERTY.—In the case of any qualified fuel cell property, qualified  
28 small wind property, or energy property described in clause (i) or clause (ii) of paragraph  
29 (3)(A) ~~(i)~~ the construction of which begins after December 31, 2019 and which is placed  
30 in service before January 1, ~~2034~~ 2022, the energy percentage determined under paragraph  
31 (2) shall be equal ~~to~~ to 26 percent.”.

32 (d) Base Energy Percentage Amount.—Section 48(a) is amended—

33 (1) in paragraph (2)(A)—

34 (A) in clause (i), by striking “30 percent” and inserting “6 percent”, and

35 (B) in clause (ii), by striking “10 percent” and inserting “2 percent”, and

36 (2) in paragraph (5)(A)(ii), by striking “30 percent” and inserting “6 percent”.

1 (e) 6 Percent Credit for Geothermal.—Section 48(a)(2)(A)(i)(II) is amended by striking  
2 “paragraph (3)(A)(i)” and inserting “clause (i) or (iii) of paragraph (3)(A)”.

3  
4 \* 41 ~~“(i) in the case of any property the construction of which begins after December 31,~~  
5 ~~2019, and which is placed in service before January 1, 2022, 26 percent,~~

6  
7 \* 42 ~~“(ii) in the case of any property the construction of which begins before January 1, 2032,~~  
8 ~~and which is placed in service after December 31, 2021, 30 percent,~~

9  
10 \* 37 ~~“(iii) in the case of any property the construction of which begins after December 31,~~  
11 ~~2031 and before January 1, 2033, 26 percent, and~~

12  
13 \* 43 ~~“(iv) in the case of any property the construction of which begins after December 31,~~  
14 ~~2032 and before January 1, 2034, 22 percent.~~

15 “(B) Placed in service deadline.—In the case of any energy property described in paragraph  
16 (3)(A)(i) the construction of which begins before January 1, 2034, and which is not placed in  
17 service before January 1, 2036, the energy percentage determined under paragraph (2) shall be  
18 equal to 10 percent.

19 “(7) Phaseout for certain other energy property.—

20 “(A) In general.—Subject to subparagraph (B), in the case of any qualified fuel cell property,  
21 qualified small wind property, waste energy recovery property, or energy property described in  
22 paragraph (3)(A)(ii), the energy percentage determined under paragraph (2) shall be equal to—

23 ~~“(i) in the case of any property the construction of which begins after December 31, 2019, and~~  
24 ~~which is placed in service before January 1, 2022, 26 percent,~~

25 ~~“(ii) in the case of any property the construction of which begins before January 1, 2032, and~~  
26 ~~which is placed in service after December 31, 2021, 30 percent,~~

27  
28 \* 38 ~~“(iii) in the case of any property the construction of which begins after December 31,~~  
29 ~~2031 and before January 1, 2033, 26 percent, and~~

30  
31 \* 44 ~~“(iv) in the case of any property the construction of which begins after December 31,~~  
32 ~~2032 and before January 1, 2034, 22 percent.~~

33 “(B) Placed in service deadline.—In the case of any energy property described in  
34 subparagraph (A) which is not placed in service before January 1, 2036, the energy percentage  
35 determined under paragraph (2) shall be equal to 0 percent.”.

36 (e) 30 Percent Credit for Solar and Geothermal.—

37 (1) Extension for solar.—Section 48(a)(2)(A)(i)(II) is amended by striking “January 1, 2024”  
38 and inserting “January 1, 2034”.

1       (2) Application to geothermal.—

2       (A) In general.— Paragraphs (2)(A)(i)(II), (6)(A), and (6)(B) of section 48(a) are each  
3 amended by striking “paragraph (3)(A)(i)” and inserting “clause (i), (iii), or (vii) of paragraph  
4 (3)(A)”.

5       (B) Conforming amendment.—The heading of section 48(a)(6) is amended by inserting “and  
6 geothermal” after “solar energy”.

7       ~~(d)~~(f) Energy Storage Technologies; Qualified Biogas Property; Microgrid Controllers;  
8 Extension of Waste Energy Recovery Property.—

9           (1) IN GENERAL.—Section 48(a)(3)(A) is amended by striking “or” at the end of clause  
10 (vii), and by adding at the end the following new clauses:

11                   ~~“(viii)”~~“(ix) energy storage technology,

12                   ~~“(ix)”~~“(x) qualified biogas property, or

13                   ~~“(x)”~~“(xi) microgrid controllers.”.

14           (2) APPLICATION OF ~~30~~ 6 PERCENT CREDIT.—Section 48(a)(2)(A)(i) is amended by  
15 striking “and” at the end of subclauses (IV) and (V) and adding at the end the following  
16 new subclauses:

17                   “(VI) energy storage technology,

18                   “(VII) qualified biogas property, ~~and~~

19  
20                   “(VIII) microgrid controllers, ~~and~~” **and**

21                   (3) Application of phaseout.—Section 48(a)(7) is amended by inserting  
22 “energy storage technology, qualified biogas property, microgrid controllers,”  
23 after “waste energy recovery property.”. **“(IX) energy property described in**  
24 **clauses (v) and (vii) of paragraph (3)(A), and”.**

25       ~~(4)~~(3) DEFINITIONS.—Section 48(c) is amended by adding at the end the following new  
26 paragraphs:

27       “(6) ENERGY STORAGE TECHNOLOGY.—

28           “(A) IN GENERAL.—The term ‘energy storage technology’ means **equipment**  
29 **property** (other than **equipment property** primarily used in the transportation of goods  
30 or individuals and not for the production of electricity) which ~~uses batteries,~~  
31 ~~compressed air, pumped hydropower, hydrogen storage, thermal energy storage,~~  
32 ~~regenerative fuel cells, flywheels, capacitors, superconducting magnets, or other~~  
33 ~~technologies identified by the Secretary, after consultation with the Secretary of~~  
34 ~~Energy, to store~~ **receives, stores, and delivers** energy for conversion to electricity (or,  
35 in the case of hydrogen storage, ~~to store,~~ **which stores** energy), and has a **nameplate**  
36 capacity of not less than 5 kilowatt hours.

37           “(B) MODIFICATIONS OF CERTAIN PROPERTY.—In the case of any equipment which  
38 either—

39                   “(i) would be described in subparagraph (A) except that such equipment has a

1 capacity of less than 5 kilowatt hours **and** is modified such that such equipment  
2 (after such modification) has a **nameplate** capacity of not less than 5 kilowatt  
3 hours, or

4 “(ii) is described in subparagraph (A) and which has a capacity of not less than  
5 5 kilowatt hours and is modified such that such equipment (after such  
6 modification) has an increased **nameplate** capacity,

7 such equipment shall be treated as described in subparagraph (A) except that the basis  
8 of any property which was part of such equipment before such modification shall not  
9 be taken into account for purposes of this section. In the case of any property to which  
10 this subparagraph applies, subparagraph (C) shall be applied by substituting  
11 ‘modification’ for ‘construction’.

12 “(C) TERMINATION.—The term ‘energy storage technology’ shall not include any  
13 property the construction of which does not begin before January 1, ~~2034~~ **2027**.

14 “(7) QUALIFIED BIOGAS PROPERTY.—

15 “(A) IN GENERAL.—The term ‘qualified biogas property’ means property comprising  
16 a system which—

17 “(i) converts biomass (as defined in section 45K(c)(3), as in effect on the date  
18 of enactment of this paragraph) into a gas which—

19 “(I) consists of not less than 52 percent methane **by volume**, or

20 “(II) is concentrated by such system into a gas which consists of not less  
21 than 52 percent methane, and

22 “(ii) captures such gas for **sale or** productive use, **and not for disposal via**  
23 **combustion**.

24 “(B) INCLUSION OF CLEANING AND CONDITIONING PROPERTY.—The term ‘qualified  
25 biogas property’ includes any property which is part of such system which cleans or  
26 conditions such gas.

27 “(C) TERMINATION.—The term ‘qualified biogas property’ shall not include any  
28 property the construction of which does not begin before January 1, ~~2034~~ **2027**.

29 “(8) MICROGRID CONTROLLER.—

30 “(A) IN GENERAL.—The term ‘microgrid controller’ means equipment which is—

31 “(i) part of a qualified microgrid, and

32 “(ii) designed and used to monitor and control the energy resources and loads  
33 on such microgrid ~~to maintain acceptable frequency, voltage, or economic~~  
34 ~~dispatch~~.

35 “(B) QUALIFIED MICROGRID.—The term ‘qualified microgrid’ means an electrical  
36 system which—

37 “(i) includes equipment which is capable of generating not less than 4 kilowatts  
38 and not greater than 20 megawatts of electricity,

39 “(ii) is capable of operating—

1 “(I) in connection with the electrical grid and as a single controllable  
2 entity with respect to such grid, and

3 “(II) independently (and disconnected) from such grid, and

4 “(iii) is not part of a bulk-power system (as defined in section 215 of the  
5 Federal Power Act (16 U.S.C. 24o)).

6 “(C) TERMINATION.—The term ‘microgrid controller’ shall not include any property  
7 the construction of which does not begin before January 1, ~~2034.~~ **2027.**”.

8 ~~(5)~~**(4) DENIAL OF DOUBLE BENEFIT FOR QUALIFIED BIOGAS PROPERTY.**—Section 45(e) is  
9 amended by adding at the end the following new paragraph:

10 “(12) COORDINATION WITH ENERGY CREDIT FOR QUALIFIED BIOGAS PROPERTY.—The term  
11 ‘qualified facility’ shall not include any facility which produces electricity from gas  
12 produced by qualified biogas property (as defined in section 48(c)(7)) if a credit is  
13 determined under section 48 with respect to such property for the taxable year or any prior  
14 taxable year.”.

15 ~~(6)~~**(5) EXTENSION OF WASTE ENERGY RECOVERY PROPERTY.**—Section 48(c)(5)(D) is  
16 amended by striking “January 1, 2024” and inserting “January 1, 2034”.

17 **(6) PHASEOUT OF CERTAIN OTHER ENERGY PROPERTY.**—Section 48(a) is amended by  
18 adding at the end the following new paragraph:

19 “(7) PHASEOUT FOR CERTAIN OTHER ENERGY PROPERTY.—In the case of any energy  
20 property described in clause (v), (vii) or (viii) of paragraph (3)(A), the energy  
21 percentage determined under paragraph (2) shall be equal to—~~(e) Fuel Cells Using~~  
22 ~~Electromechanical Processes.~~—

23 \*\* 41 ~~(i)~~**(A)** in the case of any property **described in paragraph (3)(A)(viii)** the  
24 construction of which begins after December 31, 2019, and which is placed in service  
25 before January 1, 2022, 26 percent,

26 \*\* 42 ~~(ii)~~**(B)** in the case of any property the construction of which begins before  
27 January 1, 2032, and which is placed in service after December 31, 2021, ~~30~~ **6** percent,

28 \*\* 43 ~~(iv)~~**(C)** in the case of any property the construction of which begins after  
29 December 31, ~~2032~~ **2031** and before January 1, ~~2034,~~ **22 2033, 5.2** percent, **and:**

30 \*\* 44 ~~(iv)~~**(D)** in the case of any property the construction of which begins after  
31 December 31, 2032 and before January 1, 2034, ~~22~~ **percent 4.4 percent.**”.

32 **(g) Fuel Cells Using Electromechanical Processes.**—

33 (1) IN GENERAL.—Section 48(c)(1) is amended—

34 (A) in subparagraph (A)(i)—

35 (i) by inserting “or electromechanical” after “electrochemical”, and

36 (ii) by inserting “(1 kilowatts **kilowatt** in the case of a fuel cell power plant  
37 with a linear generator assembly)” after “0.5 kilowatt”, and

38 (B) in subparagraph (C)—

1 (i) by inserting “, or linear generator assembly,” after “a fuel cell stack  
2 assembly”, and

3 (ii) by inserting “or electromechanical” after “electrochemical”.

4 (2) LINEAR GENERATOR ASSEMBLY LIMITATION.—Section 48(c)(1) is amended by  
5 redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C)  
6 the following new subparagraph:

7 “(D) LINEAR GENERATOR ASSEMBLY.—The term ‘linear generator assembly’ does  
8 not include any assembly which contains rotating parts.”.

9 ~~(h)~~(h) Dynamic Glass.—Section 48(a)(3)(A)(ii) is amended by inserting “, or electrochromic  
10 glass which uses electricity to change its light transmittance properties in order to heat or cool a  
11 structure,” after “sunlight”.

12 ~~(g)~~(i) Coordination With Low Income Housing Tax Credit.—Paragraph (3) of section 50(c) of  
13 the Internal Revenue Code of 1986 is amended—

14 (1) by striking “and” at the end of subparagraph (A),

15 (2) by striking the period at the end of subparagraph (B) and inserting “, and”, and

16 (3) by adding at the end the following new subparagraph:

17 “(C) paragraph (1) shall not apply for purposes of determining eligible basis under  
18 section 42.”.

19 (j) Interconnection Property.—Section 48(a) is amended by adding at the end the  
20 following new paragraph:

21 “(8) INTERCONNECTION PROPERTY.—

22 “(A) IN GENERAL.—For purposes of determining the credit under subsection  
23 (a), energy property shall include amounts paid or incurred by the taxpayer for  
24 qualified interconnection property in connection with the installation of energy  
25 property (described in paragraph (3)(A)) which has a maximum net output of not  
26 greater than 5 megawatts, to provide for the transmission or distribution of the  
27 electricity produced or stored by such property, and which are properly  
28 chargeable to the capital account of the taxpayer.

29 “(B) QUALIFIED INTERCONNECTION PROPERTY.—The term ‘qualified  
30 interconnection property’ means, with respect to an energy project which is not a  
31 microgrid controller, any tangible property—

32 \*\* 45 ~~(f)~~(i) which is part of an addition, modification, or upgrade to a  
33 transmission or distribution system which is required at or beyond the point at  
34 which the ~~qualified facility~~ energy project interconnects to such transmission or  
35 distribution system in order to accommodate such interconnection,

36 “(ii) either—

37 “(I) which is constructed, reconstructed, or erected by the taxpayer,  
38 or

39 \*\* 46 ~~(bb)~~(II) for which the cost with respect to the construction,

1 reconstruction, or erection of such property is paid or incurred by such  
2 taxpayer, and

3 ~~\*\* 47~~ ~~“(H)”~~ **“(iii)** the original use of which, pursuant to an interconnection  
4 agreement, commences with ~~the~~ **a** utility.

5 ~~\*\* 48~~ ~~“(ii)”~~ **“(C) INTERCONNECTION AGREEMENT.**—The term ‘interconnection  
6 agreement’ means an agreement with a utility for the purposes of interconnecting the  
7 ~~qualified facility~~ **energy property** owned by such taxpayer to the transmission or  
8 distribution system of such utility.

9 **“(D) UTILITY.**—The term ‘utility’ means the owner or operator of an electrical  
10 transmission or distribution system which is subject to the regulatory authority of  
11 a State or political subdivision thereof, any agency or instrumentality of the  
12 United States, a public service or public utility commission or other similar body  
13 of any State or political subdivision thereof, or the governing or ratemaking body  
14 of an electric cooperative.

15 ~~\*\* 49~~ ~~“(C)”~~ **“(E) SPECIAL RULE FOR INTERCONNECTION PROPERTY.**—In the case of  
16 expenses paid or incurred for interconnection property, amounts otherwise chargeable  
17 to capital account with respect to such expenses shall be reduced under rules similar to  
18 the rules of section ~~50(e)~~ **50(c).**”.

19 ~~(h)~~ **(k)** Wage and Apprenticeship Requirements.—Section 48(a) is amended by adding at the  
20 end the following new paragraphs:

21 ~~“(8) Base credit amount and increased~~ **“(9) INCREASED CREDIT AMOUNT FOR ENERGY**  
22 **PROJECTS.**—

23 **“(A) IN GENERAL.**—

24 **“(i) RULE.**—In the case of any energy project which ~~does not satisfy~~ **satisfies**  
25 the requirements of subparagraph (B), the amount of the credit determined under  
26 this subsection (determined after the application of paragraphs (1) through ~~(7)~~ **(8)**)  
27 shall be ~~20 percent of~~ **equal to** such amount **multiplied by 5** (determined without  
28 regard to this sentence).

29 **“(ii) ENERGY PROJECT DEFINED.**—For purposes of this subsection the term  
30 ‘energy project’ means a project consisting of ~~multiple~~ **one or more** energy  
31 properties that are part of a single project. The requirements of this paragraph  
32 shall be applied to such project.

33 ~~“(B) Increased credit for energy projects meeting project requirements.~~—

34 ~~“(i) In general.~~—In the case of any energy project which meets the project  
35 requirements of this subparagraph, subparagraph (A) shall not apply.

36 ~~“(ii) PROJECT REQUIREMENTS.~~—A project meets the requirements of this  
37 subparagraph if it is one of the following:

38 ~~“(I)”~~ **“(i)** A project with a maximum net output of less than 1 megawatt of  
39 **electrical or thermal energy.**

40 **“(ii) A project the construction of which begins before the date that is 60**



1                   days after the Secretary publishes guidance with respect to the requirements  
2                   of paragraphs (10) and (11).

3                   “(iii)-

4                   ~~“(II) A project which commences construction prior to the date of the~~  
5                   ~~enactment of this paragraph.~~

6                   ~~“(III) A project which satisfies the requirements of paragraphs (9) and (10) and~~  
7                   ~~(11).~~

8                   “(10)-

9                   ~~“(9) PREVAILING WAGE REQUIREMENTS.—~~

10                   ~~“(A) IN GENERAL.—The requirements described in this subparagraph with respect to~~  
11                   ~~any energy project are that the taxpayer shall ensure that any laborers and mechanics~~  
12                   ~~employed by contractors and subcontractors in—~~

13                   ~~“(i) the construction of such energy project, and~~

14                   ~~“(ii) for any the five-year during the period beginning on the date any energy-~~  
15                   ~~property of such project is originally placed in service, the alteration or repair of~~  
16                   ~~such property project,~~

17                   shall be paid wages at rates not less than the prevailing rates for construction,  
18                   alteration, or repair of a similar character in the locality as most recently determined by  
19                   the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40,  
20                   United States Code.

21                   ~~“(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE~~  
22                   ~~REQUIREMENTS.— A TAXPAYER SHALL NOT BE TREATED AS FAILING TO SATISFY THE~~  
23                   ~~REQUIREMENTS OF THIS PARAGRAPH IF SUCH TAXPAYER MEETS REQUIREMENTS SIMILAR~~  
24                   ~~TO THE REQUIREMENTS OF SECTION 45(B)(8)(B). REQUIREMENTS.— Rules similar to~~  
25                   ~~the rules of clauses (i) through (iv) of section 45(b)(7)(B) shall apply.~~

26                   ~~“(10) Apprenticeship requirements.— The requirements described in this~~  
27                   ~~subparagraph with respect to the construction of any applicable facility are as follows:~~

28                   ~~“(A) Labor hours.—~~

29                   ~~“(i) Percentage of total labor hours.— All contractors and subcontractors engaged in~~  
30                   ~~the performance of construction, alteration, or repair work on any applicable facility~~  
31                   ~~prior to such facility being placed into service shall, subject to subparagraph (B),~~  
32                   ~~ensure that not less than the applicable percentage of the total labor hours of such work~~  
33                   ~~be performed by qualified apprentices.~~

34                   ~~“(ii) Applicable percentage.— For purposes of paragraph (1), the applicable~~  
35                   ~~percentage shall be —~~

36                   ~~“(I) in the case of any applicable project the construction of which begins before~~  
37                   ~~January 1, 2023, 5 percent,~~

38                   ~~“(II) in the case of any applicable project the construction of which begins after~~  
39                   ~~December 31, 2022, and before January 1, 2024, 10 percent, and~~

1           ~~“(H) in the case of any applicable project the construction of which begins after~~  
2           ~~December 31, 2023, 15 percent.~~

3           ~~“(B) Apprentice to journeyworker ratio.—The requirement under subparagraph~~  
4           ~~(A)(i) shall be subject to any applicable requirements for apprentice to journeyworker~~  
5           ~~ratios of the Department of Labor or the applicable State apprenticeship agency.~~

6           ~~“(C) Participation.—Each contractor and subcontractor who employs 4 or more~~  
7           ~~individuals to perform construction, alteration, or repair work on an applicable project~~  
8           ~~shall employ 1 or more qualified apprentices to perform such work.~~

9           ~~“(D) Exception.—~~

10           ~~“(i) In general.—Notwithstanding any other provision of this paragraph, this~~  
11           ~~paragraph shall not apply in the case of a taxpayer who—~~

12           ~~“(I) demonstrates a lack of availability of qualified apprentices in the geographic~~  
13           ~~area of the construction, alteration, or repair work, and~~

14           ~~“(II) makes a good faith effort to comply with the requirements of this paragraph.~~

15           ~~“(ii) Good faith effort.—For purposes of clause (i), a taxpayer shall be deemed to~~  
16           ~~have satisfied“(C) RECAPTURE.—The Secretary shall, by regulations or other~~  
17           ~~guidance, provide for recapturing the benefit of any increase in the credit allowed~~  
18           ~~under this subsection by reason of this paragraph with respect to any project~~  
19           ~~which does not satisfy the requirements under such paragraph with respect to an~~  
20           ~~applicable project if such taxpayer has requested qualified apprentices from a~~  
21           ~~registered apprenticeship program, as defined in section 3131(e)(3)(B), and such~~  
22           ~~request has been denied, provided that such denial is not the result of a refusal by the~~  
23           ~~contractors or subcontractors engaged in the performance of construction, alteration, or~~  
24           ~~repair work on such applicable project to comply with the established standards and~~  
25           ~~requirements of such apprenticeship program. subparagraph (A) (after application~~  
26           ~~of subparagraph (B)) for the period described in clause (ii) of subparagraph (A)~~  
27           ~~(but which does not cease to be investment credit property within the meaning of~~  
28           ~~section 50(a)). The period and percentage of such recapture shall be determined~~  
29           ~~under rules similar to the rules of section 50(a).~~

30           ~~“(E) Definitions.—For purposes of this paragraph—“(11) APPRENTICESHIP~~  
31           ~~REQUIREMENTS.—Rules similar to the rules of section 45(b)(8) shall apply.~~

32           ~~“(i) Labor hours.—The term ‘labor hours’ has the meaning given such term in section~~  
33           ~~45(b)(9)(E)(i).~~

34           ~~“(ii) Qualified apprentice.—The term ‘qualified apprentice’ has the meaning given such~~  
35           ~~term in section 45(b)(9)(E)(ii).~~

36           ~~“(11)“(12) DOMESTIC CONTENT BONUS CREDIT AMOUNT.—~~

37           ~~“(A) IN GENERAL.—In the case of any energy project which satisfies the~~  
38           ~~requirements requirement under subparagraph (B), for purposes of applying~~  
39           ~~paragraph (2) with respect to such property, the energy percentage in subsection~~  
40           ~~(a)(2) shall be increased by the applicable rate in subparagraph (C).~~

41           ~~“(B) Requirements.—~~

1           ~~“(i) In general.—The requirement described in this subclause with respect to any~~  
2 ~~energy project is satisfied if the taxpayer certifies to the Secretary (at such time, and in~~  
3 ~~such form and manner, as the Secretary may prescribe) that the facility is composed of~~  
4 ~~steel, iron, or manufactured products which were produced in the United States.~~

5           ~~“(ii) Steel and iron.—In the case of steel or iron, clause (i) shall be applied in a~~  
6 ~~manner consistent with section 661.5(b) of title 49, Code of Federal Regulations.~~

7           ~~“(iii) Manufactured product.—For purposes of clause (i), a manufactured product~~  
8 ~~shall be deemed to have been manufactured in the United States if not less than 55-~~  
9 ~~percent of the total cost of the components of such product is attributable to~~  
10 ~~components which are mined, produced, or manufactured in the United States.~~

11           ~~“(C) Applicable credit rate increase.~~

12           **“(B) REQUIREMENT.—Rules similar to the rules of section 45(b)(9)(B) shall**  
13 **apply.**

14           **“(C) APPLICABLE CREDIT RATE INCREASE.—For purposes of subparagraph (A),**  
15 **the applicable credit rate increase shall be—**

16                   **“(i) in the case of an energy project that does not satisfy the requirements**  
17 **of paragraph (9)(B), 2 percentage points, and**

18                   **“(ii) in the case of an energy project that satisfies the requirements of**  
19 **paragraph (9)(B), 10 percentage points.**

20           **“(13) PHASEOUT FOR ELECTIVE PAYMENT.—Rules similar to the rules of section**  
21 **45(b)(10) shall apply.**

22           **“(14) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or**  
23 **other guidance as the Secretary determines necessary or appropriate to carry out the**  
24 **purposes of this subsection, including regulations or other guidance which provides**  
25 **for requirements for recordkeeping or information reporting for purposes of**  
26 **establishing the requirements of this subsection.”.**

27           **(l) Special Rule for Property Financed by Tax-exempt Bonds.—Section 48(a)(4) is**  
28 **amended to read as follows:**

29                   **“(4) SPECIAL RULE FOR PROPERTY FINANCED BY TAX-EXEMPT BONDS.—Rules similar**  
30 **to the rule under section 45(b)(3) shall apply for purposes of this section.”.**

31           **(m) Treatment of Certain Contracts Involving Energy Storage.—Section 7701(e) is**  
32 **amended—**

33                   **(1) in paragraph (3)—**

34                           **(A) in subparagraph (A)(i), by striking “or” at the end of subclause (II), by**  
35 **striking “and” at the end of subclause (III) and inserting “or”, and by adding at**  
36 **the end the following new subclause:**

37                                   **“(IV) the operation of a storage facility, and”, and**

38                           **(B) by adding at the end the following new subparagraph:**

39                                   **“(F) STORAGE FACILITY.—For purposes of subparagraph (A), the term ‘storage**

1 facility' means a facility which uses energy storage technology within the meaning  
2 of section 48(c)(6).”, and

3 (2) in paragraph (4), by striking “or water treatment works facility” and inserting  
4 “water treatment facility, or storage facility”.

5 (n) Increase in Credit Rate for Energy Communities.—Section 48(a) is amended by  
6 adding at the end the following new paragraph:

7 “(15) INCREASE IN CREDIT RATE FOR ENERGY COMMUNITIES.—

8 “(A) IN GENERAL.—In the case of any energy project that is placed in service  
9 within an energy community (as defined in section 45(b)(11)(B)), for purposes of  
10 applying paragraph (2) with respect to such property, the energy percentage shall  
11 be increased by the applicable credit rate increase.

12 “(B) APPLICABLE CREDIT RATE INCREASE.—For purposes of subparagraph (A), the  
13 applicable credit rate increase shall be an amount equal to—

14 “(i) in the case of any energy project that does not meet satisfy the  
15 requirements of subelause (I) or (III) of paragraph (8)(B)(ii)(9)(B), 2 percentage  
16 points, and

17 “(ii) in the case of any energy property project that meets satisfies the  
18 requirements of subelause (I) or (III) of paragraph (8)(B)(ii), 10 percentage  
19 points.

20 “(D) International agreements.—This paragraph shall be applied in a manner  
21 which is consistent with the obligations of the United States under international  
22 agreements.

23 “(12) Penalty for direct pay.—

24 “(A) In general.—In the case of a taxpayer making an election under section  
25 6417 with respect to a credit under this section, the amount of such credit shall be  
26 replaced with—

27 “(i) the value of such credit (determined without regard to this paragraph),  
28 multiplied by

29 “(ii) the applicable percentage.

30 “(B) 100 percent applicable percentage for certain energy projects.—In the case  
31 of any energy project—

32 “(i) which satisfies the requirements under paragraph (11) with respect to the  
33 construction of such project, or

34 “(ii) with a maximum net output of less than 1 megawatt

35 the applicable percentage shall be 100 percent.

36 “(C) Phased domestic content requirement.—Subject to subparagraph (D), in  
37 the case of any energy project which is not described in subparagraph (B), the  
38 applicable percentage shall be—

39 “(i) if construction of such project began before January 1, 2024, 100 percent,

1                   “(ii) if construction of such project began in calendar year 2024, 90 percent,  
2                   “(iii) if construction of such project began in calendar year 2025, 85 percent,  
3                   and  
4                   “(iv) if construction of such project began after December 31, 2025, 0 percent.  
5                   “(D) Exceptions.— In order to facilitate the use of amounts made available in  
6                   this section, increase the tax incentives for investment in clean energy, and grow  
7                   the domestic supply chains, the Secretary shall provide appropriate exceptions to  
8                   the domestic content requirements for products under subparagraph (C) for  
9                   paragraph (9)(B), 10 percentage points.”

10           **(o) Effective Dates.—**

11                   **(1) The amendments made by subsections (a), (b), (c), (d), (h), (i), (j), (l), (m), and (n)**  
12                   **of this section shall apply to property placed in service after December 31, 2021.**

13                   **(2) The amendments made by subsections (e), (f), and (g) shall apply to property**  
14                   **placed in service after December 31, 2021, and, for any property the construction of**  
15                   **which begins prior to January 1, 2022, only to the extent of the basis thereof**  
16                   **attributable to the construction, reconstruction, or erection after December 31, 2021.**

17                   **(3) The amendments made by subsection (k) shall apply to property the construction**  
18                   **of which begins after December 31, 2021.** ~~qualified facilities if either the inclusion of~~  
19                   ~~domestic products increases the overall costs of projects by more than 25 percent or relevant~~  
20                   ~~manufactured products are not produced in the United States in sufficient and reasonably-~~  
21                   ~~available quantities or of a satisfactory quality.~~

22                   ~~“(13) Regulations and guidance.— The Secretary shall issue such regulations or other~~  
23                   ~~guidance as the Secretary determines necessary or appropriate to carry out the purposes of~~  
24                   ~~this subsection.”.~~

25                   ~~(i) Effective Dates.—~~

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27                   ~~\* 39 (1) The amendments made by subsections (a), (b), (c), (e),~~  
28                   ~~(f), (g), and (h) of this section shall apply to property placed in~~  
29                   ~~service after December 31, 2021.~~

30                   ~~(2) The amendment made by subsection (d) shall apply to~~  
31                   ~~periods after December 31, 2021, under rules similar to the rules~~  
32                   ~~of section 48(m) of the Internal Revenue Code of 1986 (as in~~  
33                   ~~effect on the day before the date of the enactment of the~~  
34                   ~~Revenue Reconciliation Act of 1990).~~

35                   **SEC. 136103. INCREASE IN ENERGY CREDIT FOR SOLAR**

## FACILITIES PLACED IN SERVICE IN CONNECTION WITH LOW-INCOME COMMUNITIES.

(a) In General.—Section 48 is amended by adding at the end the following new subsection:

“(e) Special Rules for Certain Solar **and Wind** Facilities Placed in Service in Connection With Low-income Communities.—

“(1) IN GENERAL.—In the case of any qualified solar **and wind** facility with respect to which the Secretary, ~~after consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency,~~ makes an allocation of environmental justice solar **and wind** capacity limitation under paragraph (4)—

~~“(A) equipment described in paragraph (3)(B) shall be treated for purposes of this section as energy property described in subsection (a)(2)(A)(i),~~

~~“(B)“(A) the energy percentage otherwise determined under subsection (a)(2) with respect to any eligible property which is part of such facility shall be increased by—~~

~~“(i) in the case of a facility described in subclause (I) of paragraph (2)(A)(iii) and not described in subclause (II) of such paragraph, 10 percentage points, and~~

~~“(ii) in the case of a facility described in subclause (II) of paragraph (2)(A)(iii), 20 percentage points, and~~

~~“(C)“(B) the increase in the credit determined under subsection (a) by reason of this subsection for any taxable year with respect to all property which is part of such facility shall not exceed the amount which bears the same ratio to the amount of such increase (determined without regard to this subparagraph) as—~~

~~“(i) the environmental justice solar **and wind** capacity limitation allocated to such facility, bears to~~

~~“(ii) the total megawatt nameplate capacity of such facility, as measured in direct current.~~

“(2) QUALIFIED SOLAR **AND WIND** FACILITY.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘qualified solar **and wind** facility’ means any facility—

“(i) which generates electricity solely from property described in **section 45(d)(1) or in clause (i) or (vi) of subsection (a)(3)(A)(i),**

“(ii) which has a ~~nameplate capacity of~~ **maximum net output of less than 5 megawatts or less,** and

“(iii) which—

“(I) is located in a low-income community (as defined in section 45D(e)), **or on Indian land (as defined in section 2601(2) of the Energy Policy Act of 1992 (25 U.S.C. 3501(2))),** or

“(II) is part of a qualified low-income residential building project or a

1 qualified low-income economic benefit project.

2 “(B) QUALIFIED LOW-INCOME RESIDENTIAL BUILDING PROJECT.—A facility shall be  
3 treated as part of a qualified low-income residential building project if—

4 “(i) such facility is installed on a residential rental building which participates  
5 in a covered housing program (as defined in section 41411(a) of the Violence  
6 Against Women Act of 1994 (34 U.S.C. 12491(a)(3)), a Housing Development  
7 Fund Corporation cooperative under Article XI of the New York State Private  
8 Housing Finance Law, a housing assistance program administered by the  
9 Department of Agriculture under title V of the Housing Act of 1949, **a housing  
10 program administered by a tribally designated housing entity (as defined in  
11 section 4(22) of the Native American Housing Assistance and  
12 Self-Determination Act of 1996 (25 U.S.C. 4103(22))**) or such other affordable  
13 housing programs as the Secretary may provide, and

14 “(ii) the financial benefits of the electricity produced by such facility are  
15 allocated equitably among the occupants of the dwelling units of such building.

16 “(C) QUALIFIED LOW-INCOME ECONOMIC BENEFIT PROJECT.—A facility shall be  
17 treated as part of a qualified low-income economic benefit project if at least 50 percent  
18 of the financial benefits of the electricity produced by such facility are provided to  
19 households with income of—

20 “(i) less than 200 percent of the poverty line applicable to a family of the size  
21 involved, or

22 “(ii) less than 80 percent of area median gross income (as determined under  
23 section 142(d)(2)(B)).

24 “(D) FINANCIAL BENEFIT.—For purposes of subparagraphs (B) and (C), electricity  
25 acquired at a below-market rate shall not fail to be taken into account as a financial  
26 benefit.

27 “(3) ELIGIBLE PROPERTY.—~~For property.~~—

28 “(A) ~~In general.~~—For purposes of this section, the term ‘eligible property’ **means**  
29 ~~means—~~

30 “~~(i)~~ energy property which is **part of a facility** described in **section 45(d)(1) or in clause**  
31 **(i) or (vi) of** subsection (a)(3)(A)~~(i)~~, including energy storage property (described in  
32 subsection (a)(3)(A)(viii)) installed in connection with such energy property, ~~and~~

33 “~~(ii) the amount of any expenditures which are paid or incurred by the taxpayer for~~  
34 ~~qualified interconnection property installed in connection with the installation of property~~  
35 ~~described in subparagraph (A) to provide for the transmission or distribution of the~~  
36 ~~electricity produced or stored by such property, and which are properly chargeable to the~~  
37 ~~capital account of the taxpayer.~~

38 “(B) ~~Definitions.~~—For purposes of subparagraph (A)—

39 “~~(i) Qualified interconnection property.~~—The term ‘~~qualified interconnection property~~’  
40 ~~means, with respect to a qualified facility which is not a microgrid, any tangible property—~~

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~~\* 45 “(I) which is part of an addition, modification, or upgrade to a transmission or distribution system which is required at or beyond the point at which the qualified facility interconnects to such transmission or distribution system in order to accommodate such interconnection;~~

~~“(II) either—~~

~~“(aa) which is constructed, reconstructed, or erected by the taxpayer, or~~

~~\* 46 “(bb) for which the cost with respect to the construction, reconstruction, or erection of such property is paid or incurred by such taxpayer, and~~

~~\* 47 “(III) the original use of which, pursuant to an interconnection agreement, commences with the utility.~~

~~\* 48 “(ii) Interconnection agreement.—The term ‘interconnection agreement’ means an agreement with a utility for the purposes of interconnecting the qualified facility owned by such taxpayer to the transmission or distribution system of such utility.~~

~~“(iii) Utility.—The term ‘utility’ means the owner or operator of an electrical transmission or distribution system which is subject to the regulatory authority of—~~

~~“(I) the Federal Energy Regulatory Commission, or~~

~~“(II) a State or political subdivision thereof, any agency or instrumentality of the United States, a public service or public utility commission or other similar body of any State or political subdivision thereof, or the governing or ratemaking body of an electric cooperative.~~

~~\* 49 “(C) Special rule for interconnection property.—In the case of expenses paid or incurred for interconnection property, amounts otherwise chargeable to capital account with respect to such expenses shall be reduced under rules similar to the rules of section 50(e).~~

~~“(4) ALLOCATIONS.—~~

~~“(A) IN GENERAL.—Not later than ~~180~~ **270** days after the date of enactment of this subsection, the Secretary shall establish a program to allocate amounts of environmental justice solar **and wind** capacity limitation to qualified solar **and wind** facilities.~~

~~“(B) LIMITATION.—The amount of environmental justice solar **and wind** capacity limitation allocated by the Secretary under subparagraph (A) during any calendar year shall not exceed the annual capacity limitation with respect to such year.~~

~~“(C) ANNUAL CAPACITY LIMITATION.—For purposes of this paragraph, the term ‘annual capacity limitation’ means 1.8 gigawatts of direct current capacity for each of calendar years 2022 through ~~2034~~ **2026**, and zero thereafter.~~



1           “(D) CARRYOVER OF UNUSED LIMITATION.—If the annual capacity limitation for any  
2 calendar year exceeds the aggregate amount allocated for such year under this  
3 paragraph, such limitation for the succeeding calendar year shall be increased by the  
4 amount of such excess. No amount may be carried under the preceding sentence to any  
5 calendar year after ~~2033~~. **2026 except as provided in section 48F(i)(4)(D)(ii).**

6           “(E) PLACED IN SERVICE DEADLINE.—

7           “(i) IN GENERAL.—Paragraph (1) shall not apply with respect to any property  
8 which is placed in service after the date that is 4 years after the date of the  
9 allocation with respect to the facility of which such property is a part.

10           “(ii) APPLICATION OF CARRYOVER.—Any amount of environmental justice solar  
11 **and wind** capacity limitation which expires under clause (i) during any calendar  
12 year shall be taken into account as an excess described in subparagraph (D) (or as  
13 an increase in such excess) for such calendar year, subject to the limitation  
14 imposed by the last sentence of such subparagraph.

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16           ~~\* 96 “(F) Selection criteria.—In determining to which qualified solar facilities to~~  
17 ~~allocate environmental justice solar capacity limitation under this paragraph, the~~  
18 ~~Secretary shall take into consideration which facilities will result in—~~

19           “(F) SELECTION CRITERIA.—

20           “(i) IN GENERAL.—**In determining to which qualified solar and wind**  
21 **facilities to allocate environmental justice solar and wind capacity limitation**  
22 **under this paragraph, the Secretary shall take into consideration which**  
23 **facilities will result in—**

24           ~~“(i)“(I)~~ the greatest health and economic benefits, including the ability to  
25 withstand extreme weather events, for individuals described in section  
26 45D(e)(2),

27           ~~“(ii)“(II)~~ the greatest employment and wages for such individuals, and

28           ~~“(iii)“(III)~~ the greatest engagement with, outreach to, or ownership by,  
29 such individuals, including through partnerships with local governments ~~and,~~  
30 community-based organizations, **an Indian tribal government (as defined**  
31 **in clause (ii)), or any Alaska Native Corporation (as defined in section 3**  
32 **of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)).**

33           “(ii) INDIAN TRIBAL GOVERNMENT.—For purposes of this subparagraph,  
34 the term ‘Indian tribal government’ means the recognized governing body of  
35 any Indian or Alaska Native tribe, band, nation, pueblo, village, community,  
36 component band, or component reservation, individually identified  
37 (including parenthetically) in the list published most recently as of the date of  
38 enactment of this subsection pursuant to section 104 of the Federally  
39 Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

40           “(G) DISCLOSURE OF ALLOCATIONS.—The Secretary shall, upon making an  
41 allocation of environmental justice solar **and wind** capacity limitation under this

1 paragraph, publicly disclose the identity of the applicant, the amount of the  
2 environmental justice solar **and wind** capacity limitation allocated to such applicant,  
3 and the location of the facility for which such allocation is made.

4 “(5) RECAPTURE.—The Secretary shall, by regulations or other guidance, provide for  
5 recapturing the benefit of any increase in the credit allowed under subsection (a) by reason  
6 of this subsection with respect to any property which ceases to be property eligible for such  
7 increase (but which does not cease to be investment credit property within the meaning of  
8 section 50(a)). The period and percentage of such recapture shall be determined under rules  
9 similar to the rules of section 50(a). To the extent provided by the Secretary, such recapture  
10 may not apply with respect to any property if, within 12 months after the date the taxpayer  
11 becomes aware (or reasonably should have become aware) of such property ceasing to be  
12 property eligible for such increase, the eligibility of such property for such increase is  
13 restored. The preceding sentence shall not apply more than once with respect to any  
14 facility.”.

15 (b) Effective Date.—The amendments made by this section shall ~~apply to periods after~~  
16 ~~December 31, 2021, under rules similar to the rules of section 48(m) of the Internal Revenue~~  
17 ~~Code of 1986 (as in effect on the day before the date of the enactment of the Revenue~~  
18 ~~Reconciliation Act of 1990).~~ **take effect on January 1, 2022.**

## 19 SEC. 136104. ELECTIVE PAYMENT FOR ENERGY 20 PROPERTY AND ELECTRICITY PRODUCED FROM 21 CERTAIN RENEWABLE RESOURCES, ETC.

22 (a) In General.—Subchapter B of chapter 65 is amended by inserting after section 6416 the  
23 following new section:

### 24 “SEC. 6417. ELECTIVE PAYMENT OF APPLICABLE 25 CREDITS.

26 “(a) In General.—In the case of a taxpayer making an election (at such time and in such  
27 manner as the Secretary may provide) under this section with respect to any applicable credit  
28 determined with respect to such taxpayer, such taxpayer shall be treated as making a payment  
29 against the tax imposed by subtitle A (for the taxable year with respect to which such credit was  
30 determined) equal to the amount of such credit.

31 “(b) Applicable Credit.—The term ‘applicable credit’ means each of the following:

32 “(1) ~~The~~ **So much of the** renewable electricity production credit determined under  
33 **section 45 as is attributable to qualified facilities which are originally placed in service**  
34 **after December 31, 2021, and with respect to which an election is made under**  
35 **subsection (c)(3).**

36 “(2) The energy credit determined under section 48.

37 “(3) ~~The~~ **So much of the** credit for carbon oxide sequestration determined under section  
38 **45Q as is attributable to carbon capture equipment which is originally placed in**  
39 **service after December 31, 2021, and with respect to which an election is made under**  
40 **subsection (c)(3).**

1           “(4) The credit for alternative fuel vehicle refueling property allowed under section 30C.

2           “(5) The qualifying advanced energy project credit determined under section 48C.

3           “(c) Special Rules.—For purposes of this section—

4           “(1) APPLICATION TO TAX-EXEMPT AND GOVERNMENTAL ENTITIES.—In the case of any  
5 organization exempt from the tax imposed by subtitle A, any State or local government (or  
6 political subdivision thereof), ~~or any~~ **the Tennessee Valley Authority, an** Indian tribal  
7 government (~~within the meaning of section 139E~~), **(as defined in section 48(e)(4)(F)(ii)), or**  
8 **any Alaska Native Corporation (as defined in section 3 of the Alaska Native Claims**  
9 **Settlement Act (43 U.S.C. 1602(m))** which makes the election described in subsection (a),  
10 any applicable credit shall be determined—

11           “(A) without regard to paragraphs (3) and (4)(A)(i) of section 50(b), and

12           “(B) by treating any property with respect to which such credit is determined as used  
13 in a trade or business of the taxpayer.

14           “(2) APPLICATION TO PARTNERSHIPS AND S CORPORATIONS.—

15           “(A) IN GENERAL.—In the case of any applicable credit determined with respect to  
16 any ~~qualified resources, qualified facility, or energy~~ property held directly by a  
17 partnership or S corporation, if such partnership or S corporation makes an election  
18 under this subsection (in such manner as the Secretary may provide) with respect to  
19 such credit—

20           “(i) the Secretary shall make a payment to such partnership or S corporation  
21 equal to the amount of such credit,

22           “(ii) subsection (d) shall be applied with respect to such credit before  
23 determining any partner’s distributive share, or shareholder’s pro rata share, of  
24 such credit,

25           “(iii) any amount with respect to which the election in subsection (a) is made  
26 shall be treated as tax exempt income for purposes of sections 705 and 1366, and

27           “(iv) a partner’s distributive share of such tax exempt income shall be based on  
28 such partner’s distributive share of the otherwise applicable credit for each  
29 taxable year.

30           “(B) COORDINATION WITH APPLICATION AT PARTNER OR SHAREHOLDER LEVEL.—In  
31 the case of any partnership or S corporation, subsection (a) shall be applied at the  
32 partner or shareholder level after application of ~~paragraph (2)~~ **subparagraph (A)(ii)**.

33           “(3) ~~IRREVOCABLE ELECTION.~~—**ANY ELECTIONS.**—

34           “(A) IN GENERAL.—**Any** election under this subsection shall be made not later than  
35 the due date (including extensions of time) for the return of tax for the taxable year for  
36 which the ~~applicable credit is determined~~ **election is made**, but in no event earlier than  
37 ~~180~~ **270** days after the date of the enactment of this section. Any such election, once  
38 made, shall be irrevocable. **Except as otherwise provided in this paragraph, any**  
39 **election under this subsection shall apply with respect to any credit for the**  
40 **taxable year for which the election is made.**

1           **“(B) RENEWABLE ELECTRICITY PRODUCTION CREDIT.—In the case of the credit**  
2           **described in subsection (b)(1), any election under this subsection shall—**

3                   **“(i) apply separately with respect to each qualified facility,**

4                   **“(ii) be made for the taxable year in which such qualified facility is**  
5                   **originally placed in service, and**

6                   **“(iii) shall apply to such taxable year and all subsequent taxable years with**  
7                   **respect to such qualified facility.**

8           **“(C) CREDIT FOR CARBON OXIDE SEQUESTRATION.—In the case of the credit**  
9           **described in subsection (b)(3), any election under this subsection shall—**

10                   **“(i) apply separately with respect to the carbon capture equipment**  
11                   **originally placed in service by the taxpayer during a taxable year, and**

12                   **“(ii) shall apply to such taxable year and all subsequent taxable years with**  
13                   **respect to such equipment.**

14           **“(4) TIMING.—The payment described in subsection (a) shall be treated as made on—**

15                   **“(A) in the case of any government, or political subdivision, described in paragraph**  
16                   **(1) and for which no return is required under section 6011 or 6033(a), the later of the**  
17                   **date that a return would be due under section 6033(a) if such government or**  
18                   **subdivision were described in that section or the date on which such government or**  
19                   **subdivision submits a claim for credit or refund (at such time and in such manner as**  
20                   **the Secretary shall provide), and**

21                   **“(B) in any other case, the later of the due date (**determined without regard to****  
22                   ****extensions**) of the return of tax for the taxable year or the date on which such return is**  
23                   **filed.**

24           **“(5) TREATMENT OF PAYMENTS TO PARTNERSHIPS AND S CORPORATIONS.—For purposes**  
25           **of section 1324 of title 31, United States Code, the payments under ~~subparagraph (A)(ii) of~~**  
26           **paragraph (2)(A)(ii) shall be treated in the same manner as a refund due from a credit**  
27           **provision referred to in ~~subparagraph (B)~~ **subsection (b)(2)** of such ~~paragraph~~ **section.****

28           **“(6) ADDITIONAL INFORMATION.—As a condition of, and prior to, a payment under this**  
29           **section, the Secretary may require such information or registration as the Secretary deems**  
30           **necessary or appropriate for purposes of preventing duplication, fraud, improper payments,**  
31           **or excessive payments under this section.**

32           **“(7) EXCESSIVE PAYMENT.—**

33                   **“(A) IN GENERAL.—In the case of a payment made to a taxpayer under this**  
34                   **subsection or any amount treated as a payment which is made by the taxpayer under**  
35                   **subsection (a) which the Secretary determines constitutes an excessive payment, the**  
36                   **tax imposed on such taxpayer by chapter 1 for the taxable year in which such**  
37                   **determination is made shall be increased by an amount equal to the sum of—**

38                   **“(i) the amount of such excessive payment, plus**

39                   **“(ii) an amount equal to 20 percent of such excessive payment.**

40           **“(B) REASONABLE CAUSE.—Subparagraph (A)(ii) shall not apply if the taxpayer**

1 demonstrates to the satisfaction of the Secretary that the excessive payment resulted  
2 from reasonable cause.

3 “(C) EXCESSIVE PAYMENT DEFINED.—For purposes of this paragraph, the term  
4 ‘excessive payment’ means, with respect to a facility for which an election is made  
5 under this section for any taxable year, an amount equal to the excess of—

6 “(i) the amount of the payment made to the taxpayer under this subsection **or**  
7 **any amount treated as a payment which is made by the taxpayer under**  
8 **subsection (a)** with respect to such facility for such taxable year, over

9 “(ii) the amount of the credit which, without application of this subsection,  
10 would be otherwise allowable **(determined without regard to section 38(c))**  
11 under this section with respect to such facility for such taxable year.

12 “(d) Denial of Double Benefit.—In the case of a taxpayer making an election under this  
13 section with respect to an applicable credit, such credit shall be reduced to zero and ~~such~~  
14 ~~taxpayer shall be deemed to have taken such credit.~~ **shall, for any other purposes under this**  
15 **title, be deemed to have been allowed to the taxpayer for such taxable year.**

16 “(e) Mirror Code Possessions.—In the case of any possession of the United States with a  
17 mirror code tax system (as defined in section 24(k)), this section shall not be treated as part of  
18 the income tax laws of the United States for purposes of determining the income tax law of such  
19 possession unless such possession elects to have this section be so treated.

20 “(f) Basis Reduction and ~~Recapture.~~ **Rules Recapture.—Except as otherwise provided in**  
21 **subsection (c)(1)(A), rules** similar to the rules of ~~subsections (a) and (e)~~ of section 50 shall  
22 apply for purposes of this section.

23 “(g) Regulations.—The Secretary shall issue such regulations or other guidance as may be  
24 necessary or appropriate to carry out the purposes of this section, including—

25 “(1) regulations or other guidance providing rules for determining a partner’s distributive  
26 share of the tax exempt income described in subsection (c)(2)(A)(iii), and

27 “(2) guidance to ensure that the amount of the payment or deemed payment made under  
28 this section is commensurate with the amount of the credit that would be otherwise  
29 ~~allowable.”~~ **allowable (determined without regard to section 38(c)).”**

30 **(b) Application With Respect to Real Estate Investment Trusts.—Section 50(d) is**  
31 **amended by adding at the end the following: “In the case of a real estate investment trust**  
32 **making an election under section 6417, paragraphs (1)(B) and (2)(B) of the section 46(e)**  
33 **referred to in paragraph (1) of this subsection shall not apply to any qualified investment**  
34 **credit property of a real estate investment trust.”**

35 **\*\* 50 (b)(c) Gross-up of Payment to Issuers Payments in Case of Sequestration.—In the case**  
36 **of any payment under section 6431A made as a refund due to an overpayment as a result of**  
37 **section 6417 of the Internal Revenue Code of 1986 made after the date of the enactment of this**  
38 **Act to which sequestration applies, the amount of such payment shall be increased to an amount**  
39 **equal to—**

40 **(1) such payment (determined before such sequestration), multiplied by**

41 **\*\* 51 (2) the quotient obtained by dividing 1 by the amount by which 1 exceeds the**

1 percentage reduction in such payment pursuant to such sequestration.

2 **\*\* 52** For purposes of this subsection, the term “sequestration” means any reduction in direct  
3 spending ordered in accordance with a sequestration report prepared by the Director of the Office  
4 and Management and Budget pursuant to the Balanced Budget and Emergency Deficit Control  
5 Act of 1985 or the Statutory Pay-As-You-Go Act of 2010.

6 ~~(b)~~(d) Clerical Amendment.—The table of sections for subchapter B of chapter 65 is amended  
7 by inserting after the item relating to section 6416 the following new item:

8 “Sec.6417.Elective payment of applicable credits.”.

9 **\*\* 53** ~~(d) Effective Date.~~ ~~The~~(e) **In General.**—~~The~~ amendments made by this section shall  
10 apply to taxable years beginning after December 31, 2021.

11

12 ~~(e) In General.~~ ~~The amendments made by this section shall~~  
13 ~~apply to property placed in service after the December 31, 2021.~~

14 **SEC. 136105. INVESTMENT CREDIT FOR ELECTRIC**  
15 **TRANSMISSION PROPERTY.**

16 (a) In General.—Subpart E of part IV of subchapter A of chapter 1 is amended by inserting  
17 after section 48C the following new section:

18 **“SEC. 48D. QUALIFYING ELECTRIC TRANSMISSION**  
19 **PROPERTY.**

20 “(a) Allowance of Credit.—For purposes of section 46, the qualifying electric transmission  
21 property credit for any taxable year is an amount equal to ~~30~~ **6** percent of the basis of qualifying  
22 electric transmission property placed in service by the taxpayer during such taxable year.

23 “(b) Qualifying Electric Transmission Property.—For purposes of this section—

24 “(1) IN GENERAL.—The term ‘qualifying electric transmission property’ means tangible  
25 property—

26 “(A) which is a qualifying electric transmission line or related transmission property,

27 “(B)(i) the construction, reconstruction, or erection of which is completed by the  
28 taxpayer, or

29 “(ii) which is acquired by the taxpayer if the original use of such property  
30 commences with the taxpayer, and

31 “(C) with respect to which depreciation (or amortization in lieu of depreciation) is  
32 allowable.

33 “(2) QUALIFYING ELECTRIC TRANSMISSION ~~LINE.~~ ~~THE LINE.~~—

34 “(A) **IN GENERAL.**—~~The~~ term ‘qualifying electric transmission line’ means an  
35 electric transmission line which—

1                   “(A)“(i) is capable of transmitting electricity at a voltage of not less than 275  
2                   kilovolts,~~and~~

3                   ~~“(B) or is a superconducting line, and~~

4                   “(ii) has a transmission capacity of not less than 500 megawatts.

5                   **“(B) SUPERCONDUCTING LINE.—For purposes of subparagraph (A), the term**  
6                   **‘superconducting line’ means a transmission line that conducts all of its current**  
7                   **over a superconducting material.**

8                   “(3) RELATED TRANSMISSION PROPERTY.—

9                   “(A) IN GENERAL.—The term ‘related transmission property’ means, with respect to  
10                   any electric transmission line, any property which—

11                   “(i) is listed as a ‘transmission plant’ in the Uniform System of Accounts for  
12                   the Federal Energy Regulatory Commission under part 101 of subchapter C of  
13                   chapter I of title 18, Code of Federal Regulations, and

14                   “(ii) ~~is~~ is—

15                   **“(I) necessary for the operation of such electric transmission line, or**

16                   **“(II) conversion equipment along such electric transmission line.**

17                   “(B) CREDIT NOT ALLOWED SEPARATELY WITH RESPECT TO RELATED PROPERTY.—No  
18                   credit shall be allowed to any taxpayer under this section with respect to any related  
19                   transmission property unless such taxpayer is allowed a credit under this section with  
20                   respect to the qualifying electric transmission line to which such related transmission  
21                   property relates.

22                   “(c) Application to Replacement and Upgraded Systems.—

23                   “(1) IN GENERAL.—In the case of any qualifying electric transmission line (determined  
24                   without regard to this subsection) which replaces any existing electric transmission line—

25                   “(A) the 500 megawatts referred to in subsection ~~(b)(2)(B)(b)(2)(A)(ii)~~ shall be  
26                   increased by the transmission capacity of such existing electric transmission line, and

27                   “(B) in no event shall the basis of such existing electric transmission line (or related  
28                   transmission property with respect to such existing electric transmission line) be taken  
29                   into account in determining the credit allowed under this section.

30                   “(2) UPGRADES TREATED AS REPLACEMENTS.—For purposes of this subsection, any  
31                   upgrade of an existing electric transmission line shall be treated as a replacement of such  
32                   line.

33                   “(d) Exception for Certain Property and Projects Already in ~~Process~~.—**No Process**.—

34                   **“(1) IN GENERAL.—No credit shall be allowed under this section with respect to—**

35                   ~~“(1) any property if a State or political subdivision thereof, any agency or~~  
36                   ~~instrumentality of the United States, a public service or public utility commission or~~  
37                   ~~other similar body of any State or political subdivision thereof, or the governing or~~  
38                   ~~ratemaking body of an electric cooperative has, before the date of the enactment of this~~  
39                   ~~section,“(A) any property that is selected for cost allocation such property for cost-~~

1 recovery, or in a regional transmission plan approved by a transmission planning  
2 region that was approved by the Federal Energy Regulatory Commission prior to  
3 January 1, 2022, or

4 ~~“(2) any property if—~~“(B) any property if—

5 ~~“(A)“(i) construction of such property begins before January 1, 2022, or~~

6 ~~“(B)“(ii) construction of any portion of the qualifying electric transmission line~~  
7 ~~to which such property relates begins before such date.~~

8 **“(2) WHEN CONSTRUCTION BEGINS.—For purposes of subparagraph (B) of**  
9 **paragraph (1), construction of property begins when the taxpayer has begun on-site**  
10 **physical work of a significant nature with respect to such property.**

11 “(e) Certain Qualified Progress Expenditures Rules Made Applicable.—Rules similar to the  
12 rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the enactment of  
13 the Revenue Reconciliation Act of 1990) shall apply for purposes of this section.

14 “(f) Credit Adjustments; Wage and Apprenticeship Requirements.—

15 ~~“(1) BASE CREDIT AMOUNT AND INCREASED INCREASED CREDIT AMOUNT FOR APPLICABLE~~  
16 ~~FACILITIES.—~~

17 ~~“(A) IN GENERAL.—~~

18 ~~“(i) RULE.—In the case of any applicable facility which does not satisfy~~  
19 ~~satisfies the requirements of subparagraph (B), the amount of the credit~~  
20 ~~determined under this subsection (a) shall be 20 percent of such amount~~  
21 ~~multiplied by 5 (determined without regard to this sentence).~~

22 ~~“(ii) APPLICABLE FACILITY DEFINED.—For purposes of this subsection, the term~~  
23 ~~‘applicable facility’ means a qualifying electric transmission line and related~~  
24 ~~transmission property to which such qualifying electric transmission line relates.~~

25 ~~“(B) INCREASED CREDIT FOR APPLICABLE FACILITY REQUIREMENTS.—An~~  
26 ~~applicable facility meeting project requirements.—~~

27 ~~“(i) In general.—In the case of any applicable facility which meets the project~~  
28 ~~requirements of this subparagraph, subparagraph (A) shall not apply.~~

29 ~~“(ii) Project requirements.—A project meets the requirements of this subparagraph~~  
30 ~~if it is one of the following:~~

31 ~~“(I) A project with a maximum net output of less than 1 megawatt.~~

32 ~~“(II) A project which commences construction prior to the date of the~~  
33 ~~enactment of this paragraph.~~

34 ~~“(III) A project which satisfies~~“(i) **An applicable facility the construction of**  
35 **which begins prior to the date that is 60 days after the Secretary publishes**  
36 **guidance with respect to the requirements of paragraphs (2) and (3).**

37 **“(ii) An applicable facility which satisfies the requirements of paragraphs**  
38 **(2) and (3).**

39 ~~“(2) PREVAILING WAGE REQUIREMENTS.— REQUIREMENTS.—Rules similar to the rules~~



1 of section 48(a)(10) shall apply.

2 “(3) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section 45(b)(8)  
3 shall apply.

4 “(4) DOMESTIC CONTENT BONUS CREDIT AMOUNT.—Rules similar to the rules of  
5 section 48(a)(12) shall apply.

6 “(5) PHASEOUT FOR ELECTIVE PAYMENT.—Rules similar to the rules of section  
7 48(a)(13) shall apply.

8 “(g) Termination.—This section shall not apply to any qualifying electric transmission  
9 property unless such property is placed in service before January 1, 2032.

10 “(h) Regulations and Guidance.—The Secretary shall issue such regulations or other  
11 guidance as the Secretary determines necessary or appropriate to carry out the purposes of  
12 this subsection, including regulations or other guidance which provides for requirements  
13 for recordkeeping or information reporting for purposes of establishing the requirements  
14 of this subsection.”

15  
16 \* 80 “(A) In general.—The requirements described in this subparagraph with respect to any  
17 applicable facility are that the taxpayer shall ensure that any laborers and mechanics employed  
18 by contractors and subcontractors in—

19 “(i) the construction of such facility, and

20 “(ii) for any year during the 5-year period beginning on the date the facility or property is  
21 originally placed in service, the alteration or repair of such facility or property,

22 shall be paid wages at rates not less than the prevailing rates for construction, alteration, or  
23 repair of a similar character in the locality as most recently determined by the Secretary of  
24 Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

25 “(B) Correction and penalty related to failure to satisfy wage requirements.—A taxpayer shall  
26 not be treated as failing to satisfy the requirements of this paragraph if such taxpayer meets  
27 requirements similar to the requirements of section 45(b)(8)(B).

28 “(3) Apprenticeship requirements.—The requirements described in this subparagraph with  
29 respect to the construction of any applicable facility are as follows:

30 “(A) Labor hours.—

31 “(i) Percentage of total labor hours.—All contractors and subcontractors engaged in the  
32 performance of construction, alteration, or repair work on any applicable facility prior to such  
33 facility being placed into service shall, subject to subparagraph (B), ensure that not less than the  
34 applicable percentage of the total labor hours of such work be performed by qualified  
35 apprentices.

36 “(ii) Applicable percentage.—For purposes of paragraph (1), the applicable percentage shall  
37 be—

38 “(I) in the case of any applicable project the construction of which begins before January 1,  
39 2023, 5 percent,

1     ~~“(H) in the case of any applicable project the construction of which begins after December 31,~~  
2     ~~2022, and before January 1, 2024, 10 percent, and~~

3     ~~“(H) in the case of any applicable project the construction of which begins after December 31,~~  
4     ~~2023, 15 percent.~~

5     ~~“(B) Apprentice to journeyworker ratio.—The requirement under subparagraph (A)(i) shall be~~  
6     ~~subject to any applicable requirements for apprentice to journeyworker ratios of the Department~~  
7     ~~of Labor or the applicable State apprenticeship agency.~~

8     ~~“(C) Participation.—Each contractor and subcontractor who employs 4 or more individuals to~~  
9     ~~perform construction, alteration, or repair work on an applicable project shall employ 1 or more~~  
10    ~~qualified apprentices to perform such work.~~

11    ~~“(D) Exception.—~~

12    ~~“(i) In general.—Notwithstanding any other provision of this paragraph, this paragraph shall~~  
13    ~~not apply in the case of a taxpayer who—~~

14    ~~“(I) demonstrates a lack of availability of qualified apprentices in the geographic area of the~~  
15    ~~construction, alteration, or repair work, and~~

16    ~~“(H) makes a good faith effort to comply with the requirements of this paragraph.~~

17    ~~“(ii) Good faith effort.—For purposes of clause (i), a taxpayer shall be deemed to have~~  
18    ~~satisfied the requirements under such paragraph with respect to an applicable project if such~~  
19    ~~taxpayer has requested qualified apprentices from a registered apprenticeship program, as~~  
20    ~~defined in section 3131(e)(3)(B), and such request has been denied, provided that such denial is~~  
21    ~~not the result of a refusal by the contractors or subcontractors engaged in the performance of~~  
22    ~~construction, alteration, or repair work on such applicable project to comply with the established~~  
23    ~~standards and requirements of such apprenticeship program.~~

24    ~~“(E) Definitions.—For purposes of this paragraph—~~

25    ~~“(i) Labor hours.—The term ‘labor hours’ has the meaning given such term in section~~  
26    ~~45(b)(9)(E)(i).~~

27    ~~“(ii) Qualified apprentice.—The term ‘qualified apprentice’ has the meaning given such term~~  
28    ~~in section 45(b)(9)(E)(ii).~~

29    ~~“(4) Domestic content bonus credit amount.—~~

30    ~~“(A) In general.—In the case of any applicable facility which satisfies the requirements under~~  
31    ~~subparagraph (B), the credit determined under subsection (a) shall be increased by the applicable~~  
32    ~~rate in subparagraph (C).~~

33    ~~“(B) Requirements.—~~

34    ~~“(i) In general.—The requirement described in this subclause with respect to any applicable~~  
35    ~~facility is satisfied if the taxpayer certifies to the Secretary (at such time, and in such form and~~  
36    ~~manner, as the Secretary may prescribe) that the facility is composed of steel, iron, or~~  
37    ~~manufactured products which were produced in the United States.~~

38    ~~“(ii) Steel and iron.—In the case of steel or iron, clause (i) shall be applied in a manner~~  
39    ~~consistent with section 661.5(b) of title 49, Code of Federal Regulations.~~

1     ~~“(iii) Manufactured product.— For purposes of clause (i), a manufactured product shall be~~  
2 ~~deemed to have been manufactured in the United States if not less than 55 percent of the total~~  
3 ~~cost of the components of such product is attributable to components which are mined, produced,~~  
4 ~~or manufactured in the United States.~~

5  
6     ~~\* 92 “(C) Applicable rate increase.— For purposes of subparagraph (A), the applicable credit-~~  
7 ~~rate increase shall be an amount equal to—~~

8     ~~“(i) in the case of applicable facility that does not meet the requirements of subclause (I) or~~  
9 ~~(III) of paragraph (1)(B)(ii), 2 percentage points, and~~

10     ~~“(ii) in the case of applicable facility that meets the requirements of subclause (I) or (III) of~~  
11 ~~paragraph (1)(B)(ii), 10 percentage points.~~

12     ~~“(D) International agreements.— This paragraph shall be applied in a manner which is~~  
13 ~~consistent with the obligations of the United States under international agreements.~~

14     ~~“(5) Penalty for direct pay.—~~

15     ~~“(A) In general.— In the case of a taxpayer making an election under section 6417 with respect~~  
16 ~~to a credit under this section, the amount of such credit shall be replaced with—~~

17     ~~“(i) the value of such credit (determined without regard to this paragraph), multiplied by~~

18     ~~“(ii) the applicable percentage.~~

19     ~~“(B) 100 percent applicable percentage for certain applicable facility.— In the case of any~~  
20 ~~applicable facility—~~

21     ~~“(i) which satisfies the requirements under paragraph (11) with respect to the construction of~~  
22 ~~such property, or~~

23     ~~“(ii) with a maximum net output of less than 1 megawatt,~~

24     ~~the applicable percentage shall be 100 percent.~~

25     ~~“(C) Phased domestic content requirement.— Subject to subparagraph (D), in the case of any~~  
26 ~~qualified facility which is not described in subparagraph (B), the applicable percentage shall~~  
27 ~~be—~~

28     ~~“(i) if construction of such facility began before January 1, 2024, 100 percent,~~

29     ~~“(ii) if construction of such facility began in calendar year 2024, 90 percent,~~

30     ~~“(iii) if construction of such facility began in calendar year 2025, 85 percent, and~~

31     ~~“(iv) if construction of such facility began after December 31, 2025, 0 percent.~~

32     ~~“(D) Exceptions.— In order to facilitate the use of amounts made available in this section,~~  
33 ~~increase the tax incentives for investment in clean energy, and grow the domestic supply chains,~~  
34 ~~the Secretary shall provide appropriate exceptions to the domestic content requirements for~~  
35 ~~products under subparagraph (C) for the construction of qualified facilities if either the inclusion~~  
36 ~~of domestic products increases the overall costs of projects by more than 25 percent or relevant~~  
37 ~~manufactured products are not produced in the United States in sufficient and reasonably~~  
38 ~~available quantities or of a satisfactory quality.~~

1     ~~“(g) Termination.—This section shall not apply to any property unless —~~

2     ~~“(1) such property is placed in service before January 1, 2032, and~~

3     ~~“(2) the qualifying electric transmission line with respect to which such property relates is~~  
4     ~~placed in service before such date.~~

5     ~~“(h) Regulations and Guidance.—The Secretary, after consultation with the Chairman of the~~  
6     ~~Federal Energy Regulatory Commission, shall issue such regulations or other guidance as the~~  
7     ~~Secretary determines necessary or appropriate to carry out the purposes of this section.”.~~

8     (b) Elective Payment of Credit.—Section 6417(b), as ~~added~~ **amended** by the preceding  
9     provisions of this Act, is amended by adding at the end the following new paragraph:

10             “(6) The qualifying electric transmission property credit determined under section 48D.”.

11     (c) **Special Rule for Property Financed by Tax-exempt Bonds.**—Section 48D, as added by  
12     subsection (a), is amended by redesignating subsection (h) as subsection (i) and by inserting  
13     after subsection (g) the following new subsection:

14             **“(h) Special Rule for Property Financed by Tax-exempt Bonds.—Rules similar to the**  
15     **rules of section 45(b)(3) shall apply.”.**

16     (d) Conforming Amendments.—

17             (1) Section 46 is amended—

18                     (A) by striking “and” at the end of paragraph (5),

19                     (B) by striking the period at the end of paragraph (6) and inserting “, and”, and

20                     (C) by adding at the end the following new paragraph:

21                     “(7) the qualifying electric transmission property credit.”.

22             (2) Section 49(a)(1)(C) is amended—

23                     (A) by striking “and” at the end of clause ~~(iv)~~**(vii)**,

24                     (B) by striking the period at the end of clause ~~(v)~~**(viii)** and inserting “, and”, and

25                     (C) by adding at the end the following new clause:

26                             ~~“(vi)”~~**“(ix) the basis of any qualifying electric transmission property under**  
27                             **section 48D.”.**

28             (3) Section 50(a)(2)(E) is amended by striking “or 48C(b)(2)” and inserting “48C(b)(2),  
29     or 48D” **48D(e)**”.

30             (4) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such  
31     Code is amended by inserting after the item relating to section 48C the following new item:

32     “Sec.48D.Qualifying electric transmission property.”.

33     ~~(d)~~**(e)** Effective Date.—

34             (1) **IN GENERAL.**—The amendments made by **subsections (a), (b), and (d)** of this section  
35     shall apply to property placed in service after December 31, 2021.

36             (2) **TAX-EXEMPT BONDS.**—**The amendment made by subsection (c) shall apply to**

1           **property the construction of which begins after December 31, 2021.**

2           **(3) EXCEPTION FOR CERTAIN PROPERTY AND PROJECTS ALREADY IN PROCESS.**—For  
3           exclusion of certain property and projects already in process, see section 48D(d) of the  
4           Internal Revenue Code of 1986 (as added by this section).

5           ~~SEC. 136106. ZERO EMISSIONS FACILITY CREDIT.~~

6  
7           ~~\* 77 (a) In General.~~—~~Subpart E of part IV of subchapter A of~~  
8           ~~chapter 1 is amended by inserting after section 48C the~~  
9           ~~following new section:~~

10           ~~“SEC. 48E. ZERO EMISSIONS FACILITY CREDIT.~~

11           ~~“(a) In General.~~—~~For purposes of section 46, the zero emissions-~~  
12           ~~facility credit for any taxable year is an amount equal to 30-~~  
13           ~~percent of the qualified investment for such taxable year with-~~  
14           ~~respect to any zero emissions facility of the taxpayer.~~

15           ~~“(b) Qualified Investment.~~—

16           ~~“(1) In general.~~—~~For purposes of subsection (a), the qualified-~~  
17           ~~investment for any taxable year is the basis of eligible property-~~  
18           ~~placed in service by the taxpayer during such taxable year which~~  
19           ~~is part of a zero emissions facility.~~

20  
21           ~~\* 79 “(2) Certain qualified progress expenditures rules made~~  
22           ~~applicable.~~—~~Rules similar to the rules of subsections (c)(4) and~~  
23           ~~(d) of section 46 (as in effect on the day before the enactment of~~  
24           ~~the Revenue Reconciliation Act of 1990) shall apply for~~  
25           ~~purposes of this section.~~

26           ~~“(3) Limitation.~~—~~The amount which is treated as the qualified-~~  
27           ~~investment for all taxable years with respect to any zero-~~  
28           ~~emissions facility shall not exceed the amount designated by the~~  
29           ~~Secretary as eligible for the credit under this section.~~

1 ~~“(c) Zero Emissions Facility.—~~

2 ~~“(1) In general.— For purposes of this section, the term ‘zero-~~  
3 ~~emissions facility’ means any facility—~~

4 ~~“(A) which generates electricity,~~

5 ~~“(B) which does not generate any greenhouse gases (within the~~  
6 ~~meaning of section 211(o)(1)(G) of the Clean Air Act (42-~~  
7 ~~U.S.C. 7545(o)(1)(G)), as in effect on the date of the enactment-~~  
8 ~~of this section),~~

9 ~~“(C) which uses a technology or process which, in the calendar~~  
10 ~~year in which an amount of credit is designated with respect to~~  
11 ~~such facility, achieved a market penetration level of less than 3-~~  
12 ~~percent,~~

13 ~~“(D) no portion of which is—~~

14 ~~“(i) a qualified facility (as defined in section 45(d)),~~

15 ~~“(ii) an advanced nuclear power facility (as defined in section-~~  
16 ~~45J(d)),~~

17 ~~“(iii) a qualified facility (as defined in section 45Q), or~~

18 ~~“(iv) energy property (as defined in section 48(a)(3)).~~

19 ~~“(2) Market penetration level.— For purposes of this subsection,~~  
20 ~~the term ‘market penetration level’ means, with respect to any~~  
21 ~~calendar year, the amount equal to the greater of—~~

22 ~~“(A) the amount (expressed as a percentage) equal to the~~  
23 ~~quotient of—~~

24 ~~“(i) the sum of all electricity produced (expressed in terawatt-~~  
25 ~~hours) from the technology or method used for the production of~~  
26 ~~electricity by all electricity generating facilities in the United-~~  
27 ~~States during such calendar year (as determined by the Secretary~~

1 ~~on the basis of data reported by the Energy Information-~~  
2 ~~Administration), divided by the total domestic power sector~~  
3 ~~electricity production (expressed in terawatt hours) for such~~  
4 ~~calendar year, or~~

5 ~~“(ii) the amount determined under this subparagraph for the~~  
6 ~~preceding calendar year with respect to such technology or~~  
7 ~~method.~~

8 ~~“(d) Eligible Property.— For purposes of this section, the term~~  
9 ~~‘eligible property’ means any property—~~

10 ~~“(1) which is necessary for the generation of electricity,~~

11 ~~“(2) which is—~~

12 ~~“(A) tangible personal property, or~~

13  
14 ~~\* 93 “(B) other tangible property (not including a building or its~~  
15 ~~structural components), but only if such property is used as an~~  
16 ~~integral part of the zero emissions facility, and~~

17  
18 ~~\* 78 “(3) with respect to which depreciation (or amortization in~~  
19 ~~lieu of depreciation) is allowable.~~

20 ~~“(e) Allocations.—~~

21 ~~“(1) In general.— Not later than 180 days after the date of~~  
22 ~~enactment of this section, the Secretary, after consultation with~~  
23 ~~the Secretary of Energy and the Administrator of the~~  
24 ~~Environmental Protection Agency, shall establish a program to~~  
25 ~~consider and award certification amounts of zero emissions-~~  
26 ~~facility credit limitation to zero emissions facilities.~~

27 ~~“(2) Annual limitation.—~~

1 ~~“(A) In general.— The amount of zero emissions facility credit~~  
2 ~~limitation that may be designated under this subsection during~~  
3 ~~any calendar year shall not exceed the annual credit limitation~~  
4 ~~with respect to such year.~~

5 ~~“(B) Annual credit limitation.— For purposes of this subsection,~~  
6 ~~the term ‘annual credit limitation’ means \$250,000,000 for each~~  
7 ~~of calendar years 2022 through 2031, and zero thereafter.~~

8  
9 ~~\* 95 “(C) Carryover of unused limitation.— If the annual credit~~  
10 ~~limitation for any calendar year exceeds the aggregate amount~~  
11 ~~designated for such year under this subsection, such limitation~~  
12 ~~for the succeeding calendar year shall be increased by the~~  
13 ~~amount of such excess. No amount may be carried under the~~  
14 ~~preceding sentence to any calendar year after 2031.~~

15 ~~“(3) Placed in service deadline.—~~

16 ~~“(A) In general.— No credit shall be determined under~~  
17 ~~subsection (a) with respect to any zero emissions facility which~~  
18 ~~is placed in service after the date that is 4 years after the date of~~  
19 ~~the designation under this subsection relating to such zero~~  
20 ~~emissions facility.~~

21 ~~“(B) Application of carryover.— Any amount of credit which~~  
22 ~~expires under subparagraph (A) during any calendar year shall~~  
23 ~~be taken into account as an excess described in paragraph (2)(C)~~  
24 ~~(or as an increase in such excess) for such calendar, subject to~~  
25 ~~the limitation imposed by the last sentence of such paragraph.~~

26 ~~“(4) Selection criteria.— In determining which zero emissions~~  
27 ~~facilities to certify under this section, the Secretary, after~~  
28 ~~consultation with the Secretary of Energy and the Administrator~~  
29 ~~of the Environmental Protection Agency, shall—~~



1 ~~“(A) take into consideration which facilities—~~

2 ~~“(i) will result in the greatest reduction of greenhouse gas-~~  
3 ~~emissions,~~

4 ~~“(ii) have the greatest potential for technological innovation and-~~  
5 ~~commercial deployment, and~~

6 ~~“(iii) will result in the greatest reduction of local environmental-~~  
7 ~~effects that are harmful to human health, and~~

8 ~~“(B) require that applicants provide written assurances to the-~~  
9 ~~Secretary that all laborers and mechanics employed by-~~  
10 ~~contractors and subcontractors in the performance of-~~  
11 ~~construction, alteration or repair work on a zero emissions-~~  
12 ~~facility shall be paid wages at rates not less than those prevailing~~  
13 ~~on projects of a similar character in the locality as determined by~~  
14 ~~the Secretary of Labor in accordance with subchapter IV of~~  
15 ~~chapter 31 of title 40, United States Code.~~

16 ~~“(5) Disclosure of certifications.— The Secretary shall, upon-~~  
17 ~~making a certification under this subsection, publicly disclose-~~  
18 ~~the identity of the applicant, the amount of the credit awarded-~~  
19 ~~with respect to such applicant, and the location of the-~~  
20 ~~zero emissions facility for which such credit is awarded.~~

21 ~~“(f) Credit Conditioned Upon Wage and Apprenticeship-~~  
22 ~~Requirements.—~~

23 ~~“(1) In general.— No credit shall be allocated for a zero-~~  
24 ~~emissions facility under this section unless the zero emissions-~~  
25 ~~facility meets the prevailing wage requirements of paragraph (2)-~~  
26 ~~and the apprenticeship requirements of paragraph (3).~~

27 ~~“(2) Prevailing wage requirements.—~~

28 ~~“(A) In general.— The requirements described in this paragraph-~~

~~with respect to a zero emissions facility are that the taxpayer shall ensure that any laborers and mechanics employed by contractors and subcontractors in—~~

~~“(i) the construction of such zero emissions facility, and~~

~~“(ii) for any year during the 5 year period beginning on the date the facility is originally placed in service, the alteration or repair of such zero emissions facility,~~

~~shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.~~

~~“(B) Correction and penalty related to failure to satisfy wage requirements.—~~

~~“(i) In general.— In the case of any taxpayer which fails to satisfy the requirement under subparagraph (A) with respect to the construction of any qualified facility or with respect to the alteration or repair of a facility in any year during the period described in subparagraph (A)(ii), such taxpayer shall be deemed to have satisfied such requirement under such subparagraph with respect to such zero emissions facility for any year if, with respect to any laborer or mechanic who was paid wages at a rate below the rate described in such subparagraph for any period during such year, such taxpayer—~~

~~“(I) makes payment to such laborer or mechanic in an amount equal to the sum of—~~

~~“(aa) an amount equal to the difference between the amount of wages paid to such laborer or mechanic during such period, and—~~

1 ~~“(bb) the amount of wages required to be paid to such laborer or~~  
2 ~~mechanic pursuant to such subparagraph during such period,~~  
3 ~~plus~~

4 ~~“(AA) interest on the amount determined under item (aa) at the~~  
5 ~~underpayment rate established under section 6621 for the period~~  
6 ~~described in such item, and~~

7 ~~“(II) makes payment to the Secretary of a penalty in an amount~~  
8 ~~equal to the product of—~~

9 ~~“(aa) \$5,000, multiplied by~~

10 ~~“(bb) the total number of laborers and mechanics who were paid~~  
11 ~~wages at a rate below the rate described in subparagraph (A) for~~  
12 ~~any period during such year.~~

13 ~~“(ii) Penalty assessed as tax.—The penalty described in clause~~  
14 ~~(i)(II) shall be treated in the same manner as a penalty imposed~~  
15 ~~under subchapter B of chapter 68.~~

16 ~~“(3) Apprenticeship requirements.—The requirements described~~  
17 ~~in this subparagraph with respect to a zero emissions facility are~~  
18 ~~as follows:~~

19 ~~“(A) Labor hours.—~~

20 ~~“(i) Percentage of total labor hours.—All contractors and~~  
21 ~~subcontractors engaged in the performance of construction,~~  
22 ~~alteration, or repair work on any facility prior to such facility~~  
23 ~~being placed into service shall, subject to subparagraph (B),~~  
24 ~~ensure that not less than the applicable percentage of the total~~  
25 ~~labor hours of such work be performed by qualified apprentices.~~

26 ~~“(ii) Applicable percentage.—For purposes of paragraph (1), the~~  
27 ~~applicable percentage shall be—~~

28 ~~“(I) in the case of any applicable zero emissions facility the~~

1 ~~construction of which begins before January 1, 2023, 5 percent,~~

2 ~~“(II) in the case of any applicable zero emissions facility the~~  
3 ~~construction of which begins after December 31, 2022, and~~  
4 ~~before January 1, 2024, 10 percent, and~~

5 ~~“(III) in the case of any applicable zero emissions facility the~~  
6 ~~construction of which begins after December 31, 2023, 15-~~  
7 ~~percent.~~

8 ~~“(B) Apprentice to journeyworker ratio.—The requirement~~  
9 ~~under subparagraph (A)(i) shall be subject to any applicable~~  
10 ~~requirements for apprentice to journeyworker ratios of the~~  
11 ~~Department of Labor or the applicable State apprenticeship~~  
12 ~~agency.~~

13 ~~“(C) Participation.—Each contractor and subcontractor who~~  
14 ~~employs 4 or more individuals to perform construction,~~  
15 ~~alteration, or repair work on an applicable zero emissions~~  
16 ~~facility shall employ 1 or more qualified apprentices to perform~~  
17 ~~such work.~~

18 ~~“(D) Exception.—~~

19 ~~“(i) In general.—Notwithstanding any other provision of this~~  
20 ~~paragraph, this paragraph shall not apply in the case of a~~  
21 ~~taxpayer who—~~

22 ~~“(I) demonstrates a lack of availability of qualified apprentices~~  
23 ~~in the geographic area of the construction, alteration, or repair~~  
24 ~~work, and~~

25 ~~“(II) makes a good faith effort to comply with the requirements~~  
26 ~~of this paragraph.~~

27 ~~“(ii) Good faith effort.—For purposes of clause (i), a taxpayer~~  
28 ~~shall be deemed to have satisfied the requirements under such~~

~~paragraph with respect to an applicable project if such taxpayer has requested qualified apprentices from a registered apprenticeship program, as defined in section 3131(e)(3)(B), and such request has been denied, provided that such denial is not the result of a refusal by the contractors or subcontractors engaged in the performance of construction, alteration, or repair work on such applicable project to comply with the established standards and requirements of such apprenticeship program.~~

~~“(E) Definitions.— For purposes of this paragraph—~~

~~“(i) Labor hours.— The term ‘labor hours’—~~

~~“(I) means the total number of hours devoted to the performance of construction, alteration, or repair work by employees of the contractor or subcontractor prior to a facility being placed into service, and~~

~~“(II) excludes any hours worked by—~~

~~“(aa) foremen,~~

~~“(bb) superintendents,~~

~~“(cc) owners, or~~

~~“(dd) persons employed in a bona fide executive, administrative, or professional capacity (within the meaning of those terms in part 541 of title 29, Code of Federal Regulations).~~

~~“(ii) Qualified apprentice.— The term ‘qualified apprentice’ has the meaning given such term in section 45(b)(9)(E)(ii).~~

~~“(4) Regulations and guidance.— The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this subsection.~~

~~“(5) Penalty for direct pay.—~~

1 ~~“(A) In general.—In the case of a taxpayer making an election~~  
2 ~~under section 6417 with respect to a credit under this section, the~~  
3 ~~amount of such credit shall be replaced with—~~

4 ~~“(i) the value of such credit (determined without regard to this~~  
5 ~~paragraph), multiplied by~~

6 ~~“(ii) the applicable percentage.~~

7 ~~“(B) 100 percent applicable percentage for certain qualified~~  
8 ~~facilities.—In the case of any qualified facility—~~

9 ~~“(i) which satisfies the requirements under paragraph (5) with~~  
10 ~~respect to the construction of such facility, or~~

11 ~~“(ii) with a maximum net output of less than 1 megawatt,~~  
12 ~~the applicable percentage shall be 100 percent.~~

13 ~~“(C) Phased domestic content requirement.—Subject to~~  
14 ~~subparagraph (D), in the case of any qualified facility which is~~  
15 ~~not described in subparagraph (B), the applicable percentage~~  
16 ~~shall be—~~

17 ~~“(i) if construction of such facility began before January 1, 2024,~~  
18 ~~100 percent,~~

19 ~~“(ii) if construction of such facility began in calendar year 2024,~~  
20 ~~90 percent,~~

21 ~~“(iii) if construction of such facility began in calendar year~~  
22 ~~2025, 85 percent, and~~

23 ~~“(iv) if construction of such facility began after December 31,~~  
24 ~~2025, 0 percent.~~

25 ~~“(D) Exception.—If the Secretary, after consultation with the~~  
26 ~~Secretary of Commerce and the United States Trade~~  
27 ~~Representative, determines that, for purposes of application of~~

1 ~~the requirements under paragraph (5) with respect to the~~  
2 ~~construction of the qualified facility—~~

3 ~~“(i) their application would be inconsistent with the public~~  
4 ~~interest;~~

5 ~~“(ii) such materials and products are not produced in the United~~  
6 ~~States in sufficient and reasonably available quantities and of a~~  
7 ~~satisfactory quality, or~~

8 ~~“(iii) inclusion of domestic material will increase the cost of the~~  
9 ~~construction of the qualified facility by more than 25 percent,~~  
10 ~~the applicable percentage shall be 100 percent.”.~~

11  
12 ~~\* 83 (b) Elective Payment of Credit.— Section 6417(b), as added~~  
13 ~~and amended by the preceding provisions of this Act, is~~  
14 ~~amended by adding at the end the following new paragraph:~~

15 ~~“(7) The zero emissions facility credit determined under section~~  
16 ~~48E.”.~~

17 ~~(c) Conforming Amendments.—~~

18 ~~(1) Section 46 is amended by striking “and” at the end of~~  
19 ~~paragraph (6), by striking the period at the end of paragraph (7)~~  
20 ~~and inserting “, and”, and by adding at the end the following~~  
21 ~~new paragraph:~~

22 ~~“(8) the zero emissions facility credit.”.~~

23 ~~(2) Section 49(a)(1)(C) is amended by striking “and” at the end~~  
24 ~~of clause (v), by striking the period at the end of clause (vi) and~~  
25 ~~inserting a comma, and by adding at the end the following new~~  
26 ~~clause:~~

27 ~~“(vii) the basis of any eligible property which is part of a zero~~

1 ~~emissions facility under section 48D.”.~~

2 ~~(3) Section 50(a)(2)(E) is amended by striking “or 48D” and~~  
3 ~~inserting “48D, or 48E(b)(2)”.~~

4  
5 ~~\* 85 (4) The table of sections for subpart E of part IV of~~  
6 ~~subchapter A of chapter 1 is amended by inserting after the item~~  
7 ~~relating to section 48D the following new item:~~

8 ~~Sec. 48E. Zero emissions facility credit.~~

9 ~~(d) Effective Date.— The amendments made by this section shall~~  
10 ~~apply to periods after December 31, 2021, under rules similar to~~  
11 ~~the rules of section 48(m) of the Internal Revenue Code of 1986~~  
12 ~~(as in effect on the day before the date of the enactment of the~~  
13 ~~Revenue Reconciliation Act of 1990)~~

14 ~~SEC. 136107~~ **SEC. 136106. EXTENSION AND**  
15 **MODIFICATION OF CREDIT FOR CARBON OXIDE**  
16 **SEQUESTRATION.**

17 ~~(a) Extension.— Section 45Q(d)(1) is amended by striking “January 1, 2026” and inserting~~  
18 ~~“January 1, 2032”.~~

19 ~~(b) Modification of Carbon Oxide Capture Requirements.— Section 45Q(d)(2) is amended to~~  
20 ~~read as follows:~~

21 **“(d) Qualified Facility.—**

22 **“(1) IN GENERAL.— For purposes of this section, the term ‘qualified facility’ means a**  
23 **facility”**~~(2) which captures—~~

24 ~~“(A) in the case of a direct air capture facility, not less than 1,000 metric tons of~~  
25 ~~qualified carbon oxide during the taxable year,~~

26 ~~“(B) in the case of an electricity generating facility, not less than 18,750 metric tons~~  
27 ~~of qualified carbon oxide during the taxable year and not less than 75 percent by mass~~  
28 ~~of the carbon oxide that would otherwise be released into the atmosphere by such~~  
29 ~~facility during such taxable year, and~~

30 ~~“(C) in the case of any other facility, not less than 12,500 metric tons of qualified~~  
31 ~~carbon oxide during the taxable year and not less than 50 percent of the carbon oxide~~  
32 ~~that would otherwise be released into the atmosphere by such facility during such~~  
33 ~~taxable year.”.~~



1           ~~(e)~~**(2) TERMINATION RULE.—The term ‘qualified facility’ means any industrial**  
2           **facility or direct air capture facility—**

3                   **“(A) the construction of which begins before January 1, 2032, and**

4                   **“(B) either—**

5                           **“(i) the construction of carbon capture equipment of which begins before**  
6                           **such date, or**

7                           **“(ii) the original planning and design of which includes installation of**  
8                           **carbon capture equipment.”.**

9           **(b) Determination of Applicable Dollar Amount.—**

10           (1) IN GENERAL.—Section 45Q(b)(1) is amended by ~~redesignating~~ **striking** subparagraph  
11           (B) ~~as subparagraph (C)~~ and by inserting after subparagraph (A) the following new  
12           subparagraph **subparagraphs:**

13                   ~~“(B) SPECIAL RULE FOR DIRECT AIR CAPTURE FACILITIES.—For any taxable year~~  
14                   **beginning qualified facility described in subsection (d)(1)(A), the construction of**  
15                   **which begins after December 31, 2021, in the case of any qualified facility described  
16                   ~~in subsection (d)(2)(C); the applicable dollar amount shall be an amount equal to—~~  
17                   **to the applicable dollar amount otherwise determined with respect to such facility**  
18                   **under subparagraph (A), except that such subparagraph shall be applied—****

19                           ~~“(i) for purposes of paragraph (3) of subsection (a);“(i) in clause (i)(I) of such~~  
20                           **subparagraph, by substituting ‘\$36’ for ‘\$17’, and**

21                           **“(ii) in clause (i)(II) of such subparagraph, by substituting ‘\$26’ for ‘\$12’.**

22                   ~~“(C) APPLICABLE DOLLAR AMOUNT FOR ADDITIONAL CARBON CAPTURE~~  
23                   **EQUIPMENT.—In the case of any qualified facility the construction of which begins**  
24                   **before January 1, 2022, if any additional carbon capture equipment is installed at**  
25                   **such facility and construction of such equipment began after December 31, 2021,**  
26                   **the applicable dollar amount shall be an amount equal to the applicable dollar**  
27                   **amount otherwise determined under subparagraph (A), except that such**  
28                   **subparagraph shall be applied by substituting ‘carbon capture equipment’ for**  
29                   **‘qualified facility’ each place it appears.”. product of \$180 and the inflation  
30                   ~~adjustment factor for such calendar year determined under section 43(b)(3)(B) for such~~  
31                   ~~calendar year, determined by substituting ‘2020’ for ‘1990’, and~~**

32                           ~~“(ii) for purposes of paragraph (4) of such subsection, an amount equal to the~~  
33                           ~~product of \$130 and the inflation adjustment factor for such calendar year determined~~  
34                           ~~under section 43(b)(3)(B) for such calendar year, determined by substituting ‘2020’ for~~  
35                           ~~‘1990’.”.~~

36           (2) CONFORMING AMENDMENTS.—

37                   (A) Section 45Q(b)(1)(A) is amended by striking “The applicable dollar amount”  
38                   and inserting “Except as provided in subparagraph (B), the applicable dollar amount”.

39                   (B) Section ~~45Q(b)(1)(C)~~ **45Q(b)(1)(D)**, as redesignated by subparagraph (A), is  
40                   amended by striking “subparagraph (A)” and inserting “subparagraph (A) ~~or (B)~~”, **(B)**,

1           or (C)”.

2           ~~(d)~~(C) Section 45Q(b)(2) is amended by inserting “Subject to paragraph (3)”  
3           before “in the case”.

4           (c) Wage and Apprenticeship Requirements.—Section 45Q is amended by redesignating  
5           subsection (h) as subsection (i) and inserting after subsection (g) following new subsection:

6           “(h) ~~Base Credit Amount and~~ Increased Credit Amount for Qualified Facilities and Carbon  
7           Capture Equipment.—

8           “(1) IN GENERAL.—In the case of any qualified facility and any carbon capture equipment  
9           which ~~does not~~ satisfy the requirements of paragraph (2), the amount of the credit  
10           determined under subsection (a) shall be ~~20 percent of~~ **equal to** such amount **multiplied by**  
11           **5** (determined without regard to this sentence).

12           ~~“(2) INCREASED CREDIT FOR CERTAIN FACILITIES AND CARBON CAPTURE EQUIPMENT~~  
13           ~~MEETING PROJECT REQUIREMENTS.—~~ **REQUIREMENTS.—The requirements described in**  
14           **this subparagraph are that—**

15           ~~“(A) In general.—In the case of”~~**“(A) with respect to any qualified facility and the**  
16           **construction of which begins on or after the date that is 60 days after the**  
17           **Secretary publishes guidance with respect to the requirements of paragraphs (3)**  
18           **and (4), as well as any carbon capture equipment placed in service at such facility—**  
19           ~~which meets the project requirements of this subparagraph, subparagraph (A) shall not~~  
20           ~~apply. facility—~~

21           ~~“(B) Project requirements.—A project meets the requirements of this~~  
22           ~~subparagraph if it is one of the following:”~~**“(i) subject to subparagraph (B) of**  
23           **paragraph (3), such facility and equipment satisfy the requirements under**  
24           **subparagraph (A) of such paragraph, and**

25           ~~“(i) A qualified facility with a maximum net output of less than 1~~  
26           ~~megawatt.”~~**“(ii) the construction of such facility and equipment satisfy the**  
27           **requirements under paragraph (4),**

28           ~~“(ii) A qualified facility or”~~**“(B) with respect to any carbon capture equipment the**  
29           **construction of which begins after the date that is 60 days after the Secretary**  
30           **publishes guidance with respect to** ~~placed in service at such facility which~~  
31           ~~commences construction prior to the date of the enactment of this paragraph.~~

32           ~~“(iii) A project which satisfies the requirements of paragraphs (3) and (4), and~~  
33           ~~which is installed at a qualified facility the construction of which began prior to~~  
34           ~~such date—~~**“(iii) A project which satisfies the requirements of paragraphs (3) and (4), and**  
35           **which is installed at a qualified facility the construction of which began prior to**  
36           **such date—**

37           ~~“(i) subject to subparagraph (B) of paragraph (3), such equipment satisfies~~  
38           ~~the requirements of subparagraphs (A) of such paragraph, and~~  
39           ~~“(ii) the construction of such facility and equipment satisfy the~~  
40           ~~requirements under paragraph (4), and~~  
41           ~~“(C) the construction of carbon capture equipment begins prior to the date that~~  
42           ~~is 60 days after the Secretary publishes guidance with respect to the requirements~~  
43           ~~of paragraphs (3) and (4), and such equipment is installed at a qualified facility~~

44           ~~“(i) subject to subparagraph (B) of paragraph (3), such equipment satisfies~~  
45           ~~the requirements of subparagraphs (A) of such paragraph, and~~  
46           ~~“(ii) the construction of such facility and equipment satisfy the~~  
47           ~~requirements under paragraph (4), and~~  
48           ~~“(C) the construction of carbon capture equipment begins prior to the date that~~  
49           ~~is 60 days after the Secretary publishes guidance with respect to the requirements~~  
50           ~~of paragraphs (3) and (4), and such equipment is installed at a qualified facility~~

51           ~~“(i) subject to subparagraph (B) of paragraph (3), such equipment satisfies~~  
52           ~~the requirements of subparagraphs (A) of such paragraph, and~~  
53           ~~“(ii) the construction of such facility and equipment satisfy the~~  
54           ~~requirements under paragraph (4), and~~  
55           ~~“(C) the construction of carbon capture equipment begins prior to the date that~~  
56           ~~is 60 days after the Secretary publishes guidance with respect to the requirements~~  
57           ~~of paragraphs (3) and (4), and such equipment is installed at a qualified facility~~

1           **the construction of which begins prior to such date.**

2           “(3) PREVAILING WAGE REQUIREMENTS.—

3           “(A) IN GENERAL.—The requirements described in this subparagraph with respect to  
4           any qualified facility and any carbon capture equipment placed in service at such  
5           facility are that the taxpayer shall ensure that any laborers and mechanics employed by  
6           contractors and subcontractors in—

7           “(i) in the case of—

8                   **“(I) any qualified facility described in subparagraph (A)(i) of**  
9                   **paragraph (2), the construction of such facility and carbon capture**  
10                   **equipment placed in service at such facility, or**

11                   **“(II) any carbon capture equipment described in subparagraph (A)(ii)**  
12                   **of paragraph (2), the construction of such equipment, and**

13                   **“(ii) for the period of the taxable year which is within the 12-year period**  
14                   **beginning on the date on which any carbon capture equipment is originally**  
15                   **placed in service at any qualified facility (as described in paragraphs (3)(A)**  
16                   **and (4)(A) of subsection (a)),;**

17                   ~~“(ii) the alteration or repair of such facility and carbon capture equipment~~  
18                   ~~during the 12 year period after being placed into service, or for carbon capture~~  
19                   ~~equipment placed in service prior to 2018, until the date determined by the~~  
20                   ~~Secretary under subsection (g), or such equipment,~~

21           shall be paid wages at rates not less than the prevailing rates for construction,  
22           alteration, or repair of a similar character in the locality as most recently determined by  
23           the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40,  
24           United States Code. **For purposes of determining an increased credit amount**  
25           **under paragraph (1) for a taxable year, the requirement under clause (ii) of this**  
26           **paragraph is applied to such taxable year in which the alteration or repair of**  
27           **qualified facility occurs.**

28           “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE  
29           REQUIREMENTS.—

30           ~~“(i) IN GENERAL.—IN THE CASE OF ANY TAXPAYER WHICH FAILS TO SATISFY THE~~  
31           ~~REQUIREMENT UNDER SUBPARAGRAPH (A) WITH RESPECT TO THE CONSTRUCTION OF ANY~~  
32           ~~QUALIFIED FACILITY OR WITH RESPECT TO THE ALTERATION OR REPAIR OF A FACILITY IN~~  
33           ~~ANY YEAR DURING THE PERIOD DESCRIBED IN SUBPARAGRAPH (A)(II), SUCH TAXPAYER~~  
34           ~~SHALL BE DEEMED TO HAVE SATISFIED SUCH REQUIREMENT UNDER SUCH~~  
35           ~~SUBPARAGRAPH WITH RESPECT TO SUCH FACILITY AND CARBON CAPTURE EQUIPMENT~~  
36           ~~FOR ANY YEAR IF, WITH RESPECT TO ANY LABORER OR MECHANIC WHO WAS PAID WAGES~~  
37           ~~AT A RATE BELOW THE RATE DESCRIBED IN SUCH SUBPARAGRAPH FOR ANY PERIOD~~  
38           ~~DURING SUCH YEAR, SUCH TAXPAYER—~~

39           ~~“(I) MAKES PAYMENT TO SUCH LABORER OR MECHANIC IN AN AMOUNT EQUAL TO THE~~  
40           ~~SUM OF AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT OF WAGES PAID~~  
41           ~~TO SUCH LABORER OR MECHANIC DURING SUCH PERIOD, AND—~~

1           ~~“(AA) THE AMOUNT OF WAGES REQUIRED TO BE PAID TO SUCH LABORER OR MECHANIC~~  
2           ~~PURSUANT TO SUCH SUBPARAGRAPH DURING SUCH PERIOD, PLUS~~

3           ~~“(BB) INTEREST ON THE AMOUNT DETERMINED UNDER ITEM (AA) AT THE~~  
4           ~~UNDERPAYMENT RATE ESTABLISHED UNDER SECTION 6621 FOR THE PERIOD DESCRIBED~~  
5           ~~IN SUCH ITEM, AND~~

6           ~~“(H) MAKES PAYMENT TO THE SECRETARY OF A PENALTY IN AN AMOUNT EQUAL TO~~  
7           ~~THE PRODUCT OF—~~

8           ~~“(AA) \$5,000, MULTIPLIED BY~~

9           ~~“(BB) THE TOTAL NUMBER OF LABORERS AND MECHANICS WHO WERE PAID WAGES AT~~  
10           ~~A RATE BELOW THE RATE DESCRIBED IN SUBPARAGRAPH (A) FOR ANY PERIOD DURING~~  
11           ~~SUCH YEAR.~~

12           ~~“(H) PENALTY ASSESSED AS TAX.— THE PENALTY DESCRIBED IN CLAUSE (I)(H) SHALL~~  
13           ~~BE TREATED IN THE SAME MANNER AS A PENALTY IMPOSED UNDER SUBCHAPTER B OF~~  
14           ~~CHAPTER 68.~~

15           ~~“(4) APPRENTICESHIP REQUIREMENTS.— THE REQUIREMENTS DESCRIBED IN THIS~~  
16           ~~PARAGRAPH WITH RESPECT TO ANY QUALIFIED FACILITY AND CARBON CAPTURE~~  
17           ~~EQUIPMENT ARE AS FOLLOWS:~~

18           ~~“(A) LABOR HOURS.—~~

19           ~~“(i) PERCENTAGE OF TOTAL LABOR HOURS.— ALL CONTRACTORS AND~~  
20           ~~SUBCONTRACTORS ENGAGED IN THE PERFORMANCE OF CONSTRUCTION, ALTERATION, OR~~  
21           ~~REPAIR WORK ON ANY FACILITY AND CARBON CAPTURE EQUIPMENT PRIOR TO SUCH~~  
22           ~~FACILITY BEING PLACED INTO SERVICE SHALL, SUBJECT TO SUBPARAGRAPH (B), ENSURE~~  
23           ~~THAT NOT LESS THAN THE APPLICABLE PERCENTAGE OF THE TOTAL LABOR HOURS OF~~  
24           ~~SUCH WORK BE PERFORMED BY QUALIFIED APPRENTICES.~~

25           ~~“(ii) APPLICABLE PERCENTAGE.— FOR PURPOSES OF PARAGRAPH (1), THE APPLICABLE~~  
26           ~~PERCENTAGE SHALL BE —~~

27           ~~“(I) IN THE CASE OF ANY APPLICABLE PROJECT THE CONSTRUCTION OF WHICH BEGINS~~  
28           ~~BEFORE JANUARY 1, 2023, 5 PERCENT,~~

29           ~~“(II) IN THE CASE OF ANY APPLICABLE PROJECT THE CONSTRUCTION OF WHICH BEGINS~~  
30           ~~AFTER DECEMBER 31, 2022, AND BEFORE JANUARY 1, 2024, 10 PERCENT, AND~~

31           ~~“(III) IN THE CASE OF ANY APPLICABLE PROJECT THE CONSTRUCTION OF WHICH BEGINS~~  
32           ~~AFTER DECEMBER 31, 2023, 15 PERCENT.~~

33           ~~“(B) APPRENTICE TO JOURNEYWORKER RATIO.— THE REQUIREMENT UNDER~~  
34           ~~SUBPARAGRAPH (A)(i) SHALL BE SUBJECT TO ANY APPLICABLE REQUIREMENTS FOR~~  
35           ~~APPRENTICE TO JOURNEYWORKER RATIOS OF THE DEPARTMENT OF LABOR OR THE~~  
36           ~~APPLICABLE STATE APPRENTICESHIP AGENCY.~~

37           ~~“(C) PARTICIPATION.— EACH CONTRACTOR AND SUBCONTRACTOR WHO EMPLOYS 4~~  
38           ~~OR MORE INDIVIDUALS TO PERFORM CONSTRUCTION, ALTERATION, OR REPAIR WORK ON~~  
39           ~~AN APPLICABLE PROJECT SHALL EMPLOY 1 OR MORE QUALIFIED APPRENTICES TO~~  
40           ~~PERFORM SUCH WORK.~~

1           ~~“(D) EXCEPTION.—~~

2           ~~“(I) IN GENERAL.—NOTWITHSTANDING ANY OTHER PROVISION OF THIS PARAGRAPH,~~  
3           ~~THIS PARAGRAPH SHALL NOT APPLY IN THE CASE OF A TAXPAYER WHO—~~

4           ~~“(I) DEMONSTRATES A LACK OF AVAILABILITY OF QUALIFIED APPRENTICES IN THE~~  
5           ~~GEOGRAPHIC AREA OF THE CONSTRUCTION, ALTERATION, OR REPAIR WORK, AND~~

6           ~~“(II) MAKES A GOOD FAITH EFFORT TO COMPLY WITH THE REQUIREMENTS OF THIS~~  
7           ~~PARAGRAPH.~~

8           ~~“(H) GOOD FAITH EFFORT.—FOR PURPOSES OF CLAUSE (I), A TAXPAYER SHALL BE~~  
9           ~~DEEMED TO HAVE SATISFIED THE REQUIREMENTS UNDER SUCH PARAGRAPH WITH~~  
10           ~~RESPECT TO AN APPLICABLE PROJECT IF SUCH TAXPAYER HAS REQUESTED QUALIFIED~~  
11           ~~APPRENTICES FROM A REGISTERED APPRENTICESHIP PROGRAM, AS DEFINED IN SECTION~~  
12           ~~3131(E)(3)(B), AND SUCH REQUEST HAS BEEN DENIED, PROVIDED THAT SUCH DENIAL IS~~  
13           ~~NOT THE RESULT OF A REFUSAL BY THE CONTRACTORS OR SUBCONTRACTORS ENGAGED~~  
14           ~~IN THE PERFORMANCE OF CONSTRUCTION, ALTERATION, OR REPAIR WORK ON SUCH~~  
15           ~~APPLICABLE PROJECT TO COMPLY WITH THE ESTABLISHED STANDARDS AND~~  
16           ~~REQUIREMENTS OF SUCH APPRENTICESHIP PROGRAM.~~

17           ~~“(E) DEFINITIONS.—FOR PURPOSES OF THIS PARAGRAPH—~~

18           ~~“(I) LABOR HOURS.—THE TERM ‘LABOR HOURS’ HAS THE MEANING GIVEN SUCH TERM~~  
19           ~~IN SECTION 45(B)(9)(E)(I).~~

20           ~~“(H) QUALIFIED APPRENTICE.—THE TERM ‘QUALIFIED APPRENTICE’ HAS THE~~  
21           ~~MEANING GIVEN SUCH TERM IN SECTION 45(B)(9)(E)(H). REQUIREMENTS.—Rules~~  
22           ~~similar to the rules of clauses (i) through (iv) of section 45(b)(7)(B) shall apply.~~

23           ~~“(4) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section 45(b)(8)~~  
24           ~~shall apply.~~

25           ~~“(5) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other~~  
26           ~~guidance as the Secretary determines necessary or appropriate to carry out the purposes of~~  
27           ~~this subsection.”. subsection, including regulations or other guidance which provides~~  
28           ~~for requirements for recordkeeping or information reporting for purposes of~~  
29           ~~establishing the requirements of this subsection.”.~~

30           ~~(e)(d) Increased Applicable Dollar Amount.—~~

31           (1) IN GENERAL.—Section 45Q(b)(1) is amended—

32           (A) by amending clause (i) of subparagraph (A) to read as follows:

33                   “(i) for any taxable year beginning in a calendar year after 2016 and before  
34                   2027—

35                           “(I) for purposes of paragraph (3) of subsection (a), ~~\$50~~ **\$17** for each  
36                           calendar year during such period, and

37                           “(II) for purposes of paragraph (4) of such subsection, ~~\$35~~ **\$12** for each  
38                           calendar year during such period, and”, **and**

39           (B) in clause (ii)—

1 (i) in subclause (I), by striking “\$50” and inserting “the amount  
2 determined under clause (i)(I) with respect to the qualified facility”, and

3 (ii) in subclause (II), by striking “\$35” and inserting “the amount  
4 determined under clause (i)(II) with respect to the qualified facility”.

5 (e) **Installation of Additional Carbon Capture Equipment on Certain Facilities.**—Section  
6 45Q(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after  
7 paragraph (2) the following new paragraph:

8 “(3) **INSTALLATION OF ADDITIONAL CARBON CAPTURE EQUIPMENT ON CERTAIN**  
9 **FACILITIES.**—In the case of a qualified facility described in paragraph (1)(C), for  
10 purposes of determining the amount of qualified carbon oxide which is captured by  
11 the taxpayer, rules similar to rules of paragraph (2) shall apply for purposes of  
12 subsection (a).”.

13 (f) **Credit Reduced for Tax-exempt Bonds.**—Section 45Q(f) is amended by adding at the  
14 end the following new paragraph:

15 “(8) **CREDIT REDUCED FOR TAX-EXEMPT BONDS.**—Rules similar to the rule under  
16 section 45(b)(3) shall apply for purposes of this section.”.

17 (g) **Application of Section for Certain Carbon Capture Equipment.**—Section 45Q(g) is  
18 amended by inserting “the earlier of January 1, 2023 and” before “the end of the calendar  
19 year”.

20 (h) **Election.**—Section 45Q(f) is amended by adding at the end the following new  
21 paragraph:

22 “(9) **ELECTION.**—For purposes of paragraphs (3) and (4) of subsection (a), a person  
23 described in paragraph (3)(A)(ii) may elect, at such time and in such manner as the  
24 Secretary may prescribe, to have the 12–year period begin on the first day of the first  
25 taxable year in which a credit under this section is claimed with respect to carbon  
26 capture equipment which is originally placed in service at a qualified facility on or  
27 after the date of the enactment of the Bipartisan Budget Act of 2018 (after application  
28 of subsection (f)(6) where applicable) if—

29 “(A) no taxpayer claimed a credit under this section with respect to such  
30 carbon capture equipment for any prior taxable year,

31 “(B) the qualified facility at which such carbon capture equipment is placed in  
32 service is located in an area affected by a federally–declared disaster (as defined  
33 by section 165(i) (5)(A)) after the carbon capture equipment is originally placed in  
34 service, and

35 “(C) such federally–declared disaster results in a cessation of the operation of  
36 the qualified facility after the carbon capture equipment is originally placed in  
37 service.”.

38 (i) **Effective Dates.**—

39 (1) The amendments made by subsections (a), (b), (c), (d), (e), (f), and (g) shall apply  
40 to facilities or equipment the construction of which begins after December 31, 2021.

1           **(2) The amendments made by subsection (h) shall apply to carbon oxide captured**  
2           **and disposed of after December 31, 2021.**~~(B) by redesignating subparagraphs (B) and (C)~~  
3           ~~as subparagraphs (C) and (D), and~~

4           ~~(C) by inserting after subparagraph (A) the following new subparagraph:~~

5           ~~“(B) Inflation adjustment.— In the case of any taxable year beginning in a calendar year~~  
6           ~~after 2025, each of the dollar amounts in subparagraph (A)(i) shall be increased by an~~  
7           ~~amount equal to—~~

8           ~~“(i) such dollar amount, multiplied by~~

9           ~~“(ii) the cost of living adjustment determined under section 1(f)(3) for the calendar year~~  
10           ~~in which the taxable year begins, determined by substituting ‘calendar year 2024’ for~~  
11           ~~‘calendar year 2016’ in subparagraph (A)(ii) thereof.~~

12           ~~Any increase determined under the preceding sentence shall be rounded to the nearest~~  
13           ~~cent.”.~~

14           ~~(f) Effective Dates.—~~

15  
16           ~~\* 40 (1) Extension.— The amendment made by subsection (a)~~  
17           ~~shall apply to facilities the construction of which begins after~~  
18           ~~December 31, 2025.~~

19           ~~(2) Other amendments.— The amendments made by subsections~~  
20           ~~(b), (c), (d), and (e) shall apply to taxable years beginning after~~  
21           ~~December 31, 2021.~~

22           ~~SEC. 136108~~ **SEC. 136107. GREEN ENERGY PUBLICLY**  
23           **TRADED PARTNERSHIPS.**

24           (a) In General.—Section 7704(d)(1)(E) is amended—

25           (1) by striking “income and gains derived from the exploration” and inserting “income  
26           and gains derived from—

27                   “(i) the exploration”,

28           (2) by inserting “or” before “industrial source”, and

29           (3) by striking “, or the transportation or storage” and all that follows and inserting the  
30           following:

31                   “(ii) the generation of electric power or thermal energy exclusively using any  
32                   qualified energy resource (as defined in section 45(c)(1)),

33                   “(iii) the operation of energy property (as defined in section 48(a)(3),  
34                   determined without regard to any date by which the construction of the facility is  
35                   required to begin),

1           “(iv) in the case of a facility described in paragraph (3) or (7) of section 45(d)  
2           (determined without regard to any placed in service date or date by which  
3           construction of the facility is required to begin), the accepting or processing of  
4           open-loop biomass or municipal solid waste,

5           “(v) the transportation or storage of any fuel described in subsection (b), (c),  
6           (d), or (e) of section 6426,

7           “(vi) the conversion of renewable biomass (as defined in subparagraph (I) of  
8           section 211(o)(1) of the Clean Air Act (as in effect on the date of the enactment of  
9           this clause)) into renewable fuel (as defined in subparagraph (J) of such section as  
10          so in effect), or the storage or transportation of such fuel,

11          “(vii) the production, storage, or transportation of any fuel which—

12                  “(I) uses as its primary feedstock carbon oxides captured from an  
13                  anthropogenic source or the atmosphere,

14                  “(II) does not use as its primary feedstock carbon oxide which is  
15                  deliberately released from naturally occurring subsurface springs, and

16                  “(III) is determined by the Secretary, ~~after consultation with the Secretary~~  
17                  ~~of Energy and the Administrator of the Environmental Protection Agency,~~ to  
18                  achieve a reduction of not less than a 60 percent in lifecycle greenhouse gas  
19                  emissions (as defined in section 211(o)(1)(H) of the Clean Air Act, as in  
20                  effect on the date of the enactment of this clause) compared to baseline  
21                  lifecycle greenhouse gas emissions (as defined in section 211(o)(1)(C) of  
22                  such Act, as so in effect), or

23          “(viii) a qualified facility (as defined in section 45Q(d), without regard to any  
24          date by which construction of the facility is required to begin).”.

25          (b) Effective Date.—The amendments made by this section apply to taxable years beginning  
26          after December 31, 2021.

## 27   **SEC. ~~136109~~ 136108. ZERO-EMISSION NUCLEAR POWER** 28   **PRODUCTION CREDIT.**

29          (a) In General.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue  
30          Code of 1986 is amended by adding at the end the following new section:

### 31   **“SEC. 45W. ZERO-EMISSION NUCLEAR POWER** 32   **PRODUCTION CREDIT.**

33          “(a) Amount of Credit.—For purposes of section 38, the zero-emission nuclear power  
34          production credit for any taxable year is an amount equal to the amount by which—

35                  “(1) the product of—

36                          “(A) ~~1.5~~ **0.3** cents, multiplied by

37                          “(B) the kilowatt hours of electricity—

38                                  “(i) produced by the taxpayer at a qualified nuclear power facility, and



1                   “(ii) sold by the taxpayer to an unrelated person during the taxable year,  
2                   exceeds

3                   “(2) the reduction amount for such taxable year.

4                   “(b) Definitions.—

5                   “(1) QUALIFIED NUCLEAR POWER FACILITY.—For purposes of this section, the term  
6                   ‘qualified nuclear power facility’ means any nuclear facility—

7                   “(A) which is owned by the taxpayer and which uses nuclear energy to produce  
8                   electricity,

9                   “(B) which ~~has not received an allocation under section 45J(b),~~ **is not an advanced**  
10                   **nuclear power facility as defined in subsection (d)(1) of section 45J,** and

11                   “(C) which is placed in service before the date of the enactment of this section.

12                   “(2) REDUCTION AMOUNT.—

13                   “(A) IN GENERAL.—For purposes of this section, the term ‘reduction amount’ means,  
14                   with respect to any qualified nuclear power facility for any taxable year, the amount  
15                   equal to the lesser of—

16                   “(i) the amount determined under subsection (a)(1), or

17                   “(ii) the amount equal to ~~80~~ **16** percent of the excess of—

18                   “(I) subject to subparagraph (B), the gross receipts from any electricity  
19                   produced by such facility (including any electricity services or products  
20                   provided in conjunction with the electricity produced by such facility) and  
21                   sold to an unrelated person during such taxable year, over

22                   “(II) the amount equal to the product of—

23                   “(aa) 2.5 cents, multiplied by

24                   “(bb) the amount determined under subsection (a)(1)(B).

25                   “(B) TREATMENT OF CERTAIN RECEIPTS.—

26                   “(i) IN GENERAL.—The amount determined under subparagraph (A)(ii)(I) shall  
27                   include any amount received by the taxpayer during the taxable year with respect  
28                   to the qualified nuclear power facility from a zero-emission credit program unless  
29                   the amount received by the taxpayer is subject to reduction—

30                   “(I) by the full amount of the credit determined under this section, or

31                   “(II) by any lesser amount if such amount entirely offsets the amount  
32                   received from a zero-emission credit program.

33                   “(ii) ZERO-EMISSION CREDIT PROGRAM.—For purposes of this subparagraph, the  
34                   term ‘zero-emission credit program’ means any payments to a qualified nuclear  
35                   power facility as a result of any Federal, State or local government program for, in  
36                   whole or in part, the zero-emission, zero-carbon, or air quality attributes of any  
37                   portion of the electricity produced by such facility.

38                   “(3) ELECTRICITY.—For purposes of this section, the term ‘electricity’ means the energy

1 produced by a qualified nuclear power facility from the conversion of nuclear fuel into  
2 electric power.

3 “(c) Other Rules.—

4 “(1) INFLATION ADJUSTMENT.—The ~~1.5~~ **0.3** cent amount in subsection (a)(1)(A) and the  
5 2.5 cent amount in subsection (b)(2)(A)(ii)(II)(aa) shall each be adjusted by multiplying  
6 such amount by the inflation adjustment factor (as determined under section 45(e)(2), as  
7 applied by substituting ‘calendar year 2022’ for ‘calendar year 1992’ in subparagraph (B)  
8 thereof) for the calendar year in which the sale occurs. If ~~any~~ **the 0.3 cent** amount as  
9 increased under ~~the preceding sentence~~ **this paragraph is not a multiple of 0.05 cent, such**  
10 **amount shall be rounded to the nearest multiple of 0.05 cent. If the 2.5 cent amount as**  
11 **increased under this paragraph** is not a multiple of 0.1 cent, such amount shall be  
12 rounded to the nearest multiple of 0.1 cent.

13 “(2) SPECIAL RULES.—Rules similar to the rules of paragraphs (1), (3), (4), and (5) of  
14 section 45(e) shall apply for purposes of this section.

15 “(3) ~~DENIAL OF DOUBLE BENEFIT.—NO CREDIT SHALL BE ALLOWED UNDER SECTION 48E~~  
16 ~~FOR ANY POWER PRODUCTION FOR WHICH A CREDIT IS TAKEN UNDER THIS SECTION.~~

17 **ULTIMATE PURCHASER.—For purposes of this section, electricity produced by the**  
18 **taxpayer shall be treated as sold to an unrelated person if the ultimate purchaser of**  
19 **such electricity is unrelated to such taxpayer.**

20 ~~“(d) Wage and Apprenticeship Requirements.—~~“(d) **Wage Requirements.—**

21 ~~“(1) Base credit amount and increased~~“(1) **INCREASED CREDIT AMOUNT FOR QUALIFIED**  
22 **NUCLEAR POWER FACILITIES.—In facilities.—**

23 ~~“(A) In general.—In the case of any qualified nuclear power facility which does not~~  
24 ~~satisfy~~ **satisfies** the requirements of ~~subparagraph (B)~~ **paragraph (2)**, the amount of the  
25 credit determined under subsection (a) ~~and the 2.5 cent amount in subsection~~  
26 ~~(b)(2)(A)(ii)(II)(aa) shall be 20 percent of such amount shall be equal to such amount~~  
27 **multiplied by 5** (determined without regard to this sentence).

28  
29 ~~“(B) Increased credit for certain facilities meeting project requirements.—~~

30 ~~“(i) In general.—In the case of any qualified nuclear power facility which meets the~~  
31 ~~project requirements of this subparagraph, subparagraph (A) shall not apply.~~

32 ~~“(ii) Project requirements.—A project meets the requirements of this subparagraph if it is~~  
33 ~~one of the following:~~

34 ~~“(I) A project with a maximum net output of less than 1 megawatt.~~

35 ~~“(II) A project which satisfies the requirements of paragraphs (2) and (3).~~

36 “(2) **PREVAILING WAGE REQUIREMENTS.—**

37 “(A) **IN GENERAL.—**The taxpayer shall ensure that any laborers and mechanics  
38 employed by contractors and subcontractors in the alteration or repair of a facility shall  
39 be paid wages at rates not less than the prevailing rates for ~~construction~~, alteration, or  
40 repair of a similar character in the locality as most recently determined by the

1 Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United  
2 States Code.

3 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE  
4 REQUIREMENTS.—

5 “(I) IN GENERAL.—IN THE CASE OF ANY TAXPAYER WHICH FAILS TO SATISFY THE  
6 REQUIREMENT UNDER SUBPARAGRAPH (A), SUCH TAXPAYER SHALL BE DEEMED TO HAVE  
7 SATISFIED SUCH REQUIREMENT UNDER SUCH SUBPARAGRAPH WITH RESPECT TO SUCH  
8 FACILITY FOR ANY YEAR IF, WITH RESPECT TO ANY LABORER OR MECHANIC WHO WAS  
9 PAID WAGES AT A RATE BELOW THE RATE DESCRIBED IN SUCH SUBPARAGRAPH FOR ANY  
10 PERIOD DURING SUCH YEAR, SUCH TAXPAYER—

11 “(I) MAKES PAYMENT TO SUCH LABORER OR MECHANIC IN AN AMOUNT EQUAL TO THE  
12 SUM OF—

13 “(AA) AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT OF WAGES PAID  
14 TO SUCH LABORER OR MECHANIC DURING SUCH PERIOD, AND—

15 “(AA) THE AMOUNT OF WAGES REQUIRED TO BE PAID TO SUCH LABORER OR  
16 MECHANIC PURSUANT TO SUCH SUBPARAGRAPH DURING SUCH PERIOD, PLUS

17 “(BB) INTEREST ON THE AMOUNT DETERMINED UNDER ITEM (AA) AT THE  
18 UNDERPAYMENT RATE ESTABLISHED UNDER SECTION 6621 FOR THE PERIOD DESCRIBED  
19 IN SUCH ITEM, AND

20 “(II) MAKES PAYMENT TO THE SECRETARY OF A PENALTY IN AN AMOUNT EQUAL TO  
21 THE PRODUCT OF—

22 “(AA) \$5,000, MULTIPLIED BY

23 “(BB) THE TOTAL NUMBER OF LABORERS AND MECHANICS WHO WERE PAID WAGES AT  
24 A RATE BELOW THE RATE DESCRIBED IN SUBPARAGRAPH (A) FOR ANY PERIOD DURING  
25 SUCH YEAR.

26 “(II) PENALTY ASSESSED AS TAX.—THE PENALTY DESCRIBED IN CLAUSE (I)(II) SHALL  
27 BE TREATED IN THE SAME MANNER AS A PENALTY IMPOSED UNDER SUBCHAPTER B OF  
28 CHAPTER 68.

29 “(3) APPRENTICESHIP REQUIREMENTS.—THE REQUIREMENTS DESCRIBED IN THIS  
30 SUBPARAGRAPH WITH RESPECT TO ANY QUALIFIED NUCLEAR POWER FACILITY ARE AS  
31 FOLLOWS:

32 “(A) LABOR HOURS.—

33 “(i) PERCENTAGE OF TOTAL LABOR HOURS.—ALL CONTRACTORS AND  
34 SUBCONTRACTORS ENGAGED IN THE PERFORMANCE OF ALTERATION OR REPAIR WORK ON  
35 ANY QUALIFIED NUCLEAR POWER FACILITY SHALL, SUBJECT TO SUBPARAGRAPH (B),  
36 ENSURE THAT NOT LESS THAN THE APPLICABLE PERCENTAGE OF THE TOTAL LABOR  
37 HOURS OF SUCH WORK BE PERFORMED BY QUALIFIED APPRENTICES.

38 “(ii) APPLICABLE PERCENTAGE.—FOR PURPOSES OF PARAGRAPH (1), THE APPLICABLE  
39 PERCENTAGE SHALL BE—

40 “(I) IN THE CASE OF ANY APPLICABLE PROJECT THE CONSTRUCTION OF WHICH BEGINS

1           BEFORE JANUARY 1, 2023, 5 PERCENT;

2           ~~“(II) IN THE CASE OF ANY APPLICABLE PROJECT THE CONSTRUCTION OF WHICH BEGINS-~~  
3           ~~AFTER DECEMBER 31, 2022, AND BEFORE JANUARY 1, 2024, 10 PERCENT, AND~~

4           ~~“(III) IN THE CASE OF ANY APPLICABLE PROJECT THE CONSTRUCTION OF WHICH BEGINS~~  
5           ~~AFTER DECEMBER 31, 2023, 15 PERCENT.~~

6           ~~“(B) APPRENTICE TO JOURNEYWORKER RATIO.— THE REQUIREMENT UNDER-~~  
7           ~~SUBPARAGRAPH (A)(I) SHALL BE SUBJECT TO ANY APPLICABLE REQUIREMENTS FOR-~~  
8           ~~APPRENTICE TO JOURNEYWORKER RATIOS OF THE DEPARTMENT OF LABOR OR THE~~  
9           ~~APPLICABLE STATE APPRENTICESHIP AGENCY.~~

10          ~~“(C) PARTICIPATION.— EACH CONTRACTOR AND SUBCONTRACTOR WHO EMPLOYS 4-~~  
11          ~~OR MORE INDIVIDUALS TO PERFORM CONSTRUCTION, ALTERATION, OR REPAIR WORK ON-~~  
12          ~~AN APPLICABLE PROJECT SHALL EMPLOY 1 OR MORE QUALIFIED APPRENTICES TO~~  
13          ~~PERFORM SUCH WORK.~~

14          ~~“(D) EXCEPTION.—~~

15          ~~“(I) IN GENERAL.— NOTWITHSTANDING ANY OTHER PROVISION OF THIS PARAGRAPH,~~  
16          ~~THIS PARAGRAPH SHALL NOT APPLY IN THE CASE OF A TAXPAYER WHO—~~

17          ~~“(I) DEMONSTRATES A LACK OF AVAILABILITY OF QUALIFIED APPRENTICES IN THE~~  
18          ~~GEOGRAPHIC AREA OF THE CONSTRUCTION, ALTERATION, OR REPAIR WORK, AND~~

19          ~~“(II) MAKES A GOOD FAITH EFFORT TO COMPLY WITH THE REQUIREMENTS OF THIS~~  
20          ~~PARAGRAPH.~~

21          ~~“(II) GOOD FAITH EFFORT.— FOR PURPOSES OF CLAUSE (I), A TAXPAYER SHALL BE~~  
22          ~~DEEMED TO HAVE SATISFIED THE REQUIREMENTS UNDER SUCH PARAGRAPH WITH-~~  
23          ~~RESPECT TO AN APPLICABLE PROJECT IF SUCH TAXPAYER HAS REQUESTED QUALIFIED-~~  
24          ~~APPRENTICES FROM A REGISTERED APPRENTICESHIP PROGRAM, AS DEFINED IN SECTION~~  
25          ~~3131(E)(3)(B), AND SUCH REQUEST HAS BEEN DENIED, PROVIDED THAT SUCH DENIAL IS~~  
26          ~~NOT THE RESULT OF A REFUSAL BY THE CONTRACTORS OR SUBCONTRACTORS ENGAGED-~~  
27          ~~IN THE PERFORMANCE OF CONSTRUCTION, ALTERATION, OR REPAIR WORK ON SUCH~~  
28          ~~APPLICABLE PROJECT TO COMPLY WITH THE ESTABLISHED STANDARDS AND-~~  
29          ~~REQUIREMENTS OF SUCH APPRENTICESHIP PROGRAM.~~

30          ~~“(E) DEFINITIONS.— FOR PURPOSES OF THIS PARAGRAPH—~~

31          ~~“(I) LABOR HOURS.— THE TERM ‘LABOR HOURS’ HAS THE MEANING GIVEN SUCH TERM~~  
32          ~~IN SECTION 45(B)(9)(E)(I).~~

33          ~~“(II) QUALIFIED APPRENTICE.— THE TERM ‘QUALIFIED APPRENTICE’ HAS THE~~  
34          ~~MEANING GIVEN SUCH TERM IN SECTION 45(B)(9)(E)(II).~~

35          ~~“(4) REQUIREMENTS.— Rules similar to the rules of clauses (i) through (iv) of~~  
36          ~~section 45(b)(7)(B) shall apply.~~

37          **“(3) REGULATIONS AND GUIDANCE.—**The Secretary shall issue such regulations or other  
38          guidance as the Secretary determines necessary or appropriate to carry out the purposes of  
39          this subsection, **including regulations or other guidance which provides for**  
40          **requirements for recordkeeping or information reporting for purposes of establishing**

1           **the requirements of this subsection.**

2           “(e) Termination.—This section shall not apply to taxable years beginning after December 31,  
3 ~~2026.”~~ **2027.”**

4           (b) Conforming Amendments.—

5                 (1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

6                         (A) in paragraph ~~(36)~~**(32)**, by striking “plus” at the end,

7                         (B) in paragraph ~~(37)~~**(33)**, by striking the period at the end and inserting “, plus”,  
8                         and

9                         (C) by adding at the end the following new paragraph:

10                                 ~~“(38)”~~**“(34)”** the zero-emission nuclear power production credit determined under section  
11                                 45W(a).”.

12                 (2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such  
13                 Code is amended by adding at the end the following new item:

14                 “Sec.45W.Zero-emission nuclear power production credit.”.

15           (c) Elective Payment of Credit.—Section 6417(b), as ~~added~~ **amended** by the preceding  
16           provisions of this Act, is amended by adding at the end the following new paragraph:

17                         ~~“(8)”~~**“(7)”** The zero-emission nuclear power production credit determined under section  
18                         45W.”.

19           (d) Effective Date.—This section shall apply to electricity produced and sold after December  
20           31, 2021, in taxable years beginning after such date.

## 21   **PART 2—RENEWABLE FUELS**

### 22   **SEC. 136201. EXTENSION OF INCENTIVES FOR** 23   **BIODIESEL, RENEWABLE DIESEL AND ALTERNATIVE** 24   **FUELS.**

25           (a) Biodiesel and Renewable Diesel Credit.—Section 40A(g) is amended by striking  
26           “December 31, 2022” and inserting “December 31, ~~2031”~~ **2026”**.

27           (b) Biodiesel Mixture Credit.—

28                         (1) IN GENERAL.—Section 6426(c)(6) is amended by striking “December 31, 2022” and  
29                         inserting “December 31, ~~2031”~~ **2026”**.

30                         (2) FUELS NOT USED FOR TAXABLE PURPOSES.—Section 6427(e)(6)(B) is amended by  
31                         striking “December 31, 2022” and inserting “December 31, ~~2031”~~ **2026”**.

32           (c) Alternative Fuel Credit.—Section 6426(d)(5) is amended by striking “December 31, 2021”  
33           and inserting “December 31, ~~2031”~~ **2026”**.

34           (d) Alternative Fuel Mixture Credit.—Section 6426(e)(3) is amended by striking “December  
35           31, 2021” and inserting “December 31, ~~2031”~~ **2026”**.

1 (e) Payments for Alternative Fuels.—Section 6427(e)(6)(C) is amended by striking  
2 “December 31, 2021” and inserting “December 31, ~~2031~~ 2026”.

3 (f) Effective Date.—The amendments made by this section shall apply to fuel sold or used  
4 after December 31, 2021.

## 5 SEC. 136202. EXTENSION OF SECOND GENERATION 6 BIOFUEL INCENTIVES.

7 (a) In General.—Section 40(b)(6)(J)(i) is amended by striking “2022” and inserting  
8 “~~2032~~” “2027”.

9 (b) Effective Date.—The amendment made by subsection (a) shall apply to qualified second  
10 generation biofuel production after December 31, 2021.

## 11 SEC. 136203. SUSTAINABLE AVIATION FUEL CREDIT.

12 (a) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by inserting  
13 after section 40A the following new section:

### 14 “SEC. 40B. SUSTAINABLE AVIATION FUEL CREDIT.

15 “(a) In General.—For purposes of section 38, the sustainable aviation fuel credit for the  
16 taxable year is, with respect to any sale or use of a qualified mixture which occurs during such  
17 taxable year, an amount equal to the product of—

18 “(1) the number of gallons of sustainable aviation fuel in such mixture, multiplied by

19 “(2) the sum of—

20 “(A) \$1.25, plus

21 “(B) the applicable supplementary amount with respect to such sustainable aviation  
22 fuel.

23 “(b) Applicable Supplementary Amount.—For purposes of this section, the term ‘applicable  
24 supplementary amount’ means, with respect to any sustainable aviation fuel, an amount equal to  
25 \$0.01 for each percentage point by which the lifecycle greenhouse gas emissions reduction  
26 percentage with respect to such fuel exceeds 50 percent. In no event shall the applicable  
27 supplementary amount determined under this subsection exceed \$0.50.

28 “(c) Qualified Mixture.—For purposes of this section, the term ‘qualified mixture’ means a  
29 mixture of sustainable aviation fuel and kerosene if—

30 “(1) such mixture is produced by the taxpayer in the United States,

31 “(2) such mixture is used by the taxpayer (or sold by the taxpayer for use) in an aircraft,

32 “(3) such sale or use is in the ordinary course of a trade or business of the taxpayer, and

33 “(4) the transfer of such mixture to the fuel tank of such aircraft occurs in the United  
34 States.

35 “(d) Sustainable Aviation Fuel.—For purposes of this section, the term ‘sustainable aviation  
36 fuel’ means liquid fuel which—

1 “(1) meets the requirements of—

2 “(A) ASTM International Standard D7566, or

3 “(B) the Fischer Tropsch provisions of ASTM International Standard D1655, Annex  
4 A1,

5 “(2) is not derived from palm fatty **acid** distillates or petroleum, and

6 “(3) has been certified in accordance with subsection (e) as having a lifecycle greenhouse  
7 gas emissions reduction percentage of at least 50 percent.

8 “(e) Lifecycle Greenhouse Gas Emissions Reduction Percentage.—For purposes of this  
9 **section, the section—**

10 ~~“(1) In general.—The term ‘lifecycle greenhouse gas emissions reduction percentage’ means,~~  
11 ~~with respect to any sustainable aviation fuel, the percentage reduction in lifecycle greenhouse gas~~  
12 ~~emissions achieved by such fuel in comparison with petroleum-based jet fuel as stated in a~~  
13 ~~certification which meets the requirements of paragraphs (2).~~ **emissions—**

14 ~~“(2) Certification methodology.—A certification meets the requirements of this~~  
15 ~~paragraph if such certification (including the methodology and process of such certification)~~  
16 ~~conforms with all requirements (including requirements related to traceability and~~  
17 ~~information transmission) of~~“(1) **as defined in accordance with—**

18 “(A) the most recent Carbon Offsetting and Reduction Scheme for International  
19 Aviation which has been adopted by the International Civil Aviation Organization with  
20 the agreement of the United States, ~~or~~

21 ~~“(3) Option to obtain certification from secretary.—Not later than 24 months after~~  
22 ~~the date of the enactment of this section, the Secretary, after consultation with the~~  
23 ~~Secretary of Energy and the Administrator of the Environmental Protection Agency,~~  
24 ~~shall establish procedures pursuant to which taxpayers may obtain a certification which~~  
25 ~~meets the requirements of paragraph (2) from the Secretary.~~“(B) **any similar**  
26 **methodology which satisfies the criteria under section 211(o)(1)(H) of the Clean**  
27 **Air Act (42 U.S.C. 7545(o)(1)(H)), and**

28 “(2) **achieved by such fuel as compared with petroleum-based jet fuel.**

29 “(f) Registration of Sustainable Aviation Fuel Producers.—No credit shall be allowed under  
30 this section with respect to any sustainable aviation fuel unless the producer of such fuel ~~has~~  
31 ~~entered into an agreement~~ **is registered** with the Secretary ~~to provide the Secretary such~~ **under**  
32 **section 4101 and has provided such other** information with respect to such fuel as the  
33 Secretary may require for purposes of carrying out this section.

34 “(g) Coordination With Credit Against Excise Tax.—The amount of the credit determined  
35 under this section with respect to any sustainable aviation fuel shall, under rules prescribed by  
36 the Secretary, be properly reduced to take into account any benefit provided with respect to such  
37 sustainable aviation fuel solely by reason of the application of section 6426 or 6427(e).

38 “(h) Termination.—This section shall not apply to any sale or use after December 31, ~~2031.~~  
39 **2026.”**

40 (b) Credit Made Part of General Business Credit.—Section 38(b) is amended by striking

1 “plus” at the end of paragraph ~~(37)~~(33), by striking the period at the end of paragraph ~~(38)~~(34)  
2 and inserting “, plus”, and by inserting after paragraph ~~(38)~~(34) the following new paragraph:

3 ~~“(39)”~~“(35) the sustainable aviation fuel credit determined under section 40B.”.

4 (c) Coordination With Biodiesel Incentives.—

5 (1) IN GENERAL.—Section 40A(d)(1) is amended by inserting “or 40B” after “determined  
6 under section 40”.

7 (2) CONFORMING AMENDMENT.—Section 40A(f) is amended by striking paragraph (4).

8 (d) Sustainable Aviation Fuel Added to Credit for Alcohol Fuel, Biodiesel, and Alternative  
9 Fuel Mixtures.—

10 (1) IN GENERAL.—Section 6426 is amended by adding at the end the following new  
11 subsection:

12 “(k) Sustainable Aviation Fuel Credit.—

13 “(1) IN GENERAL.—For purposes of this section, the sustainable aviation fuel credit for  
14 the taxable year is, with respect to any sale or use of a qualified mixture, an amount equal to  
15 the product of—

16 “(A) the number of gallons of sustainable aviation fuel in such mixture, multiplied  
17 by

18 “(B) the sum of—

19 “(i) \$1.25, plus

20 “(ii) the applicable supplementary amount with respect to such sustainable  
21 aviation fuel.

22 “(2) APPLICABLE SUPPLEMENTARY AMOUNT.—For purposes of this subsection, the term  
23 ‘applicable supplementary amount’ has the meaning given such term in section 40B(b).

24 “(3) OTHER DEFINITIONS.—Any term used in this subsection which is also used in section  
25 40B shall have the meaning given such term by section 40B.

26 “(4) REGISTRATION REQUIREMENT.—For purposes of this subsection, rules similar to the  
27 rules of section 40B(f) shall apply.”.

28 (2) CONFORMING AMENDMENTS.—

29 (A) Section 6426 is amended—

30 (i) in subsection (a)(1), by striking “and (e)” and inserting “(e), and (k)”, and

31 (ii) in subsection (h), by striking “under section 40 or 40A” and inserting  
32 “under section 40, 40A, or 40B”.

33 (B) Section 6427(e)(6) is amended by striking the “and” at the end of subparagraph  
34 (C), by striking the period at the end of subparagraph (D) and inserting “, and”, and by  
35 adding at the end the following new subparagraph:

36 “(E) any qualified mixture of sustainable aviation fuel (as defined in section  
37 6426(k)(3)) sold or used after December 31, 2031.”.



1           **2026.”.**

2           **(C) Section 6427(e) is amended in the heading by striking “or Alternative Fuel”**  
3           **and inserting, “Alternative Fuel, or Sustainable Aviation Fuel”.**

4           **(D) Section 6427(e)(1) is amended by inserting “or the sustainable aviation fuel**  
5           **mixture credit” after “alternative fuel mixture credit”.**

6           **(E) Section 4101(a)(1) is amended by inserting “every person producing**  
7           **sustainable aviation fuel (as defined in section 40B or section 6426(k)(3)),” before**  
8           **“and every person producing second generation biofuel”.**

9           (e) Guidance.—Under rules prescribed by the Secretary of the Treasury (or the Secretary’s  
10          delegate), the amount of the credit allowed under section 40B of the Internal Revenue Code of  
11          1986 (as added by this subsection) shall be properly reduced to take into account any benefit  
12          provided with respect to sustainable aviation fuel (as defined in such section 40B) by reason of  
13          the application of section 6426 or section 6427(e).

14          (f) Amount of Credit Included in Gross Income.—Section 87 is amended by striking “and” in  
15          paragraph (1), by striking the period at the end of paragraph (2) and inserting “, and”, and by  
16          adding at the end the following new paragraph:

17                 “(3) the sustainable aviation fuel credit determined with respect to the taxpayer for the  
18                 taxable year under section 40B(a).”.

19          (g) Effective Date.—The amendments made by this section shall apply to fuel sold or used  
20          after December 31, 2022.

## 21   **SEC. 136204. CLEAN HYDROGEN.**

22          (a) Credit for Production of Clean Hydrogen.—

23                 (1) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by  
24                 adding at the end the following new section:

### 25   **“SEC. 45X. CREDIT FOR PRODUCTION OF CLEAN** 26   **HYDROGEN.**

27          “(a) Amount of Credit.—For purposes of section 38, the clean hydrogen production credit for  
28          any taxable year is an amount equal to the product of—

29                 “(1) the applicable amount, multiplied by

30                 “(2) the kilograms of qualified clean hydrogen produced by the taxpayer during such  
31                 taxable year at a qualified clean hydrogen production facility during the 10-year period  
32                 beginning on the date such facility was originally placed in service.

33          “(b) Applicable Amount.—

34                 “(1) IN GENERAL.—For purposes of subsection (a)(1), the applicable amount shall be an  
35                 amount equal to the applicable percentage of ~~\$3.00~~ **\$0.60**. If any amount as determined  
36                 under the preceding sentence is not a multiple of 0.1 cent, such amount shall be rounded to  
37                 the nearest multiple of 0.1 cent.

38

1           \* 112 ~~“(2) Applicable percentage.—For purposes of paragraph (1), the term ‘applicable~~  
2 ~~percentage’ means—~~

3           **“(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term**  
4 **‘applicable percentage’ shall be determined as follows:**

5           ~~“(A) In the case of any qualified clean hydrogen which is produced by a~~  
6 ~~facility that is placed in service before January 1, 2027 through a process that, as~~  
7 ~~compared to hydrogen produced by steam methane reforming, achieves a percentage~~  
8 ~~reduction in— results in a lifecycle greenhouse gas emissions which is less than 75-~~  
9 ~~percent, 20 percent, rate of—~~

10           ~~“(B) in~~ **“(i) not greater than 6 kilograms of CO<sub>2</sub>e per kilogram of hydrogen,**  
11 **and**

12           **“(ii) not less than 4 kilograms of CO<sub>2</sub>e per kilogram of hydrogen,**  
13 **the applicable percentage shall be 15 percent.**

14           ~~“(B) In the case of any qualified clean hydrogen which is produced through a~~  
15 ~~process that, as compared to hydrogen produced by steam methane reforming,~~  
16 ~~achieves a percentage reduction in— results in a lifecycle greenhouse gas emissions~~  
17 ~~which is not less than 75 percent and less than 85 percent, 25 percent, rate of—~~

18           ~~“(C) in~~ **“(i) less than 4 kilograms of CO<sub>2</sub>e per kilogram of hydrogen, and**

19           **“(ii) not less than 2.5 kilograms of CO<sub>2</sub>e per kilogram of hydrogen,**  
20 **the applicable percentage shall be 20 percent.**

21           ~~“(C) In the case of any qualified clean hydrogen which is produced through a~~  
22 ~~process that, as compared to hydrogen produced by steam methane reforming,~~  
23 ~~achieves a percentage reduction in— results in a lifecycle greenhouse gas emissions~~  
24 ~~which is not less than 85 percent and less than 95 percent, 34 percent, and rate of—~~

25           ~~“(D) in~~ **“(i) less than 2.5 kilograms of CO<sub>2</sub>e per kilogram of hydrogen, and**

26           **“(ii) not less than 1.5 kilograms of CO<sub>2</sub>e per kilogram of hydrogen,**  
27 **the applicable percentage shall be 25 percent.**

28           ~~“(D) In the case of any qualified clean hydrogen which is produced through a~~  
29 ~~process that, as compared to hydrogen produced by steam methane reforming,~~  
30 ~~achieves a percentage reduction in— results in a lifecycle greenhouse gas emissions~~  
31 ~~which is not less than 95 percent, rate of—~~

32           **“(i) less than 1.5 kilograms of CO<sub>2</sub>e per kilogram of hydrogen, and**

33           **“(ii) not less than 0.45 kilograms of CO<sub>2</sub>e per kilogram of hydrogen,**  
34 **the applicable percentage shall be 33.4 percent.**

35           **“(E) In the case of any qualified clean hydrogen which is produced through a**  
36 **process that results in a lifecycle greenhouse gas emissions rate of less than 0.45**  
37 **kilograms of CO<sub>2</sub>e per kilogram of hydrogen, the applicable percentage shall be**  
38 **100 percent.**

1           “(3) INFLATION ADJUSTMENT.—The ~~\$3.00~~ **\$0.60** amount in paragraph (1) shall be  
2           adjusted by multiplying such amount by the inflation adjustment factor (as determined  
3           under section 45(e)(2), determined by substituting ‘2020’ for ‘1992’ in subparagraph (B)  
4           thereof) for the calendar year in which the qualified clean hydrogen is produced. If any  
5           amount as increased under the preceding sentence is not a multiple of 0.1 cent, such amount  
6           shall be rounded to the nearest multiple of 0.1 cent.

7           “(c) Definitions.—For purposes of this section—

8           “(1) LIFECYCLE GREENHOUSE GAS EMISSIONS.—~~FOR PURPOSES OF THIS SECTION~~  
9           EMISSIONS.—

10           “(A) IN GENERAL.—**Subject to subparagraph (B)**, the term ‘lifecycle greenhouse  
11           gas emissions’ has the same meaning given such term under subparagraph (H) of  
12           section 211(o)(1) of the Clean Air Act (42 U.S.C. 7545(o)(1)), as in effect on the date  
13           of enactment of this section,~~as related to the full fuel lifecycle.~~

14           “(B) GREET MODEL.—**The term ‘lifecycle greenhouse gas emissions’ shall only**  
15           **include emissions** through the point of ~~hydrogen production.~~ **production**  
16           **(well-to-gate), as determined under the most recent Greenhouse gases, Regulated**  
17           **Emissions, and Energy use in Transportation model (commonly referred to as the**  
18           **‘GREET model’) developed by Argonne National Laboratory, or a successor**  
19           **model (as determined by the Secretary).**

20           “(2) QUALIFIED CLEAN HYDROGEN.—

21           “(A) IN GENERAL.—The term ‘qualified clean hydrogen’ means hydrogen which is  
22           produced through a process that, ~~as compared to hydrogen produced by steam methane~~  
23           ~~reforming, achieves a percentage reduction in~~ **results in a** lifecycle greenhouse gas  
24           emissions ~~which is not less than 40 percent.~~ **rate of not greater than 6 kilograms of**  
25           **CO<sub>2</sub>e per kilogram of hydrogen.**

26           “(B) ADDITIONAL REQUIREMENTS.—Such term shall not include any hydrogen  
27           unless such hydrogen is produced—

28                   “(i) in the United States (as defined in section 638(1) or a possession of the  
29                   United States (as defined in section 638(2)),

30                   “(ii) in the ordinary course of a trade or business of the taxpayer, and

31                   “(iii) for sale or use, **as verified by an unrelated third party of such**  
32                   **production and sale or use in such form or manner as the Secretary may**  
33                   **prescribe under subsection (f)(2).**

34           “(3) QUALIFIED CLEAN HYDROGEN PRODUCTION FACILITY.—

35           “(A) IN GENERAL.—The term ‘qualified clean hydrogen production facility’ means a  
36           facility owned by the taxpayer which produces qualified clean hydrogen and which  
37           meets the requirements of subparagraph (B).

38           “(B) TERMINATION.—The term ‘qualified clean hydrogen production facility’ shall  
39           not include any facility the construction of which begins after December 31, 2028.

40           ~~“(4) Steam methane reforming.—The term ‘steam methane reforming’ means a hydrogen~~

1 ~~production process in which high temperature steam is used to produce hydrogen from natural~~  
2 ~~gas (other than natural gas derived from biomass (as defined in section 45K(e)(3) as in effect on~~  
3 ~~the date of the enactment of this section), without carbon capture and sequestration.~~

4 “(d) Special Rules.—

5 “(1) TREATMENT OF FACILITIES OWNED BY MORE THAN 1 TAXPAYER.—Rules similar to the  
6 rules section 45(e)(3) shall apply for purposes of this section.

7 “(2) COORDINATION WITH CREDIT FOR CARBON OXIDE SEQUESTRATION.—No credit shall  
8 be allowed under this section with respect to any qualified clean hydrogen produced at a  
9 facility which includes ~~property~~ **carbon capture equipment** for which a credit is allowed  
10 **to any taxpayer under section 45Q for the taxable year or any prior taxable year.**

11 “(e) -

12 ~~“(e) Base Credit Amount and Increased Credit Amount for Qualified Clean Hydrogen~~  
13 ~~Production Facilities.—~~

14 “(1) IN GENERAL.—In the case of any qualified clean hydrogen production facility which  
15 ~~does not satisfy~~ **satisfies** the requirements of paragraph (2)(B), the amount of the credit  
16 determined under subsection (a) ~~shall be 20 percent of such amount with respect to~~  
17 **qualified clean hydrogen described in subsection (b)(2) shall be equal to such amount**  
18 **multiplied by 5** (determined without regard to this sentence).

19 “(2) REQUIREMENTS.—~~A facility Increased credit for certain facilities meeting project~~  
20 ~~requirements.—~~

21 “(A) ~~In general.—In the case of any qualified facility which meets the project~~  
22 ~~requirements of this paragraph, paragraph (1) shall not apply.~~

23 “(B) ~~Project requirements.—A project meets the requirements of this subparagraph if it is~~  
24 ~~one of the following:~~

25 ~~“(i) A project with a maximum net output of less than 1 megawatt.”~~“(A) A facility—

26 ~~“(ii) A project which commences construction prior to the date of the~~  
27 ~~enactment of this paragraph.”~~“(i) **the construction of which begins prior to the**  
28 **date that is 60 days after the Secretary publishes guidance with respect to the**  
29 **requirements of paragraphs (3) and (4), and**

30 ~~“(iii) A project”~~“(ii) **which meets the requirements of paragraph (3) with**  
31 **respect to construction, alteration, or repair of facilities which occurs after**  
32 **such date.**

33 “(B) A facility which satisfies the requirements of paragraphs (3) and (4).

34 “(3) PREVAILING WAGE REQUIREMENTS.—

35 “(A) IN GENERAL.—The requirements described in this subparagraph with respect to  
36 any qualified clean hydrogen production facility are that the taxpayer shall ensure that  
37 any laborers and mechanics employed by contractors and subcontractors in—

38 “(i) the construction of such facility, and

39 “(ii) for **the period of the taxable year which is within** the 10-year period

1 beginning on the date the facility was originally placed in service, the alteration or  
2 repair of such facility,

3 shall be paid wages at rates not less than the prevailing rates for construction,  
4 alteration, or repair of a similar character in the locality as most recently determined by  
5 the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40,  
6 United States Code. **For purposes of determining an increased credit amount**  
7 **under paragraph (1) for a taxable year, the requirement under clause (ii) of this**  
8 **paragraph is applied to such taxable year in which the alteration or repair of**  
9 **qualified facility occurs.**

10 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE  
11 REQUIREMENTS.—Rules similar to the rules of **clauses (i) through (iv) of section**  
12 **45(b)(8)(B) 45(b)(7)(B)** shall apply for purposes of this subparagraph.

13 “(4) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section ~~45(b)(9)~~  
14 **45(b)(8)** shall apply for purposes of this paragraph.

15 “(5) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other  
16 guidance as the Secretary determines necessary or appropriate to carry out the purposes of  
17 this subsection, **including regulations or other guidance which provides for**  
18 **requirements for recordkeeping or information reporting for purposes of establishing**  
19 **the requirements of this subsection.**

20 “(f) Regulations.—Not later than 1 year after the date of enactment of this section, the  
21 Secretary, ~~after consultation with the Secretary of Energy and the Administrator of the~~  
22 ~~Environmental Protection Agency,~~ shall issue regulations or other guidance to carry out the  
23 purposes of this section, including regulations or other guidance—

24 “(1) for determining lifecycle greenhouse gas emissions, and

25 “(2) which require verification by unrelated third parties of the production and sale or use  
26 of qualified clean hydrogen with respect to which credit is otherwise allowed under this  
27 section.”.

28 (2) ELECTIVE PAYMENT OF CREDIT.— ~~credit.—Section 6417(b), as added by the~~  
29 ~~preceding provisions of this Act, is amended by adding at the end the following new~~  
30 ~~paragraph:~~

31 “~~(9) The credit for production of clean hydrogen determined under section 45X.~~”.

32 **\*\* 54 (a) In General.—Section 45D(f)(A) IN GENERAL.—Section 6417(b), as**  
33 **amended by the preceding provisions of this Act, is amended by adding at the end the**  
34 **following new paragraph:**

35 **“(8) So much of the the credit for production of clean hydrogen determined under**  
36 **section 45X as is attributable to qualified clean hydrogen production facilities which**  
37 **are originally placed in service after December 31, 2011, and with respect to which an**  
38 **election is made under subsection (c)(3).”.**

39 **(B) ELECTION.—Section 6417(c)(3), as amended by the preceding provisions of**  
40 **this Act, is amended by adding at the end the following new subparagraph:**

41 **“(D) CREDIT FOR PRODUCTION OF CLEAN HYDROGEN.—In the case of the credit**

1 described in subsection (b)(8), any election under this subsection shall—

2 “(i) apply separately with respect to each qualified clean hydrogen  
3 production facility,

4 “(ii) be made for the taxable year in which the facility is placed in service  
5 (or within 90 days of date of enactment in the case of facilities placed in  
6 service before December 31, 2021),

7 “(iii) shall apply to such taxable year and all subsequent taxable years with  
8 respect to such facility.”.

9 (3) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—Section 45X(d), as added by this  
10 section, is amended by adding at the end the following new paragraph:

11 “(3) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—Rules similar to the rule under  
12 section 45(b)(3) shall apply for purposes of this section.”.

13 (4)(3) CONFORMING AMENDMENTS.—

14 (A) Section 38(b) is amended—

15 (i) in paragraph (38)(34), by striking “plus” at the end,

16 (ii) in paragraph (39)(35), by striking the period at the end and inserting “,  
17 plus”, and

18 (iii) by adding at the end the following new paragraph:

19 “(40)(36) the clean hydrogen production credit determined under section 45X(a).”.

20 (B) The table of sections for subpart D of part IV of subchapter A of chapter 1  
21 amended by adding at the end the following new item:

22 “Sec.45X.Credit for production of clean hydrogen.”.

23 (4)(5) EFFECTIVE DATE.—THE DATES.—

24 (A) The amendments made by paragraphs (1), (2), and (4) of this subsection shall  
25 apply to hydrogen placed in service produced after December 31, 2021.

26 (B) The amendment made by paragraph (3) shall apply to facilities the  
27 construction of which begins after December 31, 2021.

28 (b) Credit for Electricity Produced From Renewable Resources Allowed if Electricity Is Used  
29 to Produce Clean Hydrogen.—

30 (1) IN GENERAL.—Section 45(e) is amended by adding at the end the following new  
31 paragraph:

32 “(13) SPECIAL RULE FOR ELECTRICITY USED AT A QUALIFIED CLEAN HYDROGEN  
33 PRODUCTION FACILITY.—Electricity produced by the taxpayer shall be treated as sold by  
34 such taxpayer to an unrelated person during the taxable year if such electricity is used  
35 during such taxable year by the taxpayer or a person related to the taxpayer at a qualified  
36 clean hydrogen production facility (as defined in section 45X(d)(3)) 45X(c)(3)) to produce  
37 qualified clean hydrogen (as defined in section 45X(d)(2)) 45X(c)(2)) during the 10 year  
38 period after such facility is placed in service. The Secretary shall issue such regulations or

1 other guidance as the Secretary determines appropriate to carry out the purposes of this  
2 paragraph, including regulations or other guidance to require verification by unrelated third  
3 parties of the production and use of electricity to which this paragraph applies.”.

4 (2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to electricity  
5 produced after December 31, 2021.

6 (c) Election to Treat Clean Hydrogen Production Facilities as Energy Property.—

7 (1) IN GENERAL.—Section 48(a) is amended by adding at the end the following new  
8 paragraph:

9 ~~“(8)“(16)~~ ELECTION TO TREAT CLEAN HYDROGEN PRODUCTION FACILITIES AS ENERGY  
10 PROPERTY.—

11 “(A) IN GENERAL.—In the case of any qualified property (as defined in paragraph  
12 (5)(D)) which is part of a specified clean hydrogen production facility—

13 “(i) such property shall be treated as energy property for purposes of this  
14 section, and

15 “(ii) the energy percentage with respect to such property is—

16 “(I) in the case of a facility which is designed and reasonably expected to  
17 produce qualified clean hydrogen which is described in a subparagraph (A)  
18 of section 45X(b)(2), ~~6~~ **0.9** percent,

19 “(II) in the case of a facility which is designed and reasonably expected to  
20 produce qualified clean hydrogen which is described in a subparagraph (B)  
21 of such section, ~~7.5~~ **1.2** percent,

22 “(III) in the case of a facility which is designed and reasonably expected to  
23 produce qualified clean hydrogen which is described in a subparagraph (C)  
24 of such section, ~~10.2~~ **1.5** percent, ~~and~~

25 “(IV) in the case of a facility which is designed and reasonably expected  
26 to produce qualified clean hydrogen which is described in a subparagraph  
27 (D) of such section, ~~30~~ **percent.**

28 **2 percent, and**

29 **“(V) in the case of a facility which is designed and reasonably**  
30 **expected to produce qualified clean hydrogen which is described in**  
31 **subparagraph (E) of such section, 6 percent.**

32 “(B) DENIAL OF PRODUCTION CREDIT.—No credit shall be allowed under section  
33 45X **or section 45Q** for any taxable year with respect to any specified clean hydrogen  
34 production facility **or any carbon capture equipment included at such facility.**

35 “(C) SPECIFIED CLEAN HYDROGEN PRODUCTION FACILITY.—For purposes of this  
36 paragraph, the term ‘specified clean hydrogen production facility’ means any qualified  
37 clean hydrogen production facility (as defined in section ~~45X(d)(3))~~ **45X(c)(3))** or any  
38 portion of such facility—

39 “(i) which is placed in service after December 31, 2021, and

1 “(ii) with respect to which—

2 “(I) no credit has been allowed under section 45X or 45Q, and

3 “(II) the taxpayer makes an irrevocable election to have this paragraph  
4 apply.

5 “(D) QUALIFIED CLEAN HYDROGEN.—For purposes of this paragraph, the term  
6 ‘qualified clean hydrogen’ has the meaning given such term by section ~~45X(d)(2)~~  
7 **45X(c)(2)**.

8 **\*\* 55** ~~“(E) REGULATIONS.—The Secretary shall issue such regulations or other~~  
9 ~~guidance as the Secretary determines necessary or appropriate to carry out the purposes~~  
10 ~~of this section, including regulations or other guidance—~~ **guidance which—**

11  
12 ~~“(E) Regulations.—The Secretary, after consultation with the Secretary of~~  
13 ~~Energy and the Administrator of the Environmental Protection Agency, shall~~  
14 ~~issue such regulations or other guidance as the Secretary determines necessary or~~  
15 ~~appropriate to carry out the purposes of this section, including regulations or other~~  
16 ~~guidance which—~~“(i) requires verification by one or more unrelated third parties  
17 that the facility produces hydrogen which is consistent with the hydrogen that  
18 such facility was designed and expected to produce under subparagraph (A)(ii),  
19 and

20 “(ii) recaptures so much of any credit allowed under this section as exceeds the  
21 amount of the credit which would have been allowed if the expected production  
22 were consistent with the actual verified production (or all of the credit so allowed  
23 in the absence of such verification).”.

24 (2) EFFECTIVE DATE.—The amendments made by this ~~section~~ **subsection** shall apply to  
25 **periods property placed in service** after December 31, 2021, ~~under rules similar to the~~  
26 ~~rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before~~  
27 ~~the date of the enactment of the Revenue Reconciliation Act of 1990).~~ **and, for any**  
28 **property the construction of which begins prior to January 1, 2022, only to the extent**  
29 **of the basis thereof attributable to the construction, reconstruction, or erection after**  
30 **December 31, 2021.**

31 (d) Termination of Excise Tax Credit for Hydrogen.—

32 (1) IN GENERAL.—Section 6426(d)(2) is amended by striking subparagraph (D) and by  
33 redesignating subparagraphs (E), (F), and (G) as subparagraphs (D), (E), and (F),  
34 respectively.

35 (2) CONFORMING AMENDMENT.—Section 6426(e)(2) is amended by striking “(F)” and  
36 inserting “(E)”.

37 (3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to fuel sold  
38 or used after December 31, 2021.

39 **PART 3—GREEN ENERGY AND EFFICIENCY**  
40 **INCENTIVES FOR INDIVIDUALS**



1 **SEC. 136301. EXTENSION, INCREASE, AND**  
2 **MODIFICATIONS OF NONBUSINESS ENERGY**  
3 **PROPERTY CREDIT.**

4 (a) Extension of Credit.—Section 25C(g)(2) is amended by striking “December 31, 2021” and  
5 inserting “December 31, 2031”.

6 (b) ~~Increase in Credit Percentage for Qualified Energy Efficiency Improvements.—Section~~  
7 ~~25C(a)(1) is amended by striking “10 percent” and inserting “30 percent”.~~ **Allowance of**  
8 **Credit.—Section 25C(a) is amended to read as follows:**

9 **“(a) Allowance of Credit.—In the case of an individual, there shall be allowed as a credit**  
10 **against the tax imposed by this chapter for the taxable year an amount equal to 30 percent**  
11 **of the sum of—**

12 **“(1) the amount paid or incurred by the taxpayer for qualified energy efficiency**  
13 **improvements installed during such taxable year, and**

14 **“(2) the amount of the residential energy property expenditures paid or incurred by**  
15 **the taxpayer during such taxable year.”.**

16 (c) Application of Annual Limitation in Lieu of Lifetime Limitation.—Section 25C(b) is  
17 amended to read as follows:

18 “(b) Limitations.—

19 “(1) IN GENERAL.—The credit allowed under this section with respect to any taxpayer for  
20 any taxable year shall not exceed \$1,200.

21 “(2) ~~WINDOWS.—THE ENERGY PROPERTY.—The credit allowed under this section~~  
22 ~~subsection~~ **by reason of subsection (a)(1) with respect to any taxpayer for any taxable year**  
23 ~~shall not exceed—~~ **exceed, with respect to any item of qualified energy property, \$600.**

24 ~~“(A)“(3) WINDOWS.—The credit allowed under this section by reason of subsection~~  
25 ~~(a)(1) with respect to any taxpayer for any taxable year shall not exceed, in the~~  
26 ~~aggregate with respect to all exterior windows and skylights which are not described in~~  
27 ~~subparagraph (B), \$200.,~~ **\$600.**

28 ~~“(B) in the aggregate with respect to all exterior windows and skylights which meet the~~  
29 ~~standard for the most efficient certification under applicable Energy Star program~~  
30 ~~requirements, the excess (if any) of \$600 over the credit so allowed with respect to all~~  
31 ~~windows and skylights taken into account under subparagraph (A).~~

32 ~~“(3)“(4) DOORS.—The credit allowed under this section by reason of subsection (a)(1)~~  
33 ~~with respect to any taxpayer for any taxable year shall not exceed—~~

34 **“(A) \$250 in the case of any exterior door, and**

35 **“(B) \$500 in the aggregate with respect to all exterior ~~doors.~~”.**

36 **doors.**

37 **“(5) CERTAIN PROPERTY EXCLUDED FROM LIMITATION.—Amounts paid or incurred**  
38 **for property described in clause (i) or (ii) of subsection (d)(2)(A) or subsection**

1           **(d)(2)(B) shall not be subject to the limitations in paragraphs (1) and (2) or factored in**  
2           **for purposes of calculating the limitation under such paragraph.”.**

3           (d) Modifications Related to Qualified Energy Efficiency Improvements.—

4           (1) STANDARDS FOR ENERGY EFFICIENT BUILDING ENVELOPE COMPONENTS.—Section  
5           25C(c)(2) is amended by striking “meets—” and all that follows through the period at the  
6           end and inserting the following: “meets—

7                   ~~“(A) in the case of an exterior window, a skylight, or an exterior door, applicable~~  
8                   ~~Energy Star program requirements, and~~ **or skylight, Energy Star most efficient**  
9                   **certification requirements**

10                   “(B) in the case of any other component, the prescriptive criteria for such component  
11                   established by the most recent International Energy Conservation Code standard in  
12                   effect as of the beginning of the calendar year which is 2 years prior to the calendar  
13                   year in which such component is placed in service.”.

14           (2) ROOFS NOT TREATED AS BUILDING ENVELOPE COMPONENTS.—Section 25C(c)(3) is  
15           amended by adding “and” at the end of subparagraph (B), by striking “, and” at the end of  
16           subparagraph (C) and inserting a period, and by striking subparagraph (D).

17           (3) AIR ~~BARRIER~~ SEALING INSULATION ADDED TO DEFINITION OF BUILDING ENVELOPE  
18           COMPONENT.—Section 25C(c)(3)(A) is amended by striking “material or system” and  
19           inserting “material or system, including air sealing material or system.”.

20           (e) Modification of Residential Energy Property Expenditures.—Section 25C(d) is amended to  
21           read as follows:

22           “(d) Residential Energy Property Expenditures.—For purposes of this section—

23                   “(1) IN GENERAL.—The term ‘residential energy property expenditures’ means  
24                   expenditures made by the taxpayer for qualified energy property which is—

25                           “(A) installed on or in connection with a dwelling unit located in the United States  
26                           and used as a residence by the taxpayer, and

27                           “(B) originally placed in service by the taxpayer.

28           Such term includes expenditures for labor costs properly allocable to the onsite preparation,  
29           assembly, or original installation of the property.

30           “(2) QUALIFIED ENERGY PROPERTY.—The term ‘qualified energy property’ means ~~any~~:

31                   “(A) **Any** of the following which meet or exceed the highest efficiency tier (not  
32                   including any advanced tier) established by the Consortium for Energy Efficiency  
33                   which is in effect as of the beginning of the calendar year in which the property is  
34                   placed in service:

35                           ~~“(A)“(i)~~ **(i)** An electric heat pump water heater.

36                           ~~“(B)“(ii)~~ **(ii)** An electric heat pump.

37                           ~~“(C)“(iii)~~ **(iii)** A central air conditioner.

38                           ~~“(D)“(iv)~~ **(iv)** A natural gas, propane, or oil water heater.

1                   “(E)“(v) A natural gas, propane, or oil furnace or hot water boiler.”.

2                   boiler.

3                   “(B) A biomass stove—

4                   “(i) which uses the burning of biomass fuel to heat a dwelling unit located  
5                   in the United States and used as a residence by the taxpayer, or to heat water  
6                   for use in such a dwelling unit, and

7                   “(ii) which has a thermal efficiency rating of at least 75 percent (measured  
8                   by the higher heating value of the fuel).

9                   “(C) Any oil furnace or hot water boiler which—

10                   “(i) is placed in service after December 31, 2021 and before January 1,  
11                   2027 and meets or exceeds 2021 Energy Star efficiency criteria and is rated  
12                   by the manufacturer for use with eligible fuel blends of 20 percent or more,  
13                   or

14                   “(ii) is placed in service after December 31, 2026 and achieves an annual  
15                   fuel utilization efficiency rate of not less than 90 and is rated by the  
16                   manufacturer for use with eligible fuel blends of 50 percent or more.

17                   “(3) ELIGIBLE FUEL.—For purposes of paragraph (2), the term ‘eligible fuel’ means  
18                   biodiesel and renewable diesel (within the meaning of section 40A) and second  
19                   generation biofuel (within the meaning of section 40).”.

20 (f) Home Energy Audits.—

21                   (1) IN GENERAL.—Section 25C(a) is amended by striking “and” at the end of paragraph  
22                   (1), by striking the period at the end of paragraph (2) and inserting “, and”, and by adding at  
23                   the end the following new paragraph:

24                   “(3) 30 percent of the amount paid or incurred by the taxpayer during the taxable year for  
25                   home energy audits.”.

26                   (2) LIMITATION.—Section 25C(b), as amended by subsection (c), is amended adding at  
27                   the end the following new paragraph:

28                   “(5) HOME ENERGY AUDITS.—

29                   “(A) DOLLAR LIMITATION.—The amount of the credit allowed under this section by  
30                   reason of subsection (a)(3) shall not exceed \$150.

31                   “(B) SUBSTANTIATION REQUIREMENT.—No credit shall be allowed under this section  
32                   by reason of subsection (a)(3) unless the taxpayer includes with the taxpayer’s return  
33                   of tax such information or documentation as the Secretary may require.”.

34                   (3) HOME ENERGY AUDITS.—

35                   (A) IN GENERAL.—Section 25C, as amended by ~~subsections~~ **subsection** (a), is  
36                   amended by redesignating subsections (e), (f), and (g), as subsections (f), (g), and (h),  
37                   respectively, and by inserting after subsection (d) the following new subsection:

38                   “(e) Home Energy Audits.—For purposes of this section, the term ‘home energy audit’ means  
39                   an inspection and written report with respect to a dwelling unit located in the United States and

1 owned or used by the taxpayer as the taxpayer's principal residence (within the meaning of  
2 section 121) which—

3 “(1) identifies the most significant and cost-effective energy efficiency improvements  
4 with respect to such dwelling unit, including an estimate of the energy and cost savings with  
5 respect to each such improvement, and

6 “(2) is conducted and prepared by a home energy auditor that meets the certification or  
7 other requirements specified by the Secretary ~~(after consultation with the Secretary of~~  
8 ~~Energy and the Administrator of the Environmental Protection Agency and not later than~~  
9 ~~180~~**(not later than 365** days after the date of the enactment of this subsection) in  
10 regulations or other guidance.”.

11 (B) CONFORMING AMENDMENT.—Section 1016(a)(33) is amended by striking  
12 “section 25C(f)” and inserting “section 25C(g)”.

13 (4) LACK OF SUBSTANTIATION TREATED AS MATHEMATICAL OR CLERICAL  
14 ERROR.—Section 6213(g)(2) is amended—

15 (A) in subparagraph (P), by striking “and” at the end,

16 (B) in subparagraph (Q), by striking the period at the end and inserting “, and”, and

17 (C) by adding at the end the following:

18 “(R) an omission of correct information or documentation required under section  
19 25C(b)(5)(B) (relating to home energy audits) to be included on a return.”.

20 (g) Identification Number Requirement.—

21 (1) IN GENERAL.—Section 25C, as amended by subsections (a) and (f), is amended by  
22 redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the  
23 following new subsection:

24 “(h) Product Identification Number Requirement.—

25 “(1) IN GENERAL.—No credit shall be allowed under subsection (a) with respect to any  
26 item of specified property placed in service after December 31, 2023, unless—

27 “(A) such item is produced by a qualified manufacturer, and

28 “(B) the taxpayer includes the qualified product identification number of such item  
29 on the return of tax for the taxable year.

30 “(2) QUALIFIED PRODUCT IDENTIFICATION NUMBER.—For purposes of this section, the  
31 term ‘qualified product identification number’ means, with respect to any item of specified  
32 property, the product identification number assigned to such item by the qualified  
33 manufacturer pursuant to the methodology referred to in paragraph (3).

34 “(3) QUALIFIED MANUFACTURER.—~~For manufacturer.~~—

35 “~~(A) In general.~~—For purposes of this section, the term ‘qualified manufacturer’ means  
36 any manufacturer of specified property which enters into an agreement with the Secretary  
37 which provides that such manufacturer will—

38 “~~(i)~~“(A) assign a product identification number to each item of specified property  
39 produced by such manufacturer utilizing a methodology that will ensure that such

1 number (including any alphanumeric) is unique to each such item (by utilizing  
2 numbers or letters which are unique to such manufacturer or by such other method as  
3 the Secretary may provide),

4 ~~“(ii)“(B)~~ label such item with such number in such manner as the Secretary may  
5 provide, and

6 ~~“(iii)“(C)~~ make periodic written reports to the Secretary (at such times and in such  
7 manner as the Secretary may provide) of the product identification numbers so  
8 assigned and including such information as the Secretary may require with respect to  
9 the item of specified property to which such number was so assigned.

10 ~~“(B) Consultation with doe and epa.—The Secretary, after consultation with the~~  
11 ~~Secretary of Energy and the Administrator of the Environmental Protection Agency, shall~~  
12 ~~establish procedures for manufacturers and consumers to meet the requirements for product~~  
13 ~~identification numbers under subparagraph (A).~~

14 “(4) SPECIFIED PROPERTY.—For purposes of this subsection, the term ‘specified property’  
15 means any qualified energy property and any property described in subparagraph (B) or (C)  
16 of subsection (c)(3).”.

17 (2) OMISSION OF CORRECT PRODUCT IDENTIFICATION NUMBER TREATED AS  
18 MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by the preceding  
19 provisions of this Act, is amended—

20 (A) in subparagraph (Q), by striking “and” at the end,

21 (B) in subparagraph (R), by striking the period at the end and inserting “, and”, and

22 (C) by adding at the end the following:

23 “(S) an omission of a correct product identification number required under section  
24 25C(h) (relating to credit for nonbusiness energy property) to be included on a return.”.

25 (h) Effective Dates.—

26 (1) IN GENERAL.—Except as otherwise provided by this subsection, the amendments  
27 made by this section shall apply to property placed in service after December 31, 2021.

28 (2) HOME ENERGY AUDITS.—The amendments made by subsection (f) shall apply to  
29 amounts paid or incurred after December 31, 2021.

30 (3) IDENTIFICATION NUMBER REQUIREMENT.—The amendments made subsection (g) shall  
31 apply to property placed in service after December 31, 2023.

## 32 SEC. 136302. RESIDENTIAL ENERGY EFFICIENT 33 PROPERTY.

34 (a) Extension of Credit.—

35 (1) IN GENERAL.—Section 25D(h) is amended by striking “December 31, 2023” and  
36 inserting “December 31, 2033”.

37 (2) APPLICATION OF PHASEOUT.—Section 25D(g) is amended—

38 (A) by striking “before January 1, 2023” in paragraph (2) and inserting “before

1 January 1, 2022”,

2 (B) by striking “and” at the end of paragraph (2),

3 (C) by redesignating paragraph (3) as paragraph (5) and by inserting after paragraph  
4 (2) the following new paragraphs:

5 “(3) in the case of property placed in service after December 31, 2021, and before  
6 January 1, 2032, 30 percent,

7 “(4) in the case of property placed in service after December 31, 2031, and before  
8 January 1, 2033, 26 percent, and”, and

9 (D) by striking “December 31, 2022, and before January 1, 2024” in paragraph (5)  
10 (as so redesignated) and inserting “December 31, 2032, and before January 1, 2034”.

11 (b) Residential Energy Efficient Property Credit for Battery Storage Technology.—

12 (1) IN GENERAL.—Section 25D(a) is amended by striking “and” at the end of paragraph  
13 (5) and by inserting after paragraph (6) the following new paragraph:

14 “(7) the qualified battery storage technology expenditures.”.

15 (2) QUALIFIED BATTERY STORAGE TECHNOLOGY EXPENDITURE.—Section 25D(d) is  
16 amended by adding at the end the following new paragraph:

17 “(7) QUALIFIED BATTERY STORAGE TECHNOLOGY EXPENDITURE.—The term ‘qualified  
18 battery storage technology expenditure’ means an expenditure for battery storage  
19 technology which—

20 “(A) is installed in connection with a dwelling unit located in the United States and  
21 used as a residence by the taxpayer, and

22 “(B) has a capacity of not less than 3 kilowatt hours.”.

23 (c) ~~Effective Date.—The amendments made by this section shall apply to expenditures made~~  
24 ~~after December 31, 2021.~~ **Credit Made Refundable; Installer Requirements; Treatment of**  
25 **Certain Possessions.—Section 25D is amended by redesignating subsection (h) as**  
26 **subsection (k) and by inserting after subsection (g) the following new subsections:**

27 **“(h) Credit Made Refundable for Taxable Years After 2023.—In the case of any taxable**  
28 **year beginning after December 31, 2023, the credit allowed under subsection (a) (excluding**  
29 **any credit carried forward from a previous taxable year) shall be treated as a credit**  
30 **allowed under subpart C (and not allowed under this subpart).**

31 **“(i) Requirement for Qualified Installer.—**

32 **“(1) IN GENERAL.—No credit shall be allowed under this section with respect to any**  
33 **property described in subsection (a) placed in service after December 31, 2023**  
34 **unless—**

35 **“(A) such property is installed by a qualified installer, and**

36 **“(B) the taxpayer includes the qualified installation identification number**  
37 **described in paragraph (3) on the return of tax for the taxable year.**

38 **“(2) QUALIFIED INSTALLER.—**

1           “(A) IN GENERAL.—For purposes of this section, the term ‘qualified installer’  
2 means an installer who enters into an agreement with the Secretary which  
3 provides that such installer will, with respect to expenditures described in  
4 subsection (a) in connection with the residence of a taxpayer—

5                   “(i) provide the taxpayer with a qualified installation identification  
6 number and a written receipt of the purchase and installation of such  
7 property in a manner prescribed by the Secretary, and

8                   “(ii) make periodic written reports to the Secretary (in such manner as the  
9 Secretary may provide) of installation identification numbers assigned by the  
10 installer corresponding to such expenditures, including such information as  
11 the Secretary may require with respect to such expenditures.

12           “(B) INSTALLER DEEMED TO MEET REQUIREMENT.—For purposes of  
13 subparagraph (A), to the extent provided by the Secretary, an installer may be  
14 deemed to meet the requirement under clause (ii) of such subparagraph on the  
15 basis of information available to the Secretary which the Secretary determines is  
16 reasonably reliable for purposes of determining the amount of qualified  
17 expenditures under subsection (a) made by a taxpayer in connection with a  
18 residence of such taxpayer.

19           “(3) QUALIFIED INSTALLATION IDENTIFICATION NUMBER.—For purposes of this  
20 section, the term ‘qualified installation identification number’ means a unique  
21 identification number with respect to expenditures described in subsection (a) in  
22 connection with a residence of a taxpayer that is installed by a qualified installer.

23           “(4) REGISTRATION.—The Secretary may require such information or registration  
24 of a qualified installer as the Secretary deems necessary or appropriate for purposes of  
25 preventing duplication, fraud, or improper claims with respect to property described  
26 in subsection (a). Under regulations or other guidance prescribed by the Secretary, the  
27 registration of any person under this section may be denied, revoked, or suspended if  
28 the Secretary determines that such denial, revocation, or suspension is necessary to  
29 prevent duplication, fraud, or improper claims with respect to property described in  
30 subsection (a).

31           “(j) Treatment of Certain Possessions.—

32                   \*\* 56 (1)“(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The  
33 Secretary of the Treasury shall pay to each possession of the United States which has a  
34 mirror code tax system amounts equal to the loss (if any) to that possession by reason of the  
35 amendments made by application of the provisions of this section. Such amounts shall be  
36 determined by the Secretary of the Treasury based on information provided by the  
37 government of the respective possession.

38                   \*\* 57 (2)“(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary of the Treasury shall  
39 pay to each possession of the United States which does not have a mirror code tax system  
40 amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits  
41 (if any) that would have been provided to residents of such possession by reason of the  
42 amendments made by provisions of this section if a mirror code tax system had been in  
43 effect in such possession. The preceding sentence shall not apply unless the respective

1 possession has a plan, which has been approved by the Secretary of the Treasury, under  
2 which such possession will promptly distribute such payments to its residents.

3 **“(3) MIRROR CODE TAX SYSTEM; TREATMENT OF PAYMENTS.—Rules similar to the**  
4 **rules of paragraphs (3), (4), and (5) of section 21(h) shall apply for purposes of this**  
5 **section.”.**

6 **(d) Certain Expenditures Disallowed.—Section 25D is amended—**

7 **(1) in subsection (a), by adding “and” at the end of paragraph (4), by striking the**  
8 **comma at the end of paragraph (5) and inserting a period, and by striking paragraph**  
9 **(6), and**

10 **(2) in subsection (d), by striking paragraph (6).**

11 **(e) Carryforward of Unused Credit Disallowed.—Section 25D is amended by striking**  
12 **subsection (c).**

13 **(f) Conforming Amendment.—Section 6213(g)(2), as amended by the preceding**  
14 **provisions of this Act, is amended—**

15 **(1) in subparagraph (T), by striking “and” at the end,**

16 **(2) in subparagraph (U), by striking the period at the end and inserting “, and”, and**

17 **(3) by adding at the end the following:**

18 **“(V) an omission of a correct qualified installation identification number**  
19 **required under section 25D (relating to credit for residential energy efficient**  
20 **property) to be included on a return.”.**

21 **(g) Effective Dates.—**

22 **(1) The amendments made by subsections (a), (b), (d), and (f) shall apply to**  
23 **expenditures made after December 31, 2021.**

24 **(2) The amendments made by subsections (c) and (e) shall apply to expenditures**  
25 **made after December 31, 2022.**

26 **SEC. 136303. ENERGY EFFICIENT COMMERCIAL**  
27 **BUILDINGS DEDUCTION.**

28 **(a) Placed in Service Requirement.—Section 179D(c)(2) is amended by striking “the date that**  
29 **is 2 years before the date that construction of such property begins” and inserting “the date that is**  
30 **2 to read as follows:**

31 **“(2) REFERENCE STANDARD 90.1.—The term ‘Reference Standard 90.1’ means, with**  
32 **respect to any property, the more recent of—**

33 **“(A) Standard 90.1-2007 published by the American Society of Heating,**  
34 **Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering**  
35 **Society of North America, or**

36 **“(B) the most recent Standard 90.1 published by the American Society of**  
37 **Heating, Refrigerating, and Air Conditioning Engineers and the Illuminating**  
38 **Engineering Society of North America for which the Department of Energy has**



1           **issued a final determination and which has been affirmed by the Secretary for**  
2           **purposes of this section not later than the date that is 4 years before the date such**  
3           **property is placed ~~into service~~ in service.”**

4           (b) Temporary Increase in Deduction, etc.—Section 179D is amended by adding at the end  
5           the following:

6           “(i) Temporary Rules.—

7                   “(1) PERIOD OF APPLICATION.—The provisions of this subsection shall apply only to  
8                   taxable years beginning after December 31, 2021, and before January 1, 2032.

9                   “(2) MODIFICATION OF EFFICIENCY STANDARD.—Subsection (c)(1)(D) shall be applied by  
10                   substituting ‘25’ for ‘50’.

11                   “(3) MAXIMUM AMOUNT OF DEDUCTION.—

12                           “(A) IN GENERAL.—The deduction under subsection (a) with respect to any building  
13                           for any taxable year shall not exceed the excess (if any) of—

14                                   “(i) the product of—

15   “(I) the applicable dollar value, and

16   “(II) the square footage of the building, over

17   “(ii) the aggregate amount of the deductions under subsection (a) and paragraph  
18   (6) with respect to the building for the 3 taxable years immediately preceding  
19   such taxable year (or, in the case of any such deduction allowable to a person  
20   other than the taxpayer, for any taxable year ending during the 4-taxable-year  
21   period ending with such taxable year).

22                           “(B) APPLICABLE DOLLAR VALUE.—For purposes of paragraph (3)(A)(i), the  
23                           applicable dollar value shall be an amount equal to ~~\$2.50~~ **\$0.50** increased (but not  
24                           above ~~\$5.00~~ **\$1.00**) by ~~\$0.10~~ **\$0.02** for each percentage point by which the total  
25                           annual energy and power costs for the building are certified to be reduced by a  
26                           percentage greater than 25 percent.

27                           “(C) APPLICATION OF INFLATION ADJUSTMENT.—Subsection (g) shall be applied—

28                                   “(i) by substituting ‘2022’ for ‘2020’,

29                                   “(ii) by substituting ‘subsection (i)(3)(B)’ for ‘subsection (b) or subsection  
30                                   (d)(1)(A)’, and

31                                   “(iii) by substituting ‘2021’ for ‘2019’.

32                           “(D) LIMITATION TO APPLY IN LIEU OF CURRENT LIMITATION AND PARTIAL  
33                           ALLOWANCE.—Subsections (b) and (d)(1) shall not apply.

34                   “(4) ~~BASE CREDIT AMOUNT AND INCREASED~~ **INCREASED** CREDIT AMOUNT FOR CERTAIN  
35                   PROPERTY.—

36                           “(A) IN GENERAL.—In the case of any property which ~~does not satisfy~~ **satisfies** the  
37                           requirements of subparagraph (B), paragraph (3)(B) shall be applied by substituting  
38                           ~~‘\$0.50’ for ‘\$2.50’, ‘\$.02’ for ‘\$.10’, and ‘\$1.00’ for ‘\$5.00’.~~ **‘\$2.50’ for ‘\$0.50’,**  
39                           **‘\$.10’ for ‘\$.02’, and ‘\$5.00’ for ‘\$1.00’.**

1 ~~“(B) Increased credit for certain property meeting project requirements.—~~

2 ~~“(i)“(B) PROJECT REQUIREMENTS.—A project meets the requirements of this~~  
3 ~~subparagraph if it is one of the following:~~

4 ~~“(I) A project which commences construction prior to the date of the enactment~~  
5 ~~of this paragraph.~~

6 ~~“(II) A project which commences construction after the date of enactment of~~  
7 ~~this paragraph and satisfies“(i) A building or qualified retrofit plan the~~  
8 ~~construction of which begins prior to 60 days after the Secretary publishes~~  
9 ~~guidance with respect to the requirements of paragraphs (5) and (6).~~

10 ~~“(III) A project with respect to which initial construction is completed and~~  
11 ~~building modifications are made as part of a“(ii) A building or qualified retrofit~~  
12 ~~plan, and the construction of which satisfies the requirements of paragraphs (5)~~  
13 ~~and (6).~~

14 ~~“(5) PREVAILING WAGE REQUIREMENTS.—~~

15 ~~“(A) IN GENERAL.—The requirements described in this subparagraph with respect to~~  
16 ~~any project are that the taxpayer shall ensure that any laborers and mechanics~~  
17 ~~employed by contractors and subcontractors in the construction of any property or with~~  
18 ~~respect to building modifications made as part of a qualified retrofit plan shall be paid~~  
19 ~~wages at rates not less than the prevailing rates for construction, alteration, or repair of~~  
20 ~~a similar character in the locality as most recently determined by the Secretary of~~  
21 ~~Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.~~

22 ~~“(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE~~  
23 ~~REQUIREMENTS.— IN THE CASE OF ANY TAXPAYER WHICH FAILS TO SATISFY THE~~  
24 ~~REQUIREMENT UNDER SUBPARAGRAPH (A) WITH RESPECT TO ANY PROJECT OR ANY~~  
25 ~~BUILDING MODIFICATIONS MADE AS PART OF A QUALIFIED RETROFIT PLAN, RULES~~  
26 ~~REQUIREMENTS.—Rules similar to the rules of section 45(b)(8)(B) shall apply for~~  
27 ~~purposes of this paragraph. clauses (i) through (iv) of section 45(b)(7)(B) shall~~  
28 ~~apply.~~

29 ~~“(6) Apprenticeship requirements.—The requirements described in this subparagraph~~  
30 ~~with respect to any property are as follows:~~

31 ~~“(A) Labor hours.—~~

32 ~~“(i) Percentage of total labor hours.—All contractors and subcontractors engaged in the~~  
33 ~~performance of construction of a project or building modifications made as part of a~~  
34 ~~qualified retrofit plan shall, subject to subparagraph (B), ensure that not less than the~~  
35 ~~applicable percentage of the total labor hours of such work be performed by qualified~~  
36 ~~apprentices.~~

37 ~~“(ii) Applicable percentage.—For purposes of paragraph (1), the applicable percentage~~  
38 ~~shall be—~~

39 ~~“(I) in the case of any applicable project the construction of which begins before January-~~  
40 ~~1, 2023, 5 percent,~~

41 ~~“(II) in the case of any applicable project the construction of which begins after~~

1 December 31, 2022, and before January 1, 2024, 10 percent, and

2 ~~“(III) in the case of any applicable project the construction of which begins after-~~  
3 ~~December 31, 2023, 15 percent.~~

4 ~~“(B) Apprentice to journeyworker ratio.—The requirement under subparagraph (A)(i)-~~  
5 ~~shall be subject to any applicable requirements for apprentice to journeyworker ratios of the~~  
6 ~~Department of Labor or the applicable State apprenticeship agency.~~

7 ~~“(C) Participation.—Each contractor and subcontractor who employs 4 or more-~~  
8 ~~individuals to perform construction, alteration, or repair work on an applicable project shall~~  
9 ~~employ 1 or more qualified apprentices to perform such work.~~

10 ~~“(D) Exception.—~~

11 ~~“(i) In general.—Notwithstanding any other provision of this paragraph, this paragraph~~  
12 ~~shall not apply in the case of a taxpayer who—~~

13 ~~“(I) demonstrates a lack of availability of qualified apprentices in the geographic area of~~  
14 ~~the construction, alteration, or repair work, and~~

15 ~~“(II) makes a good faith effort to comply with the requirements of this paragraph.~~

16 ~~“(ii) Good faith effort.—For purposes of clause (i), a taxpayer shall be deemed to have-~~  
17 ~~satisfied the requirements under such paragraph with respect to an applicable project if such~~  
18 ~~taxpayer has requested qualified apprentices from a registered apprenticeship program, as~~  
19 ~~defined in section 3131(e)(3)(B), and such request has been denied, provided that such~~  
20 ~~denial is not the result of a refusal by the contractors or subcontractors engaged in the~~  
21 ~~performance of construction, alteration, or repair work on such applicable project to comply~~  
22 ~~with the established standards and requirements of such apprenticeship program.~~

23 ~~“(E) Definitions.—For purposes of this paragraph—~~

24 ~~“(i) Labor hours.—The term ‘labor hours’ has the meaning given such term in section-~~  
25 ~~45(b)(9)(E)(i).~~

26 ~~“(ii) Qualified apprentice.—The term ‘qualified apprentice’ has the meaning given such-~~  
27 ~~term in section 45(b)(9)(E)(ii).”~~  
28 **“(6) APPRENTICESHIP REQUIREMENTS.—Rules similar to**  
**the rules of section 45(b)(8) shall apply.**

29 **“(7) ALLOCATION OF DEDUCTION BY CERTAIN TAX-EXEMPT ENTITIES.—**

30 **“(A) IN GENERAL.—**A specified tax-exempt entity shall be treated in the same  
31 manner as a Federal, State, or local government for purposes of applying subsection  
32 (d)(4).

33 **“(B) SPECIFIED TAX-EXEMPT ENTITY.—**For purposes of this paragraph, the term  
34 ‘specified tax-exempt entity’ means—

35 **“(i)** the United States, any State or political subdivision thereof, any possession  
36 of the United States, or any agency or instrumentality of any of the foregoing,

37 **“(ii)** ~~any an~~ Indian tribal government ~~(within the meaning of section 139E),~~ **(as**  
38 **defined in section 48(e)(4)(F)(ii)) or Alaska Native Corporation (as defined in**  
39 **section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)), and**

1                   “(iii) any organization exempt from tax imposed by this chapter.

2           “(8) ALTERNATIVE DEDUCTION FOR ENERGY EFFICIENT RETROFIT BUILDING PROPERTY.—

3                   “(A) IN GENERAL.—In the case of a taxpayer which elects (at such time and in such  
4 manner as the Secretary, ~~after consultation with the administrator of the Environmental~~  
5 ~~Protection Agency~~, may provide) the application of this paragraph with respect to any  
6 qualified building, there shall be allowed as a deduction for the taxable year which  
7 includes the date of the qualifying final certification with respect to the qualified  
8 retrofit plan of such building, an amount equal to the lesser of—

9                           “(i) the excess described in paragraph (3) (determined by substituting ‘energy  
10 usage intensity’ for ‘total annual energy and power costs’ in subparagraph (B)  
11 thereof), or

12                           “(ii) the aggregate adjusted basis (determined after taking into account all  
13 adjustments with respect to such taxable year other than the reduction under  
14 subsection (e)) of energy efficient retrofit building property placed in service by  
15 the taxpayer pursuant to such qualified retrofit plan.

16                   “(B) QUALIFIED RETROFIT PLAN.—For purposes of this paragraph, the term  
17 ‘qualified retrofit plan’ means a written plan prepared by a qualified professional  
18 which specifies modifications to a building which, in the aggregate, are expected to  
19 reduce such building’s energy usage intensity by 25 percent or more in comparison to  
20 the baseline energy usage intensity of such building. Such plan shall provide for a  
21 qualified professional to—

22                           “(i) as of any date during the 1-year period ending on the date of the first  
23 certification described in clause (ii), certify the energy usage intensity of such  
24 building as of such date,

25                           “(ii) certify the status of property installed pursuant to such plan as meeting the  
26 requirements of clauses (ii) and (iii) subparagraph (C), and

27                           “(iii) as of any date that is more than 1 year after completion of the plan, certify  
28 the energy usage intensity of such building as of such date.

29                   “(C) ENERGY EFFICIENT RETROFIT BUILDING PROPERTY.—For purposes of this  
30 paragraph, the term ‘energy efficient retrofit building property’ means property—

31                           “(i) with respect to which depreciation (or amortization in lieu of depreciation)  
32 is allowable,

33                           “(ii) which is installed on or in any qualified building,

34                           “(iii) which is installed as part of—

35                                   “(I) the interior lighting systems,

36                                   “(II) the heating, cooling, ventilation, and hot water systems, or

37                                   “(III) the building envelope, and

38                           “(iv) which is certified in accordance with subparagraph (B)(ii) as meeting the  
39 requirements of clauses (ii) and (iii).

1           “(D) QUALIFIED BUILDING.—For purposes of this paragraph, the term ‘qualified  
2 building’ means any building which—

3           “(i) is located in the United States, and

4           “(ii) was originally placed in service not less than 5 years before the  
5 establishment of the qualified retrofit plan with respect to such building.

6           “(E) QUALIFYING FINAL CERTIFICATION.—For purposes of this paragraph, the term  
7 ‘qualifying final certification’ means, with respect to any qualified retrofit plan, the  
8 certification described in subparagraph (B)(iii) if the energy usage intensity certified in  
9 such certification is not more than 75 percent of the baseline energy usage intensity of  
10 the building.

11           “(F) BASELINE ENERGY USAGE INTENSITY.—

12           “(i) IN GENERAL.—The term ‘baseline energy usage intensity’ means the energy  
13 usage intensity certified under subparagraph (B)(i), as adjusted to take into  
14 account weather as compared to the energy usage intensity determined under  
15 subparagraph (B)(iii)(~~F~~).

16           “(ii) DETERMINATION OF ADJUSTMENT.—For purposes of clause (i), the  
17 adjustments described in such clause shall be determined in such manner as the  
18 Secretary, ~~after consultation with the Administrator of the Environmental~~  
19 ~~Protection Agency~~, may provide.

20           “(G) OTHER DEFINITIONS.—For purposes of this paragraph—

21           “(i) ENERGY USAGE INTENSITY.—The term ‘energy usage intensity’ means the  
22 **annualized, measured** site energy usage intensity determined in accordance with  
23 such regulations or other guidance as the Secretary, ~~after consultation with the~~  
24 ~~Administrator of the Environmental Protection Agency~~, may provide and  
25 measured in British thermal units.

26           “(ii) QUALIFIED PROFESSIONAL.—The term ‘qualified professional’ means an  
27 individual who is a licensed architect or a licenced engineer and meets such other  
28 requirements as the Secretary may provide.

29           “(H) COORDINATION WITH DEDUCTION OTHERWISE ALLOWED UNDER SUBSECTION  
30 (A).—

31           “(i) IN GENERAL.—In the case of any building with respect to which an election  
32 is made under subparagraph (A), the term ‘energy efficient commercial building  
33 property’ shall not include any energy efficient retrofit building property with  
34 respect to which a deduction is allowable under this paragraph.

35           “(ii) CERTAIN RULES NOT APPLICABLE.—

36           “(I) IN GENERAL.—Except as provided in subclause (II), subsection (d)  
37 shall not apply for purposes of this paragraph.

38           “(II) ALLOCATION OF DEDUCTION BY CERTAIN TAX-EXEMPT  
39 ENTITIES.—Rules similar to subsection (d)(4) (determined after application  
40 of paragraph (5)) shall apply for purposes of this paragraph.”.

1 (c) **Application to Real Estate Investment Trust Earnings and Profits.—Section**  
2 **312(k)(3)(B) is amended—**

3 (1) **by striking “for purposes of computing the earnings and profits of a**  
4 **corporation” and inserting the following:**

5 “(i) **IN GENERAL.—For purposes of computing the earnings and profits of a**  
6 **corporation, except as provided in clause (ii)”, and**

7 (2) **by adding at the end the following new clause:**

8 “(ii) **SPECIAL RULE.—In the case of a corporation that is a real estate**  
9 **investment trust, any amount deductible under section 179D shall be allowed**  
10 **in the year in which the property giving rise to such deduction is placed in**  
11 **service.”.**

12 (d) **Conforming Amendment.—Section 179D(d)(2) is amended by striking “not later than**  
13 **the date that is 2 years before the date that construction of such property begins” and**  
14 **inserting “not later than the date that is 4 years before the date such property is placed in**  
15 **service”.**

16 (e) **Effective Date.—**

17 (1) **IN GENERAL.—Except as otherwise provided in this subsection, the amendment made**  
18 **by this section shall apply to taxable years beginning after December 31, 2021.**

19 (2) **ALTERNATIVE DEDUCTION FOR ENERGY EFFICIENT RETROFIT BUILDING**  
20 **PROPERTY.—Paragraph ~~(6)~~(8) of section 179D(i) of the Internal Revenue Code of 1986 (as**  
21 **added by this section), and any other provision of such section solely for purposes of**  
22 **applying such paragraph, shall apply to property placed in service after December 31, 2021**  
23 **(in taxable years ending after such date) if such property is placed in service pursuant to**  
24 **qualified retrofit plan (within the meaning of such section) established after such date.**

25 **SEC. 136304. EXTENSION, INCREASE, AND**  
26 **MODIFICATIONS OF NEW ENERGY EFFICIENT HOME**  
27 **CREDIT.**

28 (a) **Extension of Credit.—Section 45L(g) is amended by striking “December 31, 2021” and**  
29 **inserting “December 31, 2031”.**

30 (b) **Increase in Credit Amounts.—Section 45L(a)(2) is amended to read as follows:**

31 “(2) **APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount is an**  
32 **amount equal to—**

33 “(A) **in the case of a dwelling unit which is eligible to participate in the Energy Star**  
34 **Residential New Construction Program or the Energy Star Manufactured New Homes**  
35 **program—**

36 “(i) **that is described in subsection (c)(1)(A) (and not described in subsection**  
37 **(c)(1)(B)), \$2,500, and**

38 “(ii) **that is described in subsection (c)(1)(B), \$5000, and**

1           “(B) in the case of a dwelling **unit** which ~~are~~ **is** part of a building eligible to  
2 participate in the Energy Star Multifamily New Construction Program—

3           “(i) that is described in subsection (c)(1)(A) (and not described in subsection  
4 (c)(1)(B)), \$500, and

5           “(ii) that is described in subsection (c)(1)(B), \$1000.”.

6       (c) Modification of Energy Saving Requirements.—Section 45L(c) is amended to read as  
7 follows:

8       “(c) Energy Saving Requirements.—

9           “(1) IN GENERAL.—A dwelling unit meets the energy saving requirements of this  
10 subsection if—

11           “(A) such dwelling unit meets the requirements of paragraph (2) or (3) (whichever is  
12 applicable), or

13           “(B) such dwelling unit is certified as a zero energy ready home under the zero  
14 energy ready home program of the Department of Energy (or any successor program  
15 determined by the Secretary, ~~after consultation with the Secretary of Energy~~) as in  
16 effect on January 1, 2022.

17           “(2) SINGLE-FAMILY HOME REQUIREMENTS.—A dwelling unit meets the requirements of  
18 this paragraph if—

19           “(A) such dwelling unit meets—

20           “(i) in the case of a dwelling unit acquired before January 1, 2025, the Energy  
21 Star Single-Family New Homes National Program Requirements 3.1, and

22           “(ii) in the case of a dwelling unit acquired after December 31, 2024, the  
23 Energy Star Single-Family New Homes National Program Requirements 3.2,

24           “(B) such dwelling unit meets the most recent Energy Star Single-Family New  
25 Homes Program Requirements applicable to the location of such dwelling unit (as in  
26 effect on the latter of January 1, 2022 or January 1 of two calendar years prior to the  
27 date the dwelling **unit** was acquired), or

28           “(C) such dwelling unit meets the most recent Energy Star Manufactured Home  
29 National program requirements as in effect on the latter of January 1, 2022 or January  
30 1 of two calendar years prior to the date such dwelling unit is acquired.

31           “(3) MULTI-FAMILY HOME REQUIREMENTS.—A dwelling unit meets the requirements of  
32 this paragraph if—

33           “(A) such dwelling unit meets the most recent Energy Star Multifamily New  
34 Construction National Program Requirements (as in effect on either January 1, 2022 or  
35 January 1 of three calendar years prior to the date the dwelling was acquired,  
36 whichever is later), and

37           “(B) such dwelling unit meets the most recent Energy Star Multifamily New  
38 Construction Regional Program Requirements applicable to the location of such  
39 dwelling unit (as in effect on either January 1, 2022 or January 1 of three calendar  
40 years prior to the date the dwelling was acquired, whichever is later).”.

1 (d) Prevailing Wage Requirement.—Section 45L is amended by redesignating subsection (g)  
2 as subsection (h) and by inserting after subsection (f) the following new subsection:

3 “(g) Prevailing Wage Requirement.—

4 “(1) IN GENERAL.—In the case of a qualifying residence described in subsection (b)(2)(B)  
5 meeting the prevailing wage requirements of paragraph (2), the credit amount allowed with  
6 respect to such residence shall be—

7 “(A) \$2,500 in the case of a residence described in subparagraph (A) of subsection  
8 (c)(1) (and not described in subparagraph (B) of such subsection), and

9 “(B) \$5,000 in the case of a residence described in (c)(1)(B).

10 “(2) PREVAILING WAGE REQUIREMENTS.—

11 “(A) IN GENERAL.—The requirements described in this paragraph with respect to  
12 any qualified residence are that the taxpayer shall ensure that any laborers and  
13 mechanics employed by contractors and subcontractors in the construction of such  
14 residence shall be paid wages at rates not less than the prevailing rates for construction,  
15 alteration, or repair of a similar character in the locality as most recently determined by  
16 the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40,  
17 United States Code.

18 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE  
19 REQUIREMENTS.—~~IN THE CASE OF ANY TAXPAYER WHICH FAILS TO SATISFY THE~~  
20 ~~REQUIREMENT UNDER SUBPARAGRAPH (A) WITH RESPECT TO ANY QUALIFIED RESIDENCE,~~  
21 ~~RULES REQUIREMENTS.—~~**Rules** similar to the rules of **clauses (i) through (iv) of**  
22 section ~~45(b)(8)(B)~~ **45(b)(7)(B)** shall apply ~~for purposes of this paragraph.~~

23 “(3) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other  
24 guidance as the Secretary determines necessary or appropriate to carry out the purposes of  
25 **this subsection, including regulations or other guidance which provides for**  
26 **requirements for recordkeeping or information reporting for purposes of establishing**  
27 **the requirements of this subsection.”.**

28 (e) Effective Dates.—The amendments made by this section shall apply to dwelling units  
29 acquired after December 31, 2021.

## 30 SEC. 136305. MODIFICATIONS TO INCOME EXCLUSION 31 FOR CONSERVATION SUBSIDIES.

32 (a) In General.—Section 136(a) is amended—

33 (1) by striking “any subsidy provided” and inserting “any subsidy—

34 “(1) provided”,

35 (2) by striking the period at the end and inserting a comma, and

36 (3) by adding at the end the following new paragraphs:

37 “(2) provided (directly or indirectly) by a public utility to a customer, or by a State or  
38 local government to a resident of such State or locality, for the purchase or installation of  
39 any water conservation or efficiency measure,



1           “(3) provided (directly or indirectly) by a storm water management provider to a  
2           customer, or by a State or local government to a resident of such State or locality, for the  
3           purchase or installation of any storm water management measure, or

4           “(4) provided (directly or indirectly) by a State or local government to a resident of such  
5           State or locality for the purchase or installation of any wastewater management measure,  
6           but only if such measure is with respect to the taxpayer’s principal residence.”.

7           (b) Conforming Amendments.—

8           (1) DEFINITION OF WATER CONSERVATION OR EFFICIENCY MEASURE AND STORM WATER  
9           MANAGEMENT MEASURE.—Section 136(c) is amended—

10           (A) by striking “Energy Conservation Measure” in the heading thereof and inserting  
11           “Definitions”,

12           (B) by striking “IN GENERAL” in the heading of paragraph (1) and inserting “ENERGY  
13           CONSERVATION MEASURE”, and

14           (C) by redesignating paragraph (2) as paragraph (5) and by inserting after paragraph  
15           (1) the following:

16           “(2) WATER CONSERVATION OR EFFICIENCY MEASURE.—For purposes of this section, the  
17           term ‘water conservation or efficiency measure’ means any evaluation of water use, or any  
18           installation or modification of property, the primary purpose of which is to reduce  
19           consumption of water or to improve the management of water demand with respect to one  
20           or more dwelling units.

21           “(3) STORM WATER MANAGEMENT MEASURE.—For purposes of this section, the term  
22           ‘storm water management measure’ means any installation or modification of property  
23           primarily designed to reduce or manage amounts of storm water with respect to one or more  
24           dwelling units.

25           “(4) WASTEWATER MANAGEMENT MEASURE.—For purposes of this section, the term  
26           ‘wastewater management measure’ means any installation or modification of property  
27           primarily designed to manage wastewater (including septic tanks and cesspools) with  
28           respect to one or more dwelling units.”.

29           (2) DEFINITION OF PUBLIC UTILITY.—Section 136(c)(5) (as redesignated by paragraph  
30           (1)(C)) is amended by striking subparagraph (B) and inserting the following:

31           “(B) PUBLIC UTILITY.—The term ‘public utility’ means a person engaged in the sale  
32           of electricity, natural gas, or water to residential, commercial, or industrial customers  
33           for use by such customers.

34           “(C) STORM WATER MANAGEMENT PROVIDER.—The term ‘storm water management  
35           provider’ means a person engaged in the provision of storm water management  
36           measures to the public.

37           “(D) PERSON.—For purposes of subparagraphs (B) and (C), the term ‘person’  
38           includes the Federal Government, a State or local government or any political  
39           subdivision thereof, or any instrumentality of any of the foregoing.”.

40           (3) CLERICAL AMENDMENTS.—

1 (A) The heading for section 136 is amended—

2 (i) by inserting “and water” after “energy”, and

3 (ii) by striking “provided by public utilities”.

4 (B) The item relating to section 136 in the table of sections of part III of subchapter  
5 B of chapter 1 is amended—

6 (i) by inserting “and water” after “energy”, and

7 (ii) by striking “provided by public utilities”.

8 (c) Effective Date.—The amendments made by this section shall apply to amounts received  
9 after December 31, 2018.

10 (d) No Inference.—Nothing in this Act or the amendments made by this Act shall be construed  
11 to create any inference with respect to the proper tax treatment of any subsidy received directly  
12 or indirectly from a public utility, a storm water management provider, or a State or local  
13 government for any water conservation measure or storm water management measure before  
14 January 1, 2019.

## 15 **SEC. 136306. CREDIT FOR QUALIFIED WILDFIRE** 16 **MITIGATION EXPENDITURES.**

17 **\*\* 58** (a) In General.—Subpart B of part IV of subchapter A of chapter 1 is amended by  
18 inserting after section 27 the following new section:

### 19 **“SEC. 28. QUALIFIED WILDFIRE MITIGATION** 20 **EXPENDITURES.**

21 **\*\* 59** “(a) In General.—There shall be allowed as a credit against the tax imposed by this  
22 chapter for the taxable year an amount equal to 30 percent of the qualified wildfire mitigation  
23 expenditures paid or incurred by the taxpayer during such taxable year with respect to real  
24 property owned or leased by the taxpayer.

25 **“(b) Qualified Wildfire Mitigation Expenditures.—For purposes of this section—**

26 **\*\* 60** “(1) IN GENERAL.—The term ‘qualified wildfire mitigation expenditures’ means  
27 any specified wildfire mitigation expenditure made pursuant to a qualified State wildfire  
28 mitigation program of a State which requires expenditures for wildfire mitigation to be paid  
29 both by the taxpayer and such State. Such term shall not include any item of expenditure  
30 unless the ratio of the State’s expenditure for such item to the sum of the State’s and  
31 taxpayer’s expenditures for such item is not less than 25 percent.

32 **\*\* 61** “(2) SPECIFIED WILDFIRE MITIGATION EXPENDITURE.—The term ‘specified wildfire  
33 mitigation expenditure’ means, with respect to any real property owned or leased by the  
34 taxpayer, any amount paid or incurred to reduce the risk of wildfire by removing  
35 accumulations of vegetation (including establishing, expanding, or maintaining fuel breaks  
36 to serve as fire breaks) on such real property.

37 **\*\* 62** “(3) QUALIFIED STATE WILDFIRE MITIGATION PROGRAM.—The term ‘qualified State  
38 wildfire mitigation program’ means any program of a State the primary purpose of which is

1 to mitigate the risk of wildfires in such State.

2       \*\* 63 “(4) TREATMENT OF REIMBURSEMENTS.—Any amount originally paid or incurred  
3 by the taxpayer which is reimbursed by a State under a qualified wildfire mitigation  
4 program of such State shall be treated as paid by such State (and not by such taxpayer).

5 **“(c) Application With Other Credits.—**

6       \*\* 64 “(1) BUSINESS CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—So much  
7 of the credit which would be allowed under subsection (a) for any taxable year (determined  
8 without regard to this subsection) that is attributable to expenditures made in the ordinary  
9 course of the taxpayer’s trade or business (or, in the case of expenditures made by a State,  
10 would have been expenditures made in the ordinary course of the taxpayer’s trade or  
11 business if made by the taxpayer) shall be treated as a credit listed in section 38(b) for  
12 taxable year (and not allowed under subsection (a)).

13       \*\* 65 “(2) PERSONAL CREDIT.—For purposes of this title, the credit allowed under  
14 subsection (a) for any taxable year (determined after application of paragraph (1)) shall be  
15 treated as a credit allowable under subpart A for such taxable year.

16       \*\* 66 “(d) Reduction of Credit Percentage Where Taxpayer Expenditures Less Than 30  
17 Percent.—

18       \*\* 67 “(1) IN GENERAL.—If the expenditure percentage with respect to any item of  
19 qualified wildfire mitigation expenditure is less than 30 percent, subsection (a) shall be  
20 applied by substituting ‘the expenditure percentage’ for ‘30 percent’ with respect to such  
21 item of expenditure.

22       \*\* 68 “(2) EXPENDITURE PERCENTAGE.—For purposes of this section, the term  
23 ‘expenditure percentage’ means, with respect to any item of qualified wildfire mitigation  
24 expenditure any portion of which is paid or incurred by a State, the ratio (expressed as a  
25 percentage) of—

26               **“(A) the taxpayer’s expenditure for such item, divided by**

27               **“(B) the sum of the taxpayer’s and such State’s expenditures for such item.**

28 **“(e) Special Rules.—**

29       \*\* 69 “(1) TREATMENT OF EXPENDITURES RELATED TO MARKETABLE TIMBER.—An  
30 expenditure shall not be taken into account for purposes of this section (whether made by  
31 the taxpayer or a State pursuant to a qualified State wildfire mitigation program of such  
32 State) if such expenditure is properly allocable to timber which is sold or exchanged by the  
33 taxpayer. The preceding sentence shall not apply to the extent that such amount exceeds the  
34 gain on such sale or exchange.

35       \*\* 70 “(2) BASIS REDUCTION.—For purposes of this subtitle, if the basis of any property  
36 would (but for this paragraph) be determined by taking into account any qualified wildfire  
37 mitigation expenditure, the basis of such property shall be reduced by the amount of the  
38 credit allowed under subsection (a) with respect to such expenditure (determined without  
39 regard to subsection (c)).

40       \*\* 71 “(3) DENIAL OF DOUBLE BENEFIT.—The amount of any deduction or other credit  
41 allowable under this chapter for any expenditure for which a credit is allowable under

1 subsection (a) shall be reduced by the amount of credit allowed under such subsection for  
2 such expenditure (determined without regard to subsection (c)).”.

3 **(b) Conforming Amendments.—**

4 \*\* 72 (1) Section 38(b), as amended by the preceding provisions of this Act, is amended  
5 by striking “plus” at the end of paragraph ~~(33)~~(35), by striking the period at the end of  
6 paragraph ~~(34)~~(36) and inserting “, plus”, and by adding at the end the following new  
7 paragraph:

8 \*\* 73 ~~“(35)”~~“(37) the portion of the qualified wildfire mitigation expenditures credit to  
9 which section 28(c)(1) applies.”.

10 \*\* 74 (2) Section 1016(a) is amended by redesignating paragraphs (35) through (38) as  
11 paragraphs (36) through (39), respectively, and by inserting after paragraph (34) the  
12 following new paragraph:

13 **“(35) to the extent provided in section 28(e)(2),”.**

14 \*\* 75 (3) The table of sections for subpart B of part IV of subchapter A of chapter 1 is  
15 amended by inserting after the item relating to section 27 the following new item:

16 **“Sec.28.Qualified wildfire mitigation expenditures.”.**

17 \*\* 76 (c) Effective Date.—The amendments made by this section shall apply to expenditures  
18 paid or incurred after the date of the enactment of this Act, in taxable years ending after such  
19 date.

20 **PART 4—GREENING THE FLEET AND ALTERNATIVE**  
21 **VEHICLES**

22 **SEC. 136401. REFUNDABLE NEW QUALIFIED PLUG-IN**  
23 **ELECTRIC DRIVE MOTOR VEHICLE CREDIT FOR**  
24 **INDIVIDUALS.**

25 (a) In General.—Subpart C of part IV of subchapter A of chapter 1 is amended by inserting  
26 after section 36B the following new section:

27 **“SEC. 36C. NEW QUALIFIED PLUG-IN ELECTRIC DRIVE**  
28 **MOTOR VEHICLES.**

29 “(a) Allowance of Credit.—In the case of an individual, there shall be allowed as a credit  
30 against the tax imposed by this subtitle for the taxable year an amount equal to the ~~sum of the~~  
31 ~~credit amounts~~ **amount** determined under subsection (b) with respect to ~~each~~ a new qualified  
32 plug-in electric drive motor vehicle placed in service by the taxpayer during the taxable year.

33 ~~“(b) Per Vehicle Dollar Limitation.—~~ **Credit Amount.—**

34 ~~“(1) IN GENERAL.—~~The amount determined under this subsection with respect to any new  
35 qualified plug-in electric drive motor vehicle is the sum of the amounts determined under  
36 paragraphs (2) through (5) with respect to such vehicle (not to exceed 50 percent of the

1 purchase price of such vehicle).

2 “(2) BASE AMOUNT.—The amount determined under this paragraph is \$4,000.

3 “(3) BATTERY CAPACITY.—In the case of a new qualified plug-in electric drive motor  
4 vehicle, the amount determined under this paragraph is \$3,500 if—

5 “(A) in the case of a vehicle placed in service before January 1, 2027, such vehicle  
6 draws propulsion energy from a battery with not less than 40 kilowatt hours of capacity  
7 **and has a gasoline tank capacity not greater than 2.5 gallons**, and

8 “(B) in the case of a vehicle placed in service after December 31, 2026, such vehicle  
9 draws propulsion energy from a battery with not less than 50 kilowatt hours of capacity  
10 **and has a gasoline tank capacity not greater than 2.5 gallons**.

11 “(4) DOMESTIC ASSEMBLY.—In the case of a new qualified plug-in **electric drive motor**  
12 vehicle which satisfies the domestic assembly qualifications, the amount determined under  
13 this paragraph is \$4,500.

14 “(5) DOMESTIC CONTENT.—In the case of a new qualified plug-in **electric drive motor**  
15 vehicle which satisfies domestic content qualifications, the amount determined under this  
16 paragraph is \$500.

17 “(c) **Vehicle Limitation.—The number of new qualified plug-in electric drive motor**  
18 **vehicles taken in account under subsection (a) shall not exceed 1 per taxpayer per taxable**  
19 **year.**

20 “(d) **Limitation Based on Modified Adjusted Gross Income.—**

21 “(1) IN GENERAL.—The amount of the credit allowable under subsection (a) **for any**  
22 **taxable year** shall be reduced (but not below zero) by \$200 for each \$1,000 (or fraction  
23 thereof) by ~~which~~ **which—**

24 “(A) **the lesser of—**

25 “(i) **the taxpayer’s modified adjusted gross income exceeds for such taxable**  
26 **year, or**

27 “(ii) **the taxpayer’s modified adjusted gross income for the preceding**  
28 **taxable year, exceeds**

29 “(B) **the threshold amount.**

30 For purposes of the preceding sentence, the term ‘modified adjusted gross income’ means  
31 adjusted gross income increased by any amount excluded from gross income under section  
32 911, 931, or 933.

33  
34 ~~“(2) Special rule for determination of modified adjusted gross income.—The modified-~~  
35 ~~adjusted gross income of the taxpayer that is taken into account for purposes of paragraph~~  
36 ~~(1) shall be the lesser of—~~

37 ~~“(A) the modified adjusted gross income for the taxable year in which the credit is~~  
38 ~~claimed, or~~

39 ~~“(B) the modified adjusted gross income for the immediately preceding taxable year.~~

1           ~~“(3)“(2)~~ THRESHOLD AMOUNT.—For purposes of paragraph (1), the term ‘threshold  
2 amount’ means—

3           “(A) ~~\$800,000~~ **\$500,000** in the case of a joint return or surviving spouse (half such  
4 amount ~~for in the case of a married individual filing separately) a separate return),~~

5           “(B) ~~\$600,000~~ **\$375,000** in the case of a head of household, and

6           “(C) ~~\$400,000~~ **\$250,000** in any other case.

7           ~~“(d)“(e)~~ Manufacturer’s Suggested Retail Price Limitation.—

8           “(1) IN GENERAL.—No credit shall be allowed under subsection (a) for a vehicle with a  
9 manufacturer’s suggested retail price in excess of the applicable limitation.

10          “(2) APPLICABLE LIMITATION.—For purposes of paragraph (1), the applicable limitation  
11 for each vehicle classification is as follows:

12           ~~“(A) Sedans.—In the case of a sedan, \$55,000.~~

13           ~~“(B) VANS.—In the case of a van, \$64,000.~~ **\$80,000.**

14           ~~“(C)“(B)~~ SPORT UTILITY VEHICLES.—In the case of a sport utility vehicle, ~~\$69,000.~~  
15 **\$80,000.**

16           ~~“(D)“(C)~~ PICKUP TRUCKS.—In the case of a pickup truck, ~~\$74,000.~~ **\$80,000.**

17           ~~“(3) Regulations.—For“(D)~~ OTHER.—**In the case of any other vehicle, \$55,000.**

18          “(3) REGULATIONS AND GUIDANCE.—For purposes of this subsection, the Secretary  
19 shall prescribe ~~regulations such regulations or other guidance as the Secretary~~  
20 **determines necessary or appropriate** for determining vehicle classifications using criteria  
21 similar to that employed by the Environmental Protection Agency and the Department of  
22 **the Energy to determine size and class of vehicles. vehicles.”**

23           ~~“(e)“(f)~~ New Qualified Plug-in Electric Drive Motor Vehicle.—For purposes of this section—

24           “(1) IN GENERAL.—The term ‘new qualified plug-in electric drive motor vehicle’ means a  
25 motor vehicle—

26           “(A) the original use of which commences with the taxpayer,

27           “(B) which is acquired for use by the taxpayer and not for resale,

28           “(C) which is made by a qualified manufacturer,

29           “(D) which is treated as a motor vehicle for purposes of title II of the Clean Air Act,

30           “(E) which has a gross vehicle weight rating of less than 14,000 pounds,

31           “(F) which is propelled to a significant extent by an electric motor which draws  
32 electricity from a battery which—

33           “(i) has a capacity ~~of~~ **of**—

34           ~~“(I) in the case of a vehicle placed in service in 2022 or 2023, not less than 7-~~  
35 **kilowatt hours, and**

36           ~~“(II) in the case of a vehicle placed in service after 2023, not less than 10~~

1 kilowatt hours, and

2 “(ii) is capable of being recharged from an external source of electricity,

3 “(G) ~~for~~ **with respect to** which, in the case of a vehicle placed ~~into~~ **in** service after  
4 December 31, 2026, final assembly is within the United States, ~~and~~

5  
6 “(H) is not of a character subject to an allowance for depreciation, **and**

7 “**(I) for which the person who sells or leases any new qualified plug-in electric**  
8 **drive motor vehicle to the taxpayer furnishes a report to the taxpayer and to the**  
9 **Secretary, at such time and in such manner as the Secretary shall provide,**  
10 **containing—**

11 “(i) the name and taxpayer identification number of the taxpayer,

12 “(ii) the vehicle identification number of the vehicle, unless, in accordance  
13 with any applicable rules promulgated by the Secretary of Transportation,  
14 the vehicle is not assigned such a number,

15 “(iii) the battery capacity of the vehicle,

16 “(iv) in the case of any new qualified plug-in electric drive motor vehicle,  
17 verification that original use of the vehicle commences with the taxpayer,

18 “(v) the maximum credit under this section allowable to the taxpayer with  
19 respect to the vehicle, and

20 “(vi) in the case of a taxpayer who makes an election under subsection  
21 (k)(1)—

22 “(I) the modified adjusted gross income of such taxpayer in the  
23 previous taxable year, as described in subsection (k)(6)(A), and

24 “(II) any amount described in subsection (k)(2)(C) which has been  
25 provided to such taxpayer.-

26  
27 “(2) MOTOR VEHICLE.—The term ‘motor vehicle’ means any vehicle which is  
28 manufactured primarily for use on public streets, roads, and highways (not including a  
29 vehicle operated exclusively on a rail or rails) and which has at least 4 wheels.

30 “(3) QUALIFIED MANUFACTURER.—The term ‘qualified manufacturer’ means any  
31 manufacturer (within the meaning of the regulations prescribed by the Administrator of the  
32 Environmental Protection Agency for purposes of the administration of title II of the Clean  
33 Air Act (42 U.S.C. 7521 et seq.)) which enters into a written agreement with the Secretary  
34 under which such manufacturer agrees—

35 “(A) to ensure that each vehicle manufactured by such manufacturer after the later  
36 of the date on which such agreement takes effect or December 31, 2021, and that meets  
37 the requirements of **subsection (d)**, subparagraphs (D), (E), and (F) of paragraph (1),  
38 and paragraph (6) of subsection ~~(e)~~**(f)** is labeled with a unique vehicle identification  
39 number, and

1           “(B) to make periodic written reports to the Secretary (at such times and in such  
2           manner as the Secretary may provide) providing such vehicle identification numbers  
3           and such other information related to such vehicle as the Secretary may require.

4           “(4) BATTERY CAPACITY.—The term ‘capacity’ means, with respect to any battery, the  
5           quantity of electricity which the battery is capable of storing, expressed in kilowatt hours, as  
6           measured from a 100 percent state of charge to a 0 percent state of charge.

7           ~~“(f)“(g) Special Rules.—~~

8           “(1) BASIS REDUCTION.—For purposes of this subtitle, the basis of any property for which  
9           a credit is allowable under subsection (a) shall be reduced by the amount of such credit so  
10          allowed.

11          “(2) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under  
12          this chapter for a vehicle for which a credit is allowable under subsection (a) shall be  
13          reduced by the amount of credit allowed under such subsection for such vehicle.

14          “(3) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED.—No credit shall be  
15          allowable under subsection (a) with respect to any property referred to in section 50(b)(1).

16          “(4) RECAPTURE.—The Secretary shall, by regulations **or other guidance**, provide for  
17          recapturing the benefit of any credit allowable under subsection (a) with respect to any  
18          property which ceases to be property eligible for such credit.

19          “(5) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for  
20          any vehicle if the taxpayer elects to not have this section apply to such vehicle.

21          “(6) INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—A  
22          vehicle shall not be considered eligible for a credit under this section unless such vehicle is  
23          in compliance with—

24               “(A) the applicable provisions of the Clean Air Act for the applicable make and  
25               model year of the vehicle (or applicable air quality provisions of State law in the case  
26               of a State which has adopted such provision under a waiver under section 209(b) of the  
27               Clean Air Act), and

28               “(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49,  
29               United States Code.

30          ~~“(g)“(h) Credit Allowed for 2 and 3-wheeled Plug-in Electric Vehicles.—~~

31          “(1) IN GENERAL.—In the case of a qualified 2- or 3-wheeled plug-in electric vehicle—

32               “(A) there shall be allowed as a credit against the tax imposed by this subtitle for the  
33               taxable year an amount equal to the sum of the applicable amount with respect to each  
34               such qualified 2- or 3-wheeled plug-in electric vehicle placed in service by the  
35               taxpayer during the taxable year, and

36               “(B) the amount of the credit allowed under subparagraph (A) shall be treated as a  
37               credit allowed under subsection (a).

38          “(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount is an  
39          amount equal to the lesser of—

40               “(A) ~~40~~ **30** percent of the cost of the qualified 2- or 3-wheeled plug-in electric



1 vehicle, or

2 “(B) \$2,500 **\$7,500**.

3 “(3) QUALIFIED 2- OR 3-WHEELED PLUG-IN ELECTRIC VEHICLE.—The term ‘qualified 2- or  
4 3-wheeled plug-in electric vehicle’ means any vehicle which—

5 “(A) has 2 or 3 wheels,

6 “(B) meets the requirements ~~of~~ **of**—

7 “(i) subparagraphs (A), (B), (C), (E), (F), ~~(G)~~, **(I)** of subsection (e)(1)  
8 (determined by substituting ‘2.5 kilowatt hours’ for ‘~~7 kilowatt hours~~’ in  
9 subparagraph ~~(F)(i)(I)~~ **and by substituting ‘2.5 kilowatt hours’ for ‘10 kilowatt**  
10 **hours’ in subparagraph (F)(i)(~~H~~);**),

11 “(ii) **paragraphs (3) and (4) of subsection (e), and**

12 “(iii) **subsections (f), (h), (i), and (k),**

13 “(C) is manufactured primarily for use on public streets, roads, and highways, and

14 “(D) is capable of achieving a speed of 45 miles per hour or greater.

15 ~~“(h)“(i)~~ **“(i)** VIN Number Requirement.—No credit shall be allowed under this section with  
16 respect to any vehicle unless the taxpayer includes the vehicle identification number of such  
17 vehicle on the return of tax for the taxable year.

18 ~~“(i)“(j)~~ **“(j)** Treatment of Certain Possessions.—

19 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall  
20 pay to each possession of the United States which has a mirror code tax system amounts  
21 equal to the loss (if any) to that possession by reason of the application of the provisions of  
22 this section (determined without regard to this subsection). Such amounts shall be  
23 determined by the Secretary based on information provided by the government of the  
24 respective possession.

25 “(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of  
26 the United States which does not have a mirror code tax system amounts estimated by the  
27 Secretary as being equal to the aggregate benefits (if any) that would have been provided to  
28 residents of such possession by reason of the provisions of this section if a mirror code tax  
29 system had been in effect in such possession. The preceding sentence shall not apply unless  
30 the respective possession has a plan which has been approved by the Secretary under which  
31 such possession will promptly distribute such payments to its residents.

32 “(3) MIRROR CODE TAX SYSTEM; TREATMENT OF PAYMENTS.—Rules similar to the rules of  
33 paragraphs **(3)**, (4), and (5) of section 21(h) shall apply for purposes of this section.

34 ~~“(j)“(k)~~ **“(k)** Assembly and Content Qualifications.—For purposes of this section—

35 “(1) DOMESTIC ASSEMBLY QUALIFICATIONS.—The term ‘domestic assembly  
36 qualifications’ means, with respect to any new qualified plug-in electric vehicle, that the  
37 final assembly of such vehicle occurs at a plant, factory, or other place which is **located in**  
38 **the United States and** operating under a collective bargaining agreement negotiated by an  
39 employee organization (as defined in section 412(c)(4)), determined in a manner consistent  
40 with section 7701(a)(46).

1           “(2) DOMESTIC CONTENT QUALIFICATIONS.—The term ‘domestic content qualifications’  
2 means, with respect to any model of a new qualified plug-in electric vehicle, that vehicles of  
3 that ~~model model~~—

4           ~~“(A) are assembled by a manufacturer which utilizes not less than 50 percent domestic  
5 content in the component parts for final assembly of such vehicles, and~~

6           ~~“(B) are powered by battery cells which are manufactured in the United States (with  
7 such battery cells to be included for purposes of the requirement described in subparagraph  
8 (A)); as certified by the manufacturer, at such time, and in such form and manner, as the  
9 Secretary may prescribe.~~

10           “(3) FINAL ASSEMBLY.—The term ‘final assembly’ means the process by which a  
11 manufacturer produces a new qualified plug-in electric **drive motor** vehicle at, or through  
12 the use of, a plant, factory, or other place from which the vehicle is delivered to a dealer or  
13 importer with all component parts necessary for the mechanical operation of the vehicle  
14 included with the vehicle, whether or not the component parts are permanently installed in  
15 or on the vehicle.

16           ~~“(k)“(l) Termination.—No credit shall be allowed under this section with respect to any  
17 vehicle acquired after December 31, 2031.”.~~

18           (b) Transfer of Credit.—~~Subsection (f) of section 36C is amended by adding at the end the  
19 following new paragraphs: Credit.—~~

20           ~~“(7)(1) IN GENERAL.—Section 36C, as added by subsection (a), is amended by  
21 redesignating subsection (k) as subsection (l) and by inserting after subsection (j)  
22 following new subsection:~~

23           ~~“(k) Transfer of Credit.—~~

24           ~~“(1) IN GENERAL.—Subject to such regulations or other guidance as the Secretary  
25 determines necessary or appropriate, if, with respect to the credit allowed under subsection  
26 (a) for any taxable year, the taxpayer— **the taxpayer who acquires a new plug-in electric  
27 drive motor vehicle** elects the application of this subparagraph for such taxable year  
28 **subsection** with respect to such credit, **vehicle, the credit which would (but for this  
29 subsection) be allowed to such taxpayer with respect to such vehicle shall be allowed to**  
30 the eligible entity specified in such election, ~~and not the taxpayer who has purchased or  
31 leased the vehicle, shall be treated as the taxpayer for purposes of this title with respect to  
32 such credit.~~~~

33           ~~“(8) (and not to such taxpayer).~~

34           “(2) ELIGIBLE ENTITY.—For purposes of this paragraph, the term ‘eligible entity’ means,  
35 with respect to the vehicle for which the credit is allowed under subsection (a), the dealer  
36 which sold such vehicle to the taxpayer and has—

37           “(A) subject to paragraph ~~(10)(4)~~(4), registered with the Secretary for purposes of this  
38 paragraph, at such time, and in such form and manner, as the Secretary may prescribe,

39           “(B) prior to the election described in paragraph ~~(7)(1)~~(1) **and not later than at the  
40 time of such sale**, disclosed to the taxpayer purchasing such vehicle—

41           “(i) the manufacturer’s suggested retail price,

1                   “(ii) the value of the credit allowed or other incentive available for the purchase  
2                   or lease of such vehicle,

3                   “(iii) all fees associated with the purchase or lease of such vehicle, and

4                   “(iv) the amount provided by the dealer to such taxpayer as a condition of the  
5                   election described in paragraph ~~(7)~~(1),

6                   “(C) made payment to such taxpayer (whether in cash or in the form of a partial  
7                   payment or down payment for the purchase of such vehicle) in an amount equal to the  
8                   credit otherwise allowable to such taxpayer, and

9                   “(D) with respect to any incentive otherwise available for the purchase of a vehicle  
10                  for which a credit is allowed under this section, including any incentive in the form of  
11                  a rebate or discount provided by the dealer or manufacturer, ensured that—

12                  “(i) the availability or use of such incentive shall not limit the ability of a  
13                  taxpayer to make an election described in paragraph ~~(7)~~(1), and

14                  “(ii) such election shall not limit the value or use of such incentive.

15                  ~~“(9)”~~**(3) TIMING.**—An election described in paragraph ~~(7)~~(1) shall be made by the  
16                  taxpayer not later than the date on which the vehicle for which the credit is allowed under  
17                  subsection (a) is purchased.

18                  ~~“(10)”~~**(4) REVOCATION OF REGISTRATION.**—Upon determination by the Secretary that a  
19                  dealer has failed to comply with the requirements described in paragraph ~~(8)~~(2), the  
20                  Secretary may revoke the registration (as described in subparagraph (A) of such  
21                  subparagraph) **paragraph**) of such dealer.

22                  ~~“(11)”~~**(5) TAX TREATMENT OF PAYMENTS.**—With respect to any payment described in  
23                  paragraph ~~(8)~~~~(C)~~(2)(C), such payment—

24                  “(A) shall not be includible in the gross income of the taxpayer, and

25                  “(B) with respect to the dealer, shall not be deductible under this title.

26                  **(6) APPLICATION OF CERTAIN OTHER REQUIREMENTS.**—**In the case of any election**  
27                  **under paragraph (1) with respect to any vehicle—**

28                  **“(A) the amount of the reduction under subsection (c) shall be determined with**  
29                  **respect to the modified adjusted gross income of the taxpayer for the taxable year**  
30                  **preceding the taxable year in which such vehicle was acquired (and not with**  
31                  **respect to such income for the taxable year in which such vehicle was acquired),**

32                  **“(B) the requirements of paragraphs (1) and (2) of subsection (f) shall apply to**  
33                  **the taxpayer who acquired the vehicle in the same manner as if the credit**  
34                  **determined under this section with respect to such vehicle were allowed to such**  
35                  **taxpayer,**

36                  **“(C) subsection (f)(5) shall not apply, and**

37                  **“(D) the requirement of subsection (h) shall be treated as satisfied if the eligible**  
38                  **entity provides the vehicle identification number of such vehicle to the Secretary**  
39                  **in such manner as the Secretary may provide.**

1           “(7)“(12) ADVANCE PAYMENT TO REGISTERED DEALERS.—

2                   “(A) IN GENERAL.—The Secretary shall establish a program to make advance  
3                   payments to any eligible entity in an amount equal to the cumulative amount of the  
4                   credits allowed under subsection (a) with respect to any vehicles sold by such entity for  
5                   which an election described in paragraph (1) has been made.

6                   “(B) EXCESSIVE PAYMENTS.—Rules similar to the rules of section ~~6417(e)(8)~~  
7                   **6417(c)(7)** shall apply for purposes of this ~~subparagraph~~ **paragraph**.

8           “(13)“(8) DEALER.—For purposes of this ~~paragraph~~ **subsection**, the term ‘dealer’ means  
9           a person licensed by a State, the District of Columbia, the Commonwealth of Puerto Rico,  
10           any other territory or possession of the United States, ~~or an Indian Tribe~~ **tribal government**  
11           (as defined in section ~~4 of the Indian Self-Determination and Education Assistance Act (25-~~  
12           ~~U.S.C. 5304))~~ **48(e)(4)(F)(ii)**), or any Alaska Native Corporation (as defined in section **3**  
13           **of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m))**) to engage in the sale of  
14           vehicles.”.

15           **(2) CONFORMING AMENDMENT.—Section 36C(g)(3)(iii), as added by subsection (a), is**  
16           **amended by striking “, and (k)” and inserting “(k), and (l)”.**

17           (c) Repeal of Nonrefundable New Qualified Plug-in Electric Drive Motor Vehicle  
18           Credit.—Subpart B of part IV of subchapter A of chapter 1 is amended by striking section 30D  
19           (and by striking the item relating to such section in the table of sections of such subpart).

20           (d) Conforming Amendments.—

21                   (1) Section 1016(a)(37) is amended by striking “section 30D(f)(1)” and inserting “section  
22                   36C(f)(1)”.

23                   (2) Section 6211(b)(4)(A) is amended by inserting “36C,” after “36B,”.

24                   (3) Section 6213(g)(2), as amended by the preceding provisions of this Act, is  
25                   amended—

26                           (A) in subparagraph (R), by striking “and” at the end,

27                           (B) in subparagraph (S), by striking the period at the end and inserting “, and”, and

28                           (C) by adding at the end the following:

29                                   “(T) an omission of a correct vehicle identification number required under section  
30                                   36C(f) (relating to credit for new qualified plug-in electric drive motor vehicles) to be  
31                                   included on a return.”.

32                   (4) Section 6501(m) is amended by striking “30D(e)(4)” and inserting “36C(f)(5)”.

33                   (5) Section 166(b)(5)(A)(ii) of title 23, United States Code, is amended by striking  
34                   “section 30D(d)(1)” and inserting “section 36C(e)(1)”.

35                   (6) Section 1324(b)(2) of title 31, United States Code, is amended by inserting “36C,”  
36                   after “36B,”.

37                   (7) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended  
38                   by inserting after the item relating to section 36B the following new item:

39           “Sec.36C.New qualified plug-in electric drive motor vehicles.”.

1 (e) Effective Dates.—

2 (1) The amendments made by subsections (a), (c), and (d) of this section shall apply to  
3 vehicles acquired after December 31, 2021.

4 (2) The amendments made by subsection (b) shall apply to vehicles ~~purchased or leased~~  
5 **acquired** after December 31, 2022.

6 **SEC. 136402. CREDIT FOR PREVIOUSLY-OWNED**  
7 **QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR**  
8 **VEHICLES.**

9 (a) In General.—Subpart C of part IV of subchapter A of chapter 1, as amended by the  
10 preceding provisions of this Act, is amended by inserting after section 36C the following new  
11 section:

12 **“SEC. 36D. PREVIOUSLY-OWNED QUALIFIED PLUG-IN**  
13 **ELECTRIC DRIVE MOTOR VEHICLES.**

14 “(a) Allowance of Credit.—In the case of a qualified buyer who during a taxable year places  
15 in service a previously-owned qualified plug-in electric drive motor vehicle, there shall be  
16 allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal  
17 to the sum of—

18 “(1) ~~\$1,250, plus~~ **\$2,000, plus**

19 ~~“(2) the supplemental credit amount.~~

20 “(b) Supplemental Credit Amount.—For purposes of subsection (a), the term  
21 ‘supplemental credit amount’ means—

22 “(1) **\$2,000, if—**

23 “(A) in the case of a vehicle ~~which placed in service before January 1, 2027, such~~  
24 **vehicle** draws propulsion energy from a battery ~~which exceeds 4 with not less than 40~~  
25 kilowatt hours of capacity ~~(determined at the time of sale), the lesser of—~~ **and has a**  
26 **gasoline tank capacity not greater than 2.5 gallons, and**

27 ~~“(A) \$1,250, and~~ “(B) in the case of a vehicle placed in service after December  
28 **31, 2026, such vehicle draws propulsion energy from a battery with not less than**  
29 **50 kilowatt hours of capacity and has a gasoline tank capacity not greater than**  
30 **2.5 gallons, and**

31 ~~“(B) the product of \$208.50 and such excess kilowatt hours.”~~ “(2) **\$0 in any other case.**

32 ~~“(b)“(c) Limitations.—~~

33 “(1) SALE PRICE.—The credit allowed under subsection (a) with respect to sale of a  
34 vehicle shall not exceed ~~30~~ **50** percent of the sale price.

35 “(2) ~~ADJUSTED~~ **LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.**—The  
36 amount which would (but for this paragraph) be allowed as a credit under subsection (a)  
37 shall be reduced (but not below zero) by \$200 for each \$1,000 (or fraction thereof) by

1 which the taxpayer's adjusted gross income exceeds— lesser of—

2 ~~“(A)“(A)~~ **“(A) the taxpayer's modified adjusted gross income for such taxable year,**  
3 **or**

4 **“(B) the taxpayer's modified adjusted gross income for the preceding taxable**  
5 **year, exceeds—**

6 **“(i) \$150,000 in the case of a joint return or a surviving spouse (as defined in**  
7 **section 2(a)),**

8 ~~“(B)“(ii)~~ **“(ii) \$112,500 in the case of a head of household (as defined in section**  
9 **2(b)), and**

10 ~~“(C)“(iii)~~ **“(iii) \$75,000 in the case of a taxpayer not described in paragraph (1) or**  
11 **(2).**

12 ~~“(e)“(d)~~ **“(d) Definitions.—For purposes of this section—**

13 **“(1) PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE.—The**  
14 **term ‘previously-owned qualified plug-in electric drive motor vehicle’ means, with respect**  
15 **to a taxpayer, a motor vehicle—**

16 **“(A) the model year of which is at least 2 years earlier than the calendar year in**  
17 **which the taxpayer acquires such vehicle,**

18 **“(B) the original use of which commences with a person other than the taxpayer,**

19 **“(C) which is acquired by the taxpayer in a qualified sale, and** ~~“(D) registered by the~~  
20 ~~taxpayer for operation in a State or possession of the United States, and~~

21 ~~“(E)“(D)~~ **“(D) which meets the requirements of subparagraphs (C), (D), (E), (F), (G),**  
22 **(H), and (G)(I) of section 36C(e)(1) (determined by applying ‘previously-owned**  
23 **qualified plug-in electric drive motor vehicle’ for ‘new qualified plug-in electric**  
24 **drive motor vehicle’), or which is a new qualified fuel cell motor vehicle (as**  
25 **defined in subparagraphs (A) and (B) of section 30B(b)(3)) which has a gross**  
26 **vehicle weight rating of less than 14,000 pounds.**

27 **“(2) QUALIFIED SALE.—The term ‘qualified sale’ means a sale of a motor vehicle—**

28 **“(A) by a seller who holds such vehicle in inventory (within the meaning of section**  
29 **471) for sale or lease,**

30 **“(B) for a sale price not to exceed \$25,000, and**

31 **“(C) which is the first transfer since the date of the enactment of this section to a**  
32 **person other than the person with whom the original use of such vehicle commenced.**

33 **“(3) QUALIFIED BUYER.—The term ‘qualified buyer’ means, with respect to a sale of a**  
34 **motor vehicle, a taxpayer—**

35 **“(A) who is an individual,**

36 **“(B) who purchases such vehicle for use and not for resale,**

37 **“(C) with respect to whom no deduction is allowable with respect to another**  
38 **taxpayer under section 151,**

1           “(D) who has not been allowed a credit under this section for any sale during the  
2           3-year period ending on the date of the sale of such vehicle, and

3           “(E) who possesses a certificate issued by the seller that certifies—

4                   “(i) that the vehicle is a previously-owned qualified plug-in electric drive motor  
5                   vehicle,

6                   “(ii) the vehicle identification number of such vehicle,

7                   “(iii) the capacity of the battery at time of sale, and

8                   “(iv) such other information as the Secretary may require.

9           “(4) MOTOR VEHICLE; CAPACITY.—The terms ‘motor vehicle’ and ‘capacity’ have the  
10           meaning given such terms in paragraphs (2) and (4) of section 36C(e), respectively.

11           ~~“(d)“(e)~~“(e) VIN Number Requirement.—No credit shall be allowed under subsection (a) with  
12           respect to any vehicle unless the taxpayer includes the vehicle identification number of such  
13           vehicle on the return of tax for the taxable year.

14           ~~“(e)“(f)~~“(f) Application of Certain Rules.—For purposes of this section, rules similar to the rules  
15           of paragraphs (1), (2), (4), (5), **and** (6) ~~and (7)~~ of section 36C(f) shall apply for purposes of this  
16           section.

17           ~~“(f)“(g)~~“(g) Certificate Submission Requirement.—The Secretary may require that the issuer of  
18           the certificate described in subsection (c)(3)(E) submit such certificate to the Secretary at the  
19           time and in the manner required by the Secretary.

20           ~~“(g)“(h)~~“(h) Treatment of Certain Possessions.—

21                   “(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall  
22                   pay to each possession of the United States which has a mirror code tax system amounts  
23                   equal to the loss (if any) to that possession by reason of the application of the provisions of  
24                   this section. Such amounts shall be determined by the Secretary based on information  
25                   provided by the government of the respective possession.

26                   “(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of  
27                   the United States which does not have a mirror code tax system amounts estimated by the  
28                   Secretary as being equal to the aggregate benefits (if any) that would have been provided to  
29                   residents of such possession by reason of the provisions of this section if a mirror code tax  
30                   system had been in effect in such possession. The preceding sentence shall not apply unless  
31                   the respective possession has a plan which has been approved by the Secretary under which  
32                   such possession will promptly distribute such payments to its residents.

33                   “(3) MIRROR CODE TAX SYSTEM; TREATMENT OF PAYMENTS.—Rules similar to the rules of  
34                   paragraphs (3), (4), and (5) of section 21(h) shall apply for purposes of this section.

35           **“(i) Transfer of Credit.—Rules similar to the rules of section 36C(k) shall apply.**

36           ~~“(j)“(h)~~“(h) Termination.—No credit shall be allowed under this section with respect to any  
37           vehicle acquired after December 31, 2031.”.

38           (b) Conforming Amendments.—

39                   (1) Section 6211(b)(4)(A), as amended by the preceding provisions of this Act, is

1 amended by inserting “36D,” after “36C,”.

2 (2) Section 6213(g)(2), as amended by the preceding provisions of this Act, is  
3 amended—

4 (A) in subparagraph (S), by striking “and” at the end,

5 (B) in subparagraph (T), by striking the period at the end and inserting “, and”, and

6 (C) by adding at the end the following:

7 “(U) an omission of a correct vehicle identification number required under section  
8 36D(d) (relating to credit for previously-owned qualified plug-in electric drive motor  
9 vehicles) to be included on a return.”

10 (3) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by the  
11 preceding provisions of this Act, is amended by inserting “36D,” after “36C,”.

12 (c) Clerical Amendment.—The table of sections for subpart C of part IV of subchapter A of  
13 chapter 1, as amended by the preceding provisions of this Act, is amended by inserting after the  
14 item relating to section 36C the following new item:

15 “Sec.36D.Previously-owned qualified plug-in electric drive motor vehicles.”.

16 (d) Effective Date.—The amendments made by this section shall apply to vehicles acquired  
17 after December 31, 2021.

## 18 SEC. 136403. QUALIFIED COMMERCIAL ELECTRIC 19 VEHICLES.

20 (a) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at  
21 the end the following new section:

### 22 “SEC. 45Y. CREDIT FOR QUALIFIED COMMERCIAL 23 ELECTRIC VEHICLES.

24 “(a) In General.—For purposes of section 38, the qualified commercial electric vehicle credit  
25 for any taxable year is an amount equal to the sum of the credit amounts determined under  
26 subsection (b) with respect to each qualified commercial electric vehicle placed in service by the  
27 taxpayer during the taxable year.

28 “(b) Per Vehicle ~~Amount~~.—**The Amount**.—

29 “**(1) IN GENERAL.—The amount determined under this subsection with respect to any**  
30 **qualified commercial electric vehicle shall be equal to ~~30~~ the lesser of—**

31 **“(A) 15 percent of the basis of such vehicle (30 percent in the case of a vehicle not**  
32 **powered by a gasoline or diesel internal combustion engine), or**

33 **“(B) the incremental cost of such vehicle.**

34 **“(2) INCREMENTAL COST.—For purposes of paragraph (1)(B), the incremental cost**  
35 **of any qualified commercial electric vehicle is an amount equal to the excess of the**  
36 **purchase price for such vehicle over such price of a comparable vehicle.**



1           “(3) COMPARABLE VEHICLE.—For purposes of this paragraph, the term ‘comparable  
2           vehicle’ means, with respect to any qualified commercial electric vehicle, any vehicle  
3           which is powered solely by a gasoline or diesel internal combustion engine and which  
4           is comparable in size and use to such vehicle.

5           “(4) VEHICLES FOR LEASE TO INDIVIDUALS.—

6           “(A) IN GENERAL.—In the case of a commercial electric vehicle which is  
7           acquired by the taxpayer for the purpose of leasing such vehicle to any individual,  
8           the amount determined under this subsection with respect to such vehicle shall, at  
9           the election of such taxpayer, be equal to the amount of the credit that would  
10          otherwise be allowed under section 36C(a) with respect to such vehicle, as  
11          determined as if such vehicle—

12                  “(i) is a new qualified plug-in electric drive motor vehicle, and

13                  “(ii) has been acquired and placed in service by an individual.

14          “(B) ELECTION REQUIREMENTS.—

15                  “(i) IN GENERAL.—An election under subparagraph (A) shall be made at  
16                  such time and in such manner as the Secretary prescribes by regulations or  
17                  other guidance.

18                  “(ii) DISCLOSURE REQUIREMENT.—For purposes of any regulations or  
19                  other guidance prescribed under clause (i), the Secretary shall require that,  
20                  as a condition of an election under subparagraph (A), the taxpayer making  
21                  such election shall be required to disclose to the lessee of the commercial  
22                  electric vehicle the value of the credit allowed under this section.

23          “(c) Qualified Commercial Electric Vehicle.—For purposes of this section, the term ‘qualified  
24          commercial electric vehicle’ means any vehicle which—

25                  “(1) meets the requirements of subparagraphs (A) and (C) of section 36C(e)(1) without  
26                  regard to any gross vehicle weight rating **or the requirements of section 36C(d)**, and is  
27                  acquired for use or lease by the taxpayer and not for resale,

28                  “(2) either—

29                          “(A) meets the requirements of subparagraph (D) of section 36C(e)(1); **and is**  
30                          **manufactured primarily for use on public streets, roads, and highways (not**  
31                          **including a vehicle operated exclusively on a rail or rails), or**

32                          “(B) is mobile machinery, as defined in section 4053(8) **(including vehicles that**  
33                          **are not designed to perform a function of transporting a load over the public**  
34                          **highways),**

35                  “(3) either—

36                          “(A) is propelled to a significant extent,

37                          ~~“(3) is primarily propelled~~ by an electric motor which draws electricity from a  
38                          battery **which** ~~which~~—

39                          ~~“(A) has a capacity of not less than 30~~ **15** kilowatt hours **and,**

1           ~~“(B) is capable of being recharged from an external source of electricity, or~~  
2           ~~“(C) is not powered or charged by an internal combustion engine, or~~  
3           ~~“(D)“(B) is a new qualified fuel cell motor vehicle described in subparagraphs (A)~~  
4           and (B) of section 30B(b)(3), and

5           “(4) is of a character subject to the allowance for depreciation.

6           “(d) Special Rules.—

7           “(1) ~~IN GENERAL.—~~ **RULES GENERAL.—Subject to paragraph (2), rules** similar to the  
8           rules under subsection (f) of section 36C shall apply for purposes of this section.

9           ~~“(2) PROPERTY USED BY TAX-EXEMPT ENTITY.—IN THE CASE OF A VEHICLE THE USE OF~~  
10           ~~WHICH IS DESCRIBED IN PARAGRAPH (3) OR (4) OF SECTION 50(B) AND WHICH IS NOT SUBJECT~~  
11           ~~TO A LEASE, THE PERSON WHO SOLD SUCH VEHICLE TO THE PERSON OR ENTITY USING SUCH~~  
12           ~~VEHICLE SHALL BE TREATED AS THE TAXPAYER THAT PLACED SUCH VEHICLE IN SERVICE, BUT~~  
13           ~~ONLY IF SUCH PERSON CLEARLY DISCLOSES TO SUCH PERSON OR ENTITY IN A DOCUMENT THE~~  
14           ~~AMOUNT OF ANY CREDIT ALLOWABLE~~ **RECAPTURE.—The Secretary shall, by regulations**  
15           **or other guidance, provide for recapturing the benefit of any credit allowed under**  
16           **subsection (a) with respect to such vehicle: any property which ceases to be property**  
17           **eligible for such credit, including regulations or other guidance which, in the case of**  
18           **any commercial electric vehicle for which an election was made under subsection**  
19           **(b)(4)—**

20           **“(A) recaptures the credit allowed under subsection (a) if—**

21                   **“(i) such vehicle was not leased to an individual, or**

22                   **“(ii) the taxpayer failed to comply with the requirements described in**  
23                   **subsection (b)(4)(B)(ii), and**

24           **“(B) in the case of a commercial electric vehicle which is leased by an individual**  
25           **whose modified adjusted gross income exceeds the threshold amount under**  
26           **section 36C(c)(2), recaptures so much of the credit allowed under subsection (a)**  
27           **as exceeds the amount of the credit which would have otherwise been allowable**  
28           **under such subsection if, for purposes of subsection (b)(4)(A), the amount of the**  
29           **credit that would otherwise be allowed under section 36C(a) with respect to such**  
30           **vehicle had been determined as if such vehicle was acquired and placed in service**  
31           **by such individual and subject to reduction under section 36C(c).**

32           **“(3) VEHICLES PLACED IN SERVICE BY TAX-EXEMPT ENTITIES.—Subsection (c)(4) shall**  
33           **not apply to any vehicle which is not subject to a lease and which is placed in service**  
34           **by a tax-exempt entity described in clause (i), (ii), or (iv) of section 168(h)(2)(A).**

35           “(e) VIN Number Requirement.—No credit shall be determined under subsection (a) with  
36           respect to any vehicle unless the taxpayer includes the vehicle identification number of such  
37           vehicle on the return of tax for the taxable year.

38           “(f) Termination.—No credit shall be determined under this section with respect to any vehicle  
39           acquired after December 31, 2031.”.

40           **(b) Elective Payment of Credit in Case of Certain Tax-exempt Entities.—Section 6417(b),**

1 as amended by the preceding provisions of this Act, is amended by adding at the end the  
2 following new paragraph:

3 “(9) In the case of a tax-exempt entity described in clause (i), (ii), or (iv) of section  
4 168(h)(2)(A), the credit for qualified commercial vehicles determined under section  
5 45Y by reason of subsection (d)(2) thereof.”.

6 (c) Conforming Amendments.—

7 (1) Section 38(b) is amended by striking paragraph (30) and inserting the following:

8 “(30) the qualified commercial electric vehicle credit determined under section 45Y,”.

9 (2) Section 6213(g)(2), as amended by the preceding provisions of this Act, is  
10 amended—

11 (A) in subparagraph (T), by striking “and” at the end,

12 (B) in subparagraph (U), by striking the period at the end and inserting “, and”, and

13 (C) by adding at the end the following:

14 “(V) an omission of a correct vehicle identification number required under section  
15 45Y(e) (relating to commercial electric vehicle credit) to be included on a return.”.

16 (3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended  
17 by adding at the end the following new item:

18 “Sec.45Y.Qualified commercial electric vehicle credit.”.

19 ~~(e)~~(d) Effective Date.—The amendments made by this section shall apply to vehicles acquired  
20 after December 31, 2021.

## 21 SEC. 136404. QUALIFIED FUEL CELL MOTOR VEHICLES.

22 (a) In General.—Section 30B(k)(1) is amended by striking “December 31, 2021” and inserting  
23 “December 31, 2031”.

24 (b) New Qualified Fuel Cell Motor Vehicle.—Section 30B(b) is amended by striking “and” at  
25 the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting  
26 “, and”, and by adding at the end the following new subparagraph:

27 “(F) which is not property of a character subject to an allowance for depreciation.”.

28 (c) Conforming Amendment.—Section 30B(g) is amended to read as follows:

29 “(g) Personal Credit.—For purposes of this title, the credit allowed under subsection (a)  
30 for any taxable year (determined after application of paragraph (1)) shall be treated as a  
31 credit allowable under subpart A for such taxable year.”.

32 (d) Effective Date.—The amendments made by this section shall apply to property placed in  
33 service after December 31, 2021.

## 34 SEC. 136405. ALTERNATIVE FUEL REFUELING 35 PROPERTY CREDIT.

36 (a) In General.—Section 30C(g) is amended by striking “December 31, 2021” and inserting

1 “December 31, 2031”.

2 (b) Additional Credit for Certain Electric Charging Property.—

3 (1) IN GENERAL.—Section 30C(a) is amended—

4 (A) by striking “equal to 30 percent” and inserting the following: “equal to the sum  
5 of—

6 “(1) 30 ~~percent~~”, **percent (6 percent in the case of property of a character subject to**  
7 **depreciation)”**,

8 (B) by striking the period at the end and inserting “, plus”, and

9 (C) by adding at the end the following new paragraph:

10 “(2) ~~20~~ **4** percent of so much of such cost as exceeds the limitation under subsection  
11 (b)(1) that does not exceed the amount of cost attributable to qualified alternative **fuel**  
12 vehicle refueling property (determined without regard to subsection (c)(1) and as if only  
13 electricity, and fuel at least 85 percent of the volume of which consists of hydrogen, were  
14 treated as clean-burning fuels for purposes of section 179A(d)) which—

15 “(A) is intended for general public use with no associated fee or payment  
16 arrangement,

17 “(B) is intended for general public use and accepts payment via a credit card reader,  
18 including a credit card reader that uses contactless technology, or

19 “(C) is intended for use exclusively by ~~fleets of~~ commercial or governmental  
20 vehicles.”.

21 (2) CONFORMING AMENDMENT.—Section 30C(b) is amended—

22 (A) by striking “The credit allowed under subsection (a)” and inserting “The amount  
23 of cost taken into account under subsection (a)(1)”,

24 (B) by striking “\$30,000” and inserting “\$100,000”, and

25 (C) by striking “\$1,000” and inserting “\$3,333.33”.

26 (3) BIDIRECTIONAL CHARGING EQUIPMENT INCLUDED AS QUALIFIED ALTERNATIVE FUEL  
27 VEHICLE REFUELING PROPERTY.—Section 30C(c) is ~~amended~~— **amended to read as**  
28 **follows:**

29 (A) by striking “For purposes of this section, the term” and inserting “For“(c) **Qualified**  
30 **Alternative Fuel Vehicle Refueling Property.**—For purposes of this section—

31 “(1) IN GENERAL.—The ~~term~~”, and term ‘**qualified alternative fuel vehicle refueling**  
32 **property**’ has the same meaning as the term ‘**qualified clean-fuel vehicle refueling**  
33 **property**’ would have under section 179A if—

34 (B) by adding at the end the following new paragraph:“(A) **paragraph (1) of**  
35 **section 179A(d) did not apply to property installed on property which is used as**  
36 **the principal residence (within the meaning of section 121) of the taxpayer, and**

37 “(B) **only the following were treated as clean-burning fuels for purposes of**  
38 **section 179A(d):**

1                   “(i) Any fuel at least 85 percent of the volume of which consists of one or  
2                   more of the following: ethanol, natural gas, compressed natural gas, liquified  
3                   natural gas, liquefied petroleum gas, or hydrogen.

4                   “(ii) Any mixture—

5                   “(I) which consists of two or more of the following: biodiesel (as  
6                   defined in section 40A(d)(1)), diesel fuel (as defined in section  
7                   4083(a)(3)), or kerosene, and

8                   “(II) at least 20 percent of the volume of which consists of biodiesel (as  
9                   so defined) determined without regard to any kerosene in such mixture.

10                  “(iii) Electricity.

11                  “(2) BIDIRECTIONAL CHARGING EQUIPMENT.—Property shall not fail to be treated as  
12                  qualified alternative **fuel** vehicle refueling property solely because such property—

13                         “(A) is capable of charging the battery of a motor vehicle propelled by electricity,  
14                         and

15                         “(B) allows discharging electricity from such battery to an electric load external to  
16                         such motor vehicle.”.

17                  (c) Certain Electric Charging Stations Included as Qualified Alternative Fuel Vehicle  
18                  Refueling Property.—Section 30C is amended by redesignating subsections (f) and (g) as  
19                  subsection (g) and (h), respectively, and by inserting after subsection (e) the following:

20                  “(f) Special Rule for Electric Charging Stations for Certain Vehicles With 2 or 3  
21                  Wheels.—For purposes of this section—

22                         “(1) IN GENERAL.—The term ‘qualified alternative fuel vehicle refueling property’  
23                         includes any property described in subsection (c) for the recharging of a motor vehicle  
24                         described in paragraph (2) that is propelled by electricity, but only if the property—

25                                 “(A) meets the requirements of subsection (a)(2), and

26                                 “(B) is of a character subject to depreciation.

27                         “(2) MOTOR VEHICLE.—A motor vehicle is described in this paragraph if the motor  
28                         vehicle—

29                                 “(A) is manufactured primarily for use on public streets, roads, or highways (not  
30                                 including a vehicle operated exclusively on a rail or rails), and

31                                 “(B) has at least 2, but not more than 3, wheels.”.

32                  (d) Wage and Apprenticeship Requirements.—Section 30C, as amended by this section, is  
33                  further amended by redesignating subsections (g) and (h) as subsections (h) and (i) and by  
34                  inserting after subsection (f) the following new subsection:

35                  “(g) Wage and Apprenticeship Requirements.—

36                         “(1) ~~BASE CREDIT AMOUNT AND INCREASED~~ **INCREASED CREDIT AMOUNT.**—

37                                 “(A) IN GENERAL.—In the case of any qualified alternative fuel vehicle refueling  
38                                 property **project** which ~~does not satisfy~~ **satisfies** the requirements of subparagraph

1           ~~(B)(C)~~, the amount of the credit determined under subsection (a) shall be 20 percent of  
2           such amount **for property of a character subject to an allowance for depreciation**  
3           **shall be equal to such amount multiplied by 5** (determined without regard to this  
4           sentence).

5           ~~“(B) INCREASED CREDIT FOR CERTAIN QUALIFIED~~ **QUALIFIED** ALTERNATIVE FUEL  
6           VEHICLE REFUELING **PROJECT.—For purposes of this subsection, the term ‘qualified**  
7           **property meeting project requirements.—**

8           ~~“(i) In general.—In the case of any qualified alternative fuel vehicle refueling~~  
9           ~~property which meets the project project’~~ **means a project consisting of multiple**  
10           **properties that are part of a single project. The** requirements of this subparagraph,  
11           ~~subparagraph (A) shall not apply. paragraph shall be applied to such project.~~

12           ~~“(ii)“(C) PROJECT REQUIREMENTS.—A project meets the requirements of this~~  
13           ~~subparagraph if it is one of the following:~~

14           ~~“(I) A project which commences construction prior to the date of the enactment~~  
15           ~~of this paragraph.”(i) A project the construction of which begins prior to the~~  
16           ~~date that is 60 days after the Secretary publishes guidance with respect to the~~  
17           ~~requirements of paragraphs (2) and (3).~~

18           ~~“(II)“(ii) A project which satisfies the requirements of paragraphs (2) and (3).~~

19           ~~“(2) PREVAILING WAGE REQUIREMENTS.—~~

20           ~~“(A) IN GENERAL.—The requirements described in this subparagraph with respect to~~  
21           ~~any qualified alternative fuel vehicle refueling property project~~ are that the taxpayer  
22           shall ensure that any laborers and mechanics employed by contractors and  
23           subcontractors in the construction of such property shall be paid wages at rates not less  
24           than the prevailing rates for construction, alteration, or repair of a similar character in  
25           the locality as most recently determined by the Secretary of Labor, in accordance with  
26           subchapter IV of chapter 31 of title 40, United States Code.

27           ~~“(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE~~  
28           ~~REQUIREMENTS.— IN THE CASE OF ANY TAXPAYER WHICH FAILS TO SATISFY THE~~  
29           ~~REQUIREMENT UNDER SUBPARAGRAPH (A) WITH RESPECT TO SUCH QUALIFIED~~  
30           ~~ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY, RULES~~ **REQUIREMENTS.—Rules**  
31           similar to the rules of section 45(b)(8)(B) shall apply for purposes of this paragraph.  
32           **clauses (i) through (iv) of section 45(b)(7)(B) shall apply.**

33           ~~“(3) Apprenticeship requirements.—The requirements described in this subparagraph~~  
34           ~~with respect to the construction of any qualified alternative fuel vehicle refueling property~~  
35           ~~are as follows:~~

36           ~~“(A) Labor hours.—~~

37           ~~“(i) Percentage of total labor hours.—All contractors and subcontractors engaged in the~~  
38           ~~performance of construction on any project shall, subject to subparagraph (B), ensure that~~  
39           ~~not less than the applicable percentage of the total labor hours of such work be performed~~  
40           ~~by qualified apprentices.~~

41           ~~“(ii) Applicable percentage.—For purposes of paragraph (1), the applicable percentage~~

1 shall be—

2 “(I) in the case of any applicable project the construction of which begins before January  
3 1, 2023, 5 percent,

4 “(II) in the case of any applicable project the construction of which begins after  
5 December 31, 2022, and before January 1, 2024, 10 percent, and

6 “(III) in the case of any applicable project the construction of which begins after  
7 December 31, 2023, 15 percent.

8 “(B) Apprentice to journeyworker ratio.—The requirement under subparagraph (A)(i)  
9 shall be subject to any applicable requirements for apprentice to journeyworker ratios of the  
10 Department of Labor or the applicable State apprenticeship agency.

11 “(C) Participation.—Each contractor and subcontractor who employs 4 or more  
12 individuals to perform construction, alteration, or repair work on an applicable project shall  
13 employ 1 or more qualified apprentices to perform such work.

14 “(D) Exception.—

15 “(i) In general.—Notwithstanding any other provision of this paragraph, this paragraph  
16 shall not apply in the case of a taxpayer who—

17 “(I) demonstrates a lack of availability of qualified apprentices in the geographic area of  
18 the construction, alteration, or repair work, and

19 “(II) makes a good faith effort to comply with the requirements of this paragraph.

20 “(ii) Good faith effort.—For purposes of clause (i), a taxpayer shall be deemed to have  
21 satisfied the requirements under such paragraph with respect to an applicable project if such  
22 taxpayer has requested qualified apprentices from a registered apprenticeship program, as  
23 defined in section 3131(e)(3)(B), and such request has been denied, provided that such  
24 denial is not the result of a refusal by the contractors or subcontractors engaged in the  
25 performance of construction, alteration, or repair work on such applicable project to comply  
26 with the established standards and requirements of such apprenticeship program.

27 “(E) Definitions.—For purposes of this paragraph—

28 “(i) Labor hours.—The term ‘labor hours’ has the meaning given such term in section  
29 45(b)(9)(E)(i).

30 “(ii) Qualified apprentice.—The term ‘qualified apprentice’ has the meaning given such  
31 term in section 45(b)(9)(E)(ii). **“(3) APPRENTICESHIP REQUIREMENTS.—Rules similar to  
32 the rules of section 45(b)(8) shall apply.**

33 “(4) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other  
34 guidance as the Secretary determines necessary or appropriate to carry out the purposes of  
35 this subsection, including regulations or other guidance which provides for  
36 requirements for recordkeeping or information reporting for purposes of establishing  
37 the requirements of this subsection.”.

38 (e) Effective Date.—The amendment made by this section shall apply to property placed in  
39 service after December 31, 2021.

1 SEC. 136406. REINSTATEMENT AND EXPANSION OF  
2 EMPLOYER-PROVIDED FRINGE BENEFITS FOR  
3 BICYCLE COMMUTING.

4 (a) Repeal of Suspension of Exclusion for Qualified Bicycle Commuting Benefits.—Section  
5 132(f) is amended by striking paragraph (8).

6 (b) Expansion of Bicycle Commuting Benefits.—Section 132(f)(5)(F) is amended to read as  
7 follows:

8 “(F) DEFINITIONS RELATED TO BICYCLE COMMUTING BENEFITS.—

9 “(i) QUALIFIED BICYCLE COMMUTING BENEFIT.—The term ‘qualified bicycle  
10 commuting benefit’ means, with respect to any calendar year—

11 “(I) any employer reimbursement during the 15-month period beginning  
12 with the first day of such calendar year for reasonable expenses incurred by  
13 the employee during such calendar year for the purchase (including  
14 associated finance charges), lease, rental (including a bikeshare),  
15 improvement, repair, or storage of qualified commuting property, or

16 “(II) the **direct or indirect** provision by the employer to the employee  
17 during such calendar year of the use (including a bikeshare), improvement,  
18 repair, or storage of qualified commuting property,

19 if the employee regularly uses such qualified commuting property for travel  
20 between the employee’s residence, place of employment, **a qualified parking**  
21 **facility**, or a mass transit facility that connects the employee to their residence or  
22 place of employment.

23 “(ii) QUALIFIED COMMUTING PROPERTY.—The term ‘qualified commuting  
24 property’ means—

25 “(I) any bicycle (other than a bicycle equipped with any motor),

26 “(II) any electric bicycle which meets the requirements of section  
27 36E(c)(5),

28 “(III) any 2- or 3-wheel scooter (other than a scooter equipped with any  
29 motor), and

30 “(IV) any 2- or 3-wheel scooter propelled by an electric motor if such  
31 motor does not provide assistance if the speed of such scooter exceeds 20  
32 miler per hour (or if the speed of such scooter is not capable of exceeding 20  
33 miles per hour) and the weight of such scooter does not exceed 100 pounds.

34 “(iii) BIKESHARE.—The term ‘bikeshare’ means a rental operation at which  
35 qualified commuting property is made available to customers to pick up and drop  
36 off for point-to-point use within a defined geographic area.”.

37 (c) Limitation on Exclusion.—Section 132(f)(2)(C) is amended to read as follows:

38 “(C) 30 percent of the dollar amount in effect under subparagraph (B) per month in



1 the case of any qualified bicycle commuting benefit.”.

2 (d) No Constructive Receipt.—Section 132(f)(4) is amended by striking “(other than a  
3 qualified bicycle commuting reimbursement)”.

4 (e) Conforming Amendment.—~~Section~~ **Amendments.**—

5 (1) Section 132(f)(1)(D) is amended by striking “reimbursement” and inserting “benefit”.

6 (2) Section 274(I) is amended by striking paragraph (2).

7 (f) Effective Date.—The amendments made by this section shall apply to taxable years  
8 beginning after December 31, 2021.

9 **SEC. 136407. CREDIT FOR CERTAIN NEW ELECTRIC**  
10 **BICYCLES.**

11 (a) In General.—Subpart C of part IV of subchapter A of chapter 1, as amended by the  
12 preceding provisions of this Act, is amended by inserting after section 36D the following new  
13 section:

14 **“SEC. 36E. ELECTRIC BICYCLES.**

15 “(a) Allowance of Credit.—There shall be allowed as a credit against the tax imposed by this  
16 chapter for the taxable year an amount equal to ~~15~~ **30** percent of the cost of each qualified  
17 electric bicycle placed in service by the taxpayer during such taxable year.

18 “(b) Limitations.—

19 “(1) LIMITATION ON COST PER ELECTRIC BICYCLE TAKEN INTO ACCOUNT.—The amount  
20 taken into account under subsection (a) as the cost of any qualified electric bicycle shall not  
21 exceed ~~\$5,000~~ **\$3,000**.

22 “(2) BICYCLE LIMITATION WITH RESPECT TO CREDIT.—

23 “(A) LIMITATION ON NUMBER OF PERSONAL-USE BICYCLES.—In the case of any  
24 taxpayer for any taxable year, the number of personal-use bicycles taken into account  
25 under subsection (a) shall not exceed the excess (if any) of—

26 “(i) 1 (2 in the case of a joint return), reduced by

27 “(ii) the aggregate number of bicycles taken into account by the taxpayer under  
28 subsection (a) for the 2 preceding taxable years.

29 “(B) PHASEOUT BASED ON MODIFIED ADJUSTED GROSS INCOME.—~~SO MUCH OF THE~~  
30 ~~INCOME.—~~**The** credit allowed under subsection (a) ~~to any taxpayer for any taxable~~  
31 ~~year as would (but for this subparagraph) be treated under subsection (c)(2) as a credit~~  
32 ~~allowable under subpart C~~ shall be reduced by \$200 for each \$1,000 (or fraction  
33 thereof) by which the taxpayer’s modified adjusted gross income exceeds—

34 “(i) \$150,000 in the case of a joint return or a surviving spouse (as defined in  
35 section 2(a)),

36 “(ii) \$112,500 in the case of a head of household (as defined in section 2(b)),  
37 and

1                   “(iii) \$75,000 in the case of a taxpayer not described in clause (i) or (ii).

2                   “(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of subparagraph (B), the  
3 term ‘modified adjusted gross income’ means adjusted gross income increased by any  
4 amount excluded from gross income under section 911, 931, or 933.

5                   “(D) SPECIAL RULE FOR ~~DETERMINATION OF~~ MODIFIED ADJUSTED GROSS  
6 ~~INCOME.—THE INCOME TAKEN INTO ACCOUNT.~~—**The** modified adjusted gross income  
7 of the taxpayer that is taken into account for purposes of this paragraph shall be the  
8 lesser of—

9                   “(i) the modified adjusted gross income for the taxable year in which the credit  
10 is claimed, or

11                   “(ii) the modified adjusted gross income for the immediately preceding taxable  
12 year.

13                   “(c) Qualified Electric Bicycle.—For purposes of this section, the term ‘qualified electric  
14 bicycle’ means a bicycle—

15                   “(1) the original use of which commences with the taxpayer,

16                   “(2) which is acquired for use by the taxpayer and not for resale,

17                   “(3) which is made by a qualified manufacturer and is labeled with the qualified vehicle  
18 identification number assigned to such bicycle by such manufacturer,

19                   “(4) with respect to which the aggregate amount paid for such acquisition does not  
20 exceed ~~\$8,000~~, **\$4,000**, and

21                   “(5) which is equipped with—

22                   “(A) fully operable pedals,

23                   “(B) a saddle or seat for the rider, and

24                   “(C) an electric motor of less than 750 watts which is designed to provided  
25 assistance in propelling the bicycle and—

26                   “(i) does not provide such assistance if the bicycle is moving in excess of 20  
27 miler per hour, or

28                   “(ii) if such motor only provides such assistance when the rider is pedaling,  
29 does not provide such assistance if the bicycle is moving in excess of 28 miles per  
30 hour.

31                   “(d) VIN Number Requirement.—

32                   “(1) IN GENERAL.—No credit shall be allowed under subsection (a) with respect to any  
33 qualified electric bicycle unless the taxpayer includes the qualified vehicle identification  
34 number of such bicycle on the return of tax for the taxable year.

35                   “(2) QUALIFIED VEHICLE IDENTIFICATION NUMBER.—For purposes of this section, the  
36 term ‘qualified vehicle identification number’ means, with respect to any bicycle, the  
37 vehicle identification number assigned to such bicycle by a qualified manufacturer pursuant  
38 to the methodology referred to in paragraph (3).

1           “(3) QUALIFIED MANUFACTURER.—For purposes of this section, the term ‘qualified  
2 manufacturer’ means any manufacturer of qualified electric bicycles which enters into an  
3 agreement with the Secretary which provides that such manufacturer will—

4           “(A) assign a vehicle identification number to each qualified electric bicycle  
5 produced by such manufacturer utilizing a methodology that will ensure that such  
6 number (including any alphanumeric) is unique to such bicycle (by utilizing numbers  
7 or letters which are unique to such manufacturer or by such other method as the  
8 Secretary may provide),

9           “(B) label such bicycle with such number in such manner as the Secretary may  
10 provide, and

11           “(C) make periodic written reports to the Secretary (at such times and in such  
12 manner as the Secretary may provide) of the vehicle identification numbers so assigned  
13 and including such information as the Secretary may require with respect to the  
14 qualified electric bicycle to which such number was so assigned.

15           “(e) Special Rules.—

16           “(1) BASIS REDUCTION.—For purposes of this subtitle, the basis of any property for which  
17 a credit is allowable under subsection (a) shall be reduced by the amount of such credit so  
18 allowed~~(determined without regard to subsection (e))~~.

19           “(2) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under  
20 this chapter for a qualified electric bicycle for which a credit is allowable under subsection  
21 (a) shall be reduced by the amount of credit allowed under such subsection for such ~~vehicle~~  
22 ~~(determined without regard to subsection (e))~~: **bicycle**.

23           “(3) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED.—No credit shall be  
24 allowable under subsection (a) with respect to any property referred to in section 50(b)(1).

25           “(4) RECAPTURE.—The Secretary shall, by regulations **or other guidance**, provide for  
26 recapturing the benefit of any credit allowable under subsection (a) with respect to any  
27 property which ceases to be property eligible for such credit.

28           “(5) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for  
29 any bicycle if the taxpayer elects to not have this section apply to such bicycle.

30           “(f) Treatment of Certain Possessions.—

31           “(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall  
32 pay to each possession of the United States which has a mirror code tax system amounts  
33 equal to the loss (if any) to that possession by reason of the application of the provisions of  
34 this section (determined without regard to this subsection). Such amounts shall be  
35 determined by the Secretary based on information provided by the government of the  
36 respective possession.

37           “(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of  
38 the United States which does not have a mirror code tax system amounts estimated by the  
39 Secretary as being equal to the aggregate benefits (if any) that would have been provided to  
40 residents of such possession by reason of the provisions of this section if a mirror code tax  
41 system had been in effect in such possession. The preceding sentence shall not apply unless

1 the respective possession has a plan which has been approved by the Secretary under which  
2 such possession will promptly distribute such payments to its residents.

3 “(3) MIRROR CODE TAX SYSTEM; TREATMENT OF PAYMENTS.—Rules similar to the rules of  
4 paragraphs (3), (4), and (5) of section 21(h) shall apply for purposes of this section.

5 “(g) Transfer of Credit.—

6 “(1) IN GENERAL.—Subject to such regulations or other guidance as the Secretary  
7 determines necessary or appropriate, if the taxpayer who acquires a qualified electric  
8 bicycle after December 31, 2022 elects the application of this subsection with respect to  
9 such qualified electric bicycle, the credit which would (but for this subsection) be  
10 allowed to such taxpayer with respect to such qualified electric bicycle shall be allowed  
11 to the eligible entity specified in such election (and not to such taxpayer).

12 “(2) ELIGIBLE ENTITY.—For purposes of this paragraph, the term ‘eligible entity’  
13 means, with respect to the qualified electric bicycle for which the credit is allowed  
14 under subsection (a), the retailer which sold such qualified electric bicycle to the  
15 taxpayer and has—

16 “(A) subject to paragraph (4), registered with the Secretary for purposes of this  
17 paragraph, at such time, and in such form and manner, as the Secretary may  
18 prescribe,

19 “(B) prior to the election described in paragraph (1) and no later than at the  
20 time of such sale, disclosed to the taxpayer purchasing such qualified electric  
21 bicycle—

22 “(i) the retail price,

23 “(ii) the value of the credit allowed or other incentive available for the  
24 purchase of such qualified electric bicycle,

25 “(iii) all fees associated with the purchase of such qualified electric bicycle,  
26 and

27 “(iv) the amount provided by the retailer to such taxpayer as a condition of  
28 the election described in paragraph (1),

29 “(C) made payment to such taxpayer (whether in cash or in the form of a  
30 partial payment or down payment for the purchase of such qualified electric  
31 bicycle) in an amount equal to the credit otherwise allowable to such taxpayer,  
32 and

33 “(D) with respect to any incentive otherwise available for the purchase of a  
34 qualified electric bicycle for which a credit is allowed under this section, including  
35 any incentive in the form of a rebate or discount provided by the retailer or  
36 manufacturer, ensured that—

37 “(i) the availability or use of such incentive shall not limit the ability of a  
38 taxpayer to make an election described in paragraph (1), and

39 “(ii) such election shall not limit the value or use of such incentive.

40 “(3) TIMING.—An election described in paragraph (1) shall be made by the taxpayer

1 not later than the date on which the qualified electric bicycle for which the credit is  
2 allowed under subsection (a) is purchased.

3 “(4) REVOCATION OF REGISTRATION.—Upon determination by the Secretary that a  
4 retailer has failed to comply with the requirements described in paragraph (2), the  
5 Secretary may revoke the registration (as described in subparagraph (A) of such  
6 paragraph) of such retailer.

7 “(5) TAX TREATMENT OF PAYMENTS.—With respect to any payment described in  
8 paragraph (2)(C), such payment—

9 “(A) shall not be includible in the gross income of the taxpayer, and

10 “(B) with respect to the retailer, shall not be deductible under this title.

11 “(6) APPLICATION OF CERTAIN OTHER REQUIREMENTS.—In the case of any election  
12 under paragraph (1) with respect to any qualified electric bicycle—

13 “(A) the amount of the reduction under subsection (b) shall be determined with  
14 respect to the modified adjusted gross income of the taxpayer for the taxable year  
15 preceding the taxable year in which such qualified electric bicycle was acquired  
16 (and not with respect to such income for the taxable year in which such qualified  
17 electric bicycle was acquired),

18 “(B) the requirements of paragraphs (1) and (2) of subsection (e) shall apply to  
19 the taxpayer who acquired the qualified electric bicycle in the same manner as if  
20 the credit determined under this section with respect to such qualified electric  
21 bicycle were allowed to such taxpayer, and

22 “(C) subsection (e)(5) shall not apply.

23 “(7) ADVANCE PAYMENT TO REGISTERED RETAILERS.—

24 “(A) IN GENERAL.—The Secretary shall establish a program to make advance  
25 payments to any eligible entity in an amount equal to the cumulative amount of  
26 the credits allowed under subsection (a) with respect to any qualified electric  
27 bicycles sold by such entity for which an election described in paragraph (1) has  
28 been made.

29 “(B) EXCESSIVE PAYMENTS.—Rules similar to the rules of section 6417(c)(7)  
30 shall apply for purposes of this paragraph.

31 “(8) RETAILER.—For purposes of this subsection, the term ‘retailer’ means a person  
32 engaged in the trade or business of selling qualified electric bicycles in a State, the  
33 District of Columbia, the Commonwealth of Puerto Rico, any other territory or  
34 possession of the United States, an Indian tribal government (as defined in section  
35 48(e)(4)(F)(ii)), or any Alaska Native Corporation (as defined in section 3 of the Alaska  
36 Native Claims Settlement Act (43 U.S.C. 1602(m)).

37 “(h) Termination.—This section shall not apply to bicycles placed in service after December  
38 31, 2031.” 2025.”.

39 (b) Conforming Amendments.—

40 (1) Section 38(b) is amended by striking “plus” at the end of paragraph (39), by striking

1 the period at the end of paragraph (40) and inserting “, plus”, and by adding at the end the  
2 following new paragraph:

3 ~~“(41) the portion of the electric bicycles credit to which section 36E(c)(1) applies.”.~~

4 ~~(2)~~ Section 1016(a) is amended by striking “and” at the end of paragraph ~~(37)~~**(38)**, by  
5 striking the period at the end of paragraph ~~(38)~~**(39)** and inserting “, and”, and by adding at  
6 the end the following new paragraph:

7 ~~“(39)”~~**(40)** to the extent provided in section 36E(f)(1).”.

8 ~~(3)~~**(2)** Section 6211(b)(4)(A) of such Code is amended by inserting “36E by reason of  
9 subsection (c)(2) thereof,” before “32,”.

10 ~~(4)~~**(3)** Section 6213(g)(2), as amended by the preceding provisions of this Act, is  
11 amended—

12 (A) in subparagraph (U), by striking “and” at the end,

13 (B) in subparagraph (V), by striking the period at the end and inserting “, and”, and

14 (C) by adding at the end the following:

15 “(W) an omission of a correct vehicle identification number required under section  
16 ~~36E(e)~~ **36E(d)** (relating to electric bicycles credit) to be included on a return.”.

17 ~~(5)~~**(4)** Section 6501(m) is amended by inserting “36E(f)(4),” after “35(g)(11),”.

18 ~~(6)~~**(5)** Section 1324(b)(2) of title 31, United States Code, is amended by inserting “36E,”  
19 after ~~“36B,”~~**“36D,”**.

20 (c) Clerical Amendment.—The table of sections for subpart B of part IV of subchapter A of  
21 chapter 1 is amended by adding at the end the following new item:

22 “Sec.36E.Electric bicycles.”.

23 (d) Effective Date.—The amendments made by this section shall apply to property placed in  
24 service after ~~the date of the enactment of this Act~~ **December 31, 2021**, in taxable years ending  
25 after such date.

## 26 PART 5—INVESTMENT IN THE GREEN WORKFORCE 27 AND MANUFACTURING

### 28 SEC. 136501. EXTENSION OF THE ADVANCED ENERGY 29 PROJECT CREDIT.

30 (a) Extension of Credit.—Section 48C is amended by redesignating subsection (e) as  
31 subsection (f) and by inserting after subsection (d) the following new subsection:

32 “(e) Additional Allocations.—

33 “(1) IN GENERAL.—Not later than ~~180~~ **270** days after the date of enactment of this  
34 subsection, the Secretary, ~~after consultation with the Secretary of Energy~~, shall establish a  
35 program to consider and award certifications for qualified investments eligible for credits  
36 under this section to qualifying advanced energy project sponsors.

1           “(2) ANNUAL LIMITATION.—

2                   “(A) IN GENERAL.—The amount of credits that may be allocated under this  
3 subsection during any calendar year shall not exceed the annual credit limitation with  
4 respect to such year.

5                   “(B) ANNUAL CREDIT LIMITATION.—

6                           “(i) IN GENERAL.—For purposes of this subsection, the term ‘annual credit  
7 limitation’ means ~~\$2,500,000,000~~ **\$5,000,000,000** for each of calendar years 2022  
8 through **2023, \$1,875,000,000 for each of calendar years 2024 through** 2031,  
9 and zero thereafter.

10                   “(ii) AMOUNT SET ASIDE FOR AUTOMOTIVE COMMUNITIES.—

11                           “(I) IN GENERAL.—For purposes of clause (i), ~~\$400,000,000~~ **\$800,000,000**  
12 of the annual credit limitation for each of calendar years 2022 **through 2023**  
13 **and \$300,000,000 for each of calendar years 2024** through 2031 shall be  
14 allocated to qualified investments located within automotive communities.

15                           “(II) AUTOMOTIVE COMMUNITIES.—For purposes of this clause, the term  
16 ‘automotive communities’ means a census tract and any directly adjoining  
17 census tract, including a no-population census tract, that has experienced  
18 major job losses in the automotive manufacturing sector since January 1,  
19 1994, as determined by the Secretary ~~after consultation with the Secretary of~~  
20 ~~Energy and Secretary of Labor.~~

21                           “(iii) AMOUNT SET ASIDE FOR ENERGY COMMUNITIES.—**For purposes of**  
22 **clause (i), \$800,000,000 of the annual credit limitation for each of calendar**  
23 **years 2022 through 2023 and \$300,000,000 for each of calendar years 2024**  
24 **through 2031 shall be allocated to qualified investments located within**  
25 **energy communities (as defined in section 45(b)(11)(B)).**

26                   “(C) CARRYOVER OF UNUSED LIMITATION.—If the annual credit limitation for any  
27 calendar year exceeds the aggregate amount designated for such year under this  
28 subsection, such limitation for the succeeding calendar year shall be increased by the  
29 amount of such excess. No amount may be carried under the preceding sentence to any  
30 calendar year after 2036.

31           “(3) CERTIFICATIONS.—

32                   “(A) APPLICATION REQUIREMENT.—Each applicant for certification under this  
33 subsection shall submit an application at such time and containing such information as  
34 the Secretary may require.

35                   “(B) TIME TO MEET CRITERIA FOR CERTIFICATION.—Each applicant for certification  
36 shall have 2 years from the date of acceptance by the Secretary of the application  
37 during which to provide to the Secretary evidence that the requirements of the  
38 certification have been met.

39                   “(C) PERIOD OF ISSUANCE.—An applicant which receives a certification shall have 2  
40 years from the date of issuance of the certification in order to place the project in  
41 service and to notify the Secretary that such project has been so placed in service, and

1 if such project is not placed in service (and the Secretary so notified) by that time  
2 period, then the certification shall no longer be valid. If any certification is revoked  
3 under this subparagraph, the amount of the annual credit limitation under paragraph (2)  
4 for the calendar year in which such certification is revoked shall be increased by the  
5 amount of the credit with respect to such revoked certification.

6 “(4) SELECTION CRITERIA.—Selection criteria similar to those in subsection (d)(3) shall  
7 apply, except that in determining designations under this subsection, the Secretary, ~~after~~  
8 ~~consultation with the Secretary of Energy,~~ shall—

9 “(A) in addition to the factors described in subsection (d)(3)(B), take into  
10 consideration which projects—

11 “(i) will provide the greatest net impact in avoiding or reducing anthropogenic  
12 emissions of greenhouse gases, as determined by the Secretary ~~after consultation~~  
13 ~~with the Administrator of the Environmental Protection Agency,~~

14 “(ii) will provide the greatest domestic job creation (both direct and indirect)  
15 during the credit period,

16 “(iii) will provide the greatest job creation within the vicinity of the project,  
17 particularly with respect to—

18 “(I) low-income communities (as described in section 45D(e)), and

19 “(II) dislocated workers who were previously employed in manufacturing,  
20 coal power plants, or coal mining, and

21 “(iv) will provide the greatest job creation in areas with a population that is at  
22 risk of experiencing higher or more adverse human health or environmental  
23 effects and a significant portion of such population is comprised of communities  
24 of color, low-income communities, Tribal and Indigenous communities, or  
25 individuals formerly employed in the fossil fuel industry, and

26 “(B) give the highest priority to projects which—

27 “(i) manufacture (other than primarily assembly of components) property  
28 described in a subclause of subsection (c)(1)(A)(i) (or components thereof), and

29 “(ii) have the greatest potential for commercial deployment of new  
30 applications.

31 “(5) DISCLOSURE OF ALLOCATIONS.—The Secretary shall, upon allocating a credit under  
32 this subsection, publicly disclose the identity of the applicant, the amount of the credit with  
33 respect to such applicant, and the project location for which such credit was allocated.

34 “(6) CREDIT CONDITIONED UPON WAGE AND APPRENTICESHIP REQUIREMENTS.—~~NO CREDIT~~  
35 ~~SHALL BE ALLOCATED FOR A PROJECT REQUIREMENTS.~~—

36 “(A) **BASE RATE.**—**For purposes of allocations** under this subsection ~~unless the~~  
37 ~~project meets the prevailing wage requirements of paragraph (7) and the apprenticeship~~  
38 ~~requirements of paragraph (8),~~ **the amount of the credit determined under**  
39 **subsection (a) shall be determined by substituting ‘6 percent’ for ‘30 percent’.**

40 “(B) **ALTERNATIVE RATE.**—**In the case of any project which satisfies the**



1           **requirements of paragraphs (7) and (8), the amount of the credit determined**  
2           **under subsection (a) (after application of subparagraph (A)) shall be equal to**  
3           **such amount multiplied by 5.**

4           “(7) PREVAILING WAGE REQUIREMENTS.—

5           “(A) IN GENERAL.—The requirements described in this paragraph with respect to a  
6           project are that the taxpayer shall ensure that any laborers and mechanics employed by  
7           contractors and subcontractors in the re-equipping, expansion, or establishment of ~~an~~  
8           ~~industrial or a~~ manufacturing facility shall be paid wages at rates not less than the  
9           prevailing rates for construction, alteration, or repair of a similar character in the  
10          locality as most recently determined by the Secretary of Labor, in accordance with  
11          subchapter IV of chapter 31 of title 40, United States Code.

12          “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE  
13          REQUIREMENTS.—~~In requirements.—~~

14          “(i) ~~In general.—~~~~In~~ the case of any taxpayer which fails to satisfy the requirement  
15          under subparagraph (A) with respect to any project—

16                  ~~(I)~~“(i) rules similar to the rules of **clauses (i) through (iv) of section**  
17                  ~~45(b)(8)(B)~~ **45(b)(7)(B)** shall apply ~~for purposes of this paragraph, and, and~~

18                  ~~(II)~~“(ii) if the failure to satisfy the requirement under subparagraph (A) is not  
19                  corrected pursuant to the rules described in ~~subclause (I)~~ **clause (i)**, the  
20                  certification with respect to the re-equipping, expansion, or establishment of ~~an~~  
21                  ~~industrial or a~~ manufacturing facility shall no longer be valid.

22          “(8) APPRENTICESHIP REQUIREMENTS.—**Rules similar to the rules of section 45(b)(8)**  
23          **shall apply.**” ~~requirements.—The requirements described in this subparagraph with respect~~  
24          ~~to a project are as follows:~~

25          “(A) Labor hours.—

26                  “(i) Percentage of total labor hours.—All contractors and subcontractors engaged in the  
27                  performance of construction, alteration, or repair work on any project shall, subject to  
28                  subparagraph (B), ensure that not less than the applicable percentage of the total labor hours  
29                  of such work be performed by qualified apprentices.

30                  “(ii) Applicable percentage.—~~For purposes of paragraph (1), the applicable percentage~~  
31                  ~~shall be—~~

32                          “(I) in the case of any applicable project the construction of which begins before January  
33                          1, 2023, 5 percent,

34                          “(II) in the case of any applicable project the construction of which begins after  
35                          December 31, 2022, and before January 1, 2024, 10 percent, and

36                          “(III) in the case of any applicable project the construction of which begins after  
37                          December 31, 2023, 15 percent.

38          “(B) Apprentice to journeyworker ratio.—The requirement under subparagraph (A)(i)  
39          shall be subject to any applicable requirements for apprentice to journeyworker ratios of the  
40          Department of Labor or the applicable State apprenticeship agency.

1       ~~“(C) Participation.— Each contractor and subcontractor who employs 4 or more~~  
2       ~~individuals to perform construction, alteration, or repair work on an applicable project shall~~  
3       ~~employ 1 or more qualified apprentices to perform such work.~~

4       ~~“(D) Exception.—~~

5       ~~“(i) In general.— Notwithstanding any other provision of this paragraph, this paragraph~~  
6       ~~shall not apply in the case of a taxpayer who—~~

7       ~~“(I) demonstrates a lack of availability of qualified apprentices in the geographic area of~~  
8       ~~the construction, alteration, or repair work, and~~

9       ~~“(II) makes a good faith effort to comply with the requirements of this paragraph.~~

10       ~~“(ii) Good faith effort.— For purposes of clause (i), a taxpayer shall be deemed to have~~  
11       ~~satisfied the requirements under such paragraph with respect to an applicable project if such~~  
12       ~~taxpayer has requested qualified apprentices from a registered apprenticeship program, as~~  
13       ~~defined in section 3131(e)(3)(B), and such request has been denied, provided that such~~  
14       ~~denial is not the result of a refusal by the contractors or subcontractors engaged in the~~  
15       ~~performance of construction, alteration, or repair work on such applicable project to comply~~  
16       ~~with the established standards and requirements of such apprenticeship program.~~

17       ~~“(E) Definitions.— For purposes of this paragraph—~~

18       ~~“(i) Labor hours.— The term ‘labor hours’ has the meaning given such term in section~~  
19       ~~45(b)(9)(E)(i).~~

20       ~~“(ii) Qualified apprentice.— The term ‘qualified apprentice’ has the meaning given such~~  
21       ~~term in section 45(b)(9)(E)(ii).”.~~

22       (b) Modification of Qualifying Advanced Energy Projects.—

23               (1) INCLUSION OF WATER AS A RENEWABLE RESOURCE.—Section 48C(c)(1)(A)(i)(I) is  
24               amended by inserting “water,” after “sun,”.

25               (2) ENERGY STORAGE SYSTEMS.—Section 48C(c)(1)(A)(i)(II) is amended by striking “an  
26               energy storage system for use with electric or hybrid-electric motor vehicles” and inserting  
27               “energy storage systems and components”.

28               (3) MODIFICATION OF QUALIFYING ELECTRIC GRID PROPERTY.—Section  
29               48C(c)(1)(A)(i)(III) is amended to read as follows:

30                       “(III) electric grid modernization equipment or components,”.

31               (4) USE OF CAPTURED CARBON.—Section 48C(c)(1)(A)(i)(IV) is amended by striking  
32               “sequester” and insert “use or sequester”.

33               (5) ~~ELECTRIC AND FUEL CELL VEHICLES.—SECTION VEHICLES AND BICYCLES.—Section~~  
34               48C(c)(1)(A)(i)(VI) is amended—

35                       (A) by striking “new qualified plug-in electric drive motor vehicles (as defined by  
36                       section 30D)” and inserting “vehicles described in ~~section~~ **sections 36C, and 45Y, and**  
37                       **bicycles described in section 36E**”, and

38                       (B) and striking “and power control units” and inserting “power control units, and  
39                       equipment used for charging or refueling”.

1 (6) PROPERTY FOR PRODUCTION OF HYDROGEN.—Section 48C(c)(1)(A)(i) is amended by  
2 striking “or” at the end of subclause (VI), by redesignating subclause (VII) as subclause  
3 (VIII), an by inserting after subclause (VI) the following new subclause:

4 “(VII) property designed to be used to produce qualified clean hydrogen  
5 (as defined in section 45X), or”.

6 (7) RECYCLING OF ADVANCED ENERGY PROPERTY.—Section 48C(c)(1) is amended by  
7 adding at the end the following new subparagraph:

8 “(C) SPECIAL RULE FOR CERTAIN RECYCLING FACILITIES.—A facility which recycles  
9 batteries or similar energy storage property described in subparagraph (A)(i) shall be  
10 treated as part of a manufacturing facility described in such subparagraph.”.

11  
12 ~~\* 115 (e) Effective Date.—The amendments made by this section shall take effect on the date~~  
13 ~~of the enactment of this Act.~~

14 (c) Denial of Double Benefit.—48C(f), as redesignated by this section, is amended by  
15 striking “or 48B” and inserting “48B, 48F, 45Q, or 45X”.

16 (d) Effective Date.—The amendments made by this section shall take effect on January  
17 1, 2022.

## 18 SEC. 136502. LABOR COSTS OF INSTALLING 19 MECHANICAL INSULATION PROPERTY.

20 (a) In General.—Subpart D of part IV of subchapter A of chapter 1, as amended by the  
21 preceding provisions of this Act, is further amended by adding at the end the following new  
22 section:

### 23 “SEC. 45Z. LABOR COSTS OF INSTALLING 24 MECHANICAL INSULATION PROPERTY.

25 “(a) In General.—For purposes of section 38, the mechanical insulation labor costs credit  
26 determined under this section for any taxable year is an amount equal to ~~10~~ 2 percent of the  
27 mechanical insulation labor costs paid or incurred by the taxpayer during such taxable year.

28 “(b) Mechanical Insulation Labor Costs.—For purposes of this section—

29 “(1) IN GENERAL.—The term ‘mechanical insulation labor costs’ means the labor cost of  
30 installing mechanical insulation property with respect to a mechanical system referred to in  
31 paragraph (2)(A) which was originally placed in service not less than 1 year before the date  
32 on which such mechanical insulation property is installed.

33 “(2) MECHANICAL INSULATION PROPERTY.—The term ‘mechanical insulation property’  
34 means insulation materials, and facings and accessory products installed in connection to  
35 such insulation materials—

36 “(A) placed in service in connection with a mechanical system which—

37 “(i) is located in the United States,

1                   “(ii) is of a character subject to an allowance for depreciation, and  
2                   “(iii) meets the requirements of section 434.403 of title 10, Code of Federal  
3                   Regulations (as in effect on the date of enactment of this section), and  
4                   “(B) which result in a reduction in energy loss from the mechanical system which is  
5                   greater than the expected reduction from the installation of insulation materials which  
6                   meet the minimum requirements of Reference Standard 90.1 (as defined in section  
7                   179D(c)(2)).

8                   **“(c) Wage and Apprenticeship Requirements.—**

9                   **“(1) IN GENERAL.—In the case of any project which meets the prevailing wage and**  
10                   **apprenticeship requirements of this subsection, the amount of credit determined**  
11                   **under subsection (a) shall be multiplied by 5.**

12                   **“(2) WAGE REQUIREMENTS.—Rules similar to the rules of section 45(b)(7)(A) and**  
13                   **clauses (i) through (iv) of section 45(b)(7)(B) shall apply.**

14                   **“(3) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section 45(b)(8)**  
15                   **shall apply.**

16                   **“(d) Termination.—This section shall not apply to mechanical insulation labor costs paid or**  
17                   **incurred after December 31, 2031.” 2025.”.**

18                   (b) Credit Allowed as Part of General Business Credit.—Section 38(b), as amended by the  
19                   preceding provisions of this Act, is further amended by striking “plus” at the end of paragraph  
20                   ~~(40)~~**(36)**, by striking the period at the end of paragraph ~~(41)~~**(37)** and inserting “, plus”, and by  
21                   adding at the end the following new paragraph:

22                   ~~“(42)”~~**“(38) the mechanical insulation labor costs credit determined under section**  
23                   **45Z(a).”.**

24                   (c) Conforming Amendments.—

25                   (1) Section 280C is amended by adding at the end the following new subsection:

26                   **“(i) Mechanical Insulation Labor Costs Credit.—**

27                   **“(1) IN GENERAL.—No deduction shall be allowed for that portion of the mechanical**  
28                   **insulation labor costs (as defined in section 45Z(b)) otherwise allowable as deduction for**  
29                   **the taxable year which is equal to the amount of the credit determined for such taxable year**  
30                   **under section 45Z(a).**

31                   **“(2) SIMILAR RULE WHERE TAXPAYER CAPITALIZES RATHER THAN DEDUCTS**  
32                   **EXPENSES.—If—**

33                   **“(A) the amount of the credit determined for the taxable year under section 45Z(a),**  
34                   **exceeds**

35                   **“(B) the amount of allowable as a deduction for such taxable year for mechanical**  
36                   **insulation labor costs (determined without regard to paragraph (1)),**

37                   the amount chargeable to capital account for the taxable year for such costs shall be reduced  
38                   by the amount of such excess.”.

39                   (2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as

1 amended by the preceding provisions of this Act, is further amended by adding at the end  
2 the following new item:

3 “Sec.45Z.Labor costs of installing mechanical insulation property.”.

4 (d) Effective Date.—The amendments made by this section shall apply to amounts paid or  
5 incurred after December 31, 2021, in taxable years ending after such date.

6 **SEC. 136503. ADVANCED MANUFACTURING**  
7 **INVESTMENT CREDIT.**

8 **\*\* 77** (a) In General.—Subpart E of part IV of subchapter A of chapter 1 is amended by  
9 inserting after section ~~48C~~ **48D** the following new section:

10 **“SEC. 48E. ADVANCED MANUFACTURING**  
11 **INVESTMENT CREDIT.**

12 **“(a) Establishment of Credit.—**

13 **“(1) IN GENERAL.—For purposes of section 46, the advanced manufacturing**  
14 **investment credit for any taxable year is an amount equal to the applicable percentage**  
15 **of the qualified investment for such taxable year with respect to any advanced**  
16 **manufacturing facility.**

17 **“(2) APPLICABLE PERCENTAGE.—**

18 **“(A) BASE AMOUNT.—In the case of any advanced manufacturing facility which**  
19 **does not satisfy the requirements described in clauses (i) and (ii) of subparagraph**  
20 **(B), the applicable percentage shall be 5 percent.**

21 **“(B) ALTERNATIVE AMOUNT.—In the case of any advanced manufacturing**  
22 **facility which—**

23 **“(i) subject to subparagraph (B) of subsection (c)(2), satisfies the**  
24 **requirements under subparagraph (A) of such subsection, and**

25 **“(ii) with respect to the construction of such facility, satisfies the**  
26 **apprenticeship requirements under subsection (c)(3),**

27 **the applicable percentage shall be 25 percent.**

28 **“(b) Qualified Investment.—**

29 **“(1) IN GENERAL.—For purposes of subsection (a)(1), the qualified investment with**  
30 **respect to any advanced manufacturing facility for any taxable year is the basis of any**  
31 **qualified property placed in service by the taxpayer during such taxable year which is**  
32 **part of an advanced manufacturing facility.**

33 **“(2) QUALIFIED PROPERTY.—**

34 **“(A) IN GENERAL.—For purposes of this subsection, the term ‘qualified**  
35 **property’ means property—**

36 **“(i) which is tangible property,**

1                   \*\* 78 ~~“(3)“(ii)~~ with respect to which depreciation (or amortization in lieu of  
2                   depreciation) is allowable,

3                   **“(iii) which is—**

4                   **“(I) constructed, reconstructed, or erected by the taxpayer, or**

5                   **“(II) acquired by the taxpayer if the original use of such property**  
6                   **commences with the taxpayer, and**

7                   **“(iv) which is integral to the operation of the advanced manufacturing**  
8                   **facility.**

9                   **“(B) BUILDINGS AND STRUCTURAL COMPONENTS.—**

10                   **“(i) IN GENERAL.—The term ‘qualified property’ includes any building or**  
11                   **its structural components which otherwise satisfy the requirements under**  
12                   **subparagraph (A).**

13                   **“(ii) EXCEPTION.—Clause (i) shall not apply with respect to a building or**  
14                   **portion of a building used for offices, administrative services or other**  
15                   **functions unrelated to manufacturing.**

16                   **“(3) ADVANCED MANUFACTURING FACILITY.—For purposes of this subpart, the term**  
17                   **‘advanced manufacturing facility’ means a facility for which the primary purpose is**  
18                   **the manufacturing of semiconductors or semiconductor tooling equipment.**

19                   **“(4) COORDINATION WITH REHABILITATION CREDIT.—The qualified investment with**  
20                   **respect to any advanced manufacturing facility for any taxable year shall not include**  
21                   **that portion of the basis of any property which is attributable to qualified**  
22                   **rehabilitation expenditures (as defined in section 47(c)(2)).**

23                   **“(c) Special Rules.—**

24                   \*\* 79 ~~“(2)“(1) CERTAIN QUALIFIED PROGRESS EXPENDITURES EXPENDITURE RULES MADE~~  
25                   APPLICABLE.—Rules similar to the rules of subsections (c)(4) and (d) of section 46 (as in  
26                   effect on the day before the **date of the** enactment of the Revenue Reconciliation Act of  
27                   1990) shall apply for purposes of ~~this section~~ **subsection (a).**

28                   **“(2) WAGE REQUIREMENTS.—**

29                   \*\* 80 ~~“(A) IN GENERAL.—The requirements described in this subparagraph with~~  
30                   respect to any ~~applicable~~ facility are that the taxpayer shall ensure that any laborers and  
31                   mechanics employed by contractors and subcontractors in—

32                   **“(i) the construction of such facility, and**

33                   \*\* 81 ~~“(ii) for any year during the 40~~ **5-year period beginning on the date the**  
34                   **facility was is** originally placed in service, the alteration or repair of such facility,

35                   \*\* 82 shall be paid wages at rates not less than the prevailing rates for construction,  
36                   alteration, or repair of a similar character in the locality as most recently determined by  
37                   the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40,  
38                   United States Code.

39                   **“(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE**

1           **REQUIREMENTS.—Rules similar to the rules of clauses (i) through (iv) of section**  
2           **45(b)(7)(B) shall apply.**

3           **“(C) RECAPTURE.—The Secretary shall, by regulations or other guidance,**  
4           **provide for recapturing the benefit of any increase in the credit allowed under**  
5           **paragraph (2)(B) of subsection (a), with respect to any project which does not**  
6           **satisfy the requirements under subparagraph (A) (after application of**  
7           **subparagraph (B)) for the period described in clause (ii) of subparagraph (A) (but**  
8           **which does not cease to be investment credit property within the meaning of**  
9           **section 50(a)). The period and percentage of such recapture shall be determined**  
10           **under rules similar to the rules of section 50(a).**

11           **“(3) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section 45(b)(8)**  
12           **shall apply.**

13           **“(4) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or**  
14           **other guidance as the Secretary determines necessary or appropriate to carry out the**  
15           **purposes of this section, including regulations or other guidance which provides for**  
16           **requirements for recordkeeping or information reporting for purposes of establishing**  
17           **the requirements of this section.**

18           **“(d) Termination of Credit.—The credit allowed under this section shall not apply to**  
19           **facilities or property the construction of which begins after December 31, 2025.”.**

20           \*\* 83 (b) Elective Payment of Credit.—Section 6417(b), as ~~added and~~ amended by the  
21 preceding provisions of this Act, is amended by adding at the end the following new paragraph:

22           **“(10) The advanced manufacturing investment credit determined under section**  
23           **48E.”.**

24           **(c) Conforming Amendments.—**

25           **(1) Section 46 is amended—**

26           **(A) by striking “and” at the end of paragraph (6),**

27           \*\* 84 (B) ~~in paragraph (15)~~, by striking the period at the end of **paragraph (7)** and  
28 inserting “, ~~or~~ **and**”, and

29           **(C) by adding at the end the following new paragraph:**

30           **“(8) the advanced manufacturing investment credit.”.**

31           **(2) Section 49(a)(1)(C) is amended—**

32           **(A) by striking “and” at the end of clause (vi),**

33           **(B) by striking the period at the end of clause (vii) and inserting “, and”, and**

34           **(C) by adding at the end the following new clause:**

35           **“(viii) the basis of any qualified property (as defined in section 48E(b)(2))**  
36           **which is part of an advanced manufacturing facility.”.**

37           **(3) Section 50(a)(2)(E) is amended by striking “or 48D(e)” and inserting “48D(e), or**  
38           **48E(c)(1)”.**

1           \*\* 85 (4) The table of sections for subpart E of part IV of subchapter A of chapter 1 is  
2           amended by inserting after the item relating to section 48D the following new item:

3           **“48E. Advanced manufacturing investment credit.”.**

4           **(d) Effective Date.—The amendments made by this section shall apply to property**  
5 **placed in service after December 31, 2021 and, for any property the construction of which**  
6 **begins prior to January 1, 2022, only to the extent of the basis thereof attributable to the**  
7 **construction, reconstruction, or erection after December 31, 2021.**

8           **SEC. 136504. ADVANCED MANUFACTURING**  
9 **PRODUCTION CREDIT.**

10          \*\* 86 (a) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by  
11 adding at the end the following new section:

12          **“SEC. 45AA. ADVANCED MANUFACTURING**  
13 **PRODUCTION CREDIT.**

14          **“(a) In General.—**

15               **“(1) ALLOWANCE OF CREDIT.—For purposes of section 38, the advanced**  
16 **manufacturing production credit for any taxable year is an amount equal to the sum**  
17 **of the credit amounts determined under subsection (b) with respect to each eligible**  
18 **component which is—**

19                   **“(A) produced by such taxpayer, and**

20                   **“(B) during the taxable year, sold by the taxpayer to an unrelated person.**

21               **“(2) PRODUCTION AND SALE MUST BE IN TRADE OR BUSINESS.—Any eligible**  
22 **component produced and sold by the taxpayer shall be taken into account only if the**  
23 **production and sale described in paragraph (1) is in a trade or business of the**  
24 **taxpayer.**

25               **“(3) UNRELATED PERSON.—For purposes of this subsection, a taxpayer shall be**  
26 **treated as selling components to an unrelated person if such component is sold to such**  
27 **person by a person related to the taxpayer.**

28          **“(b) Credit Amount.—**

29               **“(1) IN GENERAL.—Subject to paragraph (3), the amount determined under this**  
30 **subsection with respect to any eligible component, including any eligible component it**  
31 **incorporates, shall be equal to—**

32                   **“(A) in the case of a thin photovoltaic cell or a crystalline photovoltaic cell, an**  
33 **amount equal to the product of—**

34                           **“(i) 4 cents, multiplied by**

35                           **“(ii) the capacity of such cell (expressed on a per direct current watt basis),**

36                   **“(B) in the case of a photovoltaic wafer, \$12 per square meter,**

37                   **“(C) in the case of solar grade polysilicon, \$3 per kilogram,**



1           “(D) in the case of a solar module, an amount equal to the product of—

2                   “(i) 7 cents, multiplied by

3                   “(ii) the capacity of such module (expressed on a per direct current watt  
4                   basis), and

5           “(E) in the case of a wind energy component, an amount equal to the product  
6           of—

7                   “(i) the applicable amount with respect to such component, multiplied by

8                   “(ii) the total rated capacity (expressed on a per watt basis) of the  
9                   completed wind turbine for which such component is designed.

10           “(2) APPLICABLE AMOUNT.—For purposes of paragraph (1)(E), the applicable  
11           amount with respect to any wind energy component shall be—

12                   “(A) in the case of a blade, 2 cents,

13                   “(B) in the case of a nacelle, 5 cents,

14                   “(C) in the case of a tower, 3 cents, and

15                   “(D) in the case of an offshore wind foundation—

16                           “(i) which uses a fixed platform, 2 cents, or

17                           “(ii) which uses a floating platform, 4 cents.

18           “(3) PHASE OUT.—

19                   “(A) IN GENERAL.—In the case of any eligible component sold after December  
20                   31, 2026, the amount determined under this subsection with respect to such  
21                   component shall be equal to the product of—

22                           “(i) the amount determined under paragraph (1) with respect to such  
23                           component, as determined without regard to this paragraph, multiplied by

24                           “(ii) the phase out percentage under subparagraph (B).

25                   “(B) PHASE OUT PERCENTAGE.—The phase out percentage under this  
26                   subparagraph is equal to—

27                           “(i) in the case of an eligible component sold during calendar year 2027, 75  
28                           percent,

29                           “(ii) in the case of an eligible component sold during calendar year 2028,  
30                           50 percent,

31                           “(iii) in the case of an eligible component sold during calendar year 2029,  
32                           25 percent,

33                           “(iv) in the case of an eligible component sold after December 31, 2029, 0  
34                           percent.

35           “(c) Definitions.—For purposes of this section—

36                   “(1) ELIGIBLE COMPONENT.—

1           “(A) IN GENERAL.—The term ‘eligible component’ means—

2                   “(i) any solar energy component, and

3                   “(ii) any wind energy component.

4           “(B) APPLICATION WITH OTHER CREDITS.—The term ‘eligible component’ shall  
5 not include any property which is produced at a facility if the basis of any  
6 property which is part of such facility is taken into account for purposes of the  
7 credit allowed under section 48C or 48E after the date of the enactment of this  
8 section.

9           “(2) SOLAR ENERGY COMPONENT.—

10           “(A) IN GENERAL.—The term ‘solar energy component’ means any of the  
11 following:

12                   “(i) Solar modules.

13                   “(ii) Photovoltaic cells.

14                   “(iii) Photovoltaic wafers.

15                   “(iv) Solar grade polysilicon.

16           “(B) ASSOCIATED DEFINITIONS.—

17                   “(i) PHOTOVOLTAIC CELL.—The term ‘photovoltaic cell’ means the  
18 smallest semiconductor element of a solar module which performs the  
19 immediate conversion of light into electricity.

20                   “(ii) PHOTOVOLTAIC WAFER.—The term ‘photovoltaic wafer’ means a thin  
21 slice, sheet, or layer of semiconductor material of at least 240 square  
22 centimeters produced by a single manufacturer—

23                           “(I) either—

24                                   “(aa) directly from molten or evaporated solar grade polysilicon  
25 or deposition of solar grade thin film semiconductor photon  
26 absorber layer, or

27                                   “(bb) through formation of an ingot from molten polysilicon and  
28 subsequent slicing, and

29                           “(II) which comprises the substrate or absorber layer of one or more  
30 photovoltaic cells.

31                   “(iii) SOLAR GRADE POLYSILICON.—The term ‘solar grade polysilicon’  
32 means silicon which is—

33                           “(I) suitable for use in photovoltaic manufacturing, and

34                           “(II) purified to a minimum purity of 99.999999 percent silicon by  
35 mass.

36                   “(iv) SOLAR MODULE.—The term ‘solar module’ means the connection and  
37 lamination of photovoltaic cells into an environmentally protected final  
38 assembly which is—

1                   **“(I) suitable to generate electricity when exposed to sunlight, and**  
2                   **“(II) ready for installation without an additional manufacturing**  
3                   **process.**

4           **“(3) WIND ENERGY COMPONENT.—**

5                   **“(A) IN GENERAL.—The term ‘wind energy component’ means any of the**  
6                   **following:**

7                           **“(i) Blades.**

8                           **“(ii) Nacelles.**

9                           **“(iii) Towers.**

10                           **“(iv) Offshore wind foundations.**

11           **“(B) ASSOCIATED DEFINITIONS.—**

12                           **“(i) BLADE.—The term ‘blade’ means an airfoil-shaped blade which is**  
13                           **responsible for converting wind energy to low-speed rotational energy.**

14                           **“(ii) OFFSHORE WIND FOUNDATION.—The term ‘offshore wind foundation’**  
15                           **means the component which secures an offshore wind tower and any**  
16                           **above-water turbine components to the seafloor using—**

17                                   **“(I) fixed platforms, such as offshore wind monopiles, jackets, or**  
18                                   **gravity-based foundations, or**

19                                   **“(II) floating platforms and associated mooring systems.**

20                           **“(iii) NACELLE.—The term ‘nacelle’ means the assembly of the drivetrain**  
21                           **and other tower-top components of a wind turbine (with the exception of the**  
22                           **blades and the hub) within their cover housing.**

23                           **“(iv) TOWER.—The term ‘tower’ means a tubular or lattice structure**  
24                           **which supports the nacelle and rotor of a wind turbine.**

25           **“(d) Special Rules.—In this section—**

26                           **“(1) RELATED PERSONS.—Persons shall be treated as related to each other if such**  
27                           **persons would be treated as a single employer under the regulations prescribed under**  
28                           **section 52(b).**

29                           **“(2) ONLY PRODUCTION IN THE UNITED STATES TAKEN INTO ACCOUNT.—Sales shall be**  
30                           **taken into account under this section only with respect to eligible components the**  
31                           **production of which is within—**

32                                   **“(A) the United States (within the meaning of section 638(1)), or**

33                                   **“(B) a possession of the United States (within the meaning of section 638(2)).**

34                           **“(3) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed**  
35                           **by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.**

36                           **“(4) CREDIT EQUAL TO 10 PERCENT OF THE CREDIT AMOUNT FOR UNION**  
37                           **FACILITIES.—In the case of a facility operating under a collective bargaining**

1 agreement negotiated by an employee organization (as defined in section 412(c)(4)),  
2 determined in a manner consistent with section 7701(a)(46), for purposes of  
3 determining the amount of the credit under subsection (a) with respect to eligible  
4 components produced by such facility, the applicable amount under subsection (b) of  
5 such subsection shall be increased by an amount equal to 10 percent of the amount  
6 otherwise in effect under such subsection.

7 “(5) SALE OF INTEGRATED COMPONENTS.—For purposes of this section, a person  
8 shall be treated as having sold an eligible component if such component is integrated,  
9 incorporated, or assembled into another eligible component which is sold to an  
10 unrelated person.”.

11 (b) Elective Payment of Credit.—Section 6417(b), as amended by the preceding  
12 provisions of this Act, is amended by adding at the end the following new paragraph:

13 “(11) The credit for advanced manufacturing production under section 45AA.”.

14 (c) Conforming Amendments.—

15 (1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

16 (A) in paragraph (37), by striking “plus” at the end,

17 \*\* 87 (A)(B) in paragraph (4)(38), by striking the period at the end and inserting “;,  
18 plus”, and;

19 (C) by adding at the end the following new paragraph:

20 “(39) the advanced manufacturing production credit determined under section  
21 45AA(a).”.

22 \*\* 88 (e) Clerical Amendment.—The(2) The table of sections for subpart D of part IV of  
23 subchapter A of chapter 1 is amended by adding at the end the following new item:

24 “Sec.45AA.Advanced manufacturing production credit.”.

25 \*\* 89 (d) Effective Date.—The amendments made by this section shall apply to bonds issued  
26 components produced and sold after December 31, 2021.

## 27 PART 6—ENVIRONMENTAL JUSTICE

### 28 SEC. 136601. QUALIFIED ENVIRONMENTAL JUSTICE 29 PROGRAM CREDIT.

30 (a) In General.—Subpart C of part IV of subchapter A of chapter 1, as amended by the  
31 preceding provisions of this Act, is amended by inserting after section ~~36E~~ 36F the following  
32 new section:

### 33 “SEC. ~~36E~~ 36G. QUALIFIED ENVIRONMENTAL JUSTICE 34 PROGRAMS.

35 “(a) Allowance of Credit.—In the case of an eligible educational institution, there shall be  
36 allowed as a credit against the tax imposed by this subtitle for any taxable year an amount equal  
37 to the applicable percentage of the amounts paid or incurred by such taxpayer during such

1 taxable year which are necessary for a qualified environmental justice program.

2 “(b) Qualified Environmental Justice Program.—For purposes of this section—

3 “(1) IN GENERAL.—The term ‘qualified environmental justice program’ means a program  
4 conducted by one or more eligible educational institutions that is designed to address, or  
5 improve data about, qualified environmental stressors for the primary purpose of improving,  
6 or facilitating the improvement of, health and economic outcomes of individuals residing in  
7 low-income areas or areas that experience, or are at risk of experiencing, multiple exposures  
8 to qualified environmental stressors.

9 “(2) QUALIFIED ENVIRONMENTAL STRESSOR.—The term ‘qualified environmental  
10 stressor’ means, with respect to an area, a contamination of the air, water, soil, or food with  
11 respect to such area or a change relative to historical norms of the weather conditions of  
12 such area, including—

13 “(A) toxic pollutants (such as lead, pesticides, or fine particulate matter) in air, soil,  
14 food, or water,

15 “(B) high rates of asthma prevalence and incidence, and

16 “(C) such other adverse human health or environmental effects as are identified by  
17 the Secretary.

18 “(c) Eligible Educational Institution.—For purposes of this section, the term ‘eligible  
19 educational institution’ means an institution of higher education (as such term is defined in  
20 section 101 or 102(c) of the Higher Education Act of 1965) that is eligible to participate in a  
21 program under title IV of such Act.

22 “(d) Applicable Percentage.—For purposes of this section, the term ‘applicable percentage’  
23 means—

24 “(1) in the case of a program involving material participation of faculty and students of  
25 an institution described in section 371(a) of the Higher Education Act of 1965, 30 percent,  
26 and

27 “(2) in all other cases, 20 percent.

28 “(e) Credit Allocation.—

29 “(1) ALLOCATION.—

30 “(A) IN GENERAL.—The Secretary shall allocate credit dollar amounts under this  
31 section to eligible educational institutions, for qualified environmental justice  
32 programs, that—

33 “(i) submit applications at such time and in such manner as the Secretary may  
34 provide, and

35 “(ii) are selected by the Secretary under subparagraph (B).

36 “(B) SELECTION CRITERIA.—The Secretary, ~~after consultation with the Secretary of~~  
37 ~~Energy, the Secretary of Education, the Secretary of Health and Human Services, and~~  
38 ~~the Administrator of the Environmental Protection Agency,~~ shall select applications on  
39 the basis of the following criteria:

1           “(i) The extent of participation of faculty and students of an institution  
2           described in section 371(a) of the Higher Education Act of 1965.

3           “(ii) The extent of the expected effect on the health or economic outcomes of  
4           individuals residing in areas within the United States that are low-income areas or  
5           areas that experience, or are at risk of experiencing, multiple exposures to  
6           qualified environmental stressors.

7           “(iii) The creation or significant expansion of qualified environmental justice  
8           programs.

9           “(2) LIMITATIONS.—

10           “(A) IN GENERAL.—The amount of the credit determined under this section for any  
11           taxable year to any eligible educational institution for any qualified environmental  
12           justice program shall not exceed the excess of—

13           “(i) the credit dollar amount allocated to such institution for such program  
14           under this subsection, over

15           “(ii) the credits previously claimed by such institution for such program under  
16           this section.

17           “(B) FIVE-YEAR LIMITATION.—No amounts paid or incurred after the 5-year period  
18           beginning on the date a credit dollar amount is allocated to an eligible educational  
19           institution for a qualified environmental justice program shall be taken into account  
20           under subsection (a) with respect to such institution for such program.

21           “(C) ALLOCATION LIMITATION.—The total amount of credits that may be allocated  
22           under the program shall not exceed—

23           “(i) \$1,000,000,000 for each of taxable years 2022 through 2031, and

24           “(ii) \$0 for each subsequent year.

25           “(D) CARRYOVER OF UNUSED LIMITATION.—If the annual credit limitation for any  
26           calendar year exceeds the aggregate amount designated for such year under this  
27           subsection, such limitation for the succeeding calendar year shall be increased by the  
28           amount of such excess. No amount may be carried under the preceding sentence to any  
29           calendar year after 2036.

30           “(f) Requirements.—

31           “(1) IN GENERAL.—An eligible educational institution that has been allocated credit dollar  
32           amounts under this section for a qualified environmental justice project for a taxable year  
33           shall—

34           “(A) make publicly available the application submitted to the Secretary under  
35           subsection (e) with respect to such project, and

36           “(B) submit an annual report to the Secretary that describes the amounts paid or  
37           incurred for, and expected impact of, such project.

38           “(2) FAILURE TO COMPLY.—In the case of an eligible education institution that has failed  
39           to comply with the requirements of this subsection, the credit dollar amount allocated to  
40           such institution under this section is deemed to be \$0.

1 “(g) Public Disclosure.—The Secretary, upon making an allocation of credit dollar amounts  
2 under this section, shall publicly disclose—

3 “(1) the identity of the eligible educational institution receiving the allocation, and

4 “(2) the amount of such allocation.”.

5 (b) **Gross-up of Payments in Case of Sequestration.**—In the case of any payment made as  
6 a refund due to an overpayment as a result of section 36G of the Internal Revenue Code of  
7 1986 made after the date of the enactment of this Act to which sequestration applies, the  
8 amount of such payment shall be increased to an amount equal to—

9 (1) such payment (determined before such sequestration), multiplied by

10 (2) the quotient obtained by dividing 1 by the amount by which 1 exceeds the  
11 percentage reduction in such payment pursuant to such sequestration.

12 For purposes of this subsection, the term “sequestration” means any reduction in direct  
13 spending ordered in accordance with a sequestration report prepared by the Director of  
14 the Office and Management and Budget pursuant to the Balanced Budget and Emergency  
15 Deficit Control Act of 1985 or the Statutory Pay-As-You-Go Act of 2010.

16 (c) Conforming Amendments.—

17 (1) Section 6211(b)(4)(A), as amended by the preceding provisions of this Act, is  
18 amended by inserting “**36G,**” after “36F,” after “36D,”.

19 (2) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by the  
20 preceding provisions of this Act, is amended by inserting “**36G,**” after “36F,” after  
21 “36D,”.

22 (e)(d) Clerical Amendment.—The table of sections for subpart C of part IV of subchapter A of  
23 chapter 1, as amended by the preceding provisions of this Act, is amended by inserting after the  
24 item relating to section ~~36E~~ **36F** the following new item:

25 “~~Sec.36F.Qualified~~“**Sec.36G.Qualified** environmental justice programs.”.

26 (d)(e) Effective Date.—The amendments made by this section shall take effect on ~~the date of~~  
27 ~~the enactment of this Act~~ **January 1, 2022.**

## 28 PART 7—SUPERFUND

### 29 SEC. 136701. REINSTATEMENT OF SUPERFUND.

30 (a) Hazardous Substance Superfund Financing Rate.—

31 (1) EXTENSION.—Section 4611(e) is amended to read as follows:

32 “(e) Application of Hazardous Substance Superfund Financing Rate.—The Hazardous  
33 Substance Superfund financing rate under this section shall apply after ~~December 31, 2021.~~  
34 **June 30, 2022.**”.

35 (2) ADJUSTMENT FOR INFLATION.—

36 (A) Section 4611(c)(2)(A) is amended by striking “9.7 cents” and inserting “16.4  
37 cents”.

1 (B) Section 4611(c) is amended by adding at the end the following:

2 “(3) ADJUSTMENT FOR INFLATION.—

3 “(A) IN GENERAL.—In the case of a year beginning after 2022, the amount in  
4 paragraph (2)(A) shall be increased by an amount equal to—

5 “(i) such amount, multiplied by

6 “(ii) the cost-of-living adjustment determined under section 1(f)(3) for the  
7 calendar year, determined by substituting ‘calendar year 2021’ for ‘calendar year  
8 2016’ in subparagraph (A)(ii) thereof.

9 “(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a  
10 multiple of \$0.01, such amount shall be rounded to the next lowest multiple of \$0.01.”.

11 (b) Authority for Advances.—Section 9507(d)(3)(B) is amended by striking “December 31,  
12 1995” and inserting “December 31, 2031”.

13 (c) Effective Date.—The amendments made by this section shall take effect on ~~January 1,~~  
14 ~~2022.~~

15 ~~PART 8—APPROPRIATIONS July 1, 2022.~~

16 **PART 8—INCENTIVES FOR CLEAN ELECTRICITY**  
17 **AND CLEAN TRANSPORTATION**

18 **SEC. 136801. CLEAN ELECTRICITY PRODUCTION**  
19 **CREDIT.**

20 (a) **In General.**—Subpart D of part IV of subchapter A of chapter 1 is amended by  
21 adding at the end the following new section:

22 **“SEC. 45BB. CLEAN ELECTRICITY PRODUCTION**  
23 **CREDIT.**

24 **“(a) Amount of Credit.—**

25 **“(1) IN GENERAL.—For purposes of section 38, the clean electricity production credit**  
26 **for any taxable year is an amount equal to the product of—**

27 **“(A) the kilowatt hours of electricity—**

28 **“(i) produced by the taxpayer at a qualified facility, and**

29 **“(ii)(I) sold by the taxpayer to an unrelated person during the taxable**  
30 **year, or**

31 **“(II) in the case of a qualified facility which is equipped with a metering**  
32 **device which is owned and operated by an unrelated person, sold, consumed,**  
33 **or stored by the taxpayer during the taxable year, multiplied by**

34 **“(B) the applicable amount with respect to such qualified facility.**

35 **“(2) APPLICABLE AMOUNT.—**



1           “(A) **BASE AMOUNT.**—Subject to subsection (g)(7), in the case of any qualified  
2 facility which is not described in clause (i) of subparagraph (B) and does not  
3 satisfy the requirements described in clause (ii) of such subparagraph, the  
4 applicable amount shall be 0.3 cents.

5           “(B) **ALTERNATIVE AMOUNT.**—Subject to subsection (g)(7), in the case of any  
6 qualified facility—

7                   “(i) with a maximum net output of less than 1 megawatt, or

8                   “(ii) which—

9                           “(I) satisfies the requirements under paragraph (9) of subsection (g),  
10                           and

11                           “(II) with respect to the construction of such facility, satisfies the  
12                           requirements under paragraph (10) of subsection (g),

13           the applicable amount shall be 1.5 cents.

14           “(b) **Qualified Facility.**—

15                   “(1) **IN GENERAL.**—

16                           “(A) **DEFINITION.**—Subject to subparagraphs (B), (C), and (D), the term  
17                           ‘qualified facility’ means a facility owned by the taxpayer—

18                                   “(i) which is used for the generation of electricity,

19                                   “(ii) the construction of which begins after December 31, 2026, and

20                                   “(iii) for which the greenhouse gas emissions rate (as determined under  
21                                   paragraph (2)) is not greater than zero.

22           “(B) **10-YEAR PRODUCTION CREDIT.**—For purposes of this section, a facility shall  
23           only be treated as a qualified facility during the 10-year period beginning on the  
24           date the facility was originally placed in service.

25           “(C) **EXPANSION OF FACILITY; INCREMENTAL PRODUCTION.**—The term  
26           ‘qualified facility’ shall include either of the following in connection with a facility  
27           described in subparagraph (A) (without regard to clause (ii) of such  
28           subparagraph) the construction of which begins before January 1, 2027, but only  
29           to the extent of the increased amount of electricity produced at the facility by  
30           reason of the following:

31                           “(i) A new unit the construction of which begins after December 31, 2026.

32                           “(ii) Any additions of capacity the construction of which begins after  
33                           December 31, 2026.

34           “(D) **COORDINATION WITH OTHER CREDITS.**—The term ‘qualified facility’ shall  
35           not include any facility for which a credit determined under section 45, 45J, 45Q,  
36           48, 48A, or 48F is allowed under section 38 for the taxable year or any prior  
37           taxable year.

38           “(2) **GREENHOUSE GAS EMISSIONS RATE.**—

1           “(A) IN GENERAL.—For purposes of this section, the term ‘greenhouse gas  
2 emissions rate’ means the amount of greenhouse gases emitted into the  
3 atmosphere by a facility in the production of electricity, expressed as grams of  
4 CO<sub>2</sub>e per KWh.

5           “(B) FUEL COMBUSTION AND GASIFICATION.—In the case of a facility which  
6 produces electricity through combustion or gasification, the greenhouse gas  
7 emissions rate for such facility shall be equal to the net rate of greenhouse gases  
8 emitted into the atmosphere by such facility (taking into account lifecycle  
9 greenhouse gas emissions, as described in section 211(o)(1)(H) of the Clean Air  
10 Act (42 U.S.C. 7545(o)(1)(H))) in the production of electricity, expressed as grams  
11 of CO<sub>2</sub>e per KWh.

12           “(C) ESTABLISHMENT OF EMISSIONS RATES FOR FACILITIES.—

13           “(i) PUBLISHING EMISSIONS RATES.—The Secretary shall annually publish a  
14 table that sets forth the greenhouse gas emissions rates for types or categories  
15 of facilities, which a taxpayer shall use for purposes of this section.

16           “(ii) PROVISIONAL EMISSIONS RATE.—In the case of any facility for which  
17 an emissions rate has not been established by the Secretary, a taxpayer which  
18 owns such facility may file a petition with the Secretary for determination of  
19 the emissions rate with respect to such facility.

20           “(D) CARBON CAPTURE AND SEQUESTRATION EQUIPMENT.—For purposes of this  
21 subsection, the amount of greenhouse gases emitted into the atmosphere by a  
22 facility in the production of electricity shall not include any qualified carbon  
23 dioxide that is captured by the taxpayer and—

24           “(i) pursuant to any regulations established under paragraph (2) of section  
25 45Q(f), disposed of by the taxpayer in secure geological storage, or

26           “(ii) utilized by the taxpayer in a manner described in paragraph (5) of  
27 such section.

28           “(c) Inflation Adjustment.—

29           “(1) IN GENERAL.—In the case of a calendar year beginning after 2021, the 0.3 cent  
30 amount in paragraph (2)(A) of subsection (a) and the 1.5 cent amount in paragraph  
31 (2)(B) of such subsection shall each be adjusted by multiplying such amount by the  
32 inflation adjustment factor for the calendar year in which the sale or use of the  
33 electricity occurs. If the 0.3 cent amount as increased under this paragraph is not a  
34 multiple of 0.05 cent, such amount shall be rounded to the nearest multiple of 0.05  
35 cent. If the 1.5 cent amount as increased under this paragraph is not a multiple of 0.1  
36 cent, such amount shall be rounded to the nearest multiple of 0.1 cent.

37           “(2) ANNUAL COMPUTATION.—The Secretary shall, not later than April 1 of each  
38 calendar year, determine and publish in the Federal Register the inflation adjustment  
39 factor for such calendar year in accordance with this subsection.

40           “(3) INFLATION ADJUSTMENT FACTOR.—The term ‘inflation adjustment factor’  
41 means, with respect to a calendar year, a fraction the numerator of which is the GDP  
42 implicit price deflator for the preceding calendar year and the denominator of which

1 is the GDP implicit price deflator for the calendar year 1992. The term ‘GDP implicit  
2 price deflator’ means the most recent revision of the implicit price deflator for the  
3 gross domestic product as computed and published by the Department of Commerce  
4 before March 15 of the calendar year.

5 **“(d) Credit Phase-Out.—**

6 **“(1) IN GENERAL.—**The amount of the clean electricity production credit under  
7 subsection (a) for any qualified facility the construction of which begins during a  
8 calendar year described in paragraph (2) shall be equal to the product of—

9 **“(A) the amount of the credit determined under subsection (a) without regard**  
10 **to this subsection, multiplied by**

11 **“(B) the phase-out percentage under paragraph (2).**

12 **“(2) PHASE-OUT PERCENTAGE.—**The phase-out percentage under this paragraph is  
13 equal to—

14 **“(A) for a facility the construction of which begins during the first calendar**  
15 **year following the applicable year, 100 percent,**

16 **“(B) for a facility the construction of which begins during the second calendar**  
17 **year following the applicable year, 75 percent,**

18 **“(C) for a facility the construction of which begins during the third calendar**  
19 **year following the applicable year, 50 percent, and**

20 **“(D) for a facility the construction of which begins during any calendar year**  
21 **subsequent to the calendar year described in subparagraph (C), 0 percent.**

22 **“(3) APPLICABLE YEAR.—**For purposes of this subsection, the term ‘applicable year’  
23 means the later of—

24 **“(A) the calendar year in which the Secretary determines that the annual**  
25 **greenhouse gas emissions from the production of electricity in the United States**  
26 **are equal to or less than 25 percent of the annual greenhouse gas emissions from**  
27 **the production of electricity in the United States for calendar year 2021, or**

28 **“(B) 2031.**

29 **“(e) Definitions.—**For purposes of this section:

30 **“(1) CO<sub>2</sub>e PER KWH.—**The term ‘CO<sub>2</sub>e per KWh’ means, with respect to any  
31 greenhouse gas, the equivalent carbon dioxide (as determined based on global  
32 warming potential) per kilowatt hour of electricity produced.

33 **“(2) GREENHOUSE GAS.—**The term ‘greenhouse gas’ has the same meaning given  
34 such term under section 211(o)(1)(G) of the Clean Air Act (42 U.S.C. 7545(o)(1)(G)), as  
35 in effect on the date of the enactment of this section.

36 **“(3) QUALIFIED CARBON DIOXIDE.—**The term ‘qualified carbon dioxide’ means  
37 carbon dioxide captured from an industrial source which—

38 **“(A) would otherwise be released into the atmosphere as industrial emission of**  
39 **greenhouse gas,**

1           “(B) is measured at the source of capture and verified at the point of disposal or  
2           utilization, and

3           “(C) is captured and disposed or utilized within the United States (within the  
4           meaning of section 638(1)) or a possession of the United States (within the  
5           meaning of section 638(2)).

6           “(f) Guidance.—Not later than January 1, 2027, the Secretary shall issue guidance  
7           regarding implementation of this section, including calculation of greenhouse gas emission  
8           rates for qualified facilities and determination of clean electricity production credits under  
9           this section.

10          “(g) Special Rules.—

11           “(1) ONLY PRODUCTION IN THE UNITED STATES TAKEN INTO ACCOUNT.—Consumption  
12           or sales shall be taken into account under this section only with respect to electricity  
13           the production of which is within—

14           “(A) the United States (within the meaning of section 638(1)), or

15           “(B) a possession of the United States (within the meaning of section 638(2)).

16           “(2) COMBINED HEAT AND POWER SYSTEM PROPERTY.—

17           “(A) IN GENERAL.—For purposes of subsection (a)—

18           “(i) the kilowatt hours of electricity produced by a taxpayer at a qualified  
19           facility shall include any production in the form of useful thermal energy by  
20           any combined heat and power system property within such facility, and

21           “(ii) the amount of greenhouse gases emitted into the atmosphere by such  
22           facility in the production of such useful thermal energy shall be included for  
23           purposes of determining the greenhouse gas emissions rate for such facility.

24           “(B) COMBINED HEAT AND POWER SYSTEM PROPERTY.—For purposes of this  
25           paragraph, the term ‘combined heat and power system property’ has the same  
26           meaning given such term by section 48(c)(3) (without regard to subparagraphs  
27           (A)(iv), (B), and (D) thereof).

28           “(C) CONVERSION FROM BTU TO KWH.—

29           “(i) IN GENERAL.—For purposes of subparagraph (A)(i), the amount of  
30           kilowatt hours of electricity produced in the form of useful thermal energy  
31           shall be equal to the quotient of—

32           “(I) the total useful thermal energy produced by the combined heat  
33           and power system property within the qualified facility, divided by

34           “(II) the heat rate for such facility.

35           “(ii) HEAT RATE.—For purposes of this subparagraph, the term ‘heat rate’  
36           means the amount of energy used by the qualified facility to generate 1  
37           kilowatt hour of electricity, expressed as British thermal units per net  
38           kilowatt hour generated.

39           “(3) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—In the case of a qualified

1 facility in which more than 1 person has an ownership interest, except to the extent  
2 provided in regulations prescribed by the Secretary, production from the facility shall  
3 be allocated among such persons in proportion to their respective ownership interests  
4 in the gross sales from such facility.

5 “(4) RELATED PERSONS.—Persons shall be treated as related to each other if such  
6 persons would be treated as a single employer under the regulations prescribed under  
7 section 52(b). In the case of a corporation which is a member of an affiliated group of  
8 corporations filing a consolidated return, such corporation shall be treated as selling  
9 electricity to an unrelated person if such electricity is sold to such a person by another  
10 member of such group.

11 “(5) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed  
12 by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

13 “(6) ALLOCATION OF CREDIT TO PATRONS OF AGRICULTURAL COOPERATIVE.—

14 “(A) ELECTION TO ALLOCATE.—

15 “(i) IN GENERAL.—In the case of an eligible cooperative organization, any  
16 portion of the credit determined under subsection (a) for the taxable year  
17 may, at the election of the organization, be apportioned among patrons of the  
18 organization on the basis of the amount of business done by the patrons  
19 during the taxable year.

20 “(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any  
21 taxable year shall be made on a timely filed return for such year. Such  
22 election, once made, shall be irrevocable for such taxable year. Such election  
23 shall not take effect unless the organization designates the apportionment as  
24 such in a written notice mailed to its patrons during the payment period  
25 described in section 1382(d).

26 “(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit  
27 apportioned to any patrons under subparagraph (A)—

28 “(i) shall not be included in the amount determined under subsection (a)  
29 with respect to the organization for the taxable year, and

30 “(ii) shall be included in the amount determined under subsection (a) for  
31 the first taxable year of each patron ending on or after the last day of the  
32 payment period (as defined in section 1382(d)) for the taxable year of the  
33 organization or, if earlier, for the taxable year of each patron ending on or  
34 after the date on which the patron receives notice from the cooperative of the  
35 apportionment.

36 “(C) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the  
37 amount of the credit of a cooperative organization determined under subsection  
38 (a) for a taxable year is less than the amount of such credit shown on the return of  
39 the cooperative organization for such year, an amount equal to the excess of—

40 “(i) such reduction, over

41 “(ii) the amount not apportioned to such patrons under subparagraph (A)

1           for the taxable year,

2           shall be treated as an increase in tax imposed by this chapter on the organization.  
3           Such increase shall not be treated as tax imposed by this chapter for purposes of  
4           determining the amount of any credit under this chapter.

5           “(D) ELIGIBLE COOPERATIVE DEFINED.—For purposes of this section, the term  
6           ‘eligible cooperative’ means a cooperative organization described in section  
7           1381(a) which is owned more than 50 percent by agricultural producers or by  
8           entities owned by agricultural producers. For this purpose an entity owned by an  
9           agricultural producer is one that is more than 50 percent owned by agricultural  
10          producers.

11          “(7) INCREASE IN CREDIT IN CERTAIN CASES.—

12           “(A) ENERGY COMMUNITIES.—In the case of any qualified facility which is  
13           located in an energy community (as defined in section 45(b)(11)(B)), for purposes  
14           of determining the amount of the credit under subsection (a) with respect to any  
15           electricity produced by the taxpayer at such facility during the taxable year, the  
16           applicable amount under paragraph (2) of such subsection shall be increased by  
17           an amount equal to 10 percent of the amount otherwise in effect under such  
18           paragraph (without application of subparagraph (B)).

19           “(B) DOMESTIC CONTENT.—Rules similar to the rules of section 45(b)(9) shall  
20           apply.

21          “(8) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—Rules similar to the rules of section  
22          45(b)(3) shall apply.

23          “(9) WAGE REQUIREMENTS.—Rules similar to the rules of section 45(b)(7)(A) and  
24          clauses (i) through (iv) of section 45(b)(7)(B) shall apply.

25          “(10) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section  
26          45(b)(8) shall apply.

27          “(11) DOMESTIC CONTENT REQUIREMENT FOR ELECTIVE PAYMENT.—Rules similar to  
28          the rules of section 45(b)(10) shall apply.”.

29          (b) Elective Payment of Credit.—Section 6417(b), as amended by preceding provisions of  
30          this Act, is amended by adding at the end the following new paragraph:

31           “(12) The clean electricity production credit determined under section 45BB(a).”.

32          (c) Election.—Section 6417(c)(3), as amended by the preceding provisions of this Act, is  
33          amended by adding at the end the following new subparagraph:

34           “(D) CLEAN ELECTRICITY PRODUCTION CREDIT.—In the case of the credit  
35           described in subsection (b)(10), any election under this subsection shall—

36           “(i) apply separately with respect to each qualified facility,

37           “(ii) be made for the taxable year in which the facility is placed in service,  
38           and

39           “(iii) shall apply to such taxable year and all subsequent taxable years with  
40           respect to such facility.”.

1 (d) Conforming Amendments.—

2 (1) Section 38(b) is amended—

3 (A) in paragraph (38), by striking “plus” at the end,

4 (B) in paragraph (39), by striking the period at the end and inserting “, plus”,  
5 and

6 (C) by adding at the end the following new paragraph:

7 “(40) the clean electricity production credit determined under section 45BB(a).”.

8 (2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is  
9 amended by adding at the end the following new item:

10 “Sec.45BB.Clean electricity production credit.”.

11 \*\* 90 ~~(d)~~(e) Effective Date.—The amendments made by this section shall apply to property  
12 facilities placed in service after ~~March~~ December 31, 2021 2022.

13 **SEC. 136802. CLEAN ELECTRICITY INVESTMENT**  
14 **CREDIT.**

15 \*\* 91 (a) In General.—Subpart ~~A~~ E of part IV of subchapter A of chapter 1 is amended by  
16 inserting after section 24 ~~48E~~ the following new ~~sections~~ section:

17 **“SEC. 48F. CLEAN ELECTRICITY INVESTMENT**  
18 **CREDIT.**

19 **“(a) Investment Credit for Qualified Property.—**

20 **“(1) IN GENERAL.—For purposes of section 46, the clean electricity investment credit**  
21 **for any taxable year is an amount equal to the applicable percentage of the qualified**  
22 **investment for such taxable year with respect to—**

23 **“(A) any qualified facility, and**

24 **“(B) any grid improvement property.**

25 **“(2) APPLICABLE PERCENTAGE.—**

26 **“(A) QUALIFIED FACILITIES.—Subject to paragraph (3)—**

27 **“(i) BASE RATE.—In the case of any qualified facility which is not described**  
28 **in subclause (I) of clause (ii) and does not satisfy the requirements described**  
29 **in subclause (II) of such clause, the applicable percentage shall be 6 percent.**

30 **“(ii) ALTERNATIVE RATE.—In the case of any qualified facility—**

31 **“(I) with a maximum net output of less than 1 megawatt, or**

32 **“(II) which—**

33 **“(aa) satisfies the requirements of subsection (d)(3), and**

34 **“(bb) with respect to the construction of such facility, satisfies the**

1 requirements of subsection (d)(4),  
2 the applicable percentage shall be 30 percent.

3 **“(B) GRID IMPROVEMENT PROPERTY.—Subject to paragraph (3)—**

4 **“(i) BASE RATE.—In the case of any grid improvement property which is**  
5 **not described in subclause (I) of clause (ii) and does not satisfy the**  
6 **requirements described in subclause (II) of such clause, the applicable**  
7 **percentage shall be 6 percent.**

8 **“(ii) ALTERNATIVE RATE.—In the case of any grid improvement**  
9 **property—**

10 **“(I) which is energy storage property with a capacity of less than 1**  
11 **megawatt, or**

12 **“(II) which—**

13 **“(aa) satisfies the requirements of subsection (d)(3), and**

14 **“(bb) with respect to the construction of such property, satisfies**  
15 **rules similar to the rules of section 45(b)(8),**

16 **the applicable percentage shall be 30 percent.**

17 **“(3) INCREASE IN CREDIT RATE IN CERTAIN CASES.—**

18 **“(A) ENERGY COMMUNITIES.—**

19 **“(i) IN GENERAL.—In the case of any qualified investment with respect to a**  
20 **qualified facility or with respect to grid improvement property which is**  
21 **placed in service within an energy community (as defined in section**  
22 **45(b)(11)(B)), for purposes applying paragraph (2) with respect to such**  
23 **property or investment, the applicable percentage shall be increased by the**  
24 **applicable credit rate increase.**

25 **\*\* 92 ~~“(C)~~“(ii) APPLICABLE CREDIT RATE INCREASE.—For purposes of**  
26 **subparagraph (A) clause (i), the applicable credit rate increase shall be an amount**  
27 **equal to—**

28 **“(I) in the case of any qualified investment with respect to a qualified**  
29 **facility described in paragraph (2)(A)(i) or with respect to grid**  
30 **improvement property described in paragraph (2)(B)(i), 2 percentage**  
31 **points, and**

32 **“(II) in the case of any qualified investment with respect to a qualified**  
33 **facility described in paragraph (2)(A)(ii) or with respect to grid**  
34 **improvement property described in paragraph (2)(B)(ii), 10 percentage**  
35 **points.**

36 **“(B) DOMESTIC CONTENT.—Rules similar to the rules of section 48(a)(12) shall**  
37 **apply.**

38 **“(b) Qualified Investment With Respect to a Qualified Facility.—**

39 **“(1) IN GENERAL.—For purposes of subsection (a), the qualified investment with**



1 respect to any qualified facility for any taxable year is the sum of—

2 “(A) the basis of any qualified property placed in service by the taxpayer  
3 during such taxable year which is part of a qualified facility, plus

4 “(B) the amount of any expenditures which are—

5 “(i) paid or incurred by the taxpayer for qualified interconnection  
6 property—

7 “(I) in connection with a qualified facility which has a maximum net  
8 output of not greater than 5 megawatts, and

9 “(II) placed in service during the taxable year of the taxpayer, and

10 “(ii) properly chargeable to capital account of the taxpayer.

11 “(2) QUALIFIED PROPERTY.—The term ‘qualified property’ means property—

12 “(A) which is—

13 “(i) tangible personal property, or

14 ~~\*\* 93 “(B)“~~“(ii) other tangible property (not including a building or its structural  
15 components), but only if such property is used as an integral part of the ~~zero-~~  
16 ~~emissions~~ qualified facility, and

17 “(B) with respect to which depreciation (or amortization in lieu of depreciation)  
18 is allowable, and

19 “(C)(i) the construction, reconstruction, or erection of which is completed by  
20 the taxpayer, or

21 “(ii) which is acquired by the taxpayer if the original use of such property  
22 commences with the taxpayer.

23 “(3) QUALIFIED FACILITY.—

24 “(A) IN GENERAL.—For purposes of this section, the term ‘qualified facility’  
25 means a facility—

26 “(i) which is used for the generation of electricity,

27 “(ii) the construction of which begins after December 31, 2026, and

28 “(iii) for which the anticipated greenhouse gas emissions rate (as  
29 determined under subparagraph (B)(ii)) is not greater than zero.

30 “(B) ADDITIONAL RULES.—

31 “(i) EXPANSION OF FACILITY; INCREMENTAL PRODUCTION.—Rules similar to  
32 the rules of section 45BB(b)(1)(C) shall apply for purposes of this paragraph.

33 “(ii) GREENHOUSE GAS EMISSIONS RATE.—Rules similar to the rules of  
34 section 45BB(b)(2) shall apply for purposes of this paragraph.

35 “(C) EXCLUSION.—The term ‘qualified facility’ shall not include any facility for  
36 which—

- 1                   “(i) a renewable electricity production credit determined under section 45,  
2                   “(ii) an advanced nuclear power facility production credit determined  
3                   under section 45J,  
4                   “(iii) a carbon oxide sequestration credit determined under section 45Q,  
5                   “(iv) a clean electricity production credit determined under section 45BB,  
6                   “(v) an energy credit determined under section 48,  
7                   “(vi) a qualifying advanced coal project credit under section 48A, or  
8                   “(vii) a qualifying electric transmission property credit under section 48D,  
9                   is allowed under section 38 for the taxable year or any prior taxable year.

10                   “(4) QUALIFIED INTERCONNECTION PROPERTY.—For purposes of this paragraph, the  
11                   term ‘qualified interconnection property’ has the meaning given such term in section  
12                   48(a)(8)(B).

13                   “(5) COORDINATION WITH REHABILITATION CREDIT.—The qualified investment with  
14                   respect to any qualified facility for any taxable year shall not include that portion of  
15                   the basis of any property which is attributable to qualified rehabilitation expenditures  
16                   (as defined in section 47(c)(2)).

17                   “(6) DEFINITIONS.—For purposes of this subsection, the terms ‘CO<sub>2</sub>e per KWh’ and  
18                   ‘greenhouse gas emissions rate’ have the same meaning given such terms under section  
19                   45BB(b).

20                   “(c) Qualified Investment With Respect to Grid Improvement Property.—

21                   “(1) IN GENERAL.—

22                   “(A) QUALIFIED INVESTMENT.—For purposes of subsection (a), the qualified  
23                   investment with respect to grid improvement property for any taxable year is the  
24                   basis of any grid improvement property placed in service by the taxpayer during  
25                   such taxable year.

26                   “(B) GRID IMPROVEMENT PROPERTY.—For purposes of this section, the term  
27                   ‘grid improvement property’ means any energy storage property.

28                   “(2) ENERGY STORAGE PROPERTY.—For purposes of this section, the term ‘energy  
29                   storage property’ has the meaning given such term in section 48(c)(6).

30                   “(d) Special Rules.—

31                   “(1) CERTAIN PROGRESS EXPENDITURE RULES MADE APPLICABLE.—Rules similar to  
32                   the rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the  
33                   date of the enactment of the Revenue Reconciliation Act of 1990) shall apply for  
34                   purposes of subsection (a).

35                   “(2) SPECIAL RULE FOR PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING OR  
36                   PRIVATE ACTIVITY BONDS.—Rules similar to the rules of section 45(b)(3) shall apply.

37                   “(3) PREVAILING WAGE REQUIREMENTS.—Rules similar to the rules of section  
38                   48(a)(10) shall apply.

1           “(4) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section 45(b)(8)  
2 shall apply.

3           “(5) DOMESTIC CONTENT REQUIREMENT FOR ELECTIVE PAYMENT.—Rules similar to  
4 the rules of section 45(b)(10) shall apply.

5           “(e) Credit Phase-Out.—

6           “(1) IN GENERAL.—The amount of the clean electricity investment credit under  
7 subsection (a) for any qualified investment with respect to any qualified facility or grid  
8 improvement property the construction of which begins during a calendar year  
9 described in paragraph (2) shall be equal to the product of—

10           “(A) the amount of the credit determined under subsection (a) without regard  
11 to this subsection, multiplied by

12           “(B) the phase-out percentage under paragraph (2).

13           “(2) PHASE-OUT PERCENTAGE.—The phase-out percentage under this paragraph is  
14 equal to—

15           “(A) for any qualified investment with respect to any qualified facility or grid  
16 improvement property the construction of which begins during the first calendar  
17 year following the applicable year, 100 percent,

18           “(B) for any qualified investment with respect to any qualified facility or grid  
19 improvement property the construction of which begins during the second  
20 calendar year following the applicable year, 75 percent,

21           “(C) for any qualified investment with respect to any qualified facility or grid  
22 improvement property the construction of which begins during the third calendar  
23 year following the applicable year, 50 percent, and

24           “(D) for any qualified investment with respect to any qualified facility or grid  
25 improvement property the construction of which begins during any calendar year  
26 subsequent to the calendar year described in subparagraph (C), 0 percent.

27           “(3) APPLICABLE YEAR.—For purposes of this subsection, the term ‘applicable year’  
28 has the same meaning given such term in section 45BB(d)(3).

29           “(f) Greenhouse Gas.—In this section, the term ‘greenhouse gas’ has the same meaning  
30 given such term under section 45BB(e)(2).

31           “(g) Recapture of Credit.—For purposes of section 50, if the Secretary determines that  
32 the greenhouse gas emissions rate for a qualified facility is greater than 10 grams of CO<sub>2</sub>e  
33 per KWh, any property for which a credit was allowed under this section with respect to  
34 such facility shall cease to be investment credit property in the taxable year in which the  
35 determination is made.

36           “(h) Guidance.—Not later than January 1, 2027, the Secretary shall issue guidance  
37 regarding implementation of this section.”.

38           (b) Elective Payment of Credit.—Section 6417(b), as amended by preceding provisions of  
39 this Act, is amended by adding at the end the following new paragraph:

40           “(13) The clean electricity investment credit determined under section 48F.”.

1 (c) Conforming Amendments.—

2 (1) Section 46 is amended—

3 (A) by striking “and” at the end of paragraph (5),

4 (B) by striking the period at the end of paragraph (6) and inserting “, and”, and

5 (C) by adding at the end the following new paragraph:

6 “(7) the clean electricity investment credit.”.

7 (2) Section 49(a)(1)(C) is amended—

8 (A) by striking “and” at the end of clause (iv),

9 (B) by striking the period at the end of clause (v) and inserting a comma, and

10 (C) by adding at the end the following new clauses:

11 “(vi) the basis of any qualified property which is part of a qualified facility  
12 under section 48F, and

13 “(vii) the basis of any energy storage property under section 48F.”.

14 (3) Section 50(a)(2)(E) is amended by striking “or 48E(c)(1)” and inserting  
15 “48E(c)(1), or 48F(e)”.

16 (4) Section 50(c)(3) is amended by inserting “or clean electricity investment credit”  
17 after “In the case of any energy credit”.

18 \*\* 94 (11)(5) The table of sections for subpart A E of part IV of subchapter A of chapter  
19 1 is amended by inserting after the item relating to section 24 48E the following new items  
20 item:

21 “48F. Clean electricity investment credit.”.

22 (d) Effective Date.—The amendments made by this section shall apply to property  
23 placed in service after December 31, 2026, and, for any property the construction of which  
24 begins prior to January 1, 2027, only to the extent of the basis thereof attributable to the  
25 construction, reconstruction, or erection after December 31, 2026.

26 **SEC. 136803. INCREASE IN CLEAN ELECTRICITY**  
27 **INVESTMENT CREDIT FOR FACILITIES PLACED IN**  
28 **SERVICE IN CONNECTION WITH LOW-INCOME**  
29 **COMMUNITIES.**

30 (a) In General.—Section 48F, as added by this Act, is amended by adding at the end the  
31 following new subsection:

32 “(i) Special Rules for Certain Facilities Placed in Service in Connection With  
33 Low-income Communities.—

34 “(1) IN GENERAL.—In the case of any qualified facility with respect to which the  
35 Secretary makes an allocation of environmental justice capacity limitation under  
36 paragraph (4)—

1           “(A) the applicable percentage otherwise determined under subsection (a)(2)  
2 with respect to any eligible property which is part of such facility shall be  
3 increased by—

4                 “(i) in the case of a facility described in subclause (I) of paragraph  
5 (2)(A)(iii) and not described in subclause (II) of such paragraph, 10  
6 percentage points, and

7                 “(ii) in the case of a facility described in subclause (II) of paragraph  
8 (2)(A)(iii), 20 percentage points, and

9           “(B) the increase in the credit determined under subsection (a) by reason of this  
10 subsection for any taxable year with respect to all property which is part of such  
11 facility shall not exceed the amount which bears the same ratio to the amount of  
12 such increase (determined without regard to this subparagraph) as—

13                 “(i) the environmental justice capacity limitation allocated to such facility,  
14 bears to

15                 “(ii) the total megawatt nameplate capacity of such facility, as measured in  
16 direct current.

17           “(2) QUALIFIED FACILITY.—For purposes of this subsection—

18                 “(A) IN GENERAL.—The term ‘qualified facility’ means any facility—

19                         “(i) which is described in subsection (b)(3)(A) and not described in section  
20 45BB(b)(2)(B),

21                         “(ii) which has a maximum net output of less than 5 megawatts, and

22                         “(iii) which—

23                                 “(I) is located in a low-income community (as defined in section  
24 45D(e)) or on Indian land (as defined in section 2601(2) of the Energy  
25 Policy Act of 1992 (25 U.S.C. 3501(2))), or

26                                 “(II) is part of a qualified low-income residential building project or a  
27 qualified low-income economic benefit project.

28           “(B) QUALIFIED LOW-INCOME RESIDENTIAL BUILDING PROJECT.—A facility shall  
29 be treated as part of a qualified low-income residential building project if—

30                 “(i) such facility is installed on a residential rental building which  
31 participates in a covered housing program (as defined in section 41411(a) of  
32 the Violence Against Women Act of 1994 (34 U.S.C. 12491(a)(3)), a Housing  
33 Development Fund Corporation cooperative under Article XI of the New  
34 York State Private Housing Finance Law, a housing assistance program  
35 administered by the Department of Agriculture under title V of the Housing  
36 Act of 1949, a housing program administered by a tribally designated  
37 housing entity (as defined in section 4(22) of the Native American Housing  
38 Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(22))) or such  
39 other affordable housing programs as the Secretary may provide, and

40                 “(ii) the financial benefits of the electricity produced by such facility are

1 allocated equitably among the occupants of the dwelling units of such  
2 building.

3 “(C) QUALIFIED LOW-INCOME ECONOMIC BENEFIT PROJECT.—A facility shall be  
4 treated as part of a qualified low-income economic benefit project if at least 50  
5 percent of the financial benefits of the electricity produced by such facility are  
6 provided to households with income of—

7 “(i) less than 200 percent of the poverty line applicable to a family of the  
8 size involved, or

9 “(ii) less than 80 percent of area median gross income (as determined  
10 under section 142(d)(2)(B)).

11 “(D) FINANCIAL BENEFIT.—For purposes of subparagraphs (B) and (C),  
12 electricity acquired at a below-market rate shall not fail to be taken into account  
13 as a financial benefit.

14 “(3) ELIGIBLE PROPERTY.—For purposes of this section, the term ‘eligible property’  
15 means a qualified investment with respect to any qualified facility which is described  
16 in subsection (b).

17 “(4) ALLOCATIONS.—

18 “(A) IN GENERAL.—Not later than January 1, 2027, the Secretary shall establish  
19 a program to allocate amounts of environmental justice capacity limitation to  
20 qualified facilities.

21 “(B) LIMITATION.—The amount of environmental justice capacity limitation  
22 allocated by the Secretary under subparagraph (A) during any calendar year  
23 shall not exceed the annual capacity limitation with respect to such year.

24 “(C) ANNUAL CAPACITY LIMITATION.—For purposes of this paragraph, the term  
25 ‘annual capacity limitation’ means 1.8 gigawatts of direct current capacity for  
26 each of calendar years 2027 through 2031, and zero thereafter.

27 “(D) CARRYOVER OF UNUSED LIMITATION.—

28 ~~credit~~ ~~designated~~ ~~allocated~~ ~~for such year under this subsection~~ ~~paragraph~~, such  
29 ~~credit~~ ~~designated~~ ~~allocated~~ ~~for such year under this subsection~~ ~~paragraph~~, such  
30 ~~credit~~ ~~designated~~ ~~allocated~~ ~~for such year under this subsection~~ ~~paragraph~~, such  
31 limitation for the succeeding calendar year shall be increased by the amount of  
32 such excess. No amount may be carried under the preceding sentence to any  
33 calendar year after ~~2031~~ 2033.

34 “(ii) CARRYOVER FROM SECTION 48 FOR CALENDAR YEAR 2027.—If the  
35 annual capacity limitation for calendar year 2026 under section 48(e)(4)(D)  
36 exceeds the aggregate amount allocated for such year under section  
37 48(e)(4)(D), such excess amount may be carried over and applied to the  
38 annual capacity limitation under this subsection for calendar year 2027. Such  
39 limitation shall be increased by the amount of such excess.

40 “(E) PLACED IN SERVICE DEADLINE.—

1           “(i) **IN GENERAL.**—Paragraph (1) shall not apply with respect to any  
2           property which is placed in service after the date that is 4 years after the date  
3           of the allocation with respect to the facility of which such property is a part.

4           “(ii) **APPLICATION OF CARRYOVER.**—Any amount of environmental justice  
5           capacity limitation which expires under clause (i) during any calendar year  
6           shall be taken into account as an excess described in subparagraph (D) (or as  
7           an increase in such excess) for such calendar year, subject to the limitation  
8           imposed by the last sentence of such subparagraph.

9           \*\* 96 “(F) **SELECTION CRITERIA.**—In determining to which qualified solar facilities  
10           to allocate environmental justice solar capacity limitation under this paragraph, the  
11           Secretary shall take into consideration which facilities will result in—

12           “(i) the greatest health and economic benefits, including the ability to  
13           withstand extreme weather events, for individuals described in section  
14           45D(e)(2),

15           “(ii) the greatest employment and wages for such individuals, and

16           “(iii) the greatest engagement with, outreach to, or ownership by, such  
17           individuals, including through partnerships with local governments,  
18           community-based organizations, an Indian tribal government (as defined in  
19           section 48(e)(4)(F)(ii)), or any Alaska Native Corporation (as defined in  
20           section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)).

21           “(G) **DISCLOSURE OF ALLOCATIONS.**—The Secretary shall, upon making an  
22           allocation of environmental justice capacity limitation under this paragraph,  
23           publicly disclose the identity of the applicant, the amount of the environmental  
24           justice capacity limitation allocated to such applicant, and the location of the  
25           facility for which such allocation is made.

26           “(5) **RECAPTURE.**—The Secretary shall, by regulations or other guidance, provide  
27           for recapturing the benefit of any increase in the credit allowed under subsection (a)  
28           by reason of this subsection with respect to any property which ceases to be property  
29           eligible for such increase (but which does not cease to be investment credit property  
30           within the meaning of section 50(a)). The period and percentage of such recapture  
31           shall be determined under rules similar to the rules of section 50(a). To the extent  
32           provided by the Secretary, such recapture may not apply with respect to any property  
33           if, within 12 months after the date the taxpayer becomes aware (or reasonably should  
34           have become aware) of such property ceasing to be property eligible for such increase,  
35           the eligibility of such property for such increase is restored. The preceding sentence  
36           shall not apply more than once with respect to any facility.”.

37           (b) **Effective Date.**—The amendments made by this section shall take effect on January  
38           1, 2027.

39           **SEC. 136804. COST RECOVERY FOR QUALIFIED**  
40           **FACILITIES, QUALIFIED PROPERTY, AND GRID**  
41           **IMPROVEMENT PROPERTY.**

1 (a) In General.—Section 168(e)(3)(B) is amended—

2 (1) in clause (vi)(III), by striking “and” at the end,

3 \*\* 97 (B) in subparagraph (D)(2) in clause (vii), by striking the period at the end and  
4 inserting “; and”; and

5 (3) by inserting after clause (vii) the following:

6 “(viii) any qualified facility (as defined in section 45BB(b)(1)(A)), any  
7 qualified property (as defined in subsection (b)(2) of section 48F) which is a  
8 qualified investment (as defined in subsection (b)(1) of such section), or any  
9 grid improvement property (as defined in subsection (c)(1)(B) of such  
10 section).”.

11 \*\* 98 (e)(b) Effective Date.—The amendments made by this section shall apply to facilities  
12 and property placed in service after December 31, 2022 2026.

### 13 **SEC. 136805. CLEAN FUEL PRODUCTION CREDIT.**

14 (a) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by  
15 adding at the end the following new section:

### 16 **“SEC. 45CC. CLEAN FUEL PRODUCTION CREDIT.**

17 “(a) Amount of Credit.—

18 “(1) IN GENERAL.—For purposes of section 38, the clean fuel production credit for  
19 any taxable year is an amount equal to the product of—

20 “(A) the applicable amount per gallon (or gallon equivalent) with respect to any  
21 transportation fuel which is—

22 “(i) produced by the taxpayer at a qualified facility, and

23 “(ii) sold by the taxpayer in a manner described in paragraph (4) during  
24 the taxable year, and

25 “(B) the emissions factor for such fuel (as determined under subsection (b)).

26 “(2) APPLICABLE AMOUNT.—

27 “(A) BASE AMOUNT.—In the case of any transportation fuel produced at a  
28 qualified facility which does not satisfy the requirements described in  
29 subparagraph (B), the applicable amount shall be 20 cents.

30 “(B) ALTERNATIVE AMOUNT.—In the case of any transportation fuel produced  
31 at a qualified facility which satisfies the requirements under paragraphs (6) and  
32 (7) of subsection (g), the applicable amount shall be \$1.00.

33 “(3) SPECIAL RATE FOR SUSTAINABLE AVIATION FUEL.—

34 “(A) IN GENERAL.—In the case of a transportation fuel which is sustainable  
35 aviation fuel, paragraph (2) shall be applied—

36 “(i) in the case of a transportation fuel produced at a qualified facility  
37 described in paragraph (2)(A), by substituting ‘35 cents’ for ‘20 cents’, and



1                   “(ii) in the case of a transportation fuel produced at a qualified facility  
2                   described in paragraph (2)(B), by substituting ‘\$1.75’ for ‘\$1.00’.

3                   “(B) SUSTAINABLE AVIATION FUEL.—For purposes of this subparagraph (A), the  
4                   term ‘sustainable aviation fuel’ means liquid fuel which is sold for use in an  
5                   aircraft and which—

6                   “(i) meets the requirements of—

7                   “(I) ASTM International Standard D7566, or

8                   “(II) the Fischer Tropsch provisions of ASTM International Standard  
9                   D1655, Annex A1, and

10                  “(ii) is not derived from palm fatty acid distillates or petroleum.

11                  “(4) SALE.—For purposes of paragraph (1), the transportation fuel is sold in a  
12                  manner described in this paragraph if such fuel is sold by the taxpayer to an unrelated  
13                  person—

14                  “(A) for use by such person in the production of a fuel mixture,

15                  “(B) for use by such person in a trade or business, or

16                  “(C) who sells such fuel at retail to another person and places such fuel in the  
17                  fuel tank of such other person.

18                  “(5) ROUNDING.—If any amount determined under paragraph (1) is not a multiple  
19                  of 0.1 cent, such amount shall be rounded to the nearest multiple of 0.1 cent.

20                  “(b) Emissions Factors.—

21                  “(1) EMISSIONS FACTOR.—

22                  “(A) CALCULATION.—

23                  “(i) IN GENERAL.—The emissions factor of a transportation fuel shall be an  
24                  amount equal to the quotient of—

25                  “(I) an amount equal to—

26                          “(aa) 50 kilograms of CO<sub>2</sub>e per mmBTU, minus

27                          “(bb) the emissions rate for such fuel, divided by

28                  “(II) 50 kilograms of CO<sub>2</sub>e per mmBTU.

29                  “(B) ESTABLISHMENT OF EMISSIONS RATE.—

30                  “(i) IN GENERAL.—Subject to clauses (ii) and (iii), the Secretary shall  
31                  annually publish a table which sets forth the emissions rate for similar types  
32                  and categories of transportation fuels based on the amount of lifecycle  
33                  greenhouse gas emissions (as described in section 211(o)(1)(H) of the Clean  
34                  Air Act (42 U.S.C. 7545(o)(1)(H)), as in effect on the date of the enactment of  
35                  this section) for such fuels, expressed as kilograms of CO<sub>2</sub>e per mmBTU,  
36                  which a taxpayer shall use for purposes of this section.

37                  “(ii) NON-AVIATION FUEL.—In the case of any transportation fuel which is

1 not a sustainable aviation fuel, the lifecycle greenhouse gas emissions of such  
2 fuel shall be based on the most recent determinations under the Greenhouse  
3 gases, Regulated Emissions, and Energy use in Transportation model  
4 developed by Argonne National Laboratory, or a successor model (as  
5 determined by the Secretary).

6 “(iii) AVIATION FUEL.—In the case of any transportation fuel which is a  
7 sustainable aviation fuel, the lifecycle greenhouse gas emissions of such fuel  
8 shall be determined in accordance with—

9 “(I) the most recent Carbon Offsetting and Reduction Scheme for  
10 International Aviation which has been adopted by the International  
11 Civil Aviation Organization with the agreement of the United States, or

12 “(II) any similar methodology which satisfies the criteria under  
13 section 211(o)(1)(H) of the Clean Air Act (42 U.S.C. 7545(o)(1)(H)).

14 “(C) ROUNDING OF EMISSIONS RATE.—The Secretary may round the emissions  
15 rates under subparagraph (B) to the nearest multiple of 5 kilograms of CO<sub>2</sub>e per  
16 mmBTU, except that, in the case of an emissions rate that is less than 2.5  
17 kilograms of CO<sub>2</sub>e per mmBTU, the Secretary may round such rate to zero.

18 “(D) PROVISIONAL EMISSIONS RATE.—In the case of any transportation fuel for  
19 which an emissions rate has not been established under subparagraph (B), a  
20 taxpayer producing such fuel may file a petition with the Secretary for  
21 determination of the emissions rate with respect to such fuel.

22 \*\* 99 ~~“(B)“(2) ROUNDING.—If any increase amount determined under subparagraph~~  
23 ~~paragraph (1)(A) is not a multiple of \$100 0.1, such amount shall be rounded to the nearest~~  
24 ~~multiple of \$100.” 0.1.~~

25 SEC. 136801. “(c) Inflation Adjustment.—

26 “(1) IN GENERAL.—In the case of calendar years beginning after 2026, the 20 cent  
27 amount in subsection (a)(2)(A), the \$1.00 amount in subsection (a)(2)(B), the 35 cent  
28 amount in subsection (a)(3)(A)(i), and the \$1.75 amount in subsection (a)(3)(A)(ii) shall  
29 each be adjusted by multiplying such amount by the inflation adjustment factor for  
30 the calendar year in which the sale of the transportation fuel occurs. If any amount as  
31 increased under the preceding sentence is not a multiple of 1 cent, such amount shall  
32 be rounded to the nearest multiple of 1 cent.

33 “(2) INFLATION ADJUSTMENT FACTOR.—For purposes of paragraph (1), the inflation  
34 adjustment factor shall be the inflation adjustment factor determined and published  
35 by the Secretary pursuant to section 45BB(c), determined by substituting ‘calendar  
36 year 2021’ for ‘calendar year 1992’ in paragraph (3) thereof.

37 “(d) Credit Phase-Out.—

38 “(1) IN GENERAL.—The amount of the clean fuel production credit under subsection  
39 (a) for any transportation fuel sold during a taxable year described in paragraph (2)  
40 shall be equal to the product of—

41 “(A) the amount of the credit determined under subsection (a) without regard

1 to this subsection, multiplied by

2 “(B) the phase-out percentage under paragraph (2).

3 “(2) PHASE-OUT PERCENTAGE.—The phase-out percentage under this paragraph is  
4 equal to—

5 “(A) for any taxable year beginning in the first calendar year following the  
6 applicable year, 100 percent,

7 “(B) for any taxable year beginning in the second calendar year following the  
8 applicable year, 75 percent,

9 “(C) for any taxable year beginning in the third calendar year following the  
10 applicable year, 50 percent, and

11 “(D) for any taxable year beginning in any calendar year subsequent to the  
12 calendar year described in subparagraph (C), 0 percent.

13 “(3) APPLICABLE YEAR.—For purposes of this subsection, the term ‘applicable year’  
14 means the later of—

15 “(A) the calendar year in which the Secretary determines that the greenhouse  
16 gas emissions from the transportation of persons and goods annually in the  
17 United States are equal to or less than 25 percent of the greenhouse gas emissions  
18 from the transportation of persons and goods in the United States during  
19 calendar year 2021, or

20 “(B) 2031.

21 “(e) Definitions.—In this section:

22 “(1) MMBTU.—The term ‘mmBTU’ means 1,000,000 British thermal units.

23 “(2) CO<sub>2</sub>e.—The term ‘CO<sub>2</sub>e’ means, with respect to any greenhouse gas, the  
24 equivalent carbon dioxide (as determined based on relative global warming potential).

25 “(3) GREENHOUSE GAS.—The term ‘greenhouse gas’ has the same meaning given  
26 that term under section 211(o)(1)(G) of the Clean Air Act (42 U.S.C. 7545(o)(1)(G)), as  
27 in effect on the date of the enactment of this section.

28 “(4) QUALIFIED FACILITY.—The term ‘qualified facility’—

29 “(A) means a facility used for the production of transportation fuels, and

30 “(B) does not include any facility for which one of the following credits is  
31 allowed under section 38 for the taxable year:

32 “(i) The credit for production of clean hydrogen under section 45X.

33 “(ii) The credit for clean hydrogen production facilities under section  
34 48(a)(16).

35 “(iii) The credit for carbon oxide sequestration under section 45Q.

36 “(5) TRANSPORTATION FUEL.—The term ‘transportation fuel’ means a fuel which—

37 “(A) is suitable for use as a fuel in a highway vehicle or aircraft,

1           “(B) has an emissions rate which is not greater than—

2                   “(i) in the case of a fuel which is not a sustainable aviation fuel—

3                           “(I) for any such fuel sold during calendar years 2027 through 2030,  
4                           50 kilograms of CO<sub>2</sub>e per mmBTU, and

5                           “(II) for any such fuel sold during any calendar year beginning after  
6                           December 31, 2030, 25 kilograms of CO<sub>2</sub>e per mmBTU, or

7                   “(ii) in the case of a fuel which is a sustainable aviation fuel—

8                           “(I) for any such fuel sold during any period before January 1, 2031,  
9                           35 kilograms of CO<sub>2</sub>e per mmBTU, and

10                           “(II) for any such fuel sold during any period after December 31,  
11                           2030, 25 kilograms of CO<sub>2</sub>e per mmBTU,

12           “(C) is not hydrogen fuel, and

13           “(D) in the case of fuel which is not aviation fuel, is not derived from  
14           coprocessing biomass with a feedstock which is not biomass. For purposes of this  
15           paragraph, the term ‘biomass’ has the meaning given such term in section  
16           45K(c)(3).

17           “(f) Guidance.—Not later than January 1, 2027, the Secretary shall issue guidance  
18           regarding implementation of this section, including calculation of emissions factors for  
19           transportation fuel, the table described in subsection (b)(1)(B)(i), and the determination of  
20           clean fuel production credits under this section.

21           “(g) Special Rules.—

22                   “(1) ONLY REGISTERED PRODUCTION IN THE UNITED STATES TAKEN INTO ACCOUNT.—

23                           “(A) IN GENERAL.—No clean fuel production credit shall be determined under  
24                           subsection (a) with respect to any transportation fuel unless—

25                                   “(i) the taxpayer is registered as a producer of clean fuel under section  
26                                   4101 at the time of production, and

27                                   “(ii) such fuel is produced in the United States.

28                           “(B) UNITED STATES.—For purposes of this paragraph, the term ‘United States’  
29                           includes any possession of the United States.

30                   “(2) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—In the case of a facility in  
31                   which more than 1 person has an ownership interest, except to the extent provided in  
32                   regulations prescribed by the Secretary, production from the facility shall be allocated  
33                   among such persons in proportion to their respective ownership interests in the gross  
34                   sales from such facility.

35                   “(3) RELATED PERSONS.—Persons shall be treated as related to each other if such  
36                   persons would be treated as a single employer under the regulations prescribed under  
37                   section 52(b). In the case of a corporation which is a member of an affiliated group of  
38                   corporations filing a consolidated return, such corporation shall be treated as selling  
39                   fuel to an unrelated person if such fuel is sold to such a person by another member of

1       such group.

2           “(4) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed  
3       by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

4           “(5) ALLOCATION OF CREDIT TO PATRONS OF AGRICULTURAL COOPERATIVE.—

5           “(A) ELECTION TO ALLOCATE.—

6           “(i) IN GENERAL.—In the case of an eligible cooperative organization, any  
7       portion of the credit determined under subsection (a) for the taxable year  
8       may, at the election of the organization, be apportioned among patrons of the  
9       organization on the basis of the amount of business done by the patrons  
10      during the taxable year.

11          “(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any  
12      taxable year shall be made on a timely filed return for such year. Such  
13      election, once made, shall be irrevocable for such taxable year. Such election  
14      shall not take effect unless the organization designates the apportionment as  
15      such in a written notice mailed to its patrons during the payment period  
16      described in section 1382(d).

17          “(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit  
18      apportioned to any patrons under subparagraph (A)—

19          “(i) shall not be included in the amount determined under subsection (a)  
20      with respect to the organization for the taxable year, and

21          “(ii) shall be included in the amount determined under subsection (a) for  
22      the first taxable year of each patron ending on or after the last day of the  
23      payment period (as defined in section 1382(d)) for the taxable year of the  
24      organization or, if earlier, for the taxable year of each patron ending on or  
25      after the date on which the patron receives notice from the cooperative of the  
26      apportionment.

27          “(C) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the  
28      amount of the credit of a cooperative organization determined under subsection  
29      (a) for a taxable year is less than the amount of such credit shown on the return of  
30      the cooperative organization for such year, an amount equal to the excess of—

31          “(i) such reduction, over

32          “(ii) the amount not apportioned to such patrons under subparagraph (A)  
33      for the taxable year,

34      shall be treated as an increase in tax imposed by this chapter on the organization.  
35      Such increase shall not be treated as tax imposed by this chapter for purposes of  
36      determining the amount of any credit under this chapter.

37          “(D) ELIGIBLE COOPERATIVE DEFINED.—For purposes of this section the term  
38      ‘eligible cooperative’ means a cooperative organization described in section  
39      1381(a) which is owned more than 50 percent by agricultural producers or by  
40      entities owned by agricultural producers. For this purpose an entity owned by an  
41      agricultural producer is one that is more than 50 percent owned by agricultural

1           **producers.**

2           **“(6) PREVAILING WAGE REQUIREMENTS.—**

3                   **“(A) IN GENERAL.—Subject to subparagraph (B), rules similar to the rules of**  
4                   **section 45(b)(7)(A) and clauses (i) through (iv) of section 45(b)(7)(B) shall apply.**

5                   **“(B) SPECIAL RULE FOR FACILITIES PLACED IN SERVICE BEFORE JANUARY 1,**  
6                   **2027.—In the case of any qualified facility placed in service before January 1,**  
7                   **2027—**

8                           **“(i) the rules of clause (i) of section 45(b)(7)(A) shall not apply, and**

9                           **“(ii) clause (ii) of such section shall be applied by substituting ‘for any**  
10                           **period of the taxable year beginning after December 31, 2026 for which the**  
11                           **credit is claimed under this section with respect to production of**  
12                           **transportation fuel, the alteration or repair of such facility’ for ‘for the**  
13                           **period of the taxable year which is within the 10-year period beginning on**  
14                           **the date the facility was originally placed in service, the alteration or repair**  
15                           **of such facility’.**

16           **“(7) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section 45(b)(8)**  
17           **shall apply.”.**

18           **(b) Elective Payment of Credit.—Section 6417(b), as amended by preceding provisions of**  
19           **this Act, is amended by adding at the end the following new paragraph:**

20                   **“(14) The clean fuel production credit determined under section 45CC(a).”.**

21           **(c) Conforming Amendments.—**

22                   **(1) Section 38(b), as amended by section 101, is amended—**

23                           **(A) in paragraph (39), by striking “plus” at the end,**

24                           **(B) in paragraph (40), by striking the period at the end and inserting “, plus”,**  
25                           **and**

26                           **(C) by adding at the end the following new paragraph:**

27                           **“(41) the clean fuel production credit determined under section 45CC(a).”.**

28                   **(2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as**  
29                   **amended by section 101, is amended by adding at the end the following new item:**

30                   **“Sec.45CC.Clean fuel production credit.”.**

31                           **(3) Section 4101(a)(1) is amended by inserting “every person producing a fuel**  
32                           **eligible for the clean fuel production credit (pursuant to section 45CC),” after “section**  
33                           **6426(b)(4)(A),”.**

34           **(d) Effective Date.—The amendments made by this section shall apply to transportation**  
35           **fuel produced after December 31, 2026.**

## 36   **PART 9—APPROPRIATIONS**

### 37   **SEC. 136901. APPROPRIATIONS.**

1 Immediately upon the enactment of this Act, in addition to amounts otherwise available, there  
2 are appropriated for fiscal year 2022, out of any money in the Treasury not otherwise  
3 appropriated, ~~\$3,831,000,000~~ **\$4,073,433,000** to remain available until September 30, 2031, for  
4 necessary expenses for the Internal Revenue Service to carry out this subtitle (and the  
5 amendments made by this subtitle), which shall supplement and not supplant any other  
6 appropriations that may be available for this purpose.

## 7 ~~Subtitle H—Social~~ **G—Social Safety Net**

### 8 **SEC. 137001. AMENDMENT OF 1986 CODE.**

9 Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is  
10 expressed in terms of an amendment to, or repeal of, a section or other provision, the reference  
11 shall be considered to be made to a section or other provision of the Internal Revenue Code of  
12 1986.

## 13 **PART 1—CHILD TAX CREDIT**

### 14 **SEC. 137101. MODIFICATIONS APPLICABLE BEGINNING** 15 **IN 2021.**

16 (a) **Safe Harbor Exception for Fraud and Intentional Disregard of Rules and**  
17 **Regulations.**—Section 24(j)(2)(B) is amended—

18 (1) by striking “qualified” each place it appears in clause (iv)(II) and inserting  
19 “qualifying”, and

20 (2) by adding at the end the following new clause:

21 “(v) **EXCEPTION FOR FRAUD AND INTENTIONAL DISREGARD OF RULES AND**  
22 **REGULATIONS.**—

23 “(I) **IN GENERAL.**—For purposes of determining the safe harbor amount  
24 under clause (iv) with respect to any taxpayer, an individual shall not be  
25 treated as taken into account in determining the annual advance amount of  
26 such taxpayer if the Secretary determines that such individual was so taken  
27 into account due to fraud by the taxpayer or intentional disregard of rules and  
28 regulations by the taxpayer.

29 “(II) **ARRANGEMENTS TO TAKE INDIVIDUAL INTO ACCOUNT MORE THAN**  
30 **ONCE.**—For purposes of subclause (I), a taxpayer shall not fail to be treated  
31 as intentionally disregarding rules and regulations with respect to any  
32 individual taken into account in determining the annual advance amount of  
33 such taxpayer if such taxpayer entered into a plan or other arrangement with,  
34 or expected, another taxpayer to take such individual into account in  
35 determining the credit allowed under this section for the taxable year.”.

36 (b) ~~Treatment of Joint Returns.~~—**Section Rules Relating to Reconciliation of Credit and**  
37 **Advance Credit.**—Section 24(j) is amended by adding at the end the following new ~~paragraph~~  
38 **paragraphs:**

1           “(3) JOINT RETURNS.—Except as otherwise provided by the Secretary, in the case of an  
2 advance payment made under section 7527A with respect to a joint return, half of such  
3 payment shall be treated as having been made to each individual filing such ~~return.~~”

4           **return.**

5           “(4) COORDINATION WITH POSSESSIONS OF THE UNITED STATES.—For purposes of this  
6 subsection, payments made under section 7527A include payments made by any  
7 jurisdiction other than the United States under section 7527A of the income tax law of  
8 such jurisdiction, and advance payments made by American Samoa pursuant to a plan  
9 described in subsection (k)(3)(B). In carrying out this section, the Secretary shall  
10 coordinate with each possession of the United States to prevent any application of this  
11 paragraph that is inconsistent with the purposes of this subsection.”

12 (c) Annual Advance Amount.—Section 7527A(b) is amended—

13           (1) in paragraph (1)—

14                   (A) in subparagraph (A), by inserting “or based on any other information known to  
15 the Secretary” after “reference taxable year”,

16                   (B) in subparagraph (C), by inserting “unless determined by the Secretary based on  
17 any information known to the Secretary,” before “the only children”, and

18                   (C) in subparagraph (D), by inserting “unless determined by the Secretary based on  
19 any information known to the Secretary,” before “the ages of”, and

20           (2) in paragraph (3)(A)(ii), by striking “ provided by the taxpayer” and inserting  
21 “provided, or known,”.

22 (d) ~~Effective Date.—The amendments made by this section shall apply to taxable years~~  
23 ~~beginning, and payments made, after December 31, 2020.~~ **Disclosure of Information Relating**  
24 **to Joint Filers and Advance Payment of Child Tax Credit.—Section 6103(e) is amended by**  
25 **adding at the end the following new paragraph:**

26           ~~SEC. 137102. EXTENSION AND MODIFICATION OF CHILD TAX CREDIT AND~~  
27 ~~ADVANCE PAYMENT FOR 2022.~~“(12) **DISCLOSURE OF INFORMATION RELATING TO**  
28 **JOINT FILERS AND ADVANCE PAYMENT OF CHILD TAX CREDIT.—In the case of an**  
29 **individual to whom the Secretary makes payments under section 7527A, if the**  
30 **reference taxable year (as defined in section 7527A(b)(2)) that the Secretary uses to**  
31 **calculate such payments is a year for which the individual filed an income tax return**  
32 **jointly with another individual, the Secretary may disclose to such individual any**  
33 **return information of such other individual which is relevant in determining the**  
34 **payment under section 7527A and the individual’s eligibility for such payment,**  
35 **including information regarding any of the following:**

36                   “(A) The number of specified children, including by reason of the birth of a  
37 child.

38                   “(B) The name and TIN of specified children.

39                   “(C) Marital status.

40                   “(D) Modified adjusted gross income.



1           “(E) Principal place of abode.

2           “(F) Any other factor which the Secretary may provide pursuant to section  
3           7527A(c).”.

4       (e) **Effective Date.**—

5           \*\* 100 (1) IN GENERAL.—Except as otherwise provided in this subsection, the  
6           amendments made by this section shall apply to taxable years beginning, **and payments**  
7           **made**, after December 31, ~~2022~~ **2020**.

8           **(2) DISCLOSURE OF INFORMATION RELATING TO JOINT FILERS AND ADVANCE PAYMENT**  
9           **OF CHILD TAX CREDIT.—The amendment made by subsection (d) shall take effect on**  
10          **the date of the enactment of this Act.**

## 11 **SEC. 137102. EXTENSIONS AND MODIFICATIONS** 12 **APPLICABLE BEGINNING IN 2022.**

13       (a) **Extensions.**—

14           (1) **EXTENSION OF CHILD TAX CREDIT.**—Section 24(i) is amended—

15               (A) by striking “January 1, 2022” in the matter preceding paragraph (1) and  
16               inserting “January 1, 2023”, and

17               (B) by inserting “and 2022” after “2021” in the heading thereof.

18           (2) **EXTENSION OF PROVISIONS RELATED TO POSSESSIONS OF THE UNITED STATES.**—

19               (A) Section 24(k)(2)(B) is amended—

20                   (i) by striking “December 31, 2021” in the matter preceding clause (i) and  
21                   inserting “December 31, 2022”, and

22                   (ii) by striking “After 2021” in the heading thereof and inserting “After 2022”.

23               (B) Section 24(k)(3)(C)(ii) is amended—

24                   (i) in subclause (I), by inserting “or 2022” after “2021”, and

25                   (ii) in subclause (II), by striking “December 31, 2021” and inserting  
26                   “December 31, 2022”.

27               (C) The heading of section 24(k)(2)(A) is amended by inserting “and 2022” after  
28               “2021”.

29       (b) **Extension and Modification of Advance Payment.**—

30           **(1) IN GENERAL.**—~~Section (3) Extension of advance payment.~~—Section 7527A is  
31           amended—

32               (A) in subsection (b)(1), by striking “50 percent of”,

33               (B) in clauses (i) and (ii) of subsection (e)(4)(C), by inserting “or 2022” after “in  
34               2021”, and

35               (C) in subsection (f), by striking “December 31, 2021” and inserting “December 31,  
36               2022”.

1           **(2) MONTHLY PAYMENTS.—**

2           **(A) IN GENERAL.—Section 7527A(a) is amended to read as follows:**

3           **“(a) In General.—The Secretary shall establish a program for making monthly payments**  
4 **to taxpayers in amounts equal to 1/12 of the annual advance amount with respect to such**  
5 **taxpayer.”.**

6           **(B) MODIFICATIONS DURING CALENDAR YEAR.—Section 7527A(b)(3), as**  
7 **amended by the preceding provisions of this Act, is amended—**

8           **(i) by amending subparagraph (A)(ii) to read as follows:**

9           **“(ii) any other information provided, or known, to the Secretary which**  
10 **allows the Secretary to more accurately estimate the amount treated as**  
11 **allowed under subpart C of part IV of subchapter A of chapter 1 by reason**  
12 **of section 24(i)(1) with respect to the taxpayer for the reference taxable**  
13 **year.”, and**

14           **(ii) in subparagraph (B), by striking “periodic payment” both places it**  
15 **appears and inserting “monthly payment”.**

16           **(C) CONFORMING AMENDMENT.—Section 7527A(c)(2)(b) ~~Repeal of Social~~**  
17 **Security Number Requirement.—Section 24(h) is amended by striking paragraph**  
18 **(7). “subsection (b)(3)(B)” and inserting “subsection (b)(3)”.**

19           ~~(e) Application of Income Phaseout on Basis of Income for Preceding Taxable~~  
20 ~~Year.—Section 24(i)(3)~~ **ELIGIBILITY FOR ADVANCE PAYMENTS LIMITED BASED ON**  
21 **MODIFIED ADJUSTED GROSS INCOME.—Section 7527A(b) is amended by adding at the end**  
22 **the following new paragraph:**

23           ~~“(5) Application of income phaseout on basis of income for prior taxable year.— If the~~  
24 ~~taxpayer’s~~ **“(6) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME (AS DEFINED IN**  
25 **SUBSECTION (B)) FOR THE TAXABLE YEAR FOR WHICH THE CREDIT ALLOWED UNDER THIS**  
26 **SECTION IS DETERMINED IS GREATER THAN SUCH TAXPAYER’S INCOME.—**

27           **“(A) IN GENERAL.—If the modified adjusted gross income (as so defined) for the**  
28 **preceding taxable year, paragraph (4) and subsection (b)(1) shall both be applied of the**  
29 **taxpayer for the reference taxable year exceeds the applicable threshold amount**  
30 **with respect to such taxpayer’s modified adjusted gross income (as so defined) for the**  
31 **preceding taxable year.”. taxpayer (as defined in section 24(i)(4)(B)), the annual**  
32 **advance amount with respect to such taxpayer shall be zero.**

33           ~~(d) Inflation Adjustment.—Section 24(i), as amended by subsection (e), is~~  
34 ~~amended~~ **“(B) EXCEPTION FOR MODIFICATIONS MADE DURING THE CALENDAR**  
35 **YEAR.—Subparagraph (A) shall not apply to a reference taxable year taken into**  
36 **account by reason of paragraph (3)(A)(i) or subsection (c) if the taxpayer received**  
37 **one or more payments under subsection (a) for months in the calendar year which**  
38 **precede the month for which such reference taxable year will be taken into**  
39 **account.”.**

40           **(4) ADVANCE PAYMENTS TO PUERTO RICO RESIDENTS FOR 2022.—Section 7527A(e)(4)**  
41 **is amended—**

1           **(A) in subparagraph (A), by striking “The advance” and inserting “Except as**  
2           **provided in subparagraph (D), the advance”, and**

3           **(B) by adding at the end the following new paragraph:**

4           ~~“(6) Inflation adjustments.—~~

5           ~~“(A) In general.— In the case of any taxable year beginning after December 31,~~  
6           ~~2021, the \$500 amount in subsection (h)(4)(A), the \$3,000 and \$3,600 amounts in~~  
7           ~~paragraph (3) and subsection (j)(2)(B)(iv), and the dollar amounts in paragraph (4)(B),~~  
8           ~~shall each be increased by an amount equal to—~~

9           ~~“(i) such dollar amount, multiplied by~~

10           ~~“(ii) the percentage (if any) by which—~~

11           ~~“(I) the CPI (as defined in section 1(f)(4)) for the calendar year preceding the~~  
12           ~~calendar year in which such taxable year begins, exceeds~~

13           ~~“(II) the CPI (as so defined) for calendar year 2020.~~

14           ~~“(B) Rounding.—~~

15           ~~“(i) \$500 amount.— In the case of the \$500 amount in subsection (h)(4)(A), any~~  
16           ~~increase under subparagraph (A) which is not a multiple of \$10 shall be rounded to the~~  
17           ~~nearest multiple of \$10.~~

18           ~~“(ii) \$3,000 and \$3,600 amounts.— In the case of the \$3,000 and \$3,600 amounts in~~  
19           ~~paragraph (3) and subsection (j)(2)(B)(iv), any increase under subparagraph (A) which~~  
20           ~~is not a multiple of \$100 shall be rounded to the nearest multiple of \$100.~~

21           ~~“(iii) Applicable threshold amounts.— In the case of the dollar amounts in paragraph~~  
22           ~~(4)(B), any increase under subparagraph (A) which is not a multiple of \$5,000 shall be~~  
23           ~~rounded to the nearest multiple of \$5,000.”.~~

24           **(e) subparagraph:**

25           **“(D) ADVANCE PAYMENTS TO PUERTO RICO RESIDENTS FOR 2022.—For the**  
26           **period beginning on July 1, 2022, and ending on December 31, 2022, the Secretary**  
27           **may apply this section without regard to subparagraph (A)(i).”.**

28           **(c) Election to Apply Income Phaseout on Basis of Income From the Preceding Taxable**  
29           **Year.—Section 24(i) is amended by adding at the end the following new paragraph:**

30           **“(5) ELECTION TO APPLY INCOME PHASEOUT ON BASIS OF INCOME FROM THE**  
31           **PRECEDING TAXABLE YEAR.—In the case of a taxpayer who elects (at such time and in**  
32           **such manner as the Secretary may provide) the application of this paragraph for any**  
33           **taxable year, paragraph (4) and subsection (b)(1) shall both be applied with respect to**  
34           **the modified adjusted gross income (as defined in subsection (b)) for the taxpayer’s**  
35           **preceding taxable year.”.**

36           **(d) Modification of Recapture Safe Harbor for 2022.—Section 24(j)(2)(B)(iv), as amended by**  
37           **the preceding provisions of this Act, is amended to read as follows:**

38           **“(iv) SAFE HARBOR AMOUNT.—For purposes of this subparagraph, the term**  
39           **‘safe harbor amount’ means, with respect to any taxpayer for any taxable year, the**

1 aggregate of \$3,000 (~~\$3,600 in the case of a qualifying child who has sum of—~~

2 “(I) an amount equal to the product of \$3,600 multiplied by the excess  
3 (if any) of the number of qualifying children who have not attained age 6  
4 as of the close of the calendar year in which the taxable year of the taxpayer  
5 begins, and who are) with respect to each qualifying child who is—

6 “(I) taken into account in determining the annual advance amount with  
7 respect to such the taxpayer under section 7527A with respect to months  
8 beginning in such taxable year, over the number of such qualifying  
9 children and

10 “(H) not taken into account in determining the credit allowed to such  
11 taxpayer under this section for such taxable year.”; year, plus

12 “(II) an amount equal to the product of \$3,000 multiplied by the  
13 excess (if any) of the number of qualifying children not described in  
14 clause (I), and who are taken into account in determining the annual  
15 advance amount with respect to the taxpayer under section 7527A with  
16 respect to months beginning in such taxable year, over the number of  
17 such qualifying children taken into account in determining the credit  
18 allowed under this section for such taxable year.”.

19 (e) **Repeal of Social Security Number Requirement.—**

20 (1) **IN GENERAL.—**Section 24(h) is amended by striking paragraph (7).

21 (2) **CONFORMING AMENDMENTS.—**

22 (A) Section 24(h)(1) is amended by striking “paragraphs (2) through (7)” and  
23 inserting “paragraphs (2) through (6)”.

24 (B) Section 24(h)(4) is amended by striking subparagraph (C).

25 (f) **Effective Date.—**The amendments made by this section shall apply to taxable years  
26 beginning, and payments made, after December 31, 2021.

27 ~~SEC. 137103. ESTABLISHMENT OF MONTHLY CHILD~~  
28 ~~TAX CREDIT WITH ADVANCE PAYMENT THROUGH~~  
29 ~~2025.~~

30  
31 ~~\* 91 (a) In General.— Subpart A of part IV of subchapter A of~~  
32 ~~chapter 1 is amended by inserting after section 24 the following~~  
33 ~~new sections:~~

34 ~~“SEC. 24A. MONTHLY CHILD TAX CREDIT.~~

35 ~~“(a) Allowance of Credit.— There shall be allowed as a credit~~

1 ~~against the tax imposed by this chapter for the taxable year the~~  
2 ~~sum of the monthly specified child allowances determined with~~  
3 ~~respect to the taxpayer under subsection (b) for each calendar~~  
4 ~~month during such taxable year.~~

5 ~~“(b) Monthly Specified Child Allowance.—~~

6 ~~“(1) In general.— For purposes of this section, the term ‘monthly~~  
7 ~~specified child allowance’ means, with respect to any taxpayer~~  
8 ~~for any calendar month, the sum of—~~

9 ~~“(A) \$300 with respect to each specified child of such taxpayer~~  
10 ~~who will not, as of the close of the taxable year which includes~~  
11 ~~such month, have attained age 6, plus~~

12 ~~“(B) \$250 with respect to each specified child of such taxpayer~~  
13 ~~who will, as of the close of the taxable year which includes such~~  
14 ~~month, have attained age 6.~~

15 ~~“(2) Limitations based on modified adjusted gross income.—~~

16 ~~“(A) Initial reduction.— The monthly specified child allowance~~  
17 ~~otherwise determined under paragraph (1) with respect to any~~  
18 ~~taxpayer for any calendar month shall be reduced (but not below~~  
19 ~~zero) by  $\frac{1}{12}$  of 5 percent of the excess (if any) of the~~  
20 ~~taxpayer’s modified adjusted gross income for the applicable~~  
21 ~~taxable year over the initial threshold amount in effect for such~~  
22 ~~applicable taxable year.~~

23 ~~“(B) Limitation on initial reduction.— The amount of the~~  
24 ~~reduction under subparagraph (A) shall not exceed the lesser~~  
25 ~~of—~~

26 ~~“(i) the excess (if any) of—~~

27 ~~“(I) the monthly specified child allowance with respect to the~~  
28 ~~taxpayer for the calendar month (determined without regard to~~

1 ~~this paragraph), over~~  
2 ~~“(II) the amount which would be determined under subclause (I)~~  
3 ~~if the dollar amounts in effect under subparagraphs (A) and (B)~~  
4 ~~of paragraph (1) were each equal to \$166.67, or~~  
5 ~~“(ii)  $\frac{1}{12}$  of 5 percent of the excess of the secondary threshold~~  
6 ~~amount over the initial threshold amount.~~  
7 ~~“(C) Secondary reduction. — The monthly specified child~~  
8 ~~allowance otherwise determined under paragraph (1) with~~  
9 ~~respect to any taxpayer for any calendar month (determined after~~  
10 ~~the application of subparagraphs (A) and (B)) shall be reduced~~  
11 ~~(but not below zero) by  $\frac{1}{12}$  of 5 percent of the excess (if any)~~  
12 ~~of the taxpayer’s modified adjusted gross income for the~~  
13 ~~applicable taxable year over the secondary threshold amount.~~  
14 ~~“(D) Definitions related to limitations based on modified~~  
15 ~~adjusted gross income. — For purposes of this paragraph —~~  
16 ~~“(i) Initial threshold amount. — The term ‘initial threshold~~  
17 ~~amount’ means —~~  
18 ~~“(I) \$150,000, in the case of a joint return or surviving spouse~~  
19 ~~(as defined in section 2(a)),~~  
20 ~~“(II)  $\frac{1}{2}$  the dollar amount in effect under subclause (I), in the~~  
21 ~~case of a married individual filing a separate return, and~~  
22 ~~“(III) \$112,500, in any other case.~~  
23 ~~“(iii) Secondary threshold amount. — The term ‘secondary~~  
24 ~~threshold amount’ means —~~  
25 ~~“(I) \$400,000, in the case of a joint return or surviving spouse~~  
26 ~~(as defined in section 2(a)),~~  
27 ~~“(II) \$300,000, in the case of a head of household (as defined in~~  
28 ~~section 2(b)), and~~

- 1 ~~“(III) \$200,000, in any other case.~~
- 2 ~~“(iv) Applicable taxable year. The term ‘applicable taxable~~  
3 ~~year’ means, with respect to any taxpayer, the relevant taxable~~  
4 ~~year with respect to which the taxpayer has the lowest modified~~  
5 ~~adjusted gross income. For purposes of the preceding sentence,~~  
6 ~~the term ‘relevant taxable year’ means the taxable year for~~  
7 ~~which the credit allowed under this section is determined and~~  
8 ~~each of the 2 immediately preceding taxable years.~~
- 9 ~~“(v) Modified adjusted gross income. The term ‘modified~~  
10 ~~adjusted gross income’ means adjusted gross income increased~~  
11 ~~by any amount excluded from gross income under section 911,~~  
12 ~~931, or 933.~~
- 13 ~~“(c) Specified Child. For purposes of this section —~~
- 14 ~~“(1) In general. The term ‘specified child’ means, with respect~~  
15 ~~to any taxpayer for any calendar month, an individual —~~
- 16 ~~“(A) who has the same principal place of abode as the taxpayer~~  
17 ~~for more than one half of such month,~~
- 18 ~~“(B) who is younger than the taxpayer and will not, as of the~~  
19 ~~close of the calendar year which includes such month, have~~  
20 ~~attained age 18,~~
- 21 ~~“(C) who receives care from the taxpayer during such month~~  
22 ~~that is not compensated,~~
- 23 ~~“(D) who is not the spouse of the taxpayer at any time during~~  
24 ~~such month,~~
- 25 ~~“(E) who is not a taxpayer with respect to whom any individual~~  
26 ~~is a specified child for such month, and~~
- 27 ~~“(F) who either —~~
- 28 ~~“(i) is a citizen, national, or resident of the United States, or~~

1 ~~“(ii) if the taxpayer is a citizen or national of the United States,~~  
2 ~~such individual is described in section 152(f)(1)(B) with respect~~  
3 ~~to such taxpayer.~~

4 ~~“(2) Care from the taxpayer.—~~

5 ~~“(A) In general.—Except as otherwise provided by the~~  
6 ~~Secretary, whether any individual receives care from the~~  
7 ~~taxpayer (within the meaning of paragraph (1)(C)) shall be~~  
8 ~~determined on the basis of facts and circumstances with respect~~  
9 ~~to the following factors:~~

10 ~~“(i) The supervision provided by the taxpayer regarding the~~  
11 ~~daily activities and needs of the individual.~~

12 ~~“(ii) The maintenance by the taxpayer of a secure environment~~  
13 ~~at which the individual resides.~~

14 ~~“(iii) The provision or arrangement by the taxpayer of, and~~  
15 ~~transportation by the taxpayer to, medical care at regular~~  
16 ~~intervals and as required for the individual.~~

17 ~~“(iv) The involvement by the taxpayer in, and financial and~~  
18 ~~other support by the taxpayer for, educational or similar~~  
19 ~~activities of the individual.~~

20 ~~“(v) Any other factor that the Secretary determines to be~~  
21 ~~appropriate to determine whether the individual receives care~~  
22 ~~from the taxpayer.~~

23 ~~“(B) Determination of whether care is compensated.—For~~  
24 ~~purposes of determining if care is compensated within the~~  
25 ~~meaning of paragraph (1)(C), compensation from the Federal~~  
26 ~~Government, a State or local government, a Tribal government,~~  
27 ~~or any possession of the United States shall not be taken into~~  
28 ~~account.~~



1 ~~“(3) Application of tie breaker rules.—~~

2 ~~“(A) In general.— Except as provided in subparagraph (D), if~~  
3 ~~any individual would (but for this paragraph) be a specified~~  
4 ~~child of 2 or more taxpayers for any month, such individual shall~~  
5 ~~be treated as the specified child only of the taxpayer who is—~~

6 ~~“(i) the parent of the individual (or, if such individual would (but~~  
7 ~~for this paragraph) be a specified child of 2 or more parents of~~  
8 ~~the individual for such month, the parent of the individual~~  
9 ~~determined under subparagraph (B)),~~

10 ~~“(ii) if the individual is not a specified child of any parent of the~~  
11 ~~individual (determined without regard to this paragraph), the~~  
12 ~~specified relative of the individual with the highest adjusted~~  
13 ~~gross income for the taxable year which includes such month, or~~

14 ~~“(iii) if the individual is neither a specified child of any parent of~~  
15 ~~the individual nor a specified child of any specified relative of~~  
16 ~~the individual (in both cases determined without regard to this~~  
17 ~~paragraph), the taxpayer with the highest adjusted gross income~~  
18 ~~for the taxable year which includes such month.~~

19 ~~“(B) Tie breaker among parents.— If any individual would (but~~  
20 ~~for this paragraph) be the specified child of 2 or more parents of~~  
21 ~~the individual for any month, such child shall be treated only as~~  
22 ~~the specified child of—~~

23 ~~“(i) the parent with whom the child resided for the longest~~  
24 ~~period of time during such month, or~~

25 ~~“(ii) if the child resides with both parents for the same amount of~~  
26 ~~time during such month, the parent with the highest adjusted~~  
27 ~~gross income for the taxable year which includes such month.~~

28 ~~“(C) Specified relative.— For purposes of this paragraph, the~~

1 term ~~‘specified relative’ means an individual who is—~~

2 ~~“(i) an ancestor of a parent of the specified child,~~

3 ~~“(ii) a brother or sister of a parent of the specified child, or~~

4 ~~“(iii) a brother, sister, stepbrother, or stepsister of the specified~~  
5 ~~child.~~

6 ~~“(D) Certain parents or specified relatives not taken into~~  
7 ~~account.— This paragraph shall be applied without regard to any~~  
8 ~~parent or specified relative of an individual for any month if—~~

9 ~~“(i) such parent or specified relative elects to have such~~  
10 ~~individual not be treated as a specified child of such parent or~~  
11 ~~specified relative for such month,~~

12 ~~“(ii) in the case of a parent of such individual, the adjusted gross~~  
13 ~~income of the taxpayer (with respect to whom such individual~~  
14 ~~would be treated as a specified child after application of this~~  
15 ~~subparagraph) for the taxable year which includes such month is~~  
16 ~~higher than the highest adjusted gross income of any parent of~~  
17 ~~the individual for any taxable year which includes such month~~  
18 ~~(determined without regard to any parent with respect to whom~~  
19 ~~such individual is not a specified child, determined without~~  
20 ~~regard to subparagraphs (A) and (B) and after application of this~~  
21 ~~subparagraph), and~~

22 ~~“(iii) in the case of a specified relative of such individual, the~~  
23 ~~adjusted gross income of the taxpayer (with respect to whom~~  
24 ~~such individual would be treated as a specified child after~~  
25 ~~application of this subparagraph) for the taxable year which~~  
26 ~~includes such month is higher than the highest adjusted gross~~  
27 ~~income of any parent and any specified relative of the individual~~  
28 ~~for any taxable year which includes such month (determined~~  
29 ~~without regard to any parent and any specified relative with~~

1 ~~respect to whom such individual is not a specified child,~~  
2 ~~determined without regard to subparagraphs (A) and (B) and~~  
3 ~~after application of this subparagraph).~~

4 ~~“(E) Treatment of joint returns. — For purposes of this paragraph,~~  
5 ~~with respect to any month, 2 individuals filing a joint return for~~  
6 ~~the taxable year which includes such month shall be treated as 1~~  
7 ~~individual.~~

8 ~~“(F) Parent. — Except as otherwise provided by the Secretary, the~~  
9 ~~term ‘parent’ shall have the same meaning as when used in~~  
10 ~~section 152(c)(4).~~

11 ~~“(4) Special rules with respect to birth and death. —~~

12 ~~“(A) Birth. —~~

13 ~~“(i) In general. — In the case of the birth of an individual during~~  
14 ~~any calendar year, such individual shall be treated as a specified~~  
15 ~~child of the relevant taxpayer for each calendar month in such~~  
16 ~~calendar year which precedes the calendar month referred to in~~  
17 ~~clause (ii).~~

18 ~~“(ii) Relevant taxpayer. — For purposes of clause (i), the term~~  
19 ~~‘relevant taxpayer’ means the taxpayer with respect to whom the~~  
20 ~~individual referred to in clause (i) is a specified child for the first~~  
21 ~~month for which such individual is a specified child with respect~~  
22 ~~to any taxpayer (determined without regard to this~~  
23 ~~subparagraph).~~

24 ~~“(B) Death. —~~

25 ~~“(i) In general. — In the case of the death of an individual during~~  
26 ~~any calendar year, such individual shall be treated as a specified~~  
27 ~~child of the relevant taxpayer for each calendar month in such~~  
28 ~~calendar year which follows the calendar month referred to in~~

1 ~~clause (ii).~~

2 ~~“(ii) Relevant taxpayer.—For purposes of clause (i), the term~~  
3 ~~‘relevant taxpayer’ means the taxpayer with respect to whom the~~  
4 ~~individual referred to in clause (i) is a specified child for the last~~  
5 ~~month for which such individual is alive.~~

6 ~~“(5) Treatment of temporary absences.—For purposes of this~~  
7 ~~subsection—~~

8 ~~“(A) In general.—In the case of any individual’s temporary~~  
9 ~~absence from such individual’s principal place of abode, each~~  
10 ~~day composing the temporary absence shall—~~

11 ~~“(i) be treated as a day at such individual’s principal place of~~  
12 ~~abode, and~~

13 ~~“(ii) not be treated as a day at any other location.~~

14 ~~“(B) Temporary absence.—For purposes of subparagraph (A),~~  
15 ~~an absence shall be treated as temporary if—~~

16 ~~“(i) the individual would have resided at the place of abode but~~  
17 ~~for the absence, and~~

18 ~~“(ii) under the facts and circumstances, it is reasonable to~~  
19 ~~assume that the individual will return to reside at the place of~~  
20 ~~abode.~~

21 ~~“(6) Special rule for divorced parents, etc.—Rules similar to the~~  
22 ~~rules section 152(e) shall apply for purposes of this subsection.~~

23 ~~“(7) Eligibility determined on basis of presumptive eligibility.—~~

24 ~~“(A) In general.—If a period of presumptive eligibility is~~  
25 ~~established under section 7527B(c) for any individual with~~  
26 ~~respect to any taxpayer—~~

27 ~~“(i) such individual shall be treated as the specified child of such~~

1 ~~taxpayer for any month in such period of presumptive eligibility,~~  
2 ~~and~~

3 ~~“(ii) such individual shall not be treated as the specified child of~~  
4 ~~any other taxpayer with respect to whom a period of~~  
5 ~~presumptive eligibility has not been established for any such~~  
6 ~~month.~~

7 ~~“(B) Ability of credit claimants to establish presumptive~~  
8 ~~eligibility.— Nothing in section 7527B(c) shall be interpreted to~~  
9 ~~preclude a taxpayer who elects not to receive monthly advance~~  
10 ~~child payments under section 7527B from establishing a period~~  
11 ~~of presumptive eligibility (including any such period described~~  
12 ~~in section 7527B(c)(2)(D)) with respect to any specified child~~  
13 ~~for purposes of this section.~~

14 ~~“(d) Portion of Credit Refundable.— If the taxpayer (in the case~~  
15 ~~of a joint return, either spouse) has a principal place of abode~~  
16 ~~(determined as provided in section 32) in the United States or~~  
17 ~~Puerto Rico for more than one half of any calendar month~~  
18 ~~during the taxable year, so much of the credit otherwise allowed~~  
19 ~~under subsection (a) as is attributable to monthly specified child~~  
20 ~~allowances with respect to any such calendar month shall be~~  
21 ~~allowed under subpart C (and not allowed under this subpart).~~

22 ~~“(e) Identification Requirements.— Rules similar to the rules of~~  
23 ~~section 24(e) shall apply for purposes of this section.~~

24 ~~“(f) Restrictions on Taxpayers Who Improperly Claimed Credit~~  
25 ~~or Improperly Received Monthly Advance Child Payment.—~~

26 ~~“(1) Taxpayers making prior fraudulent or reckless claims.—~~

27 ~~“(A) In general.— No credit shall be allowed under this section~~  
28 ~~for any taxable year (and no payment shall be made under~~  
29 ~~section 7527B for any month) in the disallowance period.~~

1 ~~“(B) Disallowance period.— For purposes of subparagraph (A),~~  
2 ~~the disallowance period is—~~

3 ~~“(i) the period of 10 taxable years after the most recent taxable-~~  
4 ~~year for which there was a final determination that the~~  
5 ~~taxpayer’s claim of credit under this section or section 24 (or~~  
6 ~~payment under section 7527A or 7527B) was due to fraud,~~

7 ~~“(ii) the period of 2 taxable years after the most recent taxable-~~  
8 ~~year for which there was a final determination that the~~  
9 ~~taxpayer’s claim of credit under this section or section 24 (or~~  
10 ~~payment under section 7527A or 7527B) was due to reckless or~~  
11 ~~intentional disregard of rules and regulations (but not due to~~  
12 ~~fraud), and~~

13 ~~“(iii) in addition to any period determined under clause (i) or (ii)~~  
14 ~~(as the case may be), the period beginning on the date of the~~  
15 ~~final determination described in such clause and ending with the~~  
16 ~~beginning of the period described in such clause.~~

17 ~~“(2) Taxpayers making improper prior claims.— In the case of a~~  
18 ~~taxpayer who is denied credit under this section or section 24 for~~  
19 ~~any taxable year as a result of the deficiency procedures under~~  
20 ~~subchapter B of chapter 63, no credit shall be allowed under this~~  
21 ~~section for any subsequent taxable year (and no payment shall~~  
22 ~~be made under section 7527B for any subsequent month) unless~~  
23 ~~the taxpayer provides such information as the Secretary may~~  
24 ~~require to demonstrate eligibility for such credit.~~

25 ~~“(3) Coordination with possessions of the united states.— In~~  
26 ~~carrying out this section, the Secretary shall coordinate with~~  
27 ~~each possession of the United States to prevent the avoidance of~~  
28 ~~the application of this subsection.~~

29 ~~“(g) Reconciliation of Credit and Monthly Advance Child~~

1 ~~Payments.—~~

2 ~~“(1) In general.— The amount otherwise determined under~~  
3 ~~subsection (a) with respect to any taxpayer for any taxable year~~  
4 ~~shall be reduced (but not below zero) by the aggregate amount~~  
5 ~~of payments made under section 7527B to such taxpayer for one~~  
6 ~~or more calendar months in such taxable year. Any failure to so~~  
7 ~~reduce the credit shall be treated as arising out of a mathematical~~  
8 ~~or clerical error and assessed according to section 6213(b)(1).~~

9 ~~“(2) Recapture of excess advance payments in certain~~  
10 ~~circumstances.— In the case of a taxpayer described in~~  
11 ~~paragraph (3) for any taxable year, the tax imposed by this~~  
12 ~~chapter for such taxable year shall be increased by the excess (if~~  
13 ~~any) of—~~

14 ~~“(A) the aggregate amount of payments made to the taxpayer~~  
15 ~~under section 7527B for one or more calendar months in such~~  
16 ~~taxable year, over~~

17 ~~“(B) the amount determined under subsection (a) with respect to~~  
18 ~~the taxpayer for such taxable year (without regard to paragraph~~  
19 ~~(1) of this subsection).~~

20 ~~“(3) Taxpayers subject to recapture.—~~

21 ~~“(A) Fraud or reckless or intentional disregard of rules and~~  
22 ~~regulations.— A taxpayer is described in this paragraph with~~  
23 ~~respect to any taxable year if the Secretary determines that the~~  
24 ~~amount described in paragraph (2)(A) with respect to the~~  
25 ~~taxpayer for such taxable year was determined on the basis of~~  
26 ~~fraud or a reckless or intentional disregard of rules and~~  
27 ~~regulations.~~

28 ~~“(B) Understatement of income; changes in filing status.— If the~~  
29 ~~amount described in paragraph (2)(A) with respect to the~~

~~taxpayer for the taxable year was determined on the basis of an amount of the taxpayer's modified adjusted gross income which was less than the taxpayer's modified adjusted gross income for the applicable taxable year (as defined in subsection (b))—~~

~~“(i) such taxpayer shall be treated as described in this paragraph, and~~

~~“(ii) the increase determined under paragraph (2) by reason of this subparagraph shall not exceed the excess of—~~

~~“(I) the amount described in paragraph (2)(A), over~~

~~“(II) the amount which would be so described if the payments described therein had been determined on the basis of the taxpayer's modified adjusted gross income for the applicable taxable year (as defined in subsection (b)).~~

~~A rule similar to the rule of the preceding sentence shall apply if the amount described in paragraph (2)(A) with respect to the taxpayer for the taxable year was determined on the basis of a filing status of the taxpayer which differs from the taxpayer's filing status for the applicable taxable year (as so defined).~~

~~“(C) Payments made outside of period of presumptive eligibility.— If any payment described in paragraph (2)(A) with respect to the taxpayer for the taxable year was made with respect to a child for a month which was not part of a period of presumptive eligibility established under section 7527B(c) for such child with respect to such taxpayer—~~

~~“(i) such taxpayer shall be treated as described in this paragraph, and~~

~~“(ii) the increase determined under paragraph (2) by reason of this subparagraph shall not exceed the portion of such payment~~



1 ~~so made.~~

2 ~~“(D) Certain payments made after notice from secretary. If the~~  
3 ~~Secretary notifies a taxpayer under section 7527B(j)(2) that such~~  
4 ~~taxpayer is subject to recapture with respect to any payments—~~

5 ~~“(i) such taxpayer shall be treated as described in this paragraph,~~  
6 ~~and~~

7 ~~“(ii) the increase determined under paragraph (2) by reason of~~  
8 ~~this subparagraph shall not exceed the aggregate amount of such~~  
9 ~~payments.~~

10 ~~“(E) Taxpayers moving to another jurisdiction. To minimize~~  
11 ~~the amount of advance payments made under section 7527B to~~  
12 ~~ineligible individuals, the Secretary shall issue regulations or~~  
13 ~~other guidance for purposes of this paragraph which apply with~~  
14 ~~respect to taxpayers who are described in section 7527B(b)(4)~~  
15 ~~with respect to the reference month but are not so described with~~  
16 ~~respect to one or more months during the taxable year for which~~  
17 ~~advance payments under section 7527B are made.~~

18 ~~“(F) Other circumstances to prevent abuse. A taxpayer is~~  
19 ~~described in this paragraph with respect to any taxable year~~  
20 ~~pursuant to regulations or other guidance of the Secretary~~  
21 ~~describing other recapture circumstances to facilitate the~~  
22 ~~administration and enforcement by the Secretary of section~~  
23 ~~7527B to minimize the amount of advance payments made~~  
24 ~~under section 7527B to ineligible individuals and to prevent~~  
25 ~~abuse.~~

26 ~~“(4) Joint returns. Except as otherwise provided by the~~  
27 ~~Secretary, in the case of an advance payment made under~~  
28 ~~section 7527B with respect to a joint return, half of such~~  
29 ~~payment shall be treated as having been made to each individual~~

1 ~~filing such return.~~

2 ~~“(h) Inflation Adjustments.—~~

3 ~~“(1) Monthly specified child allowance.—~~

4 ~~“(A) In general.— In the case of any month beginning after~~  
5 ~~December 31, 2022, each of the dollar amounts in subsection~~  
6 ~~(b)(1) shall be increased by an amount equal to—~~

7 ~~“(i) such dollar amount, multiplied by~~

8 ~~“(ii) the percentage (if any) by which—~~

9 ~~“(I) the CPI (as defined in section 1(f)(4)) for the calendar year~~  
10 ~~preceding the calendar year in which such month begins,~~  
11 ~~exceeds~~

12 ~~“(II) the CPI (as so defined) for calendar year 2020.~~

13 ~~“(B) Rounding.— Any increase under subparagraph (A) which is~~  
14 ~~not a multiple of \$10 shall be rounded to the nearest multiple of~~  
15 ~~\$10.~~

16 ~~“(2) Initial threshold amount.—~~

17 ~~“(A) In general.— In the case of any taxable year beginning after~~  
18 ~~December 31, 2022, the dollar amounts in subclauses (I) and~~  
19 ~~(III) of subsection (b)(2)(D)(i) shall each be increased by an~~  
20 ~~amount equal to—~~

21 ~~“(i) such dollar amount, multiplied by~~

22 ~~“(ii) the percentage (if any) by which—~~

23 ~~“(I) the CPI (as defined in section 1(f)(4)) for the calendar year~~  
24 ~~preceding the calendar year in which such taxable year begins,~~  
25 ~~exceeds~~

26 ~~“(II) the CPI (as so defined) for calendar year 2020.~~

1 ~~“(B) Rounding.— Any increase under subparagraph (A) which is~~  
2 ~~not a multiple of \$5,000 shall be rounded to the nearest multiple~~  
3 ~~of \$5,000.~~

4 ~~“(i) Application of Credit in Possessions.—~~

5 ~~“(1) Mirror code possessions.—~~

6 ~~“(A) In general.— The Secretary shall pay to each possession of~~  
7 ~~the United States with a mirror code tax system amounts equal~~  
8 ~~to the loss (if any) to that possession by reason of the application~~  
9 ~~of this section (determined without regard to this subsection)~~  
10 ~~with respect to taxable years beginning after 2022 and before~~  
11 ~~2026. Such amounts shall be determined by the Secretary based~~  
12 ~~on information provided by the government of the respective~~  
13 ~~possession.~~

14 ~~“(B) Coordination with credit allowed against united states~~  
15 ~~income taxes.— No credit shall be allowed under this section for~~  
16 ~~any taxable year to any individual to whom a credit is allowable~~  
17 ~~against taxes imposed by a possession of the United States with~~  
18 ~~a mirror code tax system by reason of the application of this~~  
19 ~~section in such possession for such taxable year.~~

20 ~~“(C) Mirror code tax system.— For purposes of this paragraph,~~  
21 ~~the term ‘mirror code tax system’ means, with respect to any~~  
22 ~~possession of the United States, the income tax system of such~~  
23 ~~possession if the income tax liability of the residents of such~~  
24 ~~possession under such system is determined by reference to the~~  
25 ~~income tax laws of the United States as if such possession were~~  
26 ~~the United States.~~

27 ~~“(2) Cross references related to application of credit to residents~~  
28 ~~of puerto rico.—~~

29 ~~“(A) For application of refundable credit to residents of Puerto~~

1 ~~Rico, see subsection (d).~~

2 ~~“(B) For application of advance payment to residents of Puerto~~  
3 ~~Rico, see section 7527B(b)(4).~~

4 ~~“(3) American samoa.—~~

5 ~~“(A) In general.—The Secretary shall pay to American Samoa~~  
6 ~~amounts estimated by the Secretary as being equal to the~~  
7 ~~aggregate benefits that would have been provided to residents of~~  
8 ~~American Samoa by reason of the application of this section for~~  
9 ~~taxable years beginning after 2022 and before 2026 if the~~  
10 ~~provisions of this section had been in effect in American Samoa~~  
11 ~~(applied as if American Samoa were the United States and~~  
12 ~~without regard to the application of this section to residents of~~  
13 ~~Puerto Rico under subsection (d)).~~

14 ~~“(B) Distribution requirement.—Subparagraph (A) shall not~~  
15 ~~apply unless American Samoa has a plan, which has been~~  
16 ~~approved by the Secretary, under which American Samoa will~~  
17 ~~promptly distribute such payments to its residents.~~

18 ~~“(C) Coordination with credit allowed against united states~~  
19 ~~income taxes.—~~

20 ~~“(i) In general.—In the case of a taxable year with respect to~~  
21 ~~which a plan is approved under subparagraph (B), this section~~  
22 ~~(other than this subsection) shall not apply to any individual~~  
23 ~~eligible for a distribution under such plan.~~

24 ~~“(ii) Application of section in event of absence of approved~~  
25 ~~plan.—In the case of a taxable year with respect to which a plan~~  
26 ~~is not approved under subparagraph (B), subsection (d) shall be~~  
27 ~~applied by substituting ‘, Puerto Rico, or American Samoa’ for~~  
28 ~~‘or Puerto Rico’.~~

1 ~~“(4) Treatment of payments.— For purposes of section 1324 of~~  
2 ~~title 31, United States Code, the payments under this subsection~~  
3 ~~shall be treated in the same manner as a refund due from a credit~~  
4 ~~provision referred to in subsection (b)(2) of such section.~~

5  
6 \* 55 ~~“(j) Regulations.— The Secretary shall issue such~~  
7 ~~regulations or other guidance as the Secretary determines~~  
8 ~~necessary or appropriate to carry out the purposes of this~~  
9 ~~section, including regulations or other guidance—~~

10 ~~“(1) for determining whether an individual receives care from a~~  
11 ~~taxpayer for purposes of subsection (c)(1), and~~

12 ~~“(2) to coordinate or modify the application of this section and~~  
13 ~~section 24, 7527A, and 7527B in the case of any taxpayer—~~

14 ~~“(A) whose taxable year is other than a calendar year,~~

15 ~~“(B) whose filing status for a taxable year is different from the~~  
16 ~~status used for determining one or more monthly payments~~  
17 ~~under section 7527B during such taxable year, or~~

18 ~~“(C) whose principal place of abode for any month is different~~  
19 ~~from the principal place of abode used for determining the~~  
20 ~~monthly payment under section 7527B for such month.~~

21 ~~“(k) Termination.— This section shall not apply to taxable years~~  
22 ~~beginning after December 31, 2025.~~

23 ~~“SEC. 24B. CREDIT FOR CERTAIN OTHER DEPENDENTS.~~

24 ~~“(a) In General.— There shall be allowed as a credit against the~~  
25 ~~tax imposed by this chapter for the taxable year an amount equal~~  
26 ~~to \$500 with respect to each specified dependent of such~~  
27 ~~taxpayer for such taxable year.~~

28 ~~“(b) Limitation Based on Modified Adjusted Gross Income.—~~

1 ~~“(1) In general.—The amount of the credit allowable under~~  
2 ~~subsection (a) shall be reduced (but not below zero) by \$50 for~~  
3 ~~each \$1,000 (or fraction thereof) by which the taxpayer’s~~  
4 ~~modified adjusted gross income exceeds the threshold amount.~~

5 ~~“(2) Threshold amount.—For purposes of this subsection, the~~  
6 ~~term ‘threshold amount’ means—~~

7 ~~“(A) \$400,000, in the case of a joint return or surviving spouse~~  
8 ~~(as defined in section 2(a)),~~

9 ~~“(B) \$300,000, in the case of a head of household (as defined in~~  
10 ~~section 2(b)), and~~

11 ~~“(C) \$200,000, in any other case.~~

12 ~~“(3) Modified adjusted gross income.—For purposes of this~~  
13 ~~subsection, the term ‘modified adjusted gross income’ means~~  
14 ~~adjusted gross income increased by any amount excluded from~~  
15 ~~gross income under section 911, 931, or 933.~~

16 ~~“(c) Specified Dependent.—For purposes of this section, the~~  
17 ~~term ‘specified dependent’ means, with respect to any taxpayer~~  
18 ~~for any taxable year, any dependent of such taxpayer for such~~  
19 ~~taxable year unless such dependent—~~

20 ~~“(1) is a specified child of the taxpayer, or any other taxpayer,~~  
21 ~~for any month during such taxable year, or~~

22 ~~“(2) would not be a dependent if subparagraph (A) of section~~  
23 ~~152(b)(3) were applied without regard to all that follows—~~  
24 ~~‘resident of the United States’.~~

25 ~~“(d) Identification Requirements.—Rules similar to the rules of~~  
26 ~~section 24(e) shall apply for purposes of this section.~~

27 ~~“(e) Taxable Year Must Be Full Taxable Year.—Except in the~~  
28 ~~case of a taxable year closed by reason of the death of the~~

1 ~~taxpayer, no credit shall be allowable under this section in the~~  
2 ~~case of a taxable year covering a period of less than 12 months.~~

3 ~~“(f) Inflation Adjustment.—~~

4 ~~“(1) In general.— In the case of any taxable year beginning after~~  
5 ~~December 31, 2022, the \$500 amount in subsection (a) shall be~~  
6 ~~increased by an amount equal to—~~

7 ~~“(A) such dollar amount, multiplied by~~

8 ~~“(B) the percentage (if any) by which—~~

9 ~~“(i) the CPI (as defined in section 1(f)(4)) for the calendar year~~  
10 ~~preceding the calendar year in which such taxable year begins,~~  
11 ~~exceeds~~

12 ~~“(ii) the CPI (as so defined) for calendar year 2020.~~

13 ~~“(2) Rounding.— If the increase determined under paragraph (1)~~  
14 ~~is not a multiple of \$10, such increase shall be rounded to the~~  
15 ~~nearest multiple of \$10.~~

16  
17 ~~\* 111 “(g) Regulations.— The Secretary shall issue such~~  
18 ~~regulations or other guidance as the Secretary determines~~  
19 ~~necessary or appropriate to carry out the purposes of this~~  
20 ~~section.~~

21 ~~“(h) Termination.— This section shall not apply to taxable years~~  
22 ~~beginning after December 31, 2025.”.~~

23 ~~(b) Monthly Payment of Child Tax Credit.— Chapter 77 is~~  
24 ~~amended by inserting after section 7527A the following new~~  
25 ~~section:~~

26 ~~“SEC. 7527B. MONTHLY PAYMENTS OF CHILD TAX~~  
27 ~~CREDIT.~~

1 ~~“(a) In General.— The Secretary shall establish a program for~~  
2 ~~making payments to taxpayers with respect to each calendar~~  
3 ~~month equal to the monthly advance child payment determined~~  
4 ~~with respect to such taxpayer for such month.~~

5 ~~“(b) Monthly Advance Child Payment.— For purposes of this~~  
6 ~~section and except as otherwise provided in this section, the~~  
7 ~~term ‘monthly advance child payment’ means, with respect to~~  
8 ~~any taxpayer for any calendar month, the amount (if any) which~~  
9 ~~is estimated by the Secretary as being equal to the monthly~~  
10 ~~specified child allowance which would be determined under~~  
11 ~~section 24A(b) with respect to such taxpayer for such calendar~~  
12 ~~month if—~~

13 ~~“(1) unless determined by the Secretary based on any~~  
14 ~~information known to the Secretary, the only specified children~~  
15 ~~of such taxpayer for such calendar month are the specified~~  
16 ~~children of such taxpayer for the reference month,~~

17 ~~“(2) unless determined by the Secretary based on any~~  
18 ~~information known to the Secretary, the ages of such children~~  
19 ~~(and the status of such children as specified children) are~~  
20 ~~determined for such calendar month by taking into account the~~  
21 ~~passage of time since such reference month,~~

22 ~~“(3) the limitations of section 24A(b)(2) were applied with~~  
23 ~~respect to the reference taxable year rather than with respect to~~  
24 ~~the applicable taxable year, and~~

25 ~~“(4) unless determined by the Secretary based on any~~  
26 ~~information known to the Secretary, no monthly specified child~~  
27 ~~allowance were determined with respect to such taxpayer for~~  
28 ~~such calendar month unless the taxpayer (in the case of a joint~~  
29 ~~return, either spouse) has a principal place of abode (determined~~



1 ~~as provided in section 32) in the United States or Puerto Rico for~~  
2 ~~more than one half of the reference month.~~

3 ~~“(c) Presumptive Eligibility.—~~

4 ~~“(1) In general.—An individual shall be treated as a specified~~  
5 ~~child of a taxpayer for purposes of determining any monthly~~  
6 ~~advance child payment under this section only if such month is~~  
7 ~~part of the period of presumptive eligibility determined by the~~  
8 ~~Secretary under this subsection with respect to such specified~~  
9 ~~child and such taxpayer (determined by treating the month~~  
10 ~~described in subclause (I) of paragraph (2)(A)(ii) as being the~~  
11 ~~first month beginning after the determination described in such~~  
12 ~~subclause).~~

13 ~~“(2) Period of presumptive eligibility.—For purposes of this~~  
14 ~~section—~~

15 ~~“(A) In general.—Except as otherwise provided by the~~  
16 ~~Secretary, the term ‘period of presumptive eligibility’ means the~~  
17 ~~period—~~

18 ~~“(i) beginning with the month for which presumptive eligibility~~  
19 ~~is established, and~~

20 ~~“(ii) ending with the earliest of—~~

21 ~~“(I) the beginning of the month described in clause (i) if the~~  
22 ~~Secretary determines that the taxpayer committed fraud or~~  
23 ~~intentionally disregarded rules or regulations in establishing or~~  
24 ~~maintaining presumptive eligibility,~~

25 ~~“(II) in the case of any notification from the Secretary that the~~  
26 ~~period of presumptive eligibility has been terminated or~~  
27 ~~suspended by reason of any question regarding eligibility of the~~  
28 ~~taxpayer for monthly advance child payments with respect to~~

1 ~~such child, the month specified in such notice as the month on~~  
2 ~~which such termination or suspension begins, and~~

3 ~~“(III) the month following any failure of the taxpayer to make~~  
4 ~~the required annual renewal of presumptive eligibility by such~~  
5 ~~date as the Secretary may provide.~~

6 ~~“(B) Establishing presumptive eligibility.— A taxpayer shall~~  
7 ~~establish presumptive eligibility with respect to any specified~~  
8 ~~child for any month at such time and in such manner as the~~  
9 ~~Secretary may provide. Except as otherwise provided by the~~  
10 ~~Secretary, in order to establish a period of presumptive~~  
11 ~~eligibility the taxpayer must express a reasonable expectation~~  
12 ~~and intent that the taxpayer will continue to be eligible with~~  
13 ~~respect to such specified child for at least the two months~~  
14 ~~following the month for which presumptive eligibility is to be~~  
15 ~~established.~~

16 ~~“(C) Method of establishing presumptive eligibility.— The~~  
17 ~~Secretary shall ensure information to establish presumptive~~  
18 ~~eligibility under this paragraph may be provided on the return of~~  
19 ~~tax for the taxable year ending before the calendar year which~~  
20 ~~includes the month for which such eligibility is to be~~  
21 ~~established, through the on-line portal described in subsection~~  
22 ~~(c), or in such other manner as the Secretary may provide.~~

23 ~~“(D) Inclusion of automatic grace periods and periods of~~  
24 ~~hardship.— The period of presumptive eligibility shall include~~  
25 ~~any period to which paragraph (1) or (2) of subsection (g)~~  
26 ~~applies.~~

27 ~~“(E) Automatic eligibility for birth of child.— The Secretary~~  
28 ~~shall issue regulations or other guidance to establish procedures~~  
29 ~~pursuant to which, to the maximum extent administratively~~

1 practicable—

2 ~~“(i) a parent of a child born during a calendar month shall be~~  
3 ~~treated as automatically establishing presumptive eligibility with~~  
4 ~~respect to such child;~~

5 ~~“(ii) the period of such automatic presumptive eligibility is~~  
6 ~~determined, and~~

7 ~~“(iii) the first monthly advance child payment with respect to~~  
8 ~~such child is adjusted to properly take into account each month~~  
9 ~~in the taxable year preceding such birth.~~

10 ~~“(F) Presumptive eligibility based on certain government~~  
11 ~~programs.— The Secretary shall issue regulations or other~~  
12 ~~guidance to establish procedures under which—~~

13 ~~“(i) based on information provided to the Secretary by one or~~  
14 ~~more government entities, a parent or specified relative of a~~  
15 ~~child is treated as automatically establishing presumptive~~  
16 ~~eligibility with respect to such child, and~~

17 ~~“(ii) the period for which such automatic presumptive eligibility~~  
18 ~~is determined (including any additional circumstances under~~  
19 ~~which such period will terminate).~~

20 ~~“(G) Coordination with presumption.— For purposes of~~  
21 ~~determining the status of any individual as a specified child for~~  
22 ~~purposes of determining presumptive eligibility with respect to~~  
23 ~~any period, section 24A(c) shall be applied without regard to~~  
24 ~~paragraph (7) thereof.~~

25 ~~“(3) Notice of termination of presumptive eligibility by reason~~  
26 ~~of failure to make annual renewal.— If a taxpayer’s period of~~  
27 ~~presumptive eligibility with respect to any specified child~~  
28 ~~terminates by reason of paragraph (2)(A)(ii)(IV), the Secretary~~

1 ~~shall provide the taxpayer a written notice of such termination.~~

2 ~~“(d) Determination of Reference Month and Reference Taxable~~  
3 ~~Year.— For purposes of this section—~~

4 ~~“(1) Reference month.— The term ‘reference month’ means,~~  
5 ~~with respect to any taxpayer for any calendar month, the most~~  
6 ~~recent of—~~

7 ~~“(A) in the case of a taxpayer who filed a return of tax for the~~  
8 ~~last taxable year ending before such calendar month, the last~~  
9 ~~month of such taxable year,~~

10 ~~“(B) in the case of a taxpayer who filed a return of tax for the~~  
11 ~~taxable year preceding the taxable year described in~~  
12 ~~subparagraph (A), the last month of such preceding taxable year,~~  
13 ~~and~~

14 ~~“(C) in the case of a taxpayer who provides, through a specified~~  
15 ~~alternative mechanism, information which is sufficient to~~  
16 ~~estimate the taxpayer’s monthly advance child payment for such~~  
17 ~~month, such month.~~

18 ~~“(2) Reference taxable year.— The term ‘reference taxable year’~~  
19 ~~means, with respect to any taxpayer for any calendar month, the~~  
20 ~~most recent of—~~

21 ~~“(A) the taxable year described in subparagraph (A) or (B) of~~  
22 ~~paragraph (1), or~~

23 ~~“(B) in the case of a taxpayer who provides, through a specified~~  
24 ~~alternative mechanism, information which is sufficient to~~  
25 ~~estimate the taxpayer’s modified adjusted gross income for the~~  
26 ~~taxable year which includes such month, such taxable year.~~

27 ~~“(3) Availability of information.— Any month or year referred to~~  
28 ~~in subparagraphs (A), (B), or (C) of paragraph (1) or~~

1 ~~subparagraph (A) or (B) of paragraph (2) shall not be taken into~~  
2 ~~account in determining the reference month or reference taxable~~  
3 ~~year with respect to any calendar month unless all relevant~~  
4 ~~information with respect to such month or year is available to~~  
5 ~~the Secretary and the Secretary has adequate time to make~~  
6 ~~estimates under this section on the basis of such information~~  
7 ~~before the beginning of such calendar month.~~

8 ~~“(4) Treatment of insufficient information.—Except as~~  
9 ~~otherwise provided by the Secretary—~~

10 ~~“(A) if a taxpayer is not described in subparagraph (A), (B), or~~  
11 ~~(C) of paragraph (1) with respect to any calendar month, the~~  
12 ~~monthly advance child payment with respect to such taxpayer~~  
13 ~~for such calendar month shall be treated as zero unless the~~  
14 ~~Secretary determines that the Secretary can make the estimate~~  
15 ~~described in subsection (b) on the basis of information known to~~  
16 ~~the Secretary which the Secretary determines is reasonably~~  
17 ~~reliable, and~~

18 ~~“(B) if the taxpayer is not described in paragraph (1)(C) and the~~  
19 ~~information on the return of tax referred to in subparagraph (A)~~  
20 ~~or (B) of paragraph (1) does not establish the status of the~~  
21 ~~taxpayer (in the case of a joint return, either spouse) as having a~~  
22 ~~principal place of abode (determined as provided in section 32)~~  
23 ~~in the United States or Puerto Rico for more than one half of the~~  
24 ~~reference month, the Secretary shall determine such status based~~  
25 ~~on information known to the Secretary.~~

26 ~~“(5) Transition rule.—In any case with respect to which section~~  
27 ~~24A was not in effect for the taxable year described in~~  
28 ~~subparagraph (A), (B), or (C) of paragraph (1) (whichever is~~  
29 ~~applicable), subsection (b)(1) shall be applied by substituting~~  
30 ~~‘the qualifying children of such taxpayer for the taxable year~~

1 ~~which includes the reference month' for 'the specified children-~~  
2 ~~of such taxpayer for the reference month'.~~

3 ~~“(e) On-line Information Portal; Specified Alternative-~~  
4 ~~Mechanisms.—~~

5 ~~“(1) On-line information portal.—The Secretary shall establish~~  
6 ~~an on-line portal which allows taxpayers to—~~

7 ~~“(A) subject to such restrictions as the Secretary may provide,~~  
8 ~~elect to begin or cease receiving payments under this section,~~  
9 ~~and~~

10 ~~“(B) provide information to the Secretary which is relevant in~~  
11 ~~determining the monthly advance child payment and the~~  
12 ~~taxpayer's eligibility for such payment, including information~~  
13 ~~regarding—~~

14 ~~“(i) the number of the taxpayer's specified children, including~~  
15 ~~by reason of the birth of a child,~~

16 ~~“(ii) the taxpayer's marital status,~~

17 ~~“(iii) the taxpayer's modified adjusted gross income,~~

18 ~~“(iv) the taxpayer's principal place of abode, and~~

19 ~~“(v) any other factor which the Secretary may provide.~~

20 ~~“(2) Specified alternative mechanism.—For purposes of this~~  
21 ~~section, the term 'specified alternative mechanism' means the~~  
22 ~~on-line portal established under paragraph (1), the on-line portal~~  
23 ~~established under section 7527A, and any other mechanism or~~  
24 ~~method established by the Secretary to allow taxpayer's to~~  
25 ~~provide the information described in paragraph (1) (including in~~  
26 ~~connection with the filing of any return of tax).~~

27 ~~“(f) Specified Child of More Than 1 Taxpayer.—~~

1 ~~“(1) In general.— In the event that (without regard to this-~~  
2 ~~paragraph and determined without regard to any election under~~  
3 ~~subsection (e)(1)) any specified child would be taken into-~~  
4 ~~account in determining the monthly advance child payment of~~  
5 ~~more than one taxpayer for the same calendar month—~~

6 ~~“(A) except as provided in subparagraph (B), such child shall be-~~  
7 ~~so taken into account only with respect to the taxpayer with the~~  
8 ~~most recent reference month, and~~

9 ~~“(B) if any such taxpayer is described in subsection (d)(1)(C) (or~~  
10 ~~more than 1 taxpayer is described in subparagraph (A) of this~~  
11 ~~paragraph), the Secretary shall establish procedures under which~~  
12 ~~the Secretary expeditiously adjudicates the taxpayer’s competing~~  
13 ~~claims of presumptive eligibility with respect to the same child.~~

14 ~~“(2) Provisions related to adjudication.—~~

15 ~~“(A) Expedited process; appeals.— The procedures established~~  
16 ~~under paragraph (1)(B) shall include—~~

17 ~~“(i) an expedited process for taxpayers who meet such-~~  
18 ~~requirements as the Secretary may establish for such expedited-~~  
19 ~~process, and~~

20 ~~“(ii) procedures for adjudicating an appeal of an adverse-~~  
21 ~~decision.~~

22 ~~“(B) Information receipt and coordination.— The Secretary may~~  
23 ~~enter into agreements to receive information from, and~~  
24 ~~otherwise coordinate with—~~

25 ~~“(i) Federal agencies (including the Social Security-~~  
26 ~~Administration and the Department of Agriculture);~~

27 ~~“(ii) any State, local government, Tribal government, or~~  
28 ~~possession of the United States, and~~

1 ~~“(iii) any other individual or entity that the Secretary determines-~~  
2 ~~to be appropriate for purposes of adjudicating a competing claim~~  
3 ~~described in paragraph (1).~~

4 ~~“(C) Adjudication not treated as assessment.—An adjudication-~~  
5 ~~under the procedures established under paragraph (1)(B)-~~  
6 ~~(including the adjudication of any appeal) shall not be treated as-~~  
7 ~~an assessment described in section 6201.~~

8 ~~“(D) Adjudication not treated as inspection of taxpayer’s books-~~  
9 ~~of account.—The inspection of a taxpayer’s books of account in-~~  
10 ~~connection with any adjudication under the procedures-~~  
11 ~~established under paragraph (1)(B) (including the adjudication-~~  
12 ~~of any appeal) shall not be treated as an examination or-~~  
13 ~~inspection of a taxpayer’s books of account for purposes of~~  
14 ~~section 7605(b).~~

15 ~~“(3) Retroactive payments.—If, pursuant to the procedures-~~  
16 ~~established under paragraph (1)(B), the Secretary determines-~~  
17 ~~that a child is a specified child of a taxpayer and the Secretary-~~  
18 ~~did not make payments to such taxpayer with respect to such-~~  
19 ~~child for any portion of the period during which the-~~  
20 ~~determination was made, the Secretary may make a one-time-~~  
21 ~~payment to the taxpayer with respect to which such child is the-~~  
22 ~~specified child in an amount equal to the aggregate amount by-~~  
23 ~~which the monthly advance child payments to such taxpayer-~~  
24 ~~would have increased during such period if such determination-~~  
25 ~~had been made immediately.~~

26 ~~“(4) Recapture of payments.—If, pursuant to the procedures-~~  
27 ~~established under paragraph (1)(B), the Secretary makes-~~  
28 ~~payments with respect to the child during the period during-~~  
29 ~~which the determination is made—~~



1 ~~“(A) the Secretary shall provide each taxpayer which receives~~  
2 ~~such payments notice that such payments may be subject to~~  
3 ~~recapture, and~~

4 ~~“(B) upon making such determination, the Secretary shall~~  
5 ~~determine on the basis of the facts and circumstances of each~~  
6 ~~such taxpayer whether any such payments should be subject to~~  
7 ~~recapture and shall so notify each such taxpayer.~~

8 ~~“(g) Rules Related to Grace Periods and Hardships.—~~

9 ~~“(1) Automatic grace period.—~~

10 ~~“(A) In general.— Notwithstanding subsection (f), in the case of~~  
11 ~~any failure or delay in establishing a period of presumptive~~  
12 ~~eligibility with respect to which the taxpayer elects the~~  
13 ~~application of this subparagraph, credit under section 24A or~~  
14 ~~retroactive payment under this section (similar to the payment~~  
15 ~~described in subsection (f)(3)) shall be allowed or made with~~  
16 ~~respect to so much of the period of such failure or delay as does~~  
17 ~~not exceed 3 months. The preceding sentence shall not apply if~~  
18 ~~the Secretary determines that such failure or delay was due to~~  
19 ~~fraud or reckless or intentional disregard of rules and~~  
20 ~~regulations.~~

21 ~~“(B) Limitation.— Subparagraph (A) shall not apply with respect~~  
22 ~~to any taxpayer more than once during any 36 month period.~~

23 ~~“(2) Hardship.— Notwithstanding subsection (f), if the Secretary~~  
24 ~~determines that a failure or delay in establishing a period of~~  
25 ~~presumptive eligibility with respect to any specified child was~~  
26 ~~due to domestic violence, serious illness, natural disaster, or any~~  
27 ~~other hardship, credit under section 24A or retroactive payment~~  
28 ~~under this section (similar to the payment described in~~  
29 ~~subsection (f)(3)) shall be allowed or made with respect to so~~

1 ~~much of the period of such failure or delay as does not exceed 6-~~  
2 ~~months.~~

3 ~~“(h) Provisions Related to Form, Manner, and Treatment of~~  
4 ~~Payments.—~~

5 ~~“(1) Application of electronic funds payment requirement.—The~~  
6 ~~payments made by the Secretary under subsection (a) shall be~~  
7 ~~made by electronic funds transfer to the same extent and in the~~  
8 ~~same manner as if such payments were Federal payments not~~  
9 ~~made under this title.~~

10 ~~“(2) Application of certain rules.—Rules similar to the rules of~~  
11 ~~subparagraphs (B) and (C) of section 6428A(f)(3) shall apply for~~  
12 ~~purposes of this section, applied by substituting ‘January 1,~~  
13 ~~2022’ for ‘January 1, 2019’ in clauses (i) and (ii) of such~~  
14 ~~subparagraph (B).~~

15 ~~“(3) Exception from reduction or offset.—Any payment made to~~  
16 ~~any individual under this section shall not be—~~

17 ~~“(A) subject to reduction or offset pursuant to subsection (c),~~  
18 ~~(d), (e), or (f) of section 6402 or any similar authority permitting~~  
19 ~~offset, or~~

20 ~~“(B) reduced or offset by other assessed Federal taxes that~~  
21 ~~would otherwise be subject to levy or collection.~~

22 ~~“(4) Application of advance payments in the possessions of the~~  
23 ~~united states.—~~

24 ~~“(A) Puerto rico.—~~

25 ~~“(i) For application of child tax credit to residents of Puerto~~  
26 ~~Rico, see section 24A(d).~~

27 ~~“(ii) For application of monthly advance child payments to~~  
28 ~~residents of Puerto Rico, see subsection (b)(4).~~

1 ~~“(B) Mirror code possessions.— In the case of any possession of~~  
2 ~~the United States with a mirror code tax system (as defined in~~  
3 ~~section 24A(i)(1)(C)), this section shall not be treated as part of~~  
4 ~~the income tax laws of the United States for purposes of~~  
5 ~~determining the income tax law of such possession unless such~~  
6 ~~possession elects to have this section be so treated.~~

7 ~~“(C) Administrative expenses of advance payments.—~~

8 ~~“(i) Mirror code possessions.— In the case of any possession~~  
9 ~~described in subparagraph (B) which makes the election~~  
10 ~~described in such subparagraph, the amount otherwise paid by~~  
11 ~~the Secretary to such possession under section 24A(i)(1)(A) with~~  
12 ~~respect to taxable years beginning in 2023, 2024, and 2025 shall~~  
13 ~~each be increased by \$300,000 if such possession has a plan,~~  
14 ~~which has been approved by the Secretary, for making monthly~~  
15 ~~advance child payments consistent with such election.~~

16 ~~“(ii) American samoa.— The amount otherwise paid by the~~  
17 ~~Secretary to American Samoa under subparagraph (A) of section~~  
18 ~~24A(i)(3) with respect to taxable years beginning in 2023, 2024,~~  
19 ~~and 2025 shall each be increased by \$300,000 if the plan~~  
20 ~~described in subparagraph (B) of such section includes a~~  
21 ~~program, which has been approved by the Secretary, for making~~  
22 ~~monthly advance child payments under rules similar to the rules~~  
23 ~~of this section.~~

24 ~~“(iii) Timing of payment.— The Secretary may pay, upon the~~  
25 ~~request of the possession of the United States to which the~~  
26 ~~payment is to be made, the amount of the increase determined~~  
27 ~~under clause (i) or (ii), respectively, immediately upon approval~~  
28 ~~of the plan with respect to which such payment relates.~~

29 ~~“(i) Application of Certain Definitions and Rules Applicable to~~

1 ~~Child Tax Credit.—~~

2 ~~“(1) Definitions.— Except as otherwise provided in this section,~~  
3 ~~terms used in this section which are also used in section 24A~~  
4 ~~shall have the same respective meanings as when used in section~~  
5 ~~24A.~~

6 ~~“(2) Treatment of certain deaths.— A child shall not be taken~~  
7 ~~into account in determining the monthly advance child payment~~  
8 ~~for any calendar month if the death of such child before the~~  
9 ~~beginning of the calendar year which includes such month is~~  
10 ~~known to the Secretary as of date on which the Secretary~~  
11 ~~estimates such payment.~~

12 ~~“(3) Identification requirements.— Rules similar to the rules~~  
13 ~~which apply under section 24A(e) shall apply for purposes of~~  
14 ~~this section except that such rules shall apply with respect to the~~  
15 ~~return of tax for the reference taxable year or, in the case of~~  
16 ~~information provided through a specified alternative mechanism,~~  
17 ~~with respect to the information provided through such~~  
18 ~~mechanism.~~

19 ~~“(4) Restrictions on taxpayers who improperly claimed credit or~~  
20 ~~monthly advance child payments.— For restrictions on taxpayers~~  
21 ~~who improperly claimed credit or monthly advance child~~  
22 ~~payments, see section 24A(f).~~

23 ~~“(j) Notice of Payments.—~~

24 ~~“(1) In general.— Not later than January 31 of the calendar year~~  
25 ~~following any calendar year during which the Secretary makes~~  
26 ~~one or more payments to any taxpayer under this section, the~~  
27 ~~Secretary shall provide such taxpayer with a written notice~~  
28 ~~which includes—~~

29 ~~“(A) the taxpayer’s taxpayer identity (as defined in section~~

1 ~~6103(b)(6)),~~

2 ~~“(B) the aggregate amount of such payments made to such~~  
3 ~~taxpayer during such calendar year, and~~

4 ~~“(C) such other information as the Secretary determines~~  
5 ~~appropriate.~~

6 ~~“(2) Certain payments subject to recapture. — In the case of any~~  
7 ~~payments made to a taxpayer which the Secretary has~~  
8 ~~determined are subject to recapture, the notice provided under~~  
9 ~~paragraph (1) to such taxpayer shall include the amount of such~~  
10 ~~payments.~~

11 ~~“(k) Regulations. — The Secretary shall issue such regulations or~~  
12 ~~other guidance as the Secretary determines necessary or~~  
13 ~~appropriate to carry out the purposes of this section.~~

14 ~~“(l) Termination. — No payments shall be made under the~~  
15 ~~program established under subsection (a) with respect to any~~  
16 ~~month beginning after December 31, 2025.”.~~

17 ~~(c) Suspension of Child Tax Credit During Period That Monthly~~  
18 ~~Child Tax Credit Is in Effect. — Section 24 is amended by adding~~  
19 ~~at the end the following new subsection:~~

20 ~~“(1) Coordination With Monthly Child Tax Credit. — This section~~  
21 ~~shall not apply to (and no payment shall be made under~~  
22 ~~subsection (k) with respect to) any taxable year beginning after~~  
23 ~~December 31, 2022, and before January 1, 2026.”.~~

24 ~~(d) Conforming Amendments. —~~

25 ~~(1) Section 26(b)(2) is amended by striking “and” at the end of~~  
26 ~~subparagraph (Y), by striking the period at the end of~~  
27 ~~subparagraph (Z) and inserting “, and”, and by adding at the end~~  
28 ~~the following new subparagraph:~~

- 1 ~~“(AA) section 24A(g)(2) (relating to recapture of certain~~  
2 ~~monthly advance child payments).”.~~
- 3 ~~(2) Section 152(f)(6)(B)(ii) is amended to read as follows:~~  
4 ~~“(ii) the credits under sections 24, 24A, and 24B and the~~  
5 ~~payments under sections 7527A and 7527B.”.~~
- 6 ~~(3) Section 3402(f)(1)(C) is amended by inserting “or section~~  
7 ~~24A (determined after application of subsection (g) thereof)”~~  
8 ~~after “section 24 (determined after application of subsection (j)~~  
9 ~~thereof)”.~~
- 10 ~~(4) Section 6103(l)(13)(A)(v) is amended by insert “or section~~  
11 ~~24A, as the case may be” after “section 24”.~~
- 12 ~~(5) Section 6211(b)(4)(A) is amended by inserting “24A by~~  
13 ~~reason of subsection (d) thereof,” after “24 by reason of~~  
14 ~~subsections (d) and (i)(1) thereof.”.~~
- 15 ~~(6) Section 6213(g)(2)(I) is amended by inserting “or section~~  
16 ~~24A(e) (relating to monthly child tax credit)” after “section~~  
17 ~~24(e) (relating to child tax credit)”.~~
- 18 ~~(7) Section 6213(g)(2)(L) is amended by inserting “24A,” after~~  
19 ~~“24.”.~~
- 20 ~~(8) Section 6213(g)(2)(P) is amended—~~  
21 ~~(A) by inserting “or 24A(f)(2)” after “section 24(g)(2)”;~~  
22 ~~(B) by inserting “or 24A” after “under section 24”, and~~  
23 ~~(C) by striking “subsection (g)(1) thereof” and inserting “section~~  
24 ~~24(g)(1) or section 24A(f)(1), respectively”.~~
- 25 ~~(9) Section 6695(g)(2) is amended by inserting “24A,” after~~  
26 ~~“24.”.~~
- 27 ~~(10) Paragraph (2) of section 1324(b) of title 31, United States~~

1 ~~Code, as amended by the preceding provisions of this Act, is~~  
2 ~~amended—~~

3 ~~(A) by inserting “24A,” after “24,” and~~

4 ~~(B) by inserting “7527B,” after “7527A.”.~~

5  
6 ~~\* 94 (11) The table of sections for subpart A of part IV of~~  
7 ~~subchapter A of chapter 1 is amended by inserting after the item~~  
8 ~~relating to section 24 the following new items:~~

9 ~~“Sec.24A.Monthly child tax credit.~~

10 ~~“Sec.24B.Credit for certain other dependents.”.~~

11 ~~(12) The table of sections for chapter 77 is amended by inserting~~  
12 ~~after the item relating to section 7527A the following new item:~~

13 ~~“Sec.7527B.Monthly payments of child tax credit.”.~~

14 ~~(e) Effective Dates.—~~

15  
16 ~~\* 100 (1) In general.— Except as otherwise provided in this~~  
17 ~~subsection, the amendments made by this section shall apply to~~  
18 ~~taxable years beginning after December 31, 2022.~~

19 ~~(2) Monthly advance child payments.— The amendments made~~  
20 ~~by subsection (b) shall apply to payments made for calendar~~  
21 ~~months beginning after December 31, 2022.~~

22 ~~SEC. 137104~~ **SEC. 137103. REFUNDABLE CHILD TAX**  
23 **CREDIT AFTER 2025 2022.**

24 ~~\*\* 101 (a) In General.—Section 401(k) 24 is amended by adding at the end the following new~~  
25 ~~paragraph subsection:~~

26 ~~\* 138 (a) In General.— Section 24, as amended by the preceding provisions of this Act, is~~  
27 ~~amended by adding at the end the following new subsection:~~

28

1     ~~“(m)“(I) Refundable Credit After 2025.—In 2022.—In~~ the case of any taxable year beginning  
2 after December 31, ~~2025~~ **2022**, if the taxpayer (in the case of a joint return, either spouse) has a  
3 principal place of abode in the United States (determined as provided in section 32) for more  
4 than one-half of the taxable year or is a bona fide resident of Puerto Rico (within the meaning of  
5 section 937(a)) for such taxable year—

6             “(1) subsection (d) shall not apply, and

7             “(2) **so much of** the credit determined under subsection (a) (after application of  
8 paragraph (1)) **as does not exceed the amount of such credit which would be so**  
9 **determined without regard to subsection (h)(4)** shall be allowed under subpart C (and not  
10 allowed under this ~~subpart).~~” **subpart)**”.

11 (b) Conforming Amendments Related to Possessions of the United States.—

12             (1) PUERTO RICO.—Section 24(k)(2)(~~B~~), is ~~amended—~~

13             ~~(A) in subparagraph (B) (as amended by the preceding provisions of this Act)—, is~~  
14 **amended to read as follows:**

15                     (i) by inserting “and before January 1, 2026,” after “December 31, 2022,” and

16                     (ii) by inserting “and before 2026” after “After 2022,” and

17                     ~~(B) by adding at the end the following new subparagraph:~~

18                     ~~“(C)“(B) APPLICATION TO TAXABLE YEARS AFTER 2025.—FOR 2022.—For~~  
19 application of refundable credit to residents of Puerto Rico for taxable years after ~~2025,~~  
20 **2022**, see subsection ~~(m).~~”**(I).**”.

21             (2) AMERICAN SAMOA.—Section 24(k)(3)(C)(ii)(~~II~~), as amended by the preceding  
22 provisions of this Act, is ~~amended—~~ **amended to read as follows:**

23                     ~~(A) in subclause (I), by striking “and” at the end,~~

24                     ~~(B) in subclause (II)—~~

25                     (i) by inserting “and before January 1, 2026,” after “after December 31,  
26 2022,” and

27                     ~~(ii) by striking the period at the end and inserting “, and”, and~~

28                     ~~(C) by adding at the end the following new subclause:~~

29                     ~~“(III)“(II) if such taxable year begins after December 31, 2025, 2022,~~  
30 subsection ~~(m)~~ **(I)** shall be applied by substituting ‘Puerto Rico or American  
31 Samoa’ for ‘Puerto Rico’.”.

32             (c) Effective Date.—The amendments made by this section shall apply to taxable years  
33 beginning after December 31, ~~2025~~ **2022**.

## 34 ~~SEC. 137105.~~ **137104. APPROPRIATIONS.**

35             Immediately upon the enactment of this Act, in addition to amounts otherwise available, there  
36 are appropriated out of any money in the Treasury not otherwise appropriated:

37             (1) ~~\$9,000,000,000~~ **\$3,963,300,000** to remain available until September 30, 2026, for



1 necessary expenses for the Internal Revenue Service to administer the Child Tax Credit, and  
2 advance payments of the Child Tax Credit, including the costs of disbursing such payments,  
3 which shall supplement and not supplant any other appropriations that may be available for  
4 this purpose, and

5 (2) \$1,000,000,000 is appropriated to the Department of the Treasury, to remain available  
6 until September 30, 2026, to support efforts to increase enrollment of eligible families in the  
7 Child Tax Credit, for advance payments of the Child Tax Credit, and for other tax benefits,  
8 including but not limited to program outreach, costs of data sharing arrangements, systems  
9 changes, forms changes, and related efforts, and efforts ~~by federal agencies to facilitate to~~  
10 **support** the cross-enrollment of beneficiaries of other programs in the Child Tax Credit,  
11 and for advance payments of the Child Tax Credit, including by establishing  
12 intergovernmental cooperative agreements with states and local governments, tribal  
13 governments, and possessions of the United States: Provided, that such amount shall be  
14 available in addition to any amounts otherwise available: Provided further, that these funds  
15 may be awarded by federal agencies to state and local governments, tribal governments, and  
16 possessions of the United States, and private entities, including organizations dedicated to  
17 free tax return preparation **and low income taxpayer clinics funded under section 7526 of**  
18 **the Internal Revenue Code of 1986.**

## 19 **PART 2—EARNED INCOME.**

### 20 ~~PART 2—CHILD AND DEPENDENT CARE TAX CREDIT~~

#### 21 ~~SEC. 137201. CERTAIN IMPROVEMENTS TO THE CHILD~~ 22 ~~AND DEPENDENT CARE CREDIT MADE PERMANENT.~~

#### 23 **EARNED INCOME TAX CREDIT EXTENDED** 24 **THROUGH 2022.**

25 ~~(a) Credit Refundable for Taxpayers With Principal Place of Abode in the United~~  
26 ~~States.—Section 21(g)(a) In General.—Section 32(n) is amended by striking “January 1,~~  
27 ~~2022” and inserting “January 1, 2023”.~~

28 **(b) Inflation Adjustment.—Section 32(n)(4)(B) is amended to read as follows;:**

29 ~~“(g) Credit Refundable for Taxpayers With Principal Place of Abode in the United~~  
30 ~~States.—If the taxpayer (in the case of a joint return, either spouse) has a principal~~  
31 ~~place of abode in the United States (determined as provided in section 32) for more~~  
32 ~~than one half of the taxable year, the credit allowed under subsection (a) shall be~~  
33 ~~treated as a credit allowed under subpart C (and not allowed under this subpart).”.~~

34 ~~(b) Increase in Dollar Limit on Amount Creditable.—Section 21(c) is amended—~~

35 ~~(1) by striking “\$3,000” in paragraph (1) and inserting “\$8,000”, and~~

36 ~~(2) by striking “\$6,000” in paragraph (2) and inserting “\$16,000”.~~

37 ~~(c) Increase in Applicable Percentage.—Section 21(a)(2) is amended—~~

38 ~~(1) by striking “35 percent” and inserting “50 percent”, and~~

1           (2) by striking “\$15,000” and inserting “\$125,000”.

2           (d) ~~Application of Increased Dollar Limitation to Spouses Who Are Students or~~  
3 ~~Incapable of Caring for Themselves.—Section 21(d)(2) is amended by striking “of not~~  
4 ~~less than” and all that follows through “In the case of” and inserting “of not less than~~  
5 ~~\1/12\ of the dollar amount in effect under paragraph (1) or (2) of subsection (c)~~  
6 ~~(whichever is applicable to the taxpayer for the taxable year). In the case of”.~~

7           (e) ~~Inflation Adjustment.—Section 21(e) is amended by adding at the end the~~  
8 ~~following new paragraph:~~

9           “~~(1) Inflation adjustment.—~~

10           ~~“(A) In general.—In~~“(B) INFLATION ADJUSTMENT.—~~In the case of any taxable~~  
11 ~~year beginning after December 31, 2021, the \$125,000 amount in subsection (a)(2), the~~  
12 ~~\$8,000 amount in subsection (c)(1), and the \$16,000 amount in subsection (c)(2) shall~~  
13 ~~each 2021, the \$9,820 and \$11,610 dollar amounts in subparagraph (A) shall be~~  
14 ~~increased by an amount equal to—~~

15           “~~(i) such dollar amount, multiplied by~~

16           “~~(ii) the cost-of-living adjustment determined under section 1(f)(3) for the~~  
17 ~~calendar year in which the taxable year begins, determined by substituting~~  
18 ~~‘calendar year 2020’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.~~  
19 ~~thereof.”.~~

20           ~~“(B) Rounding.—~~

21           ~~“(i) Limitation based on adjusted gross income.—If any increase determined under~~  
22 ~~subparagraph (A) of the \$125,000 dollar amount in subsection (a)(2) is not a multiple of \$5,000,~~  
23 ~~such amount shall be rounded to the nearest multiple of \$5,000.~~

24           ~~“(i) Dollar limitations.—If any increase determined under subparagraph (A) of any dollar~~  
25 ~~amount in subsection (c) is not a multiple of \$100, such amount shall be rounded to the nearest~~  
26 ~~multiple of \$100.”.~~

27           ~~(f) Application of Phaseout to High Income Individuals.—~~

28           ~~(1) In general.—Section 21(a)(2) is amended by striking “20 percent” and inserting “the~~  
29 ~~phaseout percentage”.~~

30           ~~(2) Phaseout percentage.—Section 21(a)(c) Election to Determine Earned Income Based on~~  
31 ~~Prior Taxable Year.—Section 32, as amended by subsection (f), is amended by adding at the~~  
32 ~~end the following new subsection: paragraph:~~

33           ~~“(3) Phaseout percentage.—For purposes of paragraph (2), the term ‘phaseout percentage’~~  
34 ~~means 20 percent reduced (but not below zero) by 1 percentage point for each \$2,000 (or fraction~~  
35 ~~thereof) by which the taxpayer’s adjusted gross income for the taxable year exceeds \$400,000.”.~~

36           ~~(g) Application of Credit in Possessions.—Section 21(h) is amended—~~

37           ~~(1) in paragraph (1)—~~

38           ~~(A) by striking “The Secretary” and inserting “With respect to taxable years beginning in or~~  
39 ~~with calendar years after 2020, the Secretary”, and~~

1 (B) by striking “with respect to taxable years beginning in or with 2021”;

2 (2) in paragraph (2)—

3 (A) by striking “The Secretary” and inserting “With respect to taxable years beginning in or  
4 with calendar years after 2020, the Secretary”, and

5 (B) by striking “with respect to taxable years beginning in or with 2021”, and

6 (3) in paragraph (3), by striking “in or with 2021” and inserting “after December 31, 2020”.

7 (h) Effective Date.—The amendments made by this section shall apply to taxable years  
8 beginning after December 31, 2021.

9 ~~SEC. 137202. INCREASE IN EXCLUSION FOR EMPLOYER PROVIDED DEPENDENT-~~  
10 ~~CARE ASSISTANCE MADE PERMANENT.~~

11 (a) In General.—Section 129(a)(2)(A) is amended by striking “\$5,000 (\$2,500” and inserting  
12 “\$10,500 (half such dollar amount”.

13 (b) Inflation Adjustment.—Section 129(e) is amended by adding at the end the following new  
14 paragraph:

15 “(10) Inflation adjustment.—

16 “(A) In general.—In the case of any taxable year beginning after December 31, 2021, the  
17 \$10,500 amount in subsection (a)(2)(A) shall be increased by an amount equal to—

18 “(i) such dollar amount, multiplied by

19 “(ii) the cost of living adjustment determined under section 1(f)(3) for the calendar year in  
20 which the taxable year begins, determined by substituting ‘calendar year 2020’ for ‘calendar year  
21 2016’ in subparagraph (A)(ii) thereof.

22  
23 \*99 (B) Rounding.—If any increase determined under subparagraph (A) is not a multiple of  
24 \$100, such amount shall be rounded to the nearest multiple of \$100.”.

25 (c) Conforming Amendment.—Section 129(a)(2) is amended by striking subparagraph (D).

26 (d) Effective Date.—The amendments made by this section shall apply to taxable years  
27 beginning after December 31, 2021.

28 (e) Retroactive Plan Amendments.—A plan that otherwise satisfies all applicable requirements  
29 of sections 125 and 129 of the Internal Revenue Code of 1986 (including any rules or regulations  
30 thereunder) shall not fail to be treated as a cafeteria plan or dependent care assistance program  
31 merely because such plan is amended pursuant to a provision under this subsection and such  
32 amendment is retroactive, if—

33 (1) such amendment is adopted no later than the last day of the plan year in which the  
34 amendment is effective, and

35 (2) the plan is operated consistent with the terms of such amendment during the period  
36 beginning on the effective date of the amendment and ending on the date the amendment is  
37 adopted.

38 PART 3—SUPPORTING CAREGIVERS

1     ~~SEC. 137301. PAYROLL TAX CREDIT FOR CHILD CARE WORKERS.~~

2  
3     ~~\* 126 (a) In General.— Subchapter D of chapter 21 is amended by adding at the end the~~  
4     ~~following:~~

5     ~~“SEC. 3135. PAYROLL CREDIT FOR CERTAIN WAGES PAID TO CHILD CARE~~  
6     ~~WORKERS:~~

7     ~~“(a) In General.— In the case of an eligible child care employer, there shall be allowed as a~~  
8     ~~credit against applicable employment taxes for each calendar quarter an amount equal to 50~~  
9     ~~percent of the qualified child care wages paid with respect to each eligible employee of such~~  
10    ~~employer for such calendar quarter.~~

11    ~~“(b) Limitations and Refundability.—~~

12    ~~“(1) Limitation on wages taken into account.— The amount of qualified child care wages with~~  
13    ~~respect to any eligible employee which may be taken into account under subsection (a) by the~~  
14    ~~eligible child care employer for any calendar quarter shall not exceed \$2,500.~~

15    ~~“(2) Credit limited to certain employment taxes.— The credit allowed by subsection (a) with~~  
16    ~~respect to any calendar quarter shall not exceed the applicable employment taxes (reduced by~~  
17    ~~any credits allowed under sections 3131, 3132, 3134, and 6432) on the wages paid with respect~~  
18    ~~to the employment of all the employees of the eligible child care employer for such calendar~~  
19    ~~quarter.~~

20    ~~“(3) Refundability of excess credit.—~~

21  
22    ~~\* 128 “(A) Credit is refundable.— If the amount of the credit under subsection (a) exceeds the~~  
23    ~~limitation of paragraph (2) for any calendar quarter, such excess shall be treated as an~~  
24    ~~overpayment that shall be refunded under sections 6402(a) and 6413(b).~~

25    ~~“(B) Advancing credit.— In anticipation of the credit, including the refundable portion under~~  
26    ~~subparagraph (A), the credit shall be advanced, according to forms and instructions provided by~~  
27    ~~the Secretary, up to an amount calculated under subsection (a), subject to the limits under~~  
28    ~~paragraph (1), all calculated through the end of the most recent payroll period in the quarter.~~

29    ~~“(c) Eligible Child Care Employer.— For purposes of this section, the term ‘eligible child care~~  
30    ~~employer’ means any employer which operates one or more qualified child care facilities.~~

31    ~~“(d) Qualified Child Care Facility.— For purposes of this section, the term ‘qualified child care~~  
32    ~~facility’ means any facility which is certified as an HHS Participating Child Care Provider by the~~  
33    ~~Secretary of Health and Human Services under section 418A(e) of the Social Security Act.~~

34    ~~“(e) Eligible Employee.— For purposes of this section, the term ‘eligible employee’ means,~~  
35    ~~with respect to any eligible child care employer for any calendar quarter, any employee of such~~  
36    ~~employer if —~~

37    ~~“(1) the aggregate wages paid to such employee for such quarter do not exceed 25 percent of~~  
38    ~~the dollar amount in effect for such quarter under section 414(q)(1)(B)(i) (relating to highly~~  
39    ~~compensated employees), and~~

40    ~~“(2) the aggregate wages paid to such employee for the 1-year period ending with the close of~~

1 such quarter do not exceed 100 percent of such dollar amount.

2 ~~“(f) Qualified Child Care Wages.— For purposes of this section—~~

3 ~~“(1) In general.— The term ‘qualified child care wages’ means, with respect to any eligible~~  
4 ~~employee for any calendar quarter, so much of the child care wages paid by the eligible child~~  
5 ~~care employer to such employee during such quarter as are paid at a rate in excess of the~~  
6 ~~applicable minimum rate. Such term shall not include any wages paid by an eligible child care~~  
7 ~~employer during any period during which the certification described in subsection (d) is not in~~  
8 ~~effect.~~

9 ~~“(2) Applicable minimum rate.— The term ‘applicable minimum rate’ means, with respect to~~  
10 ~~wages paid to any eligible employee, the rate of basic pay which is payable for GS-3, step 1 of~~  
11 ~~the General Schedule under subchapter III of chapter 53 of title 5, United States Code (including~~  
12 ~~any applicable locality-based comparability payment under section 5304 of such title, or similar~~  
13 ~~authority) at the time such wages are paid and determined with respect to the locality in which~~  
14 ~~the services are provided.~~

15 ~~“(3) Child care wages.— The term ‘child care wages’ means wages paid for the services of the~~  
16 ~~employee to provide child care at a qualified child care facility or to provide support services for~~  
17 ~~such a facility.~~

18 ~~“(4) Exception.— The term ‘child care wages’ shall not include any wages taken into account~~  
19 ~~under section 41, 45A, 45P, 45R, 51, 1396, 3131, 3132, 3134, or 6432.~~

20 ~~“(g) Other Definitions and Special Rules.— For purposes of this section—~~

21 ~~“(1) Applicable employment taxes.— The term ‘applicable employment taxes’ means the~~  
22 ~~following:~~

23 ~~“(A) The taxes imposed under section 3111(b).~~

24 ~~“(B) So much of the taxes imposed under section 3221(a) as are attributable to the rate in~~  
25 ~~effect under section 3111(b).~~

26 ~~“(2) Wages.—~~

27 ~~“(A) In general.— The term ‘wages’ means wages (as defined in section 3121(a)), determined~~  
28 ~~without regard to paragraphs (1) through (22) of section 3121(b)) and compensation (as defined~~  
29 ~~in section 3231(e), determined without regard to the sentence in paragraph (1) thereof which~~  
30 ~~begins ‘Such term does not include remuneration’).~~

31 ~~“(B) Allowance for certain health plan expenses.—~~

32 ~~“(i) In general.— Such term shall include amounts paid by the eligible child care employer to~~  
33 ~~provide and maintain a group health plan (as defined in section 5000(b)(1)), but only to the~~  
34 ~~extent that such amounts are excluded from the gross income of employees by reason of section~~  
35 ~~106(a).~~

36 ~~“(ii) Allocation rules.— For purposes of this section, amounts treated as wages under clause (i)~~  
37 ~~shall be treated as paid with respect to any eligible employee (and with respect to any period) to~~  
38 ~~the extent that such amounts are properly allocable to such employee (and to such period) in such~~  
39 ~~manner as the Secretary may prescribe. Except as otherwise provided by the Secretary, such~~  
40 ~~allocation shall be treated as properly made if made on the basis of being pro rata among periods~~

1 of coverage.

2  
3 \* 130 ~~“(3) Other terms.—Any term used in this section which is also used in this chapter or~~  
4 ~~chapter 22 shall have the same meaning as when used in such chapter.~~

5 ~~“(4) Denial of double benefit.—For purposes of chapter 1, the gross income of the employer,~~  
6 ~~for the taxable year which includes the last day of any calendar quarter with respect to which a~~  
7 ~~credit is allowed under this section, shall be increased by the amount of such credit.~~

8 ~~“(5) Election to not take certain wages into account.—This section shall not apply to so much~~  
9 ~~of the qualified child care wages paid by an eligible child care employer as such employer elects~~  
10 ~~(at such time and in such manner as the Secretary may prescribe) to not take into account for~~  
11 ~~purposes of this section.~~

12 ~~“(6) Certain governmental employers.—No credit shall be allowed under this section to the~~  
13 ~~Government of the United States or to any agency or instrumentality thereof. The preceding~~  
14 ~~sentence shall not apply to any organization described in section 501(c)(1) and exempt from tax~~  
15 ~~under section 501(a).~~

16 ~~“(7) Coordination with certain programs.—~~

17 ~~“(A) In general.—This section shall not apply to so much of the qualified child care wages~~  
18 ~~paid by an eligible child care employer as are taken into account as payroll costs in connection~~  
19 ~~with—~~

20 ~~“(i) a covered loan under section 7(a)(37) or 7A of the Small Business Act,~~

21 ~~“(ii) a grant under section 324 of the Economic Aid to Hard Hit Small Businesses,~~  
22 ~~Non-Profits, and Venues Act, or~~

23 ~~“(iii) a restaurant revitalization grant under section 5003 of the American Rescue Plan Act of~~  
24 ~~2021.~~

25 ~~“(B) Application where ppp loans not forgiven.—The Secretary shall issue guidance providing~~  
26 ~~that payroll costs paid during the covered period shall not fail to be treated as qualified child care~~  
27 ~~wages under this section by reason of subparagraph (A)(i) to the extent that—~~

28 ~~“(i) a covered loan of the taxpayer under section 7(a)(37) of the Small Business Act is not~~  
29 ~~forgiven by reason of a decision under section 7(a)(37)(J) of such Act, or~~

30 ~~“(ii) a covered loan of the taxpayer under section 7A of the Small Business Act is not forgiven~~  
31 ~~by reason of a decision under section 7A(g) of such Act.~~

32 ~~Terms used in the preceding sentence which are also used in section 7A(g) or 7(a)(37)(J) of~~  
33 ~~the Small Business Act shall, when applied in connection with either such section, have the same~~  
34 ~~meaning as when used in such section, respectively.~~

35  
36 \* 131 ~~“(8) Aggregation rule.—All persons treated as a single employer under subsection (a) or~~  
37 ~~(b) of section 52, or subsection (m) or (o) of section 414, shall be treated as one employer for~~  
38 ~~purposes of this section.~~

39 ~~“(9) Third party payors.—Any credit allowed under this section shall be treated as a credit~~

1 described in section 3511(d)(2).

2 ~~“(10) Inflation adjustment.—In the case of any taxable year beginning after December 31,~~  
3 ~~2022, the \$2,500 amount in subsection (b)(1) shall be increased by an amount equal to—~~

4 ~~“(A) such dollar amount, multiplied by~~

5 ~~“(B) the cost of living adjustment determined under section 1(f)(3) for the calendar year in~~  
6 ~~which the taxable year begins, determined by substituting ‘calendar year 2021’ for ‘calendar year~~  
7 ~~2016’ in subparagraph (A)(ii) thereof.~~

8 ~~If any amount as adjusted under the preceding sentence is not a multiple of \$100, such amount~~  
9 ~~shall be rounded to the nearest multiple of \$100.~~

10 ~~“(h) Regulations.—The Secretary shall prescribe such regulations or other guidance as may be~~  
11 ~~necessary to carry out the purposes of this section, including—~~

12 ~~“(1) regulations or other guidance to prevent the avoidance of the purposes of the limitations~~  
13 ~~under this section,~~

14 ~~“(2) regulations or other guidance to minimize compliance and record keeping burdens under~~  
15 ~~this section,~~

16 ~~“(3) regulations or other guidance providing for waiver of penalties for failure to deposit~~  
17 ~~amounts in anticipation of the allowance of the credit allowed under this section,~~

18 ~~“(4) regulations or other guidance for recapturing the benefit of credits determined under this~~  
19 ~~section in cases where there is a subsequent adjustment to the credit determined under subsection~~  
20 ~~(a),~~

21 ~~“(5) regulations or other guidance to permit the advancement of the credit determined under~~  
22 ~~subsection (a), and~~

23 ~~“(6) regulations or other guidance for applying subsection (f) with respect to eligible~~  
24 ~~employees not paid at a single rate of pay.”.~~

25

26 ~~\* 137 (b) Refunds.—Paragraph (2) of section 1324(b) of title 31, United States Code, is~~  
27 ~~amended by inserting “3135,” after “3134.”.~~

28

29 ~~\* 105 (c) Clerical Amendment.—The table of sections for subchapter D of chapter 21 is~~  
30 ~~amended by adding at the end the following:~~

31 ~~“Sec.3135.Payroll credit for certain wages paid to child care workers.”.~~

32 ~~(d) Effective Date.—The amendments made by this section shall apply to calendar quarters~~  
33 ~~beginning after December 31, 2021.~~

34 ~~SEC. 137302. CREDIT FOR CAREGIVER EXPENSES.~~

35 ~~(a) In General.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting~~  
36 ~~after section 25D the following new section:~~

37 ~~“SEC. 25E. CREDIT FOR CAREGIVER EXPENSES.~~

1       ~~“(a) Allowance of Credit.—In the case of an individual for whom there are 1 or more qualified~~  
2 ~~care recipients, there shall be allowed as a credit against the tax imposed by this chapter for the~~  
3 ~~taxable year an amount equal to 50 percent of the qualified expenses paid or incurred by such~~  
4 ~~individual during the taxable year (and not compensated for by insurance or otherwise).~~

5       ~~“(b) Qualified Care Recipient.—For purposes of this section—~~

6       ~~“(1) In general.—The term ‘qualified care recipient’ means, with respect to any taxable year,~~  
7 ~~any individual who—~~

8       ~~“(A) is the spouse of the taxpayer, or any other person who bears a relationship to the taxpayer~~  
9 ~~described in any of subparagraphs (A) through (H) of section 152(d)(2),~~

10       ~~“(B) has been certified, before the due date for filing the return of tax for the taxable year, by a~~  
11 ~~licensed health care practitioner (as defined in section 7702B(c)(4)) as being an individual with~~  
12 ~~long-term care needs (as defined in paragraph (3)) for a period—~~

13       ~~“(i) which is expected to be at least 180 consecutive days, and~~

14       ~~“(ii) a portion of which occurs within the taxable year, and~~

15       ~~“(C) resides in a personal residence and not an institutional care facility.~~

16       ~~“(2) Period for making certification.—Notwithstanding paragraph (1)(B), a certification shall~~  
17 ~~not be treated as valid unless it is made within the 18-month period ending on such due date (or~~  
18 ~~such other period as the Secretary prescribes).~~

19       ~~“(3) Individuals with long-term care needs.—For purposes of this subsection, the term~~  
20 ~~‘individual with long-term care needs’ means any individual who meets the requirements of any~~  
21 ~~of the following subparagraphs:~~

22       ~~“(A) The individual is at least 6 years of age and—~~

23       ~~“(i) is unable to perform (without substantial assistance from another individual) at least 2-~~  
24 ~~activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional~~  
25 ~~capacity, or~~

26       ~~“(ii) requires substantial supervision to protect such individual from threats to health and~~  
27 ~~safety due to severe cognitive impairment and is unable to perform, without reminding or cueing~~  
28 ~~assistance, at least 1 activity of daily living (as so defined) or, to the extent provided in~~  
29 ~~regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human~~  
30 ~~Services), is unable to engage in age-appropriate activities.~~

31       ~~“(B) The individual is at least 2 but not 6 years of age and is unable, due to a loss of functional~~  
32 ~~capacity, to perform (without substantial assistance from another individual) at least 2 of the~~  
33 ~~following activities:~~

34       ~~“(i) Eating.~~

35       ~~“(ii) Transferring.~~

36       ~~“(iii) Mobility.~~

37       ~~“(C) The individual is under 2 years of age and requires specific durable medical equipment~~  
38 ~~by reason of a severe health condition or requires a skilled practitioner trained to address the~~  
39 ~~individual’s condition to be available if the individual’s parents or guardians are absent.~~



1     ~~“(4) Institutional care facility.— For purposes of paragraph (1)(C), an institutional care facility~~  
2 ~~(including two or more places, establishments, or institutions owned by the same legal entity)~~  
3 ~~includes any congregate, protected living residential arrangement that provides or coordinates~~  
4 ~~personal or health care services, including assistance with the activities of daily living and social~~  
5 ~~care, for two or more adults who are aged, infirm, or disabled~~

6     ~~“(e) Qualified Expenses.— For purposes of this section—~~

7     ~~“(1) In general.— The term ‘qualified expenses’ means expenses for goods, services, and~~  
8 ~~supports described in paragraph (2) which—~~

9     ~~“(A) assist a qualified care recipient with accomplishing activities of daily living (as defined in~~  
10 ~~section 7702B(c)(2)(B)) and instrumental activities of daily living (as defined in section~~  
11 ~~1915(k)(6)(F) of the Social Security Act), and~~

12     ~~“(B) are provided solely for use by such qualified care recipient.~~

13     ~~“(2) Items described.— The goods, services, and supports described in this paragraph are—~~

14     ~~“(A) human assistance, supervision, cuing, and standby assistance,~~

15     ~~“(B) health maintenance tasks (such as medication management),~~

16     ~~“(C) respite care,~~

17     ~~“(D) assistive technologies and devices (including remote health monitoring),~~

18     ~~“(E) accessibility modifications of the qualified care recipient’s residence,~~

19     ~~“(F) counseling, support groups, or training relating to caring for a qualified care recipient,~~  
20 ~~and~~

21     ~~“(G) any other items which directly relate to the health and safety of a qualified care recipient,~~  
22 ~~as determined by the Secretary after consultation with the Secretary of Health and Human~~  
23 ~~Services.~~

24     ~~“(3) Dollar limitation.— The amount taken into account as qualified expenses for any taxable~~  
25 ~~year shall not exceed \$4,000.~~

26     ~~“(4) Denial of double benefit.— Amounts taken into account for purposes of section 21, 129,~~  
27 ~~213, or 223(f), or such other circumstances as may be provided by the Secretary, shall not be~~  
28 ~~taken into account as qualified expenses.~~

29     ~~“(5) Documentation requirement.— An expense shall not be treated as a qualified expense~~  
30 ~~unless the taxpayer substantiates such expense under such regulations or guidance as the~~  
31 ~~Secretary shall provide.~~

32     ~~“(d) Credit Phaseout.— The 50 percent rate under subsection (a) shall be reduced by 1~~  
33 ~~percentage point for every \$2,500 or fraction thereof by which the taxpayer’s adjusted gross~~  
34 ~~income exceeds \$75,000.~~

35     ~~“(e) Special Rules.— For purposes of this section—~~

36     ~~“(1) Payments to related individuals.— Rules similar to the rules of section 21(e)(6) shall~~  
37 ~~apply.~~

38     ~~“(2) Licensed health care practitioner.—~~

1     ~~“(A) In general.—The licensed health care practitioner making the certification for purposes~~  
2     ~~of subsection (b)(1)(B)—~~

3     ~~“(i) shall not be related (within the meaning of section 51(i)(1)) to the taxpayer or the qualified~~  
4     ~~care recipient, or have a conflict of interest (as determined under regulations provided by the~~  
5     ~~Secretary) with respect to the taxpayer or the qualified care recipient;~~

6     ~~“(ii) shall be licensed and eligible under applicable State law to certify limitations in~~  
7     ~~performing activities of daily living, and~~

8     ~~“(iii) shall be a participant in the Medicaid program, pursuant to sections 1902(a)(77) and~~  
9     ~~1932(d)(6) of the Social Security Act, or the State Children’s Health Insurance Program under~~  
10    ~~section 2107(e)(1)(G) of such Act.~~

11    ~~“(B) Identification requirement.—~~

12    ~~“(i) In general.—No credit shall be allowed with respect to any qualified care recipient unless~~  
13    ~~the taxpayer includes the name and specified provider identification number of such licensed~~  
14    ~~health care practitioner on the return of tax for the taxable year.~~

15    ~~“(ii) Specified provider identification number.—The term ‘specified provider identification~~  
16    ~~number’ means a valid National Provider Identifier as authorized in section 1173 of the Social~~  
17    ~~Security Act.~~

18    ~~“(3) Individual may not be claimed by more than 1 taxpayer.—An individual shall be treated~~  
19    ~~as a qualified care recipient with respect to only 1 taxpayer, as determined by the Secretary, for~~  
20    ~~any taxable year.~~

21    ~~“(4) Identification requirement.—No credit shall be allowed with respect to any qualified care~~  
22    ~~recipient unless the taxpayer includes the name and taxpayer identification number of the~~  
23    ~~qualified care recipient on the return of tax for the taxable year.~~

24    ~~“(f) Termination.—No credit shall be allowed under this section for any taxable year~~  
25    ~~beginning after December 31, 2025.”.~~

26    ~~(b) Math Error Authority.—Section 6213(g)(2), as amended by the preceding provisions of~~  
27    ~~this Act, is amended by striking “and” at the end of subparagraph (T), by striking the period at~~  
28    ~~the end of subparagraph (U) and inserting “, and”, and by inserting after subparagraph (U) the~~  
29    ~~following new subparagraph:~~

30    ~~“(V) an omission of a correct TIN required under section 25E(e)(4) or a correct specified~~  
31    ~~provider identification number required under section 25E(e)(2)(B).”.~~

32  
33    ~~\* 17 (c) Clerical Amendment.—The table of sections for subpart A of part IV of subchapter A-~~  
34    ~~of chapter 1 is amended by inserting after the item relating to section 25D the following new~~  
35    ~~item:~~

36    ~~“Sec.25E.Credit for caregiver expenses.”.~~

37    ~~(d) Effective Date.—The amendments made by this section shall apply to taxable years~~  
38    ~~beginning after December 31, 2021.~~

39    ~~PART 4—EARNED INCOME TAX CREDIT~~

1     ~~SEC. 137401. CERTAIN IMPROVEMENTS TO THE EARNED INCOME TAX CREDIT~~  
2     ~~MADE PERMANENT.~~

3     ~~(a) Decrease in Minimum Age Requirement.—~~

4         ~~(1) In general.— Section 32(c)(1)(A)(ii)(II) is amended by striking “age 25” and inserting “the~~  
5     ~~applicable minimum age”.~~

6         ~~(2) Applicable minimum age.— Section 32(c) is amended by adding at the end the following~~  
7     ~~new paragraph:~~

8         ~~“(5) Applicable minimum age.—~~

9         ~~“(A) In general.— The term ‘applicable minimum age’ means —~~

10         ~~“(i) except as otherwise provided in this subparagraph, age 19,~~

11         ~~“(ii) in the case of a specified student (other than a qualified former foster youth or a qualified~~  
12     ~~homeless youth), age 24, and~~

13         ~~“(iii) in the case of a qualified former foster youth or a qualified homeless youth, age 18.~~

14         ~~“(B) Specified student.— For purposes of this paragraph, the term ‘specified student’ means,~~  
15     ~~with respect to any taxable year, an individual who is an eligible student (as defined in section-~~  
16     ~~25A(b)(3)) during at least 5 calendar months during the taxable year.~~

17         ~~“(C) Qualified former foster youth.— For purposes of this paragraph, the term ‘qualified-~~  
18     ~~former foster youth’ means an individual who —~~

19         ~~“(i) on or after the date that such individual attained age 14, was in foster care provided under~~  
20     ~~the supervision or administration of an entity administering (or eligible to administer) a plan~~  
21     ~~under part B or part E of title IV of the Social Security Act (without regard to whether Federal~~  
22     ~~assistance was provided with respect to such child under such part E), and~~

23         ~~“(ii) provides (in such manner as the Secretary may provide) consent for entities which~~  
24     ~~administer a plan under part B or part E of title IV of the Social Security Act to disclose to the~~  
25     ~~Secretary information related to the status of such individual as a qualified former foster youth.~~

26         ~~“(D) Qualified homeless youth.— For purposes of this paragraph, the term ‘qualified homeless-~~  
27     ~~youth’ means, with respect to any taxable year, an individual who certifies, in a manner as~~  
28     ~~provided by the Secretary, that such individual is either an unaccompanied youth who is a~~  
29     ~~homeless child or youth, or is unaccompanied, at risk of homelessness, and self-supporting.”.~~

30     ~~(b) Elimination of Maximum Age for Credit.— Section 32(c)(1)(A)(ii)(II) is amended by~~  
31     ~~striking “but not attained age 65”.~~

32     ~~(c) Increase in Credit and Phaseout Percentages.— The table contained in section 32(b)(1) is~~  
33     ~~amended by striking “7.65” each place it appears therein and inserting “15.3”.~~

34     ~~(d) Increase in Earned Income and Phaseout Amounts.—~~

35         ~~(1) In general.— The table contained in section 32(b)(2)(A) is amended —~~

36         ~~(A) by striking “\$4,220” and inserting “\$9,820”, and~~

37         ~~(B) by striking “\$5,280” and inserting “\$11,610”.~~

38         ~~(2) Application of inflation adjustment.— Section 32(j)(1) is amended —~~

1 (A) by striking “(2021 in the case of the dollar amount in subsection (i)(1))” and inserting  
2 “(2021 in the case of the \$9,820 and \$11,610 amounts in subsection (b)(2)(A) and the \$10,000  
3 amount in subsection (i)(1))”;

4 (B) in subparagraph (B)(i), by inserting “(other than the \$9,820 and \$11,610 amounts)” after  
5 “subsection (b)(2)(A)”, and

6 (C) in subparagraph (B)(iii), by inserting “the \$9,820 and \$11,610 amounts in subsection  
7 (b)(2)(A) and” before “the \$10,000 amount in subsection (i)(1)”.

8 (e) Section 32, as amended by subsection (f), is amended by adding at the end the following  
9 new subsection:

10 ~~“(n)“(o)~~ Election to Determine Earned Income Based on Prior Taxable Year.—

11 “(1) IN GENERAL.—In the case of a taxpayer whose earned income for any taxable year  
12 **beginning after December 31, 2021, and before January 1, 2023**, is less than the earned  
13 income of such taxpayer for the preceding taxable year, if such taxpayer elects (at such time  
14 and in such manner as the Secretary may provide) the application of this subsection for such  
15 taxable year, the earned income of such taxpayer for such taxable year shall be treated for  
16 purposes of this section as being equal to the earned income of such taxpayer for such  
17 preceding taxable year.

18 “(2) JOINT RETURNS.—For purposes of this subsection, in the case of a joint return, the  
19 earned income of the taxpayer for the preceding taxable year shall be the sum of the earned  
20 income of each spouse for the preceding taxable year.

21 “(3) TREATMENT AS MATHEMATICAL OR CLERICAL ERROR.—In the case of a taxpayer  
22 described in paragraph (1) who makes the election described in such paragraph, the use on  
23 the return for purposes of this section of an amount of earned income for the preceding  
24 taxable year which differs from the amount of such earned income as shown in the  
25 electronic files of the Internal Revenue Service shall be treated as a mathematical or clerical  
26 error for purposes of section 6213.

27 “(4) TREATMENT OF REFERENCES.—Any provision of this title which defines or  
28 determines earned income by reference to this section shall be applied without regard to this  
29 subsection unless such provision specifically provides otherwise.”.

30 ~~(f) Repeal of Temporary Provisions.—Section 32 is amended by striking subsection (n).~~

31 ~~(g)~~(d) Effective Date.—The amendments made by this section shall apply to taxable years  
32 beginning after December 31, 2021.

## 33 SEC. ~~137402~~ **137202**. FUNDS FOR ADMINISTRATION OF 34 EARNED INCOME TAX CREDITS IN THE TERRITORIES.

35 (a) Puerto Rico.—Section 7530(a)(1) is amended by striking “plus” at the end of subparagraph  
36 (A), by striking the period at the end of subparagraph (B) and inserting “, plus”, and by adding at  
37 the end the following new subparagraph:

38 “(C) reasonable administrative costs associated with the provision of the earned  
39 income tax credit not in excess of \$4,000,000.”.

1 (b) Possessions With Mirror Code Tax Systems.—Section 7530(b)(1) is amended by striking  
2 “plus” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and  
3 inserting “, plus”, and by adding at the end the following new subparagraph:

4 “(C) reasonable administrative costs associated with the provision of the earned  
5 income tax credit not in excess of \$200,000.”.

6 (c) American Samoa.—Section 7530(c)(1) is amended by striking “plus” at the end of  
7 subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, plus”,  
8 and by adding at the end the following new subparagraph:

9 “(C) reasonable administrative costs associated with the provision of the earned  
10 income tax credit not in excess of \$200,000.”.

11 (d) Effective Date.—The amendments made by this section shall apply to payments made for  
12 calendar years beginning after December 31, 2021.

## 13 ~~PART 5—EXPANDING 3—EXPANDING~~ ACCESS TO 14 HEALTH COVERAGE AND LOWERING COSTS

### 15 ~~SEC. 137501~~ **137301. IMPROVE AFFORDABILITY AND** 16 **REDUCE PREMIUM COSTS OF HEALTH INSURANCE** 17 **FOR CONSUMERS.**

18 (a) ~~Increase in Applicable Percentage Made Permanent.—Section 36B(b)(3)(A) is amended to~~  
19 ~~read as follows: In General.—Section 36B(b)(3)(A)(iii) is amended—~~

20 “(A) Applicable percentage.—The applicable percentage for any taxable year shall be the  
21 percentage such that the applicable percentage for any taxpayer whose household income is  
22 within an income tier specified in (1) by striking all that precedes the table contained  
23 therein and inserting the following:

24 “(iii) DETERMINING PERCENTAGES FOR 2021 THROUGH 2026.—

25 “(I) IN GENERAL.—In the case of a taxable year beginning after  
26 December 31, 2020, and before January 1, 2026, the following table shall  
27 increase, on a sliding scale in a linear manner, from the initial premium  
28 percentage to the final premium percentage specified in such table for such  
29 income tier: ~~3, L2(4,4,4,4,0,0), tp0, p10, 10/10, s125, 13, 13n~~ be applied in lieu  
30 of the table contained in clause (i):”, and

31 ~~1“In the case of household income (expressed as a percent of poverty line) within the~~  
32 ~~following income tier: 1The initial premium percentage is — 1The final premium percentage~~  
33 ~~is—(2) by adding at the end the following new subclause:~~

34 ~~Up to 150.0 percent~~ ~~10104~~ “(II) INDEXING.—In the case of a taxable year  
35 beginning after December 31, 2020, and before January 1, 2027, clause  
36 (ii) shall not apply for purposes of adjusting premium percentages  
37 under this subparagraph.”.

38 ~~150.0 percent up to 200.0 percent~~ ~~10124~~

1 200.0 percent up to 250.0 percent~~12144~~  
2 250.0 percent up to 300.0 percent~~14164~~  
3 300.0 percent up to 400.0 percent~~1618.54~~  
4 400.0 percent and higher~~18.518.5~~”.

5 (b) ~~Credit Allowed~~ **(b) Extension Through 2025 of Rule to Allow Credit to Taxpayers**  
6 **Whose Household Income Exceeds 400 Percent of the Poverty Line.— Line.—Section**  
7 **36B(c)(1)(E) is amended—**

8 (1) ~~In general.—Section 36B(c)(1)(A) is amended by striking “but does not exceed 400-~~  
9 ~~percent”.~~ **(1) by striking “in 2021 or 2022” and inserting “after December 31, 2020, and**  
10 **before January 1, 2026”, and**

11 (2) ~~Conforming amendment.—Section 36B(c)(1) is amended by striking subparagraph-~~  
12 ~~(E).~~ **(2) by striking “AND 2022” in the heading thereof and inserting “THROUGH 2025”.**

13 (c) **Effective Date.—**The amendments made by this section shall apply to taxable years  
14 beginning after December 31, 2021.

15 **SEC. ~~137502~~ 137302. MODIFICATION OF**  
16 **EMPLOYER-SPONSORED COVERAGE AFFORDABILITY**  
17 **TEST IN HEALTH INSURANCE PREMIUM TAX CREDIT.**

18 (a) **In General.—**Section 36B(c)(2)(C)(i)(II) is amended by inserting “**(8.5 percent in the**  
19 **case of any taxable year beginning after December 31, 2021, and before January 1, 2026)”**  
20 **after “9.5 percent”.** is amended—

21 (1) ~~in clause (i)(II), by striking “9.5 percent” and inserting “8.5 percent”, and~~

22 (2) ~~by striking clause (iv).~~

23 (b) **Qualified Small Employer Health Reimbursement Arrangements.—**Section 36B(c)(4) ~~is~~  
24 ~~amended—~~ **(C)(ii) is amended by inserting “(8.5 percent in the case of any taxable year**  
25 **beginning after December 31, 2021, and before January 1, 2026)” after “9.5 percent”.**

26 (1) ~~in subparagraph (C)(ii), by striking “9.5 percent” and inserting “8.5 percent”, and~~ **(c)**  
27 **Percentages Temporarily Determined Without Regard to Adjustments.—**

28 (2) ~~by striking subparagraph (F).~~ **(1) Section 36B(c)(2)(C)(iv) is amended by adding at**  
29 **the end the following: “The preceding sentence shall not apply in the case of any plan**  
30 **year beginning after December 31, 2021, and before January 1, 2027.”.**

31 (e) **(2) Section 36B(c)(4)(F) is amended by adding at the end the following: “The**  
32 **preceding sentence shall not apply in the case of any plan year beginning after**  
33 **December 31, 2021, and before January 1, 2027.”.**

34 (d) **Effective Date.—**The amendments made by this section shall apply to taxable years  
35 beginning after December 31, 2021.

36 **SEC. ~~137503~~ 137303. TREATMENT OF LUMP-SUM**  
37 **SOCIAL SECURITY BENEFITS IN DETERMINING**

## 1 HOUSEHOLD INCOME.

2 (a) In General.—Section 36B(d)(2) is amended by adding at the end the following new  
3 subparagraph:

4 “(C) EXCLUSION OF PORTION OF LUMP-SUM SOCIAL SECURITY BENEFITS.—

5 “(i) IN GENERAL.—The term ‘modified adjusted gross income’ shall not include  
6 so much of any lump-sum social security benefit payment as is attributable to  
7 months ending before the beginning of the taxable year.

8 “(ii) LUMP-SUM SOCIAL SECURITY BENEFIT PAYMENT.—For purposes of this  
9 subparagraph, the term ‘lump-sum social security benefit payment’ means any  
10 payment of social security benefits (as defined in section 86(d)(1)) which  
11 constitutes more than 1 month of such benefits.

12 “(iii) ELECTION TO INCLUDE EXCLUDABLE AMOUNT.—With respect to any  
13 taxable year beginning ~~on or after the termination date (as defined in subsection~~  
14 ~~(h)(2))~~ **after December 31, 2025**, a taxpayer may elect (at such time and in such  
15 manner as the Secretary may provide) to have this subparagraph not apply for  
16 such taxable year.”

17 (b) Effective Date.—The amendment made by this section shall apply to taxable years  
18 beginning after December 31, 2021.

## 19 ~~SEC. 137504~~ **137304**. TEMPORARY EXPANSION OF 20 HEALTH INSURANCE PREMIUM TAX CREDITS FOR 21 CERTAIN LOW-INCOME POPULATIONS.

22 (a) In General.—Section 36B is amended by redesignating subsection (h) as subsection (i) and  
23 by inserting after subsection (g) the following new subsection:

24 “(h) Certain Temporary Rules Beginning in ~~2022~~.—~~With 2022~~.—

25 “~~(1) In general~~.—~~With respect to any taxable year beginning after December 31, 2021, and~~  
26 ~~before the termination date~~— **January 1, 2026**—

27 “~~(A)~~“(1) ELIGIBILITY FOR CREDIT NOT LIMITED BASED ON INCOME.—Section 36B(c)(1)(A)  
28 shall be disregarded in determining whether a taxpayer is an applicable taxpayer.

29 “~~(B)~~“(2) CREDIT ALLOWED TO CERTAIN LOW-INCOME EMPLOYEES OFFERED  
30 EMPLOYER-PROVIDED COVERAGE.—Subclause (II) of subsection (c)(2)(C)(i) shall not apply  
31 if the taxpayer’s household income does not exceed 138 percent of the poverty line for a  
32 family of the size involved. Subclause (II) of subsection (c)(2)(C)(i) shall also not apply to  
33 an individual described in the last sentence of such subsection if the taxpayer’s household  
34 income does not exceed 138 percent of the poverty line for a family of the size involved.

35 “~~(C)~~“(3) CREDIT ALLOWED TO CERTAIN LOW-INCOME EMPLOYEES OFFERED QUALIFIED  
36 SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENTS.—A qualified small employer  
37 health reimbursement arrangement shall not be treated as constituting affordable coverage  
38 for an employee (or any spouse or dependent of such employee) for any months of a taxable  
39 year if the employee’s household income for such taxable year does not exceed 138 percent

1 of the poverty line for a family of the size involved.

2 ~~“(D)”~~“(4) LIMITATIONS ON RECAPTURE.—

3 ~~“(i)”~~“(A) IN GENERAL.—In the case of a taxpayer whose household income is less  
4 than 200 percent of the poverty line for the size of the family involved for the taxable  
5 year, the amount of the increase under subsection (f)(2)(A) shall in no event exceed  
6 \$300 (one-half of such amount in the case of a taxpayer whose tax is determined under  
7 section 1(c) for the taxable year).

8 ~~“(ii)”~~“(B) LIMITATION ON INCREASE FOR CERTAIN NON-FILERS.—In the case of any  
9 taxpayer who would not be required to file a return of tax for the taxable year but for  
10 any requirement to reconcile advance credit payments under subsection (f), if an  
11 Exchange established under title I of the Patient Protection and Affordable Care Act  
12 has determined that—

13 ~~“(I)”~~“(i) such taxpayer is eligible for advance payments under section 1412 of  
14 such Act for any portion of such taxable year, and

15 ~~“(II)”~~“(ii) such taxpayer’s household income for such taxable year is projected  
16 to not exceed 138 percent of the poverty line for a family of the size involved,  
17 subsection (f)(2)(A) shall not apply to such taxpayer for such taxable year and such  
18 taxpayer shall not be required to file such return of tax.

19 ~~“(iii)”~~“(C) INFORMATION PROVIDED BY EXCHANGE.—The information required to be  
20 provided by an Exchange to the Secretary and to the taxpayer under subsection (f)(3)  
21 shall include such information as is necessary to determine whether such Exchange has  
22 made the determinations described in ~~subclauses (I) and (II) of clause (ii)~~ **clauses (i)**  
23 **and (ii) of subparagraph (B)** with respect to such ~~taxpayer.~~ **taxpayer.**”.

24 ~~“(2) Termination date.—For purposes of this subsection, the term ‘termination date’~~  
25 ~~means the later of—~~

26 ~~“(A) January 1, 2025, or~~

27 ~~“(B) the date on which the Secretary of Health and Human Services makes a written~~  
28 ~~certification to the Secretary that the Secretary of Health and Human Services has fully~~  
29 ~~implemented the program described in section 1948 of the Social Security Act (relating~~  
30 ~~to Federal Medicaid program to close coverage gap in nonexpansion States).”.~~

31 (b) Employer Shared Responsibility Provision Not Applicable With Respect to Certain  
32 Low-income Taxpayers Receiving Premium Assistance.—Section 4980H(c)(3) is amended to  
33 read as follows:

34 ~~“(3) APPLICABLE PREMIUM TAX CREDIT AND COST-SHARING REDUCTION.—~~

35 ~~“(A) IN GENERAL.—The term ‘applicable premium tax credit and cost-sharing~~  
36 ~~reduction’ means—~~

37 ~~“(i) any premium tax credit allowed under section 36B,~~

38 ~~“(ii) any cost-sharing reduction under section 1402 of the Patient Protection~~  
39 ~~and Affordable Care Act, and~~

40 ~~“(iii) any advance payment of such credit or reduction under section 1412 of~~



1 such Act.

2 “(B) EXCEPTION WITH RESPECT TO CERTAIN LOW-INCOME TAXPAYERS.—Such term  
3 shall not include any premium tax credit, cost-sharing reduction, or advance payment  
4 otherwise described in subparagraph (A) if such credit, reduction, or payment is  
5 allowed or paid for a taxable year of an employee (beginning after December 31, 2021,  
6 and before the termination date, as defined in section 36B(h)(2)) **January 1, 2026**)  
7 with respect to which—

8 “(i) an Exchange established under title I of the Patient Protection and  
9 Affordable Care Act has determined that such employee’s household income for  
10 such taxable year is projected to not exceed 138 percent of the poverty line for a  
11 family of the size involved, or

12 “(ii) such employee’s household income for such taxable year does not exceed  
13 138 percent of the poverty line for a family of the size involved.”.

14 (c) Effective Date.—The amendments made by this section shall apply to taxable years  
15 beginning after December 31, 2021.

16 ~~SEC. 137505. ENSURING AFFORDABILITY OF~~  
17 ~~COVERAGE FOR CERTAIN LOW-INCOME~~  
18 ~~POPULATIONS.~~

19 ~~(a) Reducing Cost Sharing Under Qualified Health-~~  
20 ~~Plans.—Section 1402 of the Patient Protection and Affordable-~~  
21 ~~Care Act (42 U.S.C. 18071) is amended—~~

22 ~~(1) in subsection (b)—~~

23 ~~(A) in paragraph (2), by inserting “(or, with respect to plan years~~  
24 ~~2023 and 2024, whose household income does not exceed 400-~~  
25 ~~percent of the poverty line for a family of the size involved)”~~  
26 ~~before the period; and~~

27 ~~(B) in the matter following paragraph (2), by adding at the end~~  
28 ~~the following new sentence: “In the case of an individual with a~~  
29 ~~household income of less than 138 percent of the poverty line~~  
30 ~~for a family of the size involved for any month occurring during~~  
31 ~~the period beginning on January 1, 2022, and ending on~~  
32 ~~December 31, 2022, such individual shall, for such month and~~  
33 ~~for each succeeding month during such period, be treated as~~

1 ~~having household income equal to 100 percent for purposes of~~  
2 ~~applying this section.”; and~~

3 ~~(2) in subsection (c)—~~

4 ~~(A) in paragraph (1)(A), in the matter preceding clause (i), by~~  
5 ~~inserting “, with respect to eligible insureds (other than, with~~  
6 ~~respect to plan years 2023 and 2024, specified enrollees (as~~  
7 ~~defined in paragraph (6)(C))),” after “first be achieved”;~~

8 ~~(B) in paragraph (2), in the matter preceding subparagraph (A),~~  
9 ~~by inserting “with respect to eligible insureds (other than, with~~  
10 ~~respect to plan years 2023 and 2024, specified enrollees)” after~~  
11 ~~“under the plan”;~~

12 ~~(C) in paragraph (3)—~~

13 ~~(i) in subparagraph (A), by striking “this subsection” and~~  
14 ~~inserting “paragraph (1) or (2)”;~~ and

15 ~~(ii) in subparagraph (B), by striking “this section” and inserting~~  
16 ~~“paragraphs (1) and (2)”;~~ and

17 ~~(D) by adding at the end the following new paragraph:~~

18 ~~“(6) Special rule for specified enrollees.—~~

19 ~~“(A) In general.— The Secretary shall establish procedures under~~  
20 ~~which the issuer of a qualified health plan to which this section~~  
21 ~~applies shall reduce cost sharing under the plan with respect to~~  
22 ~~months occurring during plan years 2023 and 2024 for enrollees~~  
23 ~~who are specified enrollees (as defined in subparagraph (C)) in a~~  
24 ~~manner sufficient to increase the plan’s share of the total~~  
25 ~~allowed costs of benefits provided under the plan to 99 percent~~  
26 ~~of such costs.~~

27 ~~“(B) Methods for reducing cost sharing.—~~

28 ~~“(i) In general.— An issuer of a qualified health plan making~~

~~1 reductions under this paragraph shall notify the Secretary of  
2 such reductions and the Secretary shall, out of funds made  
3 available under clause (ii), make periodic and timely payments  
4 to the issuer equal to 12 percent of the total allowed costs of  
5 benefits provided under each such plan to specified enrollees  
6 during plan years 2023 and 2024.~~

~~7 “(ii) Appropriation.— There are appropriated, out of any monies  
8 in the Treasury not otherwise appropriated, such sums as may be  
9 necessary to the Secretary for purposes of making payments  
10 under clause (i).~~

~~11 “(C) Specified enrollee defined.— For purposes of this section,  
12 the term ‘specified enrollee’ means, with respect to a month  
13 occurring during a plan year, an eligible insured with a  
14 household income of less than 138 percent of the poverty line  
15 for a family of the size involved during such month. Such  
16 insured shall be deemed to be a specified enrollee for each  
17 succeeding month in such plan year.”.~~

~~18 (b) Open Enrollments Applicable to Certain Lower income  
19 Populations.— Section 1311(c) of the Patient Protection and  
20 Affordable Care Act (42 U.S.C. 18031(c)) is amended—~~

~~21 (1) in paragraph (6)—~~

~~22 (A) in subparagraph (C), by striking at the end “and”;~~

~~24 \* 97 (B) in subparagraph (D), by striking the period at the end  
25 and inserting “; and”; and~~

~~26 (C) by adding at the end the following new subparagraph:~~

~~27 “(E) with respect to a qualified health plan with respect to which  
28 section 1402 applies, for months occurring during the period~~

1 ~~beginning on January 1, 2022, and ending on December 31,~~  
2 ~~2024, enrollment periods described in subparagraph (A) of~~  
3 ~~paragraph (8) for individuals described in subparagraph (B) of~~  
4 ~~such paragraph.”; and~~

5 ~~(2) by adding at the end the following new paragraph:~~

6 ~~“(8) Special enrollment period for certain low-income~~  
7 ~~populations.—~~

8 ~~“(A) In general.—The enrollment period described in this~~  
9 ~~paragraph is, in the case of an individual described in~~  
10 ~~subparagraph (B), the continuous period beginning on the first~~  
11 ~~day that such individual is so described.~~

12 ~~“(B) Individual described.—For purposes of subparagraph (A),~~  
13 ~~an individual described in this subparagraph is an individual—~~

14 ~~“(i) with a household income of less than 138 percent of the~~  
15 ~~poverty line for a family of the size involved; and~~

16 ~~“(ii) who is not eligible for minimum essential coverage (as~~  
17 ~~defined in section 5000A(f) of the Internal Revenue Code of~~  
18 ~~1986), other than for coverage described in any of~~  
19 ~~subparagraphs (B) through (E) of paragraph (1) of such~~  
20 ~~section.”.~~

21 ~~(c) Additional Benefits for Certain Low-income Individuals for~~  
22 ~~Plan Year 2024.—Section 1301(a) of the Patient Protection and~~  
23 ~~Affordable Care Act (42 U.S.C. 18021(a)) is amended—~~

24 ~~(1) in paragraph (1)—~~

25 ~~(A) in subparagraph (B), by striking “and” at the end;~~

26 ~~(B) in subparagraph (C)(iv), by striking the period and inserting~~  
27 ~~“; and”; and~~

28 ~~(C) by adding at the end the following new subparagraph:~~

1 ~~“(D) provides, with respect to a plan offered in the silver level of~~  
2 ~~coverage to which section 1402 applies during plan year 2024,~~  
3 ~~for benefits described in paragraph (5) in the case of an~~  
4 ~~individual who, for a month during such plan year, has a~~  
5 ~~household income of less than 138 percent of the poverty line~~  
6 ~~for a family of the size involved, and who is eligible to receive~~  
7 ~~cost sharing reductions under section 1402.”; and~~

8 ~~(2) by adding at the end the following new paragraph:~~

9 ~~“(5) Additional benefits for certain low income individuals for~~  
10 ~~plan year 2024.—~~

11 ~~“(A) In general.— For purposes of paragraph (1)(D), the benefits~~  
12 ~~described in this paragraph to be provided by a qualified health~~  
13 ~~plan are benefits consisting of non-emergency medical~~  
14 ~~transportation services and services described in subsection~~  
15 ~~(a)(4)(C) of section 1905 of the Social Security Act, without any~~  
16 ~~restriction on the choice of a qualified provider from whom such~~  
17 ~~an individual so enrolled in such plan may receive such services~~  
18 ~~described in such subsection, and without any imposition of cost~~  
19 ~~sharing, which are not otherwise provided under such plan as~~  
20 ~~part of the essential health benefits package described in section~~  
21 ~~1302(a).~~

22 ~~“(B) Payments for additional benefits.—~~

23 ~~“(i) In general.— An issuer of a qualified health plan making~~  
24 ~~payments for services described in subparagraph (A) furnished~~  
25 ~~to individuals described in paragraph (1)(D) during plan year~~  
26 ~~2024 shall notify the Secretary of such payments and the~~  
27 ~~Secretary shall, out of funds made available under clause (ii),~~  
28 ~~make periodic and timely payments to the issuer equal to~~  
29 ~~payments for such services so furnished.~~

1 ~~“(ii) Appropriation.—There is appropriated, out of any monies~~  
2 ~~in the Treasury not otherwise appropriated, such sums as may be~~  
3 ~~necessary to the Secretary for purposes of making payments~~  
4 ~~under clause (i).”.~~

5 ~~(d) Education and Outreach Activities.—~~

6 ~~(1) In general.—Section 1321(c) of the Patient Protection and~~  
7 ~~Affordable Care Act (42 U.S.C. 18041(c)) is amended by adding~~  
8 ~~at the end the following new paragraph:~~

9 ~~“(3) Outreach and educational activities.—~~

10 ~~“(A) In general.—In the case of an Exchange established or~~  
11 ~~operated by the Secretary within a State pursuant to this~~  
12 ~~subsection, the Secretary shall carry out outreach and~~  
13 ~~educational activities for purposes of informing individuals~~  
14 ~~described in section 1902(a)(10)(A)(i)(VIII) of the Social~~  
15 ~~Security Act who reside in States that have not expended~~  
16 ~~amounts under a State plan (or waiver of such plan) under title~~  
17 ~~XIX of such Act for all such individuals about qualified health~~  
18 ~~plans offered through the Exchange, including by informing~~  
19 ~~such individuals of the availability of coverage under such plans~~  
20 ~~and financial assistance for coverage under such plans. Such~~  
21 ~~outreach and educational activities shall be provided in a manner~~  
22 ~~that is culturally and linguistically appropriate to the needs of~~  
23 ~~the populations being served by the Exchange (including~~  
24 ~~hard to reach populations, such as racial and sexual minorities,~~  
25 ~~limited English proficient populations, individuals residing in~~  
26 ~~areas where the unemployment rates exceeds the national~~  
27 ~~average unemployment rate, individuals in rural areas, veterans,~~  
28 ~~and young adults).~~

29 ~~“(B) Limitation on use of funds.—No funds appropriated under~~

1 ~~this paragraph shall be used for expenditures for promoting~~  
2 ~~non-ACA compliant health insurance coverage.~~

3 ~~“(C) Non-aca compliant health insurance coverage. For~~  
4 ~~purposes of subparagraph (B):~~

5 ~~“(i) The term ‘non-ACA compliant health insurance coverage’~~  
6 ~~means health insurance coverage, or a group health plan, that is~~  
7 ~~not a qualified health plan.~~

8 ~~“(ii) Such term includes the following:~~

9 ~~“(I) An association health plan.~~

10 ~~“(II) Short term limited duration insurance.~~

11 ~~“(D) Funding. There are appropriated, out of any monies in the~~  
12 ~~Treasury not otherwise appropriated, \$15,000,000 for fiscal year~~  
13 ~~2022, and \$30,000,000 for each of fiscal years 2023 and 2024,~~  
14 ~~to carry out this paragraph. Funds appropriated under this~~  
15 ~~subparagraph shall remain available until expended.”.~~

16 ~~(2) Navigator program. Section 1311(i)(6) of the Patient~~  
17 ~~Protection and Affordable Care Act (42 U.S.C. 18031(i)(6)) is~~  
18 ~~amended—~~

19 ~~(A) by striking “Funding. Grants under” and inserting~~  
20 ~~“Funding.—~~

21 ~~“(A) State exchanges. Grants under”; and~~

22 ~~(B) by adding at the end the following new subparagraph:~~

23 ~~“(B) Federal exchanges. For purposes of carrying out this~~  
24 ~~subsection, with respect to an Exchange established and~~  
25 ~~operated by the Secretary within a State pursuant to section~~  
26 ~~1321(c), the Secretary shall obligate \$10,000,000 out of amounts~~  
27 ~~collected through the user fees on participating health insurance~~  
28 ~~issuers pursuant to section 156.50 of title 45, Code of Federal~~

1 ~~Regulations (or any successor regulations) for fiscal year 2022,~~  
2 ~~and \$20,000,000 for each of fiscal years 2023 and 2024. Such~~  
3 ~~amount so obligated for a fiscal year shall remain available until~~  
4 ~~expended.”.~~

5 ~~SEC. 137506. ESTABLISHING A HEALTH INSURANCE~~  
6 ~~AFFORDABILITY FUND.~~

7 ~~(a) In General. Subtitle D of title I of the Patient Protection~~  
8 ~~and Affordable Care Act is amended by inserting after part 5 (42~~  
9 ~~U.S.C. 18061 et seq.) the following new part:~~

10 ~~“PART 6 — IMPROVE HEALTH INSURANCE~~  
11 ~~AFFORDABILITY FUND~~

12 ~~“SEC. 1351. ESTABLISHMENT OF PROGRAM.~~

13 ~~“There is hereby established the ‘Improve Health Insurance~~  
14 ~~Affordability Fund’ to be administered by the Secretary of~~  
15 ~~Health and Human Services, acting through the Administrator of~~  
16 ~~the Centers for Medicare & Medicaid Services (in this section~~  
17 ~~referred to as the ‘Administrator’), to provide funding, in~~  
18 ~~accordance with this part, to the 50 States and the District of~~  
19 ~~Columbia (each referred to in this section as a ‘State’) beginning~~  
20 ~~on January 1, 2023, for the purposes described in section 1352.~~

21 ~~“SEC. 1352. USE OF FUNDS.~~

22 ~~“(a) In General. A State shall use the funds allocated to the~~  
23 ~~State under this part for one of the following purposes:~~

24 ~~“(1) To provide reinsurance payments to health insurance issuers~~  
25 ~~with respect to individuals enrolled under individual health~~  
26 ~~insurance coverage (other than through a plan described in~~  
27 ~~subsection (b)) offered by such issuers.~~

28 ~~“(2) To provide assistance (other than through payments~~



1 ~~described in paragraph (1)) to reduce out-of-pocket costs, such~~  
2 ~~as copayments, coinsurance, premiums, and deductibles, of~~  
3 ~~individuals enrolled under qualified health plans offered on the~~  
4 ~~individual market through an Exchange and of individuals~~  
5 ~~enrolled under standard health plans offered through a basic~~  
6 ~~health program established under section 1331.~~

7 ~~“(b) Exclusion of Certain Grandfathered Plans, Transitional~~  
8 ~~Plans, Student Health Plans, and Excepted Benefits.—For~~  
9 ~~purposes of subsection (a), a plan described in this subsection is~~  
10 ~~the following:~~

11 ~~“(1) A grandfathered health plan (as defined in section 1251).~~

12 ~~“(2) A plan (commonly referred to as a ‘transitional plan’)~~  
13 ~~continued under the letter issued by the Centers for Medicare &~~  
14 ~~Medicaid Services on November 14, 2013, to the State~~  
15 ~~Insurance Commissioners outlining a transitional policy for~~  
16 ~~coverage in the individual and small-group markets to which~~  
17 ~~section 1251 does not apply, and under the extension of the~~  
18 ~~transitional policy for such coverage set forth in the Insurance~~  
19 ~~Standards Bulletin Series guidance issued by the Centers for~~  
20 ~~Medicare & Medicaid Services on March 5, 2014, February 29,~~  
21 ~~2016, February 13, 2017, April 9, 2018, March 25, 2019,~~  
22 ~~January 31, 2020, and January 19, 2021, or under any~~  
23 ~~subsequent extensions thereof.~~

24 ~~“(3) Student health insurance coverage (as defined in section~~  
25 ~~147.145 of title 45, Code of Federal Regulations, or any~~  
26 ~~successor regulation).~~

27 ~~“(4) Excepted benefits (as defined in section 2791(c) of the~~  
28 ~~Public Health Service Act).~~

29 ~~“SEC. 1353. STATE ELIGIBILITY AND APPROVAL;~~

1 ~~DEFAULT SAFEGUARD.~~

2 ~~“(a) Encouraging State Options for Allocations.—~~

3 ~~“(1) In general.— Subject to subsection (b), to be eligible for an~~  
4 ~~allocation of funds under this part for a year (beginning with~~  
5 ~~2023), a State shall submit to the Administrator an application at~~  
6 ~~such time (but, in the case of allocations for 2023, not later than~~  
7 ~~120 days after the date of the enactment of this part and, in the~~  
8 ~~case of allocations for a subsequent year, not later than January~~  
9 ~~1 of the previous year) and in such form and manner as specified~~  
10 ~~by the Administrator containing—~~

11 ~~“(A) a description of how the funds will be used; and~~

12 ~~“(B) such other information as the Administrator may require.~~

13 ~~“(2) Automatic approval.— An application so submitted is~~  
14 ~~approved (as outlined in the terms of the plan) unless the~~  
15 ~~Administrator notifies the State submitting the application, not~~  
16 ~~later than 90 days after the date of the submission of such~~  
17 ~~application, that the application has been denied for not being in~~  
18 ~~compliance with any requirement of this part and of the reason~~  
19 ~~for such denial.~~

20 ~~“(3) 5 year application approval.— If an application of a State is~~  
21 ~~approved for a purpose described in section 1352 for a year,~~  
22 ~~such application shall be treated as approved for such purpose~~  
23 ~~for each of the subsequent 4 years.~~

24 ~~“(4) Oversight authority and authority to revoke approval.—~~

25 ~~“(A) Oversight.— The Secretary may conduct periodic reviews~~  
26 ~~of the use of funds provided to a State under this section, with~~  
27 ~~respect to a purpose described in section 1352, to ensure the~~  
28 ~~State uses such funds for such purpose and otherwise complies~~

1 ~~with the requirements of this section.~~

2 ~~“(B) Revocation of approval. The approval of an application~~  
3 ~~of a State, with respect to a purpose described in section 1352,~~  
4 ~~may be revoked if the State fails to use funds provided to the~~  
5 ~~State under this section for such purpose or otherwise fails to~~  
6 ~~comply with the requirements of this section.~~

7 ~~“(b) Default Federal Safeguard for 2023 and 2024 for Certain~~  
8 ~~States.—~~

9 ~~“(1) In general. For 2023 and 2024, in the case of a State~~  
10 ~~described in paragraph (5), with respect to such year, the State~~  
11 ~~shall not be eligible to submit an application under subsection~~  
12 ~~(a), and the Administrator, in consultation with the applicable~~  
13 ~~State authority, shall from the amount calculated under~~  
14 ~~paragraph (3) for such year, carry out the purpose described in~~  
15 ~~paragraph (2) in such State for such year.~~

16 ~~“(2) Specified use. The amount described in paragraph (3),~~  
17 ~~with respect to a State described in paragraph (5) for 2023 or~~  
18 ~~2024, shall be used to carry out the purpose described in section~~  
19 ~~1352(a)(1) in such State for such year, as applicable, by~~  
20 ~~providing reinsurance payments to health insurance issuers with~~  
21 ~~respect to attachment range claims (as defined in section~~  
22 ~~1354(b)(2), using the dollar amounts specified in subparagraph~~  
23 ~~(B) of such section for such year) in an amount equal to, subject~~  
24 ~~to paragraph (4), the percentage (specified for such year by the~~  
25 ~~Secretary under such subparagraph) of the amount of such~~  
26 ~~claims.~~

27 ~~“(3) Amount described. The amount described in this~~  
28 ~~paragraph, with respect to 2023 or 2024, is the amount equal to~~  
29 ~~the total sum of amounts that the Secretary would otherwise~~

1 ~~estimate under section 1354(b)(2)(A)(i) for such year for each~~  
2 ~~State described in paragraph (5) for such year, as applicable, if~~  
3 ~~each such State were not so described for such year.~~

4 ~~“(4) Adjustment.— For purposes of this subsection, the Secretary~~  
5 ~~may apply a percentage under paragraph (3) with respect to a~~  
6 ~~year that is less than the percentage otherwise specified in~~  
7 ~~section 1354(b)(2)(B) for such year, if the cost of paying the~~  
8 ~~total eligible attachment range claims for States described in~~  
9 ~~paragraph (5) for such year at such percentage otherwise~~  
10 ~~specified would exceed the amount calculated under paragraph~~  
11 ~~(3) for such year.~~

12 ~~“(5) State described.— A State described in this paragraph, with~~  
13 ~~respect to years 2023 and 2024, is a State that, as of January 1 of~~  
14 ~~2022 or 2023, respectively, was not expending amounts under~~  
15 ~~the State plan (or waiver of such plan) for all individuals~~  
16 ~~described in section 1902(a)(10)(A)(i)(VIII) during such year.~~

17 ~~“SEC. 1354. ALLOCATIONS.~~

18 ~~“(a) Appropriation.— For the purpose of providing allocations~~  
19 ~~for States under subsection (b) and payments under section~~  
20 ~~1353(b) there is appropriated, out of any money in the Treasury~~  
21 ~~not otherwise appropriated, \$10,000,000,000 for 2023 and each~~  
22 ~~subsequent year.~~

23 ~~“(b) Allocations.—~~

24 ~~“(1) Payment.—~~

25 ~~“(A) In general.— From amounts appropriated under subsection~~  
26 ~~(a) for a year, the Secretary shall, with respect to a State not~~  
27 ~~described in section 1353(b) for such year and not later than the~~  
28 ~~date specified under subparagraph (B) for such year, allocate for~~  
29 ~~such State the amount determined for such State and year under~~

1 ~~paragraph (2).~~

2 ~~“(B) Specified date.— For purposes of subparagraph (A), the~~  
3 ~~date specified in this subparagraph is—~~

4 ~~“(i) for 2023, the date that is 90 days after the date of the~~  
5 ~~enactment of this part; and~~

6 ~~“(ii) for 2024 or a subsequent year, January 1 of the previous~~  
7 ~~year.~~

8 ~~“(C) Notifications of allocation amounts.— For 2024 and each~~  
9 ~~subsequent year, the Secretary shall notify each State of the~~  
10 ~~amount determined for such State under paragraph (2) for such~~  
11 ~~year by not later than January 1 of the previous year.~~

12 ~~“(2) Allocation amount determinations.—~~

13 ~~“(A) In general.— For purposes of paragraph (1), the amount~~  
14 ~~determined under this paragraph for a year for a State described~~  
15 ~~in paragraph (1)(A) for such year is the amount equal to—~~

16 ~~“(i) the amount that the Secretary estimates would be expended~~  
17 ~~under this part for such year on attachment range claims of~~  
18 ~~individuals residing in such State if such State used such funds~~  
19 ~~only for the purpose described in paragraph (1) of section~~  
20 ~~1352(a) at the dollar amounts and percentage specified under~~  
21 ~~subparagraph (B) for such year; minus~~

22 ~~“(ii) the amount, if any, by which the Secretary determines—~~

23 ~~“(I) the estimated amount of premium tax credits under section~~  
24 ~~36B of the Internal Revenue Code of 1986 that would be~~  
25 ~~attributable to individuals residing in such State for such year~~  
26 ~~without application of this part; exceeds~~

27 ~~“(II) the estimated amount of premium tax credits under section~~  
28 ~~36B of the Internal Revenue Code of 1986 that would be~~

1 ~~attributable to individuals residing in such State for such year if~~  
2 ~~section 1353(b) applied for such year and applied with respect to~~  
3 ~~such State for such year.~~

4 ~~For purposes of the previous sentence and section 1353(b)(3),~~  
5 ~~the term ‘attachment range claims’ means, with respect to an~~  
6 ~~individual, the claims for such individual that exceed a dollar~~  
7 ~~amount specified by the Secretary for a year, but do not exceed a~~  
8 ~~ceiling dollar amount specified by the Secretary for such year,~~  
9 ~~under subparagraph (B).~~

10 ~~“(B) Specifications.— For purposes of subparagraph (A) and~~  
11 ~~section 1353(b)(3), the Secretary shall determine the dollar~~  
12 ~~amounts and the percentage to be specified under this~~  
13 ~~subparagraph for a year in a manner to ensure that the total~~  
14 ~~amount of expenditures under this part for such year is estimated~~  
15 ~~to equal the total amount appropriated for such year under~~  
16 ~~subsection (a) if such expenditures were used solely for the~~  
17 ~~purpose described in paragraph (1) of section 1352(a) for~~  
18 ~~attachment range claims at the dollar amounts and percentage so~~  
19 ~~specified for such year.~~

20 ~~“(3) Availability.— Funds allocated to a State under this~~  
21 ~~subsection for a year shall remain available through the end of~~  
22 ~~the subsequent year.”.~~

23 ~~(b) Basic Health Program Funding Adjustments.— Section 1331~~  
24 ~~of the Patient Protection and Affordable Care Act (42 U.S.C.~~  
25 ~~18051) is amended—~~

26 ~~(1) in subsection (a), by adding at the end the following new~~  
27 ~~paragraph:~~

28 ~~“(3) Provision of information on qualified health plan~~  
29 ~~premiums.—~~

1 ~~“(A) In general.—For plan years beginning on or after January~~  
2 ~~1, 2023, the program described in paragraph (1) shall provide~~  
3 ~~that a State may not establish a basic health program unless such~~  
4 ~~State furnishes to the Secretary, with respect to each qualified~~  
5 ~~health plan offered in such State during a year that receives any~~  
6 ~~reinsurance payment from funds made available under part 6 for~~  
7 ~~such year, the adjusted premium amount (as defined in~~  
8 ~~subparagraph (B)) for each such plan and year.~~

9 ~~“(B) Adjusted premium amount defined.—For purposes of~~  
10 ~~subparagraph (A), the term ‘adjusted premium amount’ means,~~  
11 ~~with respect to a qualified health plan and a year, the monthly~~  
12 ~~premium for such plan and year that would have applied had~~  
13 ~~such plan not received any payments described in subparagraph~~  
14 ~~(A) for such year.”; and~~

15 ~~(2) in subsection (d)(3)(A)(ii), by adding at the end the~~  
16 ~~following new sentence: “In making such determination, the~~  
17 ~~Secretary shall calculate the value of such premium tax credits~~  
18 ~~that would have been provided to such individuals enrolled~~  
19 ~~through a basic health program established by a State during a~~  
20 ~~year using the adjusted premium amounts (as defined in~~  
21 ~~subsection (a)(3)(B)) for qualified health plans offered in such~~  
22 ~~State during such year.”.~~

23 ~~SEC. 137507~~ **SEC. 137305. SPECIAL RULE FOR**  
24 **INDIVIDUALS RECEIVING UNEMPLOYMENT**  
25 **COMPENSATION.**

26 (a) Extension.—Section 36B(g)(1) is amended by striking “during 2021,” and inserting “after  
27 December 31, 2020, and before January 1, ~~2026,~~ **2023,**”.

28 (b) Modification of Income Not Taken Into Account.—Section 36B(g)(1)(B) is amended by  
29 striking “133 percent” and inserting “150 percent”. **percent (133 percent in the case of any**  
30 **week beginning during 2021)**”.

31 (c) Conforming Amendment.—Section 36B(g) by inserting “Through ~~2025~~ **2022**” after

1 “2021” in the heading thereof.

2 (d) Effective Date.—The amendments made by this section shall apply to taxable years  
3 beginning after December 31, 2021.

## 4 **SEC. ~~137508~~ 137306. PERMANENT CREDIT FOR HEALTH** 5 **INSURANCE COSTS.**

6 (a) In General.—Subparagraph (B) of section 35(b)(1) of the Internal Revenue Code of 1986  
7 is amended by striking “, and before January 1, 2022” and inserting a period.

8 (b) Increase in Credit Percentage.—Subsection (a) of section 35 of the Internal Revenue Code  
9 of 1986 is amended by striking “72.5 percent” and inserting “80 percent”.

10 (c) Conforming Amendments.—Subsections (b) and (e)(1) of section 7527 of the Internal  
11 Revenue Code of 1986 are each amended by striking “72.5 percent” and inserting “80 percent”.

12 (d) Effective Date.—The amendments made by this section shall apply to coverage months  
13 beginning after December 31, 2021.

## 14 **SEC. 137307. EXCLUSION OF CERTAIN DEPENDENT** 15 **INCOME FOR PURPOSES OF PREMIUM TAX CREDIT.**

16 (a) In General.—Paragraph (2) of section 36B(d) of the Internal Revenue Code of 1986,  
17 as amended by this Act, is further amended by adding at the end the following new  
18 subparagraph:

19 **“(D) EXCEPTION FOR CERTAIN DEPENDENT INCOME.—**

20 **“(i) IN GENERAL.—Solely for purposes of determining the credit under this**  
21 **section and eligibility for cost sharing reductions under section 1402 of the**  
22 **Patient Protection and Affordable Care Act, and not for any other purpose**  
23 **(including any determination of income for purposes of the programs**  
24 **established under titles XIX and XXI of the Social Security Act and section**  
25 **1331 of the Patient Protection and Affordable Care Act), there shall not be**  
26 **taken into account under subparagraph (A)(ii) the modified adjusted gross**  
27 **income of any dependent of the taxpayer who has not attained age 24 as of**  
28 **the last day of the calendar year in which the taxable year of the taxpayer**  
29 **begins.**

30 **“(ii) LIMITATION.—Clause (i) shall not apply to so much of the aggregate**  
31 **of the modified adjusted gross income of all dependents of the taxpayer who**  
32 **have not attained the age described in such clause as exceeds \$3,500.**

33 **“(iii) ELECTION TO HAVE SUBPARAGRAPH NOT APPLY.—In the case of any**  
34 **taxable year beginning after December 31, 2025, a taxpayer may elect (at**  
35 **such time and in such manner as the Secretary may provide) to have this**  
36 **subparagraph not apply with respect to the income of any dependent of the**  
37 **taxpayer for such taxable year.**

38 **“(iv) ADJUSTMENT FOR INFLATION.—In the case of any taxable year**  
39 **beginning after December 31, 2023, the \$3,500 amount in clause (ii) shall be**



1 increased by an amount equal to—

2 “(I) such amount, multiplied by

3 \*\* 102 ~~“(B)“(II)~~ the cost-of-living adjustment determined under section  
4 1(f)(3) for the calendar year in which the taxable year begins, determined by  
5 substituting ‘calendar year ~~2019~~ 2022’ for ‘calendar year 2016’ in  
6 subparagraph (A)(ii) thereof.

7 If any increase determined under the preceding sentence is not a multiple of  
8 \$100, such increase shall be rounded to the next lowest multiple of \$100.

9 “(v) TERMINATION.—This subparagraph shall not apply to taxable years  
10 beginning after December 31, 2026.”.

11 (b) Conforming Amendments.—

12 (1) Clause (ii) of section 36B(d)(2)(A) of the Internal Revenue Code of 1986 is  
13 amended by inserting “, except as provided in subparagraph (D),” after “individuals”.

14 (2) Paragraph (3) of section 1411(b) of the Patient Protection and Affordable Care  
15 Act (42 U.S.C. 18081) is amended by adding at the end the following new  
16 subparagraph:

17 “(D) INFORMATION REGARDING CERTAIN DEPENDENTS.—In the case of taxable  
18 years beginning before January 1, 2027, information regarding whether section  
19 36B(d)(2)(D) will apply to any individuals taken into account as members of the  
20 household of the enrollee, and the amount of income of each such individual for  
21 the taxable year described in subparagraph (A).”.

22 \*\* 103 ~~(d)(c)~~ Effective Date.—The amendments made by this section shall apply to ~~plan~~  
23 taxable years beginning after December 31, 2022.

24 **SEC. 137308. REQUIREMENTS WITH RESPECT TO**  
25 **COST-SHARING FOR CERTAIN INSULIN PRODUCTS.**

26 \*\* 104 (a) In General.—Subchapter B of chapter ~~65~~ 100 is amended by adding at the end the  
27 following new section:

28 **“SEC. 9826. REQUIREMENTS WITH RESPECT TO**  
29 **COST-SHARING FOR CERTAIN INSULIN PRODUCTS.**

30 “(a) In General.—For plan years beginning on or after January 1, 2023, a group health  
31 plan shall provide coverage of selected insulin products, and with respect to such products,  
32 shall not—

33 “(1) apply any deductible; or

34 “(2) impose any cost-sharing in excess of the lesser of, per 30-day supply—

35 “(A) \$35; or

36 “(B) the amount equal to 25 percent of the negotiated price of the selected  
37 insulin product net of all price concessions received by or on behalf of the plan,

1 including price concessions received by or on behalf of third-party entities  
2 providing services to the plan, such as pharmacy benefit management services.

3 “(b) Definitions.—In this section:

4 “(1) **SELECTED INSULIN PRODUCTS.**—The term ‘selected insulin products’ means at  
5 least one of each dosage form (such as vial, pump, or inhaler dosage forms) of each  
6 different type (such as rapid-acting, short-acting, intermediate-acting, long-acting,  
7 ultra long-acting, and premixed) of insulin (as defined below), when available, as  
8 selected by the group health plan.

9 “(2) **INSULIN DEFINED.**—The term ‘insulin’ means insulin that is licensed under  
10 subsection (a) or (k) of section 351 of the Public Health Service Act (42 U.S.C. 262) and  
11 continues to be marketed under such section, including any insulin product that has  
12 been deemed to be licensed under section 351(a) of such Act pursuant to section  
13 7002(e)(4) of the Biologics Price Competition and Innovation Act of 2009 (Public Law  
14 111–148) and continues to be marketed pursuant to such licensure.

15 “(c) **Out-of-network Providers.**—Nothing in this section requires a plan that has a  
16 network of providers to provide benefits for selected insulin products described in this  
17 section that are delivered by an out-of-network provider, or precludes a plan that has a  
18 network of providers from imposing higher cost-sharing than the levels specified in  
19 subsection (a) for selected insulin products described in this section that are delivered by an  
20 out-of-network provider.

21 “(d) **Rule of Construction.**—Subsection (a) shall not be construed to require coverage of,  
22 or prevent a group health plan from imposing cost-sharing other than the levels specified in  
23 subsection (a) on, insulin products that are not selected insulin products, to the extent that  
24 such coverage is not otherwise required and such cost-sharing is otherwise permitted under  
25 Federal and applicable State law.

26 “(e) **Application of Cost-sharing Towards Deductibles and Out-of-pocket**  
27 **Maximums.**—Any cost-sharing payments made pursuant to subsection (a)(2) shall be  
28 counted toward any deductible or out-of-pocket maximum that applies under the plan.”.

29 \*\* 105 (e)(b) Clerical Amendment.—The table of sections for subchapter ~~D~~ B of chapter 24  
30 100 is amended by adding at the end the following new item:

31 PART 6—PATHWAY“Sec.9826.Requirements with respect to cost-sharing for certain  
32 insulin products.”.

## 33 **SEC. 137309. OVERSIGHT OF PHARMACY BENEFIT** 34 **MANAGER SERVICES.**

35 (a) **In General.**—Subchapter B of chapter 100 of the Internal Revenue Code of 1986, as  
36 amended by the preceding provisions of this Act, is further amended by adding at the end  
37 the following:

## 38 **“SEC. 9827. OVERSIGHT OF PHARMACY BENEFIT** 39 **MANAGER SERVICES.**

1       “(a) In General.—For plan years beginning on or after January 1, 2023, a group health  
2 plan or an entity or subsidiary providing pharmacy benefits management services on  
3 behalf of such a plan shall not enter into a contract with a drug manufacturer, distributor,  
4 wholesaler, subcontractor, rebate aggregator, or any associated third party that limits the  
5 disclosure of information to plan sponsors in such a manner that prevents the plan, or an  
6 entity or subsidiary providing pharmacy benefits management services on behalf of a plan,  
7 from making the reports described in subsection (b).

8       “(b) Reports.—

9               “(1) IN GENERAL.—For plan years beginning on or after January 1, 2023, not less  
10 frequently than once every 6 months, an entity providing pharmacy benefits  
11 management services on behalf of a group health plan shall submit to the plan sponsor  
12 (as defined in section 3(16)(B) of the Employee Retirement Income Security Act of  
13 1974) of such group health plan a report in accordance with this subsection and make  
14 such report available to the plan sponsor in a machine-readable format. Each such  
15 report shall include, with respect to the applicable group health plan—

16                       “(A) as applicable, information collected from drug manufacturers by such  
17 entity on the total amount of copayment assistance dollars paid, or copayment  
18 cards applied, that were funded by the drug manufacturer with respect to the  
19 participants and beneficiaries in such plan;

20                       “(B) a list of each drug covered by such plan or entity providing pharmacy  
21 benefit management services that was dispensed during the reporting period,  
22 including, with respect to each such drug during the reporting period—

23                               “(i) the brand name, chemical entity, and National Drug Code;

24                               “(ii) the number of participants and beneficiaries for whom the drug was  
25 filled during the plan year, the total number of prescription fills for the drug  
26 (including original prescriptions and refills), and the total number of dosage  
27 units of the drug dispensed across the plan year, including whether the  
28 dispensing channel was by retail, mail order, or specialty pharmacy;

29                               “(iii) the wholesale acquisition cost, listed as cost per days supply and cost  
30 per pill, or in the case of a drug in another form, per dose;

31                               “(iv) the total out-of-pocket spending by participants and beneficiaries on  
32 such drug, including participant and beneficiary spending through  
33 copayments, coinsurance, and deductibles; and

34                               “(v) for any drug for which gross spending of the group health plan  
35 exceeded \$10,000 during the reporting period—

36                                       “(I) a list of all other drugs in the same therapeutic category or class,  
37 including brand name drugs and biological products and generic drugs  
38 or biosimilar biological products that are in the same therapeutic  
39 category or class as such drug; and

40                                       “(II) the rationale for preferred formulary placement of such drug in  
41 that therapeutic category or class;

1           **“(C) a list of each therapeutic category or class of drugs that were dispensed**  
2           **under the health plan during the reporting period, and, with respect to each such**  
3           **therapeutic category or class of drugs, during the reporting period—**

4                   **“(i) total gross spending by the plan, before manufacturer rebates, fees, or**  
5                   **other manufacturer remuneration;**

6                   **“(ii) the number of participants and beneficiaries who filled a prescription**  
7                   **for a drug in that category or class;**

8                   **“(iii) if applicable to that category or class, a description of the formulary**  
9                   **tiers and utilization mechanisms (such as prior authorization or step**  
10                   **therapy) employed for drugs in that category or class;**

11                   **“(iv) the total out-of-pocket spending by participants and beneficiaries,**  
12                   **including participant and beneficiary spending through copayments,**  
13                   **coinsurance, and deductibles; and**

14                   **“(v) for each therapeutic category or class under which 3 or more drugs**  
15                   **are included on the formulary of such plan—**

16                           **“(I) the amount received, or expected to be received, from drug**  
17                           **manufacturers in rebates, fees, alternative discounts, or other**  
18                           **remuneration—**

19                                   **“(aa) to be paid by drug manufacturers for claims incurred**  
20                                   **during the reporting period; or**

21                                   **“(bb) that is related to utilization of drugs, in such therapeutic**  
22                                   **category or class;**

23                           **“(II) the total net spending, after deducting rebates, price concessions,**  
24                           **alternative discounts or other remuneration from drug manufacturers,**  
25                           **by the health plan on that category or class of drugs; and**

26                           **“(III) the net price per course of treatment or single fill, such as a**  
27                           **30-day supply or 90-day supply, incurred by the health plan and its**  
28                           **participants and beneficiaries, after manufacturer rebates, fees, and**  
29                           **other remuneration for drugs dispensed within such therapeutic**  
30                           **category or class during the reporting period;**

31           **“(D) total gross spending on prescription drugs by the plan during the**  
32           **reporting period, before rebates and other manufacturer fees or remuneration;**

33           **“(E) total amount received, or expected to be received, by the health plan in**  
34           **drug manufacturer rebates, fees, alternative discounts, and all other**  
35           **remuneration received from the manufacturer or any third party, other than the**  
36           **plan sponsor, related to utilization of drug or drug spending under that health**  
37           **plan during the reporting period;**

38           **“(F) the total net spending on prescription drugs by the health plan during the**  
39           **reporting period; and**

40           **“(G) amounts paid directly or indirectly in rebates, fees, or any other type of**

1 remuneration to brokers, consultants, advisors, or any other individual or firm  
2 who referred the group health plan's business to the pharmacy benefit manager.

3 **“(2) PRIVACY REQUIREMENTS.—Entities providing pharmacy benefits management**  
4 **services on behalf of a group health plan shall provide information under paragraph**  
5 **(1) in a manner consistent with the privacy, security, and breach notification**  
6 **regulations promulgated under section 264(c) of the Health Insurance Portability and**  
7 **Accountability Act of 1996, and shall restrict the use and disclosure of such**  
8 **information according to such privacy regulations.**

9 **“(3) DISCLOSURE AND REDISCLOSURE.—**

10 **“(A) LIMITATION TO BUSINESS ASSOCIATES.—A group health plan receiving a**  
11 **report under paragraph (1) may disclose such information only to business**  
12 **associates of such plan as defined in section 160.103 of title 45, Code of Federal**  
13 **Regulations (or successor regulations).**

14 **“(B) CLARIFICATION REGARDING PUBLIC DISCLOSURE OF**  
15 **INFORMATION.—Nothing in this section prevents an entity providing pharmacy**  
16 **benefits management services on behalf of a group health plan from placing**  
17 **reasonable restrictions on the public disclosure of the information contained in a**  
18 **report described in paragraph (1), except that such entity may not restrict**  
19 **disclosure of such report to the Department of Health and Human Services, the**  
20 **Department of Labor, or the Department of the Treasury.**

21 **“(C) LIMITED FORM OF REPORT.—The Secretary shall define through**  
22 **rulemaking a limited form of the report under paragraph (1) required of plan**  
23 **sponsors who are drug manufacturers, drug wholesalers, or other direct**  
24 **participants in the drug supply chain, in order to prevent anti-competitive**  
25 **behavior.**

26 **“(4) REPORT TO GAO.—An entity providing pharmacy benefits management services**  
27 **on behalf of a group health plan shall submit to the Comptroller General of the United**  
28 **States each of the first 4 reports submitted to a plan sponsor under paragraph (1) with**  
29 **respect to such plan, and other such reports as requested, in accordance with the**  
30 **privacy requirements under paragraph (2) and the disclosure and redisclosure**  
31 **standards under paragraph (3), and such other information that the Comptroller**  
32 **General determines necessary to carry out the study under section 30606(b) of an Act**  
33 **to provide for reconciliation pursuant to title II of S. Con. Res. 14.**

34 **“(c) Enforcement.—**

35 **“(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Labor and**  
36 **the Secretary of Health and Human Services, shall enforce this section.**

37 **“(2) FAILURE TO PROVIDE TIMELY INFORMATION.—An entity providing pharmacy**  
38 **benefit management services that violates subsection (a) or fails to provide**  
39 **information required under subsection (b), or a drug manufacturer that fails to**  
40 **provide information under subsection (b)(1)(A) in a timely manner, shall be subject to**  
41 **a civil monetary penalty in the amount of \$10,000 for each day during which such**  
42 **violation continues or such information is not disclosed or reported.**

1           “(3) FALSE INFORMATION.—An entity providing pharmacy benefit management  
2 services, or drug manufacturer that knowingly provides false information under this  
3 section shall be subject to a civil money penalty in an amount not to exceed \$100,000  
4 for each item of false information. Such civil money penalty shall be in addition to  
5 other penalties as may be prescribed by law.

6           “(4) PROCEDURE.—The provisions of section 1128A of the Social Security Act, other  
7 than subsection (a) and (b) and the first sentence of subsection (c)(1) of such section  
8 shall apply to civil monetary penalties under this subsection in the same manner as  
9 such provisions apply to a penalty or proceeding under section 1128A of the Social  
10 Security Act.

11           “(5) WAIVERS.—The Secretary may waive penalties under paragraph (2), or extend  
12 the period of time for compliance with a requirement of this section, for an entity in  
13 violation of this section that has made a good-faith effort to comply with this section.

14           “(d) Rule of Construction.—Nothing in this section shall be construed to permit a group  
15 health plan or other entity to restrict disclosure to, or otherwise limit the access of, the  
16 Department of the Treasury to a report described in subsection (b)(1) or information  
17 related to compliance with subsection (a) by such plan or entity.

18           “(e) Definition.—In this section, the term ‘wholesale acquisition cost’ has the meaning  
19 given such term in section 1847A(c)(6)(B) of the Social Security Act.”.

20           (b) Clerical Amendment.—The table of sections for subchapter B of chapter 100 of the  
21 Internal Revenue Code of 1986, as amended by the preceding provisions of this Act, is  
22 further amended by adding at the end the following new item:

23           “Sec.9827.Oversight of pharmacy benefit manager services.”.

## 24 **PART 4—PATHWAY TO PRACTICE TRAINING** 25 **PROGRAMS**

### 26 **\*\* 106 SEC. ~~137604~~ 137401. ADMINISTRATIVE FUNDING** 27 **OF THE RURAL AND UNDERSERVED PATHWAY TO** 28 **PRACTICE TRAINING PROGRAMS FOR** 29 **POST-BACCALAUREATE STUDENTS, MEDICAL** 30 **STUDENTS, AND MEDICAL RESIDENTS.**

31           In addition to amounts otherwise available, there is appropriated to the Secretary for  
32 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$6,000,000  
33 to remain available until September 30, 2031, in addition to amounts otherwise available, to  
34 carry out the administration of the Rural and Underserved Pathway to Practice Training  
35 Program for Post-Baccalaureate and Medical Students under section 1899C of such Act (42  
36 U.S.C. 1395mmm) and the Rural and Underserved Pathway to Practice Training Programs  
37 for Medical Residents under section 1886(h)(4)(H)(vii) of such Act (42 U.S.C.  
38 1395ww(h)(4)(H)(vii)). Amounts transferred under the preceding sentence shall remain  
39 available until expended.

1 **SEC. 137402 ~~SEC. 137601~~. ESTABLISHING RURAL AND**  
2 **UNDERSERVED PATHWAY TO PRACTICE TRAINING**  
3 **PROGRAMS FOR POST-BACCALAUREATE STUDENTS**  
4 **AND MEDICAL STUDENTS.**

5 (a) Program.—

6 (1) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is  
7 amended by adding at the end the following new section:

8 **“SEC. 1899C. RURAL AND UNDERSERVED PATHWAY**  
9 **TO PRACTICE TRAINING PROGRAM FOR**  
10 **POST-BACCALAUREATE AND MEDICAL STUDENTS.**

11 “(a) In General.—Not later than October 1, 2023, the Secretary shall, subject to the succeeding  
12 provisions of this section, carry out the ‘Rural and Underserved Pathway to Practice Training  
13 Program for Post-Baccalaureate and Medical Students’ (in this section, referred to as the  
14 ‘Program’) under which the Secretary awards Pathway to Practice medical scholarship vouchers  
15 to qualifying students described in subsection (b) for the purpose of increasing the number of  
16 physicians practicing in rural and underserved communities.

17 “(b) Qualifying Student Described.—For purposes of this section, a qualifying student  
18 described in this subsection is an individual who—

19 “(1) attests he or she—

20 “(A) is or will be a first-generation student of a 4-year college, graduate school, or  
21 professional school;

22 “(B) was a Pell Grant recipient; or

23 “(C) lived in a medically underserved area, rural area, or health professional  
24 shortage area for a period of 4 or more years prior to attending an undergraduate  
25 program;

26 “(2) has accepted enrollment in—

27 “(A) a post-baccalaureate program that is not more than 2 years and intends to enroll  
28 in a qualifying medical school within 2 years after completion of such program; or

29 “(B) a qualifying medical school;

30 “(3) will practice medicine in a health professional shortage area, medically underserved  
31 area, public hospital, rural area, or as required under subsection (d)(5); and

32 “(4) submits an application and a signed copy of the agreement described under  
33 subsection (c).

34 “(c) Applications.—

35 “(1) IN GENERAL.—To be eligible to receive a Pathway to Practice medical scholarship  
36 voucher under this section, a qualifying student described in subsection (b) shall submit to

1 the Secretary an application at such time, in such manner, and containing such information  
2 as the Secretary may require.

3 “(2) INFORMATION TO BE INCLUDED.—As a part of the application described in paragraph  
4 (1), the Secretary shall include a notice of the items which are required to be agreed to  
5 under subsection ~~(d)(4)~~**(d)(5)** for the purpose of notifying the qualifying student of the  
6 terms of the Rural and Underserved Pathway to Practice Training Program **for**  
7 **Post-Baccalaureate and Medical Students.**

8 “(d) Pathway to Practice Medical Scholarship Voucher Details.—

9 “(1) NUMBER.—On an annual basis, the Secretary ~~may~~ **shall** award a Pathway to Practice  
10 medical scholarship voucher under the Program to ~~not more than~~ 1,000 qualifying students  
11 described in subsection (b).

12 “(2) PRIORITIZATION CRITERIA.—In determining whether to award a Pathway to Practice  
13 medical scholarship voucher under the Program to qualifying students described in  
14 subsection (b), the Secretary shall prioritize applications from any such student who attests  
15 that he or she—

16 “(A) was a participant in the Health Resources and Services Administration Health  
17 Careers Opportunity Program, **Centers of Excellence Program**, or an Area Health  
18 Education Center ~~scholar~~ **program**;

19 “(B) is a disadvantaged student (as defined by the National Health Service Corps of  
20 the Health Resources & Services Administration of the Department of Health and  
21 Human Services); or

22 “(C) attended a historically black college or other minority serving institution (as  
23 defined in section 1067q of title 20, United States Code).

24 “(3) DURATION.—Each Pathway to Practice medical scholarship voucher awarded to a  
25 qualifying student pursuant to paragraph (1) shall be so awarded to such a student on an  
26 annual basis for each year of enrollment in a post-baccalaureate program and a qualifying  
27 medical school (as appropriate).

28 “(4) AMOUNT.—Subject to paragraph (5), each Pathway to Practice medical scholarship  
29 voucher awarded under the Program shall include amounts for—

30 “(A) tuition;

31 “(B) academic fees (as determined by the qualifying medical school);

32 “(C) required textbooks and equipment;

33 “(D) a monthly stipend equal to the amount provided for individuals under the  
34 health professions scholarship and financial assistance program ~~described in section~~  
35 ~~2121(e) of title 10, United States Code~~ **for active service stipend monthly rate**; and

36 “(E) any other educational expenses normally incurred by students at the  
37 post-baccalaureate program or qualifying medical school (as appropriate).

38 “(5) REQUIRED AGREEMENT.—No amounts under paragraph (4) may be provided **to** a  
39 qualifying student awarded a Pathway to Practice medical scholarship voucher under the  
40 Program, unless the qualifying student submits to the Secretary an agreement to—



1           “(A) complete a post-baccalaureate program that is not more than 2 years (if  
2 applicable pursuant to the option under subsection (b)(2)(A));

3           “(B) graduate from a qualifying medical school;

4           “(C) complete a residency program in an approved residency training program (as  
5 defined in section 1886(h)(5)(A));

6           “(D) complete an initial residency period or the period of board eligibility;

7           “(E) practice medicine for at least the number of years of the Pathway to Practice  
8 medical scholarship voucher awarded under paragraph (2) after a residency program in  
9 a health professional shortage area, a medically underserved area, a public hospital, or  
10 a rural area, and during such period annually submit documentation with respect to  
11 whether the qualifying student practices medicine in such an area and where;

12           “(F) for the purpose of determining compliance with subparagraph (E), not later than  
13 180 days after the date on which qualifying student completes a residency program,  
14 provide to the Secretary information with respect to where the qualifying student is  
15 practicing medicine following the period described in such subparagraph;

16           “(G) except in the case of a waiver for hardship pursuant to section 1892(f)(3), be  
17 liable to the United States pursuant to section 1892 for any amounts received under this  
18 Program that is determined a past-due obligation under subsection (b)(3) of such  
19 section in the case qualifying student fails to complete all of the requirements of this  
20 agreement under this subsection; and

21           “(H) for the purpose of determining the amount of Pathway to Practice medical  
22 scholarship vouchers paid or incurred by a qualifying medical school or any provider  
23 of a post-baccalaureate program referred to in subsection (b)(2)(A) for the costs of  
24 ~~tuition~~ **each item specified** under paragraph (4)~~(A)~~, consent to any personally  
25 identifying information being shared with the Secretary of the Treasury.

26           “(6) RESPONSIBILITIES OF PARTICIPATING EDUCATIONAL INSTITUTIONS.—Each annual  
27 award of an amount of Pathway to Practice medical scholarship voucher under paragraph  
28 (2) shall be made with respect to a specific qualifying medical school or **to a**  
29 post-baccalaureate program that is not more than 2 years and such school or program shall  
30 (as a condition of, and prior to, such award being made with respect to such school or  
31 program)—

32           “(A) submit to the Secretary such information as the Secretary may require to  
33 determine the amount of such award on the basis of the costs of the ~~costs of the~~ items  
34 specified under paragraph (4) (except for subparagraph (D)) with respect to such  
35 school or program, and

36           “(B) enter into an agreement with the Secretary under which such school or ~~provider~~  
37 **program** will verify (in such manner as the Secretary may provide) that amounts paid  
38 by such school or ~~provider~~ **program** to the qualifying student are used for such costs.

39           “(e) Definitions.—In this section:

40           “(1) HEALTH PROFESSIONAL SHORTAGE AREA.—The term ‘health professional shortage  
41 area’ has the meaning given such term in subparagraphs (A) or (B) of section 332(a)(1) of

1 the Public Health Service Act.

2 “(2) INITIAL RESIDENCY PERIOD.—The term ‘initial residency period’ has the meaning  
3 given such term in section 1886(h)(5)(F).

4 “(3) MEDICALLY UNDERSERVED AREA.—The term ‘medically underserved area’ means an  
5 area designated pursuant to section 330(b)(3)(A) of the Public Health Service Act.

6 “(4) PELL GRANT RECIPIENT.—The term ‘Pell Grant recipient’ has the meaning given such  
7 term in section 322(3) of the Higher Education Act of 1965.

8 “(5) PERIOD OF BOARD ELIGIBILITY.—The term ‘period of board eligibility’ has the  
9 meaning given such term in section 1886(h)(5)(G).

10 “(6) QUALIFYING MEDICAL SCHOOL.—The term ‘qualifying medical school’ means a  
11 school of medicine accredited by the Liaison Committee on Medical Education of the  
12 American Medical Association and the Association of American Medical Colleges (or  
13 approved by such Committee as meeting the standards necessary for such accreditation) or a  
14 school of osteopathy accredited by the American Osteopathic Association, or approved by  
15 such Association as meeting the standards necessary for such accreditation which—

16 “(A) for each academic year, enrolls at least 10 qualifying students who are in  
17 enrolled in such a school;

18 “(B) requires qualifying students to enroll in didactic coursework and clinical  
19 experience applicable to practicing medicine in health professional shortage areas,  
20 medically underserved areas, or rural areas, including—

21 “(i) clinical rotations in such areas in applicable specialties (as applicable and  
22 as available);

23 “(ii) coursework or training experiences focused on medical issues prevalent in  
24 such areas and cultural ~~and~~ or structural competency; and

25 “(C) is located in a State (as defined in section 210(h)).

26 “(7) RURAL AREA.—The term ‘rural area’ has the meaning given such term in section  
27 1886(d)(2)(D).

28 “(f) Penalty for False Information.—Any person who knowingly and willfully obtains by  
29 fraud, false statement, or forgery, or fails to refund any funds, assets, or property provided under  
30 this section or attempts to so obtain by fraud, false statement or forgery, or fail to refund any  
31 funds, assets, or property, received pursuant to this section shall be fined not more than \$20,000  
32 or imprisoned for not more than 5 years, or both.”.

33 (2) AGREEMENTS.—Section 1892 of the Social Security Act (42 U.S.C. 1395ccc) is  
34 amended—

35 (A) in subsection (a)(1)(A)—

36 (i) by striking “, or the” and inserting “, the”; and

37 (ii) by inserting “or the Rural and Underserved Pathway to Practice Training  
38 Program for Post- Baccalaureate and Medical Students under section 1899C”  
39 before “, owes a past-due obligation”;

1 (B) in subsection (b)—

2 (i) in paragraph (1), by striking at the end “or”;

3 (ii) in paragraph (2), by striking the period at the end and inserting “; or”; and

4 (iii) by adding the end the following new paragraph:

5 “(3) subject to subsection (f), owed by an individual to the United States by breach of an  
6 agreement under section 1899C(c) and which payment has not been paid by the individual  
7 for any amounts received under the Rural and Underserved Pathway to Practice Training  
8 Program for Post-Baccalaureate and Medical Students (and accrued interest determined in  
9 accordance with subsection (f)(4)) in the case such individual fails to complete the  
10 requirements of such agreement.”; and

11 (C) by adding at the end the following new subsection:

12 “(f) Authorities With Respect to the Collection Under the Pathway to Practice Training  
13 Program.—The Secretary—

14 “(1) shall require payment to the United States for any amount of damages that the  
15 United States is entitled to recover under subsection (b)(3), within the 5-year period  
16 beginning on the date an eligible individual fails to complete the requirements of such  
17 agreement under section 1899C(d)(5) (or such longer period beginning on such date as  
18 specified by the Secretary), and any such amounts not paid within such period shall be  
19 subject to collection through deductions in Medicare payments pursuant to subsection (e);

20 “(2) ~~may~~ **shall** allow payments described in paragraph (1) to be paid in installments over  
21 such 5-year period, which shall accrue interest in an amount determined pursuant to  
22 paragraph (5);

23 “(3) ~~may~~ **shall** waive the requirement for an individual to pay a past-due obligation under  
24 subsection (b)(3) in the case of hardship (as determined by the Secretary);

25 “(4) ~~may~~ **shall** not disclose any past-due obligation under subsection (b)(3) that is owed  
26 to the United States to any credit reporting agency that the United States entitled to be  
27 recovered the United States under this section; and

28 “(5) shall make a final determination of whether the amount of payment under section  
29 1899C made to a qualifying student (as described in subsection (b) of such section) was in  
30 excess of or less than the amount of payment that is due, and payment of such excess or  
31 deficit is not made (or effected by offset) within 90 days of the date of the determination,  
32 and interest shall accrue on the balance of such excess or deficit not paid or offset (to the  
33 extent that the balance is owed by or owing to the provider) at a rate determined in  
34 accordance with the regulations of the Secretary of the Treasury applicable to charges for  
35 late payments.”.

36 **SEC. ~~137602~~ 137403. FUNDING FOR THE RURAL AND**  
37 **UNDERSERVED PATHWAY TO PRACTICE TRAINING**  
38 **PROGRAMS FOR POST-BACCALAUREATE STUDENTS**  
39 **AND MEDICAL STUDENTS.**

1 (a) In General.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue  
2 Code of 1986, as amended by the preceding provisions of this Act, is amended by inserting after  
3 section 36F the following new section:

4 **“SEC. 36G. PATHWAY TO PRACTICE MEDICAL**  
5 **SCHOLARSHIP VOUCHER CREDIT.**

6 “(a) In General.—In the case of a qualified educational institution, there shall be allowed as a  
7 credit against the tax imposed by this subtitle for any taxable year an amount equal to the  
8 aggregate amount paid or incurred by such institution during such taxable year pursuant to any  
9 Pathway to Practice medical scholarship voucher awarded to a qualifying student with respect to  
10 such institution.

11 “(b) Determination of Amounts Paid Pursuant to Qualified Scholarship Vouchers, etc.—For  
12 purposes of this section—

13 “(1) an amount shall be treated as paid or incurred pursuant to an annual award of a  
14 Pathway to Practice medical scholarship voucher only if such amount is paid or incurred in  
15 reimbursement, or anticipation of, an expense described in subparagraphs (A) through (E)  
16 of paragraph (4) of section 1899C(d) of the Social Security Act and is subject to verification  
17 in such manner as the Secretary of Health and Human Services may provide under  
18 paragraph (6) of such section, and

19 “(2) in the case of any amount credited by a qualified educational institution against a  
20 liability owed by the qualifying student to such institution, such amount shall be treated as  
21 paid by such institution to such student as of the date that such liability would otherwise be  
22 due.

23 “(c) Definitions.—For purposes of this section—

24 “(1) QUALIFIED EDUCATIONAL INSTITUTION.—The term ‘qualified educational institution’  
25 means, with respect to any annual award of a Pathway to Practice medical scholarship  
26 voucher—

27 “(A) any qualifying medical school (as defined in subsection (e)(6) of section 1899C  
28 of the Social Security Act), and

29 “(B) any provider of a post-baccalaureate program referred to in subsection  
30 (b)(2)(A) of such section,

31 which meets the requirements of subsection (d)(6) of such section.

32 “(2) QUALIFYING STUDENT.—The term ‘qualifying student’ means any student to whom  
33 the Secretary of Health and Human Services has made an annual award of a Pathway to  
34 Practice medical scholarship voucher under section 1899C of the Social Security Act.

35 “(3) ANNUAL AWARD OF A PATHWAY TO PRACTICE MEDICAL SCHOLARSHIP  
36 VOUCHER.—The term ‘annual award of a Pathway to Practice medical scholarship voucher’  
37 means the annual award of a Pathway to Practice medical scholarship voucher referred to in  
38 section 1899C(d)(3) of the Social Security Act.

39 “(d) Coordination of Academic and Taxable Years.—The credit allowed under subsection (a)  
40 with respect to any Pathway to Practice medical scholarship voucher shall not exceed the amount

1 of such voucher which is for expenses described in subparagraphs (A) through (E) of section  
2 1899C(d)(4) of the Social Security Act, reduced by any amount of such voucher with respect to  
3 which credit was allowed under this section for any prior taxable year.

4 “(e) Regulations.—The Secretary shall issue such regulations or other guidance as are  
5 necessary or appropriate to carry out the purposes of this section.”.

6 (b) Conforming Amendments.—

7 (1) Section 6211(b)(4)(A), as amended by the preceding provisions of this Act, is  
8 amended by inserting “36G,” after “36F,”.

9 (2) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by the  
10 preceding provisions of this Act, is amended by inserting “36G,” after “36F,”.

11 (3) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the  
12 Internal Revenue Code of 1986, and amended by the preceding provisions of this Act, is  
13 amended by inserting after the item relating to section 36F the following new item:

14 “Sec.36G.Pathway to Practice medical scholarship voucher credit.”.

15 (c) Information Sharing.—The Secretary of Health and Human Services shall annually provide  
16 the Secretary of the Treasury such information regarding the program under section 1899C of the  
17 Social Security Act as the Secretary of the Treasury may require to administer the tax credits  
18 determined under section 36G of the Internal Revenue Code of 1986, including information to  
19 identify qualifying students and the qualified educational institutions at which such students are  
20 enrolled and the amount of the annual award of the Pathway to Practice medical scholarship  
21 voucher awarded to each such student with respect to such institution. Terms used in this  
22 subparagraph shall have the same meaning as when used ~~is~~ **in** such section 36G.

23 (d) Effective Date.—The amendments made by this section shall apply to taxable years ~~ending~~  
24 **beginning** after the date of the enactment of this Act.

25 **SEC. ~~137603~~ 137404. ESTABLISHING RURAL AND**  
26 **UNDERSERVED PATHWAY TO PRACTICE TRAINING**  
27 **PROGRAMS PROGRAM FOR MEDICAL RESIDENTS.**

28 Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended—

29 (1) in subsection (d)(5)(B)(v), by inserting “(h)(4)(H)(vii),” after “The provisions of  
30 subsections (h)(4)(H)(vi),”; and

31 (2) in subsection (h)(4)(H), by adding at the end the following new clause:

32 “(vii) ~~INCREASE IN~~ **EXCLUSION FROM FULL-TIME EQUIVALENT LIMITATION FOR**  
33 **HOSPITALS IMPLEMENTING PATHWAY TRAINING PROGRAMS.— RURAL AND**  
34 **UNDERSERVED PATHWAY TO PRACTICE PROGRAM.—**

35 “(I) **IN GENERAL.—**For cost reporting periods beginning on or after  
36 October 1, 2026, during which a **qualifying** resident (**as defined in**  
37 **subclause (II)**) trains in an applicable hospital ~~or hospitals~~(as defined in  
38 subclause ~~(H)~~ **in an approved medical residency training program**)(**III**)), the  
39 Secretary shall, ~~after any adjustment made under any preceding provision of~~

1 this paragraph or under any of paragraphs (7) through (9), subject to  
2 subelause (III), increase for such cost reporting period by the number of  
3 full-time equivalent residents so trained within the applicable hospital  
4 during such period, exclude from the limitation under subparagraph (F) for  
5 such cost reporting period by the number of full-time equivalent residents so  
6 trained under such program during such period (in this clause, referred to as  
7 the ‘Rural and Underserved Pathway to Practice Training Programs for  
8 Medical Residents’ or ‘Program’).

9 ~~“(II) Applicable hospital or hospitals defined.—For~~“(II) QUALIFYING  
10 RESIDENT.—For purposes of this clause, the term ‘~~applicable hospital or~~  
11 ~~hospitals~~’ means any hospital that has been recognized by the Accreditation  
12 Council for Graduate Medical Education as meeting at least the following  
13 requirements for their approved medical residency training programs:

14 ~~“(aa) The programs provide mentorships for residents.~~

15 ~~“(bb) The programs include cultural and structural competency as part of~~  
16 ~~the training of residents under the programs.~~

17 ~~“(cc) The programs have a demonstrated record of training medical~~  
18 ~~residents in medically underserved areas, rural areas, or health professional~~  
19 ~~shortage areas.~~

20 ~~“(dd) The hospital ‘qualifying resident’ means a full-time equivalent~~  
21 ~~resident who—~~

22 ~~“(aa) was a qualifying student awarded a Pathway to Practice~~  
23 ~~medical scholarship voucher under section 1899C; and~~

24 ~~“(bb) graduated from a qualifying medical school.~~

25 ~~“(III) APPLICABLE HOSPITAL.—~~

26 ~~“(aa) IN GENERAL.—For purposes of this clause, the term~~  
27 ~~‘applicable hospital’ means any hospital that—~~

28 ~~“(AA) meets the requirements of item (bb);~~

29 ~~“(BB) agrees to provide data to the Secretary with respect to~~  
30 ~~where qualifying residents (as defined in subclause (II)) practice~~  
31 ~~medicine or participate in fellowships immediately following~~  
32 ~~their residencies; and~~

33 ~~“(CC) agrees to promote community-based training of residents-~~  
34 ~~under their programs, as appropriate. qualifying residents (as~~  
35 ~~defined in subclause (II)), as appropriate.~~

36 ~~“(III) Annual limitation for number of residents in program.—The~~  
37 ~~Secretary shall ensure that, during any 1-year period and across all-~~  
38 ~~approved medical residency training programs described in subelause-~~  
39 ~~(I), not more than 1,000 full-time equivalent residents are trained each-~~  
40 ~~year.”(bb) OTHER REQUIREMENTS.—For the purpose of item~~  
41 ~~(aa)(AA), an applicable hospital shall also be a subsection (d)~~

1 hospital that has been recognized by the Accreditation Council for  
2 Graduate Medical Education as meeting the following  
3 requirements:

4 “(AA) Such hospital provides mentorships for residents.

5 “(BB) Such hospital includes cultural or structural competency  
6 as part of the training of residents.

7 “(CC) The hospital has a demonstrated record of training  
8 medical residents in health professional shortage areas, medically  
9 underserved areas, public hospitals, or rural areas.

10 “(IV) OTHER DEFINITIONS.—

11 “(aa) HEALTH PROFESSIONAL SHORTAGE AREA.—The term ‘health  
12 professional shortage area’ has the meaning given such term in  
13 subparagraphs (A) or (B) of section 332(a)(1) of the Public Health  
14 Service Act.

15 “(bb) ~~MEDICAL~~ MEDICALLY UNDERSERVED AREA.—The term  
16 ‘medically underserved area’ means an area designated pursuant to  
17 section 330(b)(3)(A) of the Public Health Service Act.

18 “(cc) QUALIFYING MEDICAL SCHOOL.—The term ‘qualifying medical  
19 school’ has the meaning given such term in section 1899C(e)(6).

20 “(dd) QUALIFYING MEDICAL STUDENT.—The term ‘qualifying medical  
21 student’ has the meaning given such term in section 1899C(b).

22 “(ee) RURAL AREA.—The term ‘rural area’ has the meaning given  
23 such term in section 1886(d)(2)(D).”.

24  
25 ~~\* 106 SEC. 137604. ADMINISTRATIVE FUNDING OF THE~~  
26 ~~RURAL AND UNDERSERVED PATHWAY TO PRACTICE~~  
27 ~~TRAINING PROGRAMS FOR POST BACCALAUREATE~~  
28 ~~STUDENTS, MEDICAL STUDENTS, AND MEDICAL~~  
29 ~~RESIDENTS.~~

30 ~~The Secretary shall provide for the transfer of \$6,000,000 from~~  
31 ~~the Hospital Insurance Trust Fund established under section~~  
32 ~~1817 of the Social Security Act (42 U.S.C. 1395i) and the~~  
33 ~~Federal Supplementary Medical Insurance Trust Fund under~~  
34 ~~section 1841 of such Act (42 U.S.C. 1395t), in addition to~~  
35 ~~amounts otherwise available to remain available until expended,~~

~~to carry out the administration of the Rural and Underserved  
Pathway to Practice Training Program for Post-Baccalaureate  
and Medical Students under section 1899C of such Act (42  
U.S.C. 1395mmm) and the Rural and Underserved Pathway to  
Practice Training Programs for Medical Residents under section  
1886(h)(4)(H)(vii) of such Act (42 U.S.C.  
1395ww(h)(4)(H)(vii)).~~

~~PART 7—HIGHER EDUCATION SEC. 137405.  
DISTRIBUTION OF ADDITIONAL RESIDENCY  
POSITIONS.~~

~~\*\* 107 (a) In General.—Section 453(j) 1886(h) of the Social Security Act (42 U.S.C. 653(j))  
1395ww(h)) is amended—~~

~~SEC. 137701(1) in paragraph (4)(F)(i), by striking “and (9)” and inserting “(9), and  
(10)”;~~

~~(2) in paragraph (4)(H)(i), by striking “and (9)” and inserting “(9), and (10)”;~~

~~(3) by adding at the end the following new paragraph:~~

~~“(10) DISTRIBUTION OF ADDITIONAL RESIDENCY POSITIONS.—~~

~~“(A) ADDITIONAL RESIDENCY POSITIONS.—~~

~~“(i) IN GENERAL.—For fiscal years 2025 and 2026, and for each succeeding  
fiscal year until the aggregate number of full-time equivalent residency  
positions distributed under this paragraph is equal to the aggregate number  
of such positions made available (as specified in clause (ii)), the Secretary  
shall, subject to the succeeding provisions of this paragraph, increase the  
otherwise applicable resident limit for each qualifying hospital (as defined in  
subparagraph (F)) that submits a timely application under this  
subparagraph by such number as the Secretary may approve effective  
beginning July 1 of the fiscal year of the increase.~~

~~“(ii) NUMBER AVAILABLE FOR DISTRIBUTION.—~~

~~“(I) TOTAL NUMBER AVAILABLE.—The aggregate number of such  
positions made available under this paragraph shall be equal to 4,000.~~

~~“(II) ANNUAL LIMIT.—The aggregate number of such positions so  
made available shall not exceed 2,000 for a fiscal year.~~

~~“(iii) ROUNDS OF APPLICATIONS.—The Secretary shall initiate a separate  
round of applications for an increase under clause (i) for each fiscal year for  
which such an increase is to be provided.~~

~~“(iv) DISTRIBUTION FOR PRIMARY CARE, PSYCHIATRY, AND OTHER~~



1                   **RESIDENCIES.—**

2                   **“(I) IN GENERAL.—**Except as provided under subclause (II), of the  
3                   **positions made available under this paragraph—**

4                   **“(aa) not less than 25 percent shall be in a primary care residency**  
5                   **(as defined in subparagraph (F)) or obstetrics and gynecology**  
6                   **residency; and**

7                   **“(bb) not less than 15 percent shall be in a psychiatry residency**  
8                   **(as defined in such subparagraph).**

9                   **“(II) DISTRIBUTION FOR OTHER RESIDENCIES.—**The requirement under  
10                   **subclause (I) shall not apply with respect to any positions made available**  
11                   **under this paragraph that are not distributed to a qualifying hospital by**  
12                   **July 1, 2027, and such positions shall be distributed to hospitals in**  
13                   **accordance with subparagraph (B), without regard to specialty.**

14                   **“(v) CLARIFICATION REGARDING AVAILABILITY OF OTHER INCREASE.—**A  
15                   **qualifying hospital may apply for, and receive, an increase under this**  
16                   **paragraph and paragraph (9) for a fiscal year.**

17                   **“(B) DISTRIBUTION.—**For purposes of providing an increase in the otherwise  
18                   **applicable resident limit under subparagraph (A), the following shall apply:**

19                   **“(i) ELIGIBLE HOSPITALS.—**With respect to the aggregate number of such  
20                   **positions available for distribution under this paragraph, the Secretary shall**  
21                   **distribute 30 percent of such aggregate number to the category of hospitals**  
22                   **described in subclause (II) of clause (ii), 20 percent of such aggregate number**  
23                   **to each of the categories of hospitals described in subclauses (I), (III), and**  
24                   **(IV) of such clause, and 10 percent of such aggregate number to the category**  
25                   **of hospitals described in subclause (V) of such clause, subject to clauses (iii)**  
26                   **and (iv).**

27                   **“(ii) CATEGORIES OF HOSPITALS DESCRIBED.—**The following categories of  
28                   **hospitals are described in this clause:**

29                   **“(I) Hospitals that are located in a rural area (as defined in subsection**  
30                   **(d)(2)(D)) or are treated as being located in a rural area pursuant to**  
31                   **subsection (d)(8)(E), hospitals that are located in a census tract assigned**  
32                   **a rural-urban commuting area code of 4 or greater, and hospitals that**  
33                   **are a sole community hospital (as defined in subsection (d)(5)(D)(iii)).**

34                   **“(II) Hospitals in which the reference resident level of the hospital (as**  
35                   **specified in subparagraph (F)(v)) is greater than the otherwise**  
36                   **applicable resident limit.**

37                   **“(III) Hospitals in States with—**

38                   **“(aa) a new medical school that received ‘Candidate School’**  
39                   **status from the Liaison Committee on Medical Education or**  
40                   **‘Pre-Accreditation’ status from the American Osteopathic**  
41                   **Association Commission on Osteopathic College Accreditation on**

1 or after January 1, 2000, and achieved or continued to progress  
2 toward ‘Full Accreditation’ status (as such term is defined by the  
3 Liaison Committee on Medical Education) or toward  
4 ‘Accreditation’ status (as such term is defined by the American  
5 Osteopathic Association Commission on Osteopathic College  
6 Accreditation); or

7 “(bb) an additional location or branch campus established on or  
8 after January 1, 2000, by a medical school with ‘Full Accreditation’  
9 status (as such term is defined by the Liaison Committee on  
10 Medical Education) or ‘Accreditation’ status (as such term is  
11 defined by the American Osteopathic Association Commission on  
12 Osteopathic College Accreditation).

13 “(IV) Hospitals that are located in or serve an area designated as a  
14 health professional shortage area under section 332(a)(1)(A) of the  
15 Public Health Service Act or serve a population group designated under  
16 section 332(a)(1)(B) of such Act, as determined by the Secretary.

17 “(V) Hospitals located in States in the lowest quartile for  
18 resident-to-population ratios, as defined by the Secretary.

19 “(iii) DISTRIBUTION TO OTHER HOSPITALS.—Any positions made available  
20 under this paragraph that are not distributed to a qualifying hospital in  
21 accordance with clause (i) by July 1, 2027, shall be distributed to other  
22 hospitals, subject to the requirement under clause (iv). In carrying out the  
23 preceding sentence, the Secretary shall ensure that such positions are first  
24 offered to qualifying hospitals in categories described in clause (ii) before  
25 being distributed to other hospitals.

26 “(iv) REQUIREMENT.—A hospital shall only be eligible to receive positions  
27 made available under this paragraph if the hospital demonstrates to the  
28 Secretary that the hospital is likely to—

29 “(I) fill such positions within the first 5 training years beginning after  
30 the date the increase would be effective, as determined by the Secretary;  
31 and

32 “(II) use some portion (as specified by the Secretary) of such positions  
33 for the residencies described in (A)(iv).

34 “(C) CONDITIONS OF DISTRIBUTION.—

35 “(i) IN GENERAL.—Subject to clause (iv), a hospital that receives an  
36 increase in the otherwise applicable resident limit under this paragraph shall  
37 ensure, during the 5-year period beginning on the date of such increase, that  
38 the numbers of full-time equivalent residents in a primary care or psychiatry  
39 residency (as those terms are defined in subparagraph (F)), excluding any  
40 additional positions attributable to an increase under this paragraph, are not  
41 less than the average numbers of full-time equivalent residents in a primary  
42 care or psychiatry residency (as so defined) during the 3 most recent cost  
43 reporting periods ending prior to the date of enactment of this paragraph.

1           “(ii) **REPORTING REQUIREMENTS.**—Subject to clause (iv), a hospital that  
2 receives an increase in the otherwise applicable resident limit under this  
3 paragraph shall, after making a good faith attempt to collect information  
4 from former residents, report to the Secretary in a time and manner  
5 specified by the Secretary the following information for each year (beginning  
6 with the first year for which the hospital receives an increase in the otherwise  
7 applicable resident limit under this paragraph), as applicable:

8                   “(I) Race and ethnicity of residents.

9                   “(II) The practice patterns of residents one and two years after  
10 completion of their residency, including the number and percent of  
11 residents who—

12                           “(aa) practice in a primary care, psychiatry, or other specialty;

13                           “(bb) primarily serve or are located in a health professional  
14 shortage area with a designation in effect under section 332 of the  
15 Public Health Service Act; or

16                           “(cc) primarily serve or are located in a rural area (as defined in  
17 subsection (d)(2)(D)).

18           “(iii) **REQUIREMENT FOR RURAL HOSPITALS TO EXPAND EXISTING**  
19 **PROGRAMS.**—Subject to clause (iv), if a hospital that receives an increase in  
20 the otherwise applicable resident limit under this paragraph would be  
21 eligible for an adjustment to the otherwise applicable resident limit for  
22 participation in a new medical residency training program under section  
23 413.79(e)(3) of title 42, Code of Federal Regulations (or any successor  
24 regulation), the hospital shall ensure that any positions made available under  
25 this paragraph are used to expand an existing program of the hospital, and  
26 not for participation in a new medical residency training program.

27           “(iv) **REDISTRIBUTION OF POSITIONS IF HOSPITAL NO LONGER MEETS**  
28 **CERTAIN REQUIREMENTS.**—In the case where the Secretary determines that a  
29 hospital that receives an increase in the otherwise applicable resident limit  
30 under this paragraph does not meet either of the requirements under clause  
31 (i), the reporting requirements under clause (ii), or, if applicable, the  
32 requirement under clause (iii), the Secretary shall—

33                   “(I) reduce the otherwise applicable resident limit of the hospital by  
34 the amount by which such limit was increased under this paragraph;  
35 and

36                   “(II) provide for the distribution of positions attributable to such  
37 reduction to other qualifying hospitals in accordance with the  
38 requirements of this paragraph.

39           “(v) **LIMITATION.**—A hospital may not receive more than 25 additional  
40 full-time equivalent residency positions under this paragraph.

41           “(D) **APPLICATION OF PER RESIDENT AMOUNTS FOR PRIMARY CARE AND**  
42 **NONPRIMARY CARE.**—With respect to additional residency positions in a hospital

1           attributable to the increase provided under this paragraph, the approved FTE  
2           per resident amounts are deemed to be equal to the hospital per resident amounts  
3           for primary care and nonprimary care computed under paragraph (2)(D) for that  
4           hospital.

5           “(E) PERMITTING FACILITIES TO APPLY AGGREGATION RULES.—The Secretary  
6           shall permit hospitals receiving additional residency positions attributable to the  
7           increase provided under this paragraph to, beginning in the fifth year after the  
8           effective date of such increase, apply such positions to the limitation amount  
9           under paragraph (4)(F) that may be aggregated pursuant to paragraph (4)(H)  
10          among members of the same affiliated group.

11          “(F) DEFINITIONS.—In this paragraph:

12           “(i) OTHERWISE APPLICABLE RESIDENT LIMIT.—The term ‘otherwise  
13           applicable resident limit’ means, with respect to a hospital, the limit  
14           otherwise applicable under subparagraphs (F)(i) and (H) of paragraph (4) on  
15           the resident level for the hospital determined without regard to this  
16           paragraph but taking into account paragraphs (7)(A), (7)(B), (8)(A), (8)(B),  
17           or (9)(A).

18           “(ii) PRIMARY CARE RESIDENCY.—The term ‘primary care residency’  
19           means a residency training program described in paragraph (5)(H).

20           “(iii) PSYCHIATRY RESIDENCY.—The term ‘psychiatry residency’ means a  
21           residency in psychiatry, addiction medicine, addiction psychiatry, pain  
22           medicine, child and adolescent psychiatry, consultation-liaison psychiatry,  
23           geriatric psychiatry, brain injury medicine, forensic psychiatry, hospice and  
24           palliative medicine, and sleep medicine. Such term includes a residency in a  
25           program that is a prerequisite (as determined by the Secretary) for a  
26           residency described in the preceding sentence.

27           “(iv) QUALIFYING HOSPITAL.—The term ‘qualifying hospital’ means a  
28           hospital described in any of subclauses (I) through (V) of subparagraph  
29           (B)(ii).

30           “(v) REFERENCE RESIDENT LEVEL.—The term ‘reference resident level’  
31           means, with respect to a hospital, the resident level for the most recent cost  
32           reporting period of the hospital ending on or before the date of enactment of  
33           this paragraph, for which a cost report has been settled (or, if not, submitted  
34           (subject to audit)), as determined by the Secretary.

35           “(vi) RESIDENT LEVEL.—The term ‘resident level’ has the meaning given  
36           such term in paragraph (7)(C)(i).

37          “(G) FUNDING.—There is appropriated to the Secretary, out of any amounts in  
38          the Treasury not otherwise appropriated, \$10,000,000, to remain available until  
39          expended, for purposes of carrying out this paragraph and subsection  
40          (d)(5)(B)(xiii).”.

41          (b) IME.—Section 1886(d)(5)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B))  
42          is amended—

1 (1) in clause (v), in the third sentence, by striking “and (h)(9)” and inserting “(h)(9),  
2 and (h)(10)”;

3 (2) by adding at the end the following new clause:

4 “(xiii) For discharges occurring on or after July 1, 2024, insofar as an additional  
5 payment amount under this subparagraph is attributable to resident positions  
6 distributed to a hospital under subsection (h)(10), the indirect teaching adjustment  
7 factor shall be computed in the same manner as provided under clause (ii) with respect  
8 to such resident positions.”.

## 9 PART 5—HIGHER EDUCATION

### 10 SEC. 137501. CREDIT FOR PUBLIC UNIVERSITY 11 RESEARCH INFRASTRUCTURE.

12 (a) In General.—Subpart D of part IV of subchapter A of chapter 1, as amended by the  
13 preceding provisions of this Act, is amended by adding at the end the following new section:

#### 14 “SEC. 45AA. PUBLIC UNIVERSITY RESEARCH 15 INFRASTRUCTURE CREDIT.

16 “(a) Allowance of Credit.—For purposes of section 38, the public university research  
17 infrastructure credit determined under this section for a taxable year is an amount equal to 40  
18 percent of the qualified cash contributions made by a taxpayer during such taxable year.

19 “(b) Qualified Cash Contribution.—

20 “(1) IN GENERAL.—

21 “(A) DEFINED.—For purposes of subsection (a), the qualified cash contribution for  
22 any taxable year is the aggregate amount contributed in cash by a taxpayer during such  
23 taxable year to a certified educational institution in connection with a qualifying  
24 project that, but for this section, would be treated as a charitable contribution for  
25 purposes of section 170(c).

26 “(B) QUALIFIED CASH CONTRIBUTIONS TAKEN INTO ACCOUNT FOR PURPOSES OF  
27 CHARITABLE CONTRIBUTION LIMITATIONS.—Any qualified cash contributions made by  
28 a taxpayer under this section shall be taken into account for purposes of determining  
29 the percentage limitations under section 170(b).

30 “(2) DESIGNATION REQUIRED.—A contribution shall only be treated as a qualified cash  
31 contribution to the extent that it is designated as such by a certified educational institution  
32 under subsection (d).

33 “(c) Definitions.—For purposes of this section—

34 “(1) QUALIFYING PROJECT.—The term ‘qualifying project’ means a project to purchase,  
35 construct, or improve research infrastructure property.

36 “(2) RESEARCH INFRASTRUCTURE PROPERTY.—The term ‘research infrastructure property’  
37 means any portion of a property, building, or structure of an eligible educational institution,

1 or any land associated with such property, building, or structure, that is used for research.

2 “(3) ELIGIBLE EDUCATIONAL INSTITUTION.—The term ‘eligible educational institution’  
3 means—

4 “(A) an institution of higher education (as such term is defined in section 101 or  
5 102(c) of the Higher Education Act of 1965) that is a college or university described in  
6 section 511(a)(2)(B), or

7 “(B) an organization described in section 170(b)(1)(A)(iv), **section 170(b)(1)(A)(vi)**,  
8 or section 509(a)(3) to which authority has been delegated by an institution described  
9 in subparagraph (A) for purposes of applying for or administering credit amounts on  
10 behalf of such institution.

11 “(4) CERTIFIED EDUCATIONAL INSTITUTION.—The term ‘certified educational institution’  
12 means an eligible educational institution which has been allocated a credit amount for a  
13 qualifying project and—

14 “(A) has received a certification for such project **by submitting an application as**  
15 **required** under subsection (d)(2), and

16 “(B) designates credit amounts to taxpayers for qualifying cash contributions toward  
17 such project under subsection (d)(4).

18 “(d) Qualifying University Research Infrastructure Program.—

19 “(1) ESTABLISHMENT.—

20 “(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this  
21 section, the Secretary, after consultation with the Secretary of Education, shall  
22 establish a program to—

23 “(i) certify and allocate credit amounts for qualifying projects to eligible  
24 educational institutions, and

25 “(ii) allow certified educational institutions to designate cash contributions for  
26 qualifying projects of such certified educational institutions as qualified cash  
27 contributions.

28 “(B) LIMITATIONS.—

29 “(i) ALLOCATION LIMITATION PER INSTITUTION.—The credit amounts allocated  
30 to a certified educational institution under subparagraph (A)(i) for all projects  
31 shall not exceed \$50,000,000 per calendar year.

32 “(ii) OVERALL ALLOCATION LIMITATION.—

33 “(I) IN GENERAL.—The total amount of qualifying project credit amounts  
34 that may be allocated under subparagraph (A)(i) shall not exceed—

35 “(aa) \$500,000,000 for each of calendar years 2022, 2023, 2024,  
36 2025, and 2026, and

37 “(bb) \$0 for each subsequent year.

38 “(II) ROLLOVER OF UNALLOCATED CREDIT AMOUNTS.—Any credit amounts  
39 described in subclause (I) that are unallocated during a calendar year shall be

1 carried to the succeeding calendar year and added to the limitation allowable  
2 under such subclause for such succeeding calendar year.

3 “(iii) DESIGNATION LIMITATION.—The aggregate amount of cash contributions  
4 which are designated by a certified educational institution as qualifying cash  
5 contributions with respect to any qualifying project shall not exceed 250 percent  
6 of the credit amount allocated to such certified educational institution for a  
7 qualifying project under subparagraph (A)(i).

8 “(2) CERTIFICATION APPLICATION.—Each eligible educational institution which applies  
9 for certification of a project under this paragraph shall submit an application in such time,  
10 form, and manner as the Secretary may require.

11 “(3) SELECTION CRITERIA FOR ALLOCATIONS TO ELIGIBLE EDUCATIONAL  
12 INSTITUTIONS.—The Secretary, after consultation with the Secretary of Education, shall  
13 select applications from eligible educational institutions—

14 “(A) based on the extent of the expected expansion of an eligible educational  
15 institution’s targeted research within disciplines in science, mathematics, engineering,  
16 and technology, and

17 “(B) in a manner that ensures consideration is given to eligible educational  
18 institutions with full-time student populations of less than 12,000.

19 “(4) DESIGNATION OF QUALIFIED CASH CONTRIBUTIONS TO TAXPAYERS.—The Secretary,  
20 after consultation with the Secretary of Education, shall establish a process by which  
21 certified educational institutions shall designate cash contributions to such institutions as  
22 qualified cash contributions.

23 “(5) DISCLOSURE OF ALLOCATIONS AND DESIGNATIONS.—

24 “(A) ALLOCATIONS.—The Secretary shall, upon allocating credit amounts to an  
25 applicant under this subsection, publicly disclose the identity of the applicant and the  
26 credit amount allocated to such applicant.

27 “(B) DESIGNATIONS.—Each certified educational institution shall, upon designating  
28 contributions of a taxpayer as qualified cash contributions under this subsection,  
29 publicly disclose the identity of the taxpayer and the amount of contributions  
30 designated in such time, form, and manner as the Secretary may require.

31 “(e) Regulations and Guidance.—The Secretary, after consultation with the Secretary of  
32 Education when applicable, shall prescribe such regulations and guidance as may be necessary or  
33 appropriate to carry out the purposes of this section, including regulations **or other guidance**  
34 for—

35 “(1) prevention of abuse,

36 “(2) establishment of reporting requirements,

37 “(3) establishment of selection criteria for applications, and

38 “(4) disclosure of allocations.

39 “(f) Penalty for Noncompliance.—

40 “(1) IN GENERAL.—If at any time during the 5-year period beginning on the date of the

1 allocation of credit amounts to a certified educational institution under subsection  
2 (d)(1)(A)(i) there is a noncompliance event with respect to such credit amounts, then the  
3 following rules shall apply:

4 “(A) GENERAL RULE.—Any cash contribution designated as a qualifying cash  
5 contribution with respect to a qualifying project for which such credit amounts were  
6 allocated under subsection (d)(1)(A)(ii) shall be treated as unrelated business taxable  
7 income (as defined in section 512) of such certified educational institution.

8 “(B) RULE FOR UNUSED CREDIT AMOUNTS.—In the case of ~~unused~~ credit amounts  
9 described under paragraph (2)(A) **which are unused** and identified pursuant to  
10 subsection (g), the Secretary shall reallocate any portion of such ~~unused~~ credit amounts  
11 **that are unused** to certified educational institutions in lieu of imposing the general  
12 rule under subparagraph (A).

13 “(2) NONCOMPLIANCE EVENT.—For purposes of this subsection, the term ‘noncompliance  
14 event’ means, with respect to a credit amount allocated to a certified educational  
15 institution—

16 “(A) cash contributions equaling the amount of such credit amount are not  
17 designated as qualifying cash contributions within 2 years after December 31 of the  
18 year such credit amount is allocated,

19 “(B) a qualifying project with respect to which such credit amount was allocated is  
20 not placed in service within either—

21 “(i) 4 years after December 31 of the year such credit amount is allocated, or

22 “(ii) a period of time that the Secretary determines is appropriate, or

23 “(C) the research infrastructure property placed in service as part of a qualifying  
24 project with respect to which such credit amount was allocated ceases to be used for  
25 research within five years after such property is placed in service.

26 “(g) Review and Reallocation of Credit Amounts.—

27 “(1) REVIEW.—Not later than 5 years after the date of enactment of this section, the  
28 Secretary shall review the credit amounts allocated under this section as of such date.

29 “(2) REALLOCATION.—

30 “(A) IN GENERAL.—The Secretary may reallocate credit amounts allocated under  
31 this section if the Secretary determines, as of the date of the review in paragraph (1),  
32 that such credit amounts are subject to a noncompliance event.

33 “(B) ADDITIONAL PROGRAM.—If the Secretary determines that credits under this  
34 section are available for reallocation pursuant to the requirements set forth in  
35 subparagraph (A), the Secretary is authorized to conduct an additional program for  
36 applications for certification.

37 “(C) DEADLINE FOR REALLOCATION.—The Secretary shall not certify any project, or  
38 reallocate any credit amount, pursuant to this paragraph after December 31, 2031.

39 “(h) Denial of Double Benefit.—No credit or deduction shall be allowed under any other  
40 provision of this chapter for any qualified cash contribution for which a credit is allowed under



1 this section.

2 “(i) Rule for Trusts and Estates.—For purposes of this section, rules similar to the rules of  
3 subsection (d) of section 52 shall apply.

4 “(j) Termination.—This section shall not apply to qualified cash contributions made after  
5 December 31, 2033.”.

6 (b) Credit Made Part of General Business Credit.—Subsection (b) of section 38, as amended  
7 by the preceding provisions of this Act, is amended by striking “plus” at the end of paragraph  
8 (38)(41), by striking the period at the end of paragraph (39)(42) and inserting “, plus”, and by  
9 adding at the end the following new paragraph:

10 “(43) the public university research infrastructure credit determined under section  
11 45AA.”.

12 (c) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of  
13 chapter 1, as amended by the preceding provisions of this Act, is amended by adding at the end  
14 the following new item:

15 “Sec.45AA.Public university research infrastructure credit.”.

16 (d) Effective Date.—The amendments made by this section shall apply to qualified cash  
17 contributions made after December 31, 2021.

18 ~~SEC. 137702. MODIFICATION OF EXCISE TAX ON~~  
19 ~~INVESTMENT INCOME OF PRIVATE COLLEGES AND~~  
20 ~~UNIVERSITIES.~~

21 ~~(a) Phaseout of Investment Income Excise Tax for Private~~  
22 ~~Colleges and Universities Providing Sufficient Grants and~~  
23 ~~Scholarships.—Section 4968 is amended by adding at the end~~  
24 ~~the following new subsection:~~

25 ~~“(e) Phaseout for Institutions Providing Qualified Aid.—~~

26 ~~“(1) In general.—The amount of tax imposed by subsection (a)~~  
27 ~~(determined without regard to this subsection) shall be reduced~~  
28 ~~(but not below zero) by the amount which bears the same ratio~~  
29 ~~to such amount of tax (as so determined) as—~~

30 ~~“(A) the excess (if any) of—~~

31 ~~“(i) the aggregate amount of qualified aid awards provided by~~  
32 ~~the institution to its first time, full time undergraduate students~~  
33 ~~for academic periods beginning during the taxable year, over~~

1 ~~“(ii) an amount equal to 20 percent of the aggregate~~  
2 ~~undergraduate tuition and fees received by the institution from~~  
3 ~~first time, full time undergraduate students for such academic~~  
4 ~~periods, bears to~~

5 ~~“(B) an amount equal to 13 percent of such aggregate~~  
6 ~~undergraduate tuition and fees so received.~~

7 ~~“(2) Institution must meet reporting requirement.—~~

8 ~~“(A) In general.— Paragraph (1) shall not apply to an applicable~~  
9 ~~educational institution for a taxable year unless such institution~~  
10 ~~furnishes to the Secretary, and makes widely available, a~~  
11 ~~statement detailing the average aggregate amount of Federal~~  
12 ~~student loans received by a student for attendance at the~~  
13 ~~institution, averaged among each of the following groups of~~  
14 ~~first time, full time undergraduate students who during the~~  
15 ~~taxable year completed a course of study for which the~~  
16 ~~institution awarded a baccalaureate degree:~~

17 ~~“(i) All such students.~~

18 ~~“(ii) The students who have been awarded a Federal Pell Grant~~  
19 ~~under subpart 1 of part A of title IV of the Higher Education Act~~  
20 ~~of 1965 for attendance at the institution.~~

21 ~~“(iii) The students who received work study assistance under~~  
22 ~~part C of title IV of such Act for attendance at such institution.~~

23 ~~“(iv) The students who were provided such Federal student~~  
24 ~~loans.~~

25 ~~“(B) Form and manner for report.— Such statement shall be~~  
26 ~~furnished at such time and in such form and manner, and made~~  
27 ~~widely available, under such regulations or guidance as the~~  
28 ~~Secretary may prescribe.~~

1 ~~“(C) Federal student loans.— For purposes of this paragraph, the~~  
2 ~~term ‘Federal student loans’ means a loan made under part D of~~  
3 ~~title IV of the Higher Education Act of 1965, except such term~~  
4 ~~does not include a Federal Direct PLUS Loan made on behalf of~~  
5 ~~a dependent student.~~

6 ~~“(3) Other definitions.— For purposes of this subsection—~~

7 ~~“(A) First time, full-time undergraduate student.— The term~~  
8 ~~‘first time, full-time undergraduate student’ shall have the same~~  
9 ~~meaning as when used in section 132 of the Higher Education~~  
10 ~~Act of 1965.~~

11 ~~“(B) Qualified aid awards.— The term ‘qualified aid awards’~~  
12 ~~means, with respect to any applicable educational institution,~~  
13 ~~grants and scholarships to the extent used for undergraduate~~  
14 ~~tuition and fees.~~

15 ~~“(C) Undergraduate tuition and fees.— The term ‘undergraduate~~  
16 ~~tuition and fees’ means, with respect to any institution, the~~  
17 ~~tuition and fees required for the enrollment or attendance of a~~  
18 ~~student as an undergraduate student at the institution.”.~~

19 ~~(b) Inflation Adjustment to Per-Student Asset~~  
20 ~~Threshold.— Section 4968(b) is amended by adding at the end~~  
21 ~~the following new paragraph:~~

22 ~~“(3) Inflation adjustment.— In the case of any taxable year~~  
23 ~~beginning after 2022, the dollar amount in paragraph (1)(D)~~  
24 ~~shall be increased by an amount equal to—~~

25 ~~“(A) such dollar amount, multiplied by~~

26 ~~“(B) the cost-of-living adjustment determined under section~~  
27 ~~1(f)(3) for the calendar year in which the taxable year begins,~~  
28 ~~determined by substituting ‘calendar year 2021’ for ‘calendar~~

1 ~~year 2016~~ in subparagraph (A)(ii) thereof.

2 ~~If any increase determined under this paragraph is not a multiple~~  
3 ~~of \$1,000, such increase shall be rounded to the nearest multiple~~  
4 ~~of \$1,000.”.~~

5 ~~(c) Clarification of 500 Student Threshold.—Section~~  
6 ~~4968(b)(1)(A) is amended by inserting “below the graduate~~  
7 ~~level” after “500 tuition paying students”.~~

8 ~~(d) Effective Date.—The amendment made by this section shall~~  
9 ~~apply to taxable years beginning after December 31, 2021.~~

10 ~~SEC. 137703~~ **137502. TREATMENT OF FEDERAL PELL**  
11 **GRANTS FOR INCOME TAX PURPOSES.**

12 (a) Exclusion From Gross Income.—Section 117(b)(1) is amended by striking “received by an  
13 individual”**“means any amount”** and all that follows and inserting “received by an  
14 individual—**“means—**

15 ~~“(A)“(A) any amount received by an individual~~ as a scholarship or fellowship  
16 grant to the extent the individual establishes that, in accordance with the conditions of  
17 the grant, such amount was used for qualified tuition and related expenses, ~~or~~ **and**

18 ~~“(B)“(B) any amount received by an individual after December 31, 2021, and~~  
19 ~~before January 1, 2026,~~ as a Federal Pell Grant under section 401 of the Higher  
20 Education Act of 1965.”.

21 (b) Treatment for Purposes of American Opportunity Tax Credit and Lifetime Learning  
22 Credit.—Section 25A(g)(2) is amended—

23 (1) in subparagraph (A), by inserting “described in section 117(b)(1)(A)” after “a  
24 qualified scholarship”, and

25 (2) in subparagraph (C), by inserting “~~or Federal Pell Grant under section 401 of the~~  
26 ~~Higher Education Act of 1965”~~ **amount described in section 117(b)(1)(B)**” after “within  
27 the meaning of section 102(a)”.

28 (c) Effective Date.—The amendment made by this section shall apply to taxable years  
29 beginning after December 31, 2021.

30 ~~SEC. 137704~~ **137503. REPEAL OF DENIAL OF AMERICAN**  
31 **OPPORTUNITY TAX CREDIT ON BASIS OF FELONY**  
32 **DRUG CONVICTION.**

33 (a) In General.—Section 25A(b)(2) is amended by striking subparagraph (D).

1 (b) Effective Date.—The amendment made by this section shall apply to taxable years  
2 beginning after December 31, 2021.

### 3 **PART 6—DEDUCTION FOR STATE AND LOCAL** 4 **TAXES, ETC.**

#### 5 **SEC. 137601. MODIFICATION OF LIMITATION ON** 6 **DEDUCTION FOR STATE AND LOCAL TAXES, ETC.**

7 (a) In General.—Paragraph (6) of section 164(b) is amended—

8 (1) by striking “2025” in the heading and inserting “2031”,

9 (2) by striking “January 1, 2026” and inserting “January 1, 2032”,

10 (3) in subparagraph (A), by inserting “or section 216(a)(1)” after “subsection  
11 (a)(1)”, and

12 (4) in subparagraph (B)—

13 (A) by striking “\$10,000 (\$5,000 in the case of a married individual filing a  
14 separate return)” and inserting “\$72,500 (\$36,250 in the case of an estate, trust, or  
15 married individual filing a separate return)”, and

16 (B) by inserting “(and any tax described in any such paragraph taken into  
17 account under section 216(a)(1))” after “paragraph (5) of this subsection”. Subtitle  
18 I—~~Responsibly Funding Our Priorities~~

19 \*\* 108 (d)(b) Effective Date.—The ~~amendment~~ amendments made by this section shall apply  
20 to taxable years beginning after December 31, 2021 2020.

21 (c) No Inference.—The amendments made by paragraphs (3) or (4)(B) shall not be  
22 construed to create any inference with respect to the proper application of section 164(b)(6)  
23 or section 216(a) with respect to any taxable year beginning before January 1, 2021.

### 24 **Subtitle H—Responsibly Funding Our Priorities**

#### 25 **SEC. 138001. AMENDMENT OF 1986 CODE.**

26 Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is  
27 expressed in terms of an amendment to, or repeal of, a section or other provision, the reference  
28 shall be considered to be made to a section or other provision of the Internal Revenue Code of  
29 1986.

### 30 **PART 1—CORPORATE AND INTERNATIONAL TAX** 31 **REFORMS**

#### 32 **Subpart A—Corporate Tax Rate**

#### 33 ~~SEC. 138101. INCREASE IN CORPORATE TAX RATE.~~

1 ~~(a) In General.— Section 11(b) is amended to read as follows:~~

2 ~~“(b) Amount of Tax.—~~

3 ~~“(1) In general.— The amount of the tax imposed by subsection-~~  
4 ~~(a) shall be the sum of—~~

5 ~~“(A) 18 percent of so much of the taxable income as does not~~  
6 ~~exceed \$400,000,~~

7 ~~“(B) 21 percent of so much of the taxable income as exceeds-~~  
8 ~~\$400,000 but does not exceed \$5,000,000, and~~

9 ~~“(C) 26.5 percent of so much of the taxable income as exceeds-~~  
10 ~~\$5,000,000.~~

11 ~~In the case of a corporation which has taxable income in excess-~~  
12 ~~of \$10,000,000 for any taxable year, the amount of tax-~~  
13 ~~determined under the preceding sentence for such taxable year-~~  
14 ~~shall be increased by the lesser of (i) 3 percent of such excess, or~~  
15 ~~(ii) \$287,000.~~

16 ~~“(2) Certain personal service corporation not eligible for-~~  
17 ~~graduated rates.— Notwithstanding paragraph (1), the amount of~~  
18 ~~the tax imposed by subsection (a) on the taxable income of a~~  
19 ~~qualified personal service corporation (as defined in section-~~  
20 ~~448(d)(2)) shall be equal to 26.5 percent of the taxable income.”.~~

21 ~~(b) Proportional Adjustment of Deduction for Dividends-~~  
22 ~~Received.—~~

23 ~~(1) In general.— Section 243(a)(1) is amended by striking “50-~~  
24 ~~percent” and inserting “60 percent”.~~

25 ~~(2) Dividends from 20 percent owned corporations.— Section-~~  
26 ~~243(c)(1) is amended—~~

27 ~~(A) prior to amendment by subparagraph (B), by striking “65-~~  
28 ~~percent” and inserting “72.5 percent”, and~~

1 ~~(B) by striking “50 percent” and inserting “60 percent”.~~

2 ~~(c) Conforming Amendment.— Section 1561 is amended—~~

3 ~~(1) by amending subsection (a) to read as follows:~~

4 ~~“(a) In General.— The component members of a controlled-~~  
5 ~~group of corporations on a December 31 shall, for their taxable-~~  
6 ~~years which include such December 31, be limited for purposes-~~  
7 ~~of this subtitle to—~~

8 ~~“(1) amounts in each taxable income bracket in the-~~  
9 ~~subparagraphs of section 11(b)(1) which do not aggregate more-~~  
10 ~~than the maximum amount in each such bracket to which a-~~  
11 ~~corporation which is not a component member of a controlled-~~  
12 ~~group is entitled, and~~

13 ~~“(2) one \$250,000 (\$150,000 if any component member is a-~~  
14 ~~corporation described in section 535(c)(2)(B)) amount for-~~  
15 ~~purposes of computing the accumulated earnings credit under-~~  
16 ~~section 535(c)(2) and (3).~~

17 ~~The amounts specified in paragraph (1) shall be divided equally-~~  
18 ~~among the component members of such group on such-~~  
19 ~~December 31 unless all of such component members consent (at-~~  
20 ~~such time and in such manner as the Secretary shall by-~~  
21 ~~regulations prescribe) to an apportionment plan providing for an-~~  
22 ~~unequal allocation of such amounts. The amounts specified in-~~  
23 ~~paragraph (2) shall be divided equally among the component-~~  
24 ~~members of such group on such December 31 unless the-~~  
25 ~~Secretary prescribes regulations permitting an unequal allocation~~  
26 ~~of such amounts. Notwithstanding paragraph (1), in applying the~~  
27 ~~last sentence of section 11(b)(1) to such component members,-~~  
28 ~~the taxable income of all such component members shall be~~  
29 ~~taken into account and any increase in tax under such last-~~

~~sentence shall be divided among such component members in the same manner as amounts under paragraph (1).”, and (2) by striking “accumulated earnings credit” in the heading and inserting “certain multiple tax benefits”.~~

#### ~~(d) Provisions~~

### **SEC. 138101. CORPORATE ALTERNATIVE MINIMUM TAX.**

#### **(a) Imposition of Tax.—**

**(1) IN GENERAL.—**Paragraph (2) of section 55(b) is amended to read as follows:

#### **“(2) CORPORATIONS.—**

**“(A) APPLICABLE CORPORATIONS.—**In the case of an applicable corporation, the tentative minimum tax for the taxable year shall be the excess of—

**“(i) 15 percent of the adjusted financial statement income for the taxable year (as determined under section 56A), over**

**“(ii) the corporate AMT foreign tax credit for the taxable year.**

**“(B) OTHER CORPORATIONS.—**In the case of any corporation which is not an applicable corporation, the tentative minimum tax for the taxable year shall be zero.”.

**(2) APPLICABLE CORPORATION.—**Section 59 is amended by adding at the end the following new subsection:

**“(k) Applicable Corporation.—**For purposes of this part—

#### **“(1) APPLICABLE CORPORATION DEFINED.—**

**“(A) IN GENERAL.—**The term ‘applicable corporation’ means, with respect to any taxable year, any corporation (other than an S corporation, a regulated investment company, or a real estate investment trust) which meets the average annual adjusted financial statement income test of subparagraph (B) for one or more taxable years which—

**“(i) are prior to such taxable year, and**

**“(ii) end after December 31, 2021.**

**“(B) AVERAGE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME TEST.—**For purposes of this subsection—

**“(i) a corporation meets the average annual adjusted financial statement income test for any taxable year if the average annual adjusted financial statement income of such corporation for the 3-taxable-year period ending with such taxable year exceeds \$1,000,000,000, and**



1                   “(ii) in the case of a corporation described in paragraph (2), such  
2 corporation meets the average annual adjusted financial statement income  
3 test if—

4                   “(I) the corporation meets the requirements of clause (i) (determined  
5 after the application of paragraph (2)), and

6                   “(II) the average annual adjusted financial statement income of such  
7 corporation (determined without regard to the application of paragraph  
8 (2)) for the 3-taxable-year-period ending with such taxable year is  
9 \$100,000,000 or more.

10                   “(C) EXCEPTION.—Notwithstanding subparagraph (A), the term ‘applicable  
11 corporation’ shall not include any corporation which otherwise meets the  
12 requirements of subparagraph (A) if—

13                   “(i) such corporation—

14                   “(I) has a change in ownership, or

15                   “(II) has a specified number (to be determined by the Secretary and  
16 which shall, as appropriate, take into account the facts and  
17 circumstances of the taxpayer) of consecutive taxable years, including  
18 the most recent taxable year, in which the corporation does not meet the  
19 average annual adjusted financial statement income test of  
20 subparagraph (B), and

21                   “(ii) the Secretary determines that it would not be appropriate to continue  
22 to treat such corporation as an applicable corporation.

23                   The preceding sentence shall not apply to any corporation if, after the Secretary  
24 makes the determination described in clause (ii), such corporation meets the  
25 average annual adjusted financial statement income test for any taxable year  
26 beginning after the first taxable year for which the determination applies.

27                   “(D) SPECIAL RULES FOR DETERMINING AVERAGE ANNUAL ADJUSTED FINANCIAL  
28 STATEMENT INCOME.—Solely for purposes of determining whether a corporation  
29 is an applicable corporation under paragraph (1)—

30                   “(i) all persons treated as a single employer under subsection (a) or (b) of  
31 section 52 shall be treated as 1 person, and

32                   “(ii) in the case of a foreign corporation, only income described in  
33 paragraph (3) or (4) of section 56A(c) shall be taken into account.

34                   “(E) OTHER SPECIAL RULES.—

35                   “(i) CORPORATIONS IN EXISTENCE FOR LESS THAN 3 YEARS.—If the  
36 corporation was in existence for less than 3-taxable years, subparagraph (B)  
37 shall be applied on the basis of the period during which such corporation was  
38 in existence.

39                   “(ii) SHORT TAXABLE YEARS.—Adjusted financial statement income for any  
40 taxable year of less than 12 months shall be annualized by multiplying the

1           adjusted financial statement income for the short period by 12 and dividing  
2           the result by the number of months in the short period.

3           “(iii) TREATMENT OF PREDECESSORS.—Any reference in this subparagraph  
4           to a corporation shall include a reference to any predecessor of such  
5           corporation.

6           “(2) SPECIAL RULE FOR FOREIGN-PARENTED CORPORATIONS.—

7           “(A) IN GENERAL.—Solely for purposes of determining whether a corporation  
8           meets the average annual adjusted financial statement income test under  
9           paragraph (1)(B)(i), notwithstanding paragraph (1)(D)(ii), any corporation which  
10          for any taxable year is a member of an international financial reporting group the  
11          common parent of which is a foreign corporation shall include in the adjusted  
12          financial statement income of such corporation for such taxable year the adjusted  
13          financial statement income of all foreign members of such group.

14          “(B) INTERNATIONAL FINANCIAL REPORTING GROUP.—For purposes of  
15          subparagraph (A), the term ‘international financial reporting group’ shall have  
16          the meaning given such term by section 163(n)(3).

17          “(3) REGULATIONS OR OTHER GUIDANCE.—The Secretary shall provide regulations  
18          or other guidance for the purposes of carrying out this subsection, including  
19          regulations or other guidance—

20                 “(A) providing a simplified method for determining whether a corporation  
21                 meets the requirements of paragraph (1), and

22                 “(B) addressing the application of this subsection to a corporation that  
23                 experiences a change in ownership.”.

24          (3) REDUCTION FOR BASE EROSION AND ANTI-ABUSE TAX.—Section 55(a)(2) is  
25          amended by inserting “plus, in the case of an applicable corporation (as defined in  
26          subsection (b)(2)), the tax imposed by section 59A” before the period at the end.

27          (4) CONFORMING AMENDMENTS.—

28                 (A) Section 55(a) is amended by striking “In the case of a taxpayer other than a  
29                 corporation, there” and inserting “There”.

30                 (B)(i) Section 55(b)(1) is amended—

31                         (I) by striking so much as precedes subparagraph (A) and inserting the  
32                         following:

33                         “(1) NONCORPORATE TAXPAYERS.—In the case of a taxpayer other than a  
34                         corporation—”, and

35                         (II) by adding at the end the following new subparagraph:

36                                 “(D) ALTERNATIVE MINIMUM TAXABLE INCOME.—The term ‘alternative  
37                                 minimum taxable income’ means the taxable income of the taxpayer for the  
38                                 taxable year—

39   “(i) determined with the adjustments provided in section 56 and section 58,  
40   and

1                   “(ii) increased by the amount of the items of tax preference described in  
2                   section 57.

3           **If a taxpayer is subject to the regular tax, such taxpayer shall be subject to the tax**  
4           **imposed by this section (and, if the regular tax is determined by reference to an**  
5           **amount other than taxable income, such amount shall be treated as the taxable**  
6           **income of such taxpayer for purposes of the preceding sentence).”.**

7           (ii) Section 860E(a)(4) is amended by striking “55(b)(2)” and inserting  
8           “55(b)(1)(D)”.

9           (iii) Section 897(a)(2)(A)(i) is amended by striking “55(b)(2)” and inserting  
10           “55(b)(1)(D)”.

11           (C) Section 11(d) is amended by striking “the tax imposed by subsection (a)”  
12           and inserting “the taxes imposed by subsection (a) and section 55”.

13           (D) Section 12 is amended by adding at the end the following new paragraph:  
14           “(5) For alternative minimum tax, see section 55.”.

15           (E) Section 882(a)(1) is amended by inserting “, 55,” after “section 11”.

16           (F) Section 6425(c)(1)(A) is amended to read as follows:

17           “(A) the sum of—

18                   “(i) the tax imposed by section 11 or subchapter L of chapter 1, whichever  
19                   is applicable, plus

20                   “(ii) the tax imposed by section 55, plus

21                   “(iii) the tax imposed by section 59A, over”.

22           (G) Section 6655(e)(2) is amended by inserting “, adjusted financial statement  
23           income (as defined in section 56A),” before “and modified taxable income” each  
24           place it appears in subparagraphs (A)(i) and (B)(i).

25           (H) Section 6655(g)(1)(A) is amended by redesignating clauses (ii) and (iii) as  
26           clauses (iii) and (iv), respectively, and by inserting after clause (i) the following  
27           new clause:

28                   “(ii) the tax imposed by section 55,”.

29           **(b) Adjusted Financial Statement Income.—**

30                   **(1) IN GENERAL.—Part VI of subchapter A of chapter 1 is amended by inserting**  
31                   **after section 56 the following new section:**

32           **“SEC. 56A. ADJUSTED FINANCIAL STATEMENT**  
33           **INCOME.**

34           “(a) **In General.—For purposes of this part, the term ‘adjusted financial statement**  
35           **income’ means, with respect to any corporation for any taxable year, the net income or loss**  
36           **of the taxpayer set forth on the taxpayer’s applicable financial statement for such taxable**  
37           **year, adjusted as provided in this section.**

1       “(b) **Applicable Financial Statement.**—For purposes of this section, the term ‘applicable  
2 financial statement’ means, with respect to any taxable year, an applicable financial  
3 statement (as defined in section 451(b)(3) or as specified by the Secretary in regulations or  
4 other guidance) which covers such taxable year.

5       “(c) **General Adjustments.**—

6           “(1) **STATEMENTS COVERING DIFFERENT TAXABLE YEARS.**—Appropriate adjustments  
7 shall be made in adjusted financial statement income in any case in which an  
8 applicable financial statement covers a period other than the taxable year.

9           “(2) **SPECIAL RULES FOR RELATED ENTITIES.**—

10           “(A) **CONSOLIDATED FINANCIAL STATEMENTS.**—If the financial results of a  
11 taxpayer are reported on the applicable financial statement for a group of  
12 entities, rules similar to the rules of section 451(b)(5) shall apply.

13           “(B) **CONSOLIDATED RETURNS.**—Except as provided in regulations prescribed  
14 by the Secretary, if the taxpayer files a consolidated return for any taxable year,  
15 adjusted financial statement income of the taxpayer for such taxable year shall  
16 take into account items on the taxpayer’s applicable financial statement which are  
17 properly allocable to members of such group included on such return.

18           “(C) **TREATMENT OF DIVIDENDS AND OTHER AMOUNTS.**—In the case of any  
19 corporation which is not included on a consolidated return with the taxpayer,  
20 adjusted financial statement income of the taxpayer shall take into account the  
21 earnings of such other corporation only to the extent of the sum of the dividends  
22 received from such other corporation (reduced to the extent provided by the  
23 Secretary in regulations or other guidance) and other amounts required to be  
24 included in gross income under this chapter (other than amounts required to be  
25 included under sections 951 and 951A) in respect of the earnings of such other  
26 corporation.

27           “(D) **GROUP INCLUDING ONE OR MORE PARTNERSHIPS.**—Under rules prescribed  
28 by the Secretary, if the financial results of a taxpayer are reported on the  
29 applicable financial statement for a group of entities that includes one or more  
30 partnerships, adjusted financial statement income shall take into account the  
31 earnings of such partnerships in the same proportion as the taxpayer’s  
32 distributive share of items from the partnerships required to be included in gross  
33 income under this chapter.

34           “(3) **ADJUSTMENTS TO TAKE INTO ACCOUNT CERTAIN ITEMS OF FOREIGN INCOME.**—

35           “(A) **IN GENERAL.**—If, for any taxable year, a taxpayer is a United States  
36 shareholder of one or more controlled foreign corporations, the adjusted financial  
37 statement income of such taxpayer shall be adjusted to take into account such  
38 taxpayer’s pro rata share (determined under rules similar to the rules under  
39 section 951(a)(2)) of items taken into account in computing the net income or loss  
40 set forth on the applicable financial statement of each such controlled foreign  
41 corporation with respect to which such taxpayer is a United States shareholder.

42           “(B) **NEGATIVE ADJUSTMENTS.**—In any case in which the adjustment

1           determined under subparagraph (A) would result in a negative adjustment for  
2           such taxable year—

3                   “(i) no adjustment shall be made under this paragraph for such taxable  
4                   year, and

5                   “(ii) the amount of the adjustment determined under this paragraph for  
6                   the succeeding taxable year (determined without regard to this paragraph)  
7                   shall be reduced by an amount equal to the negative adjustment for such  
8                   taxable year.

9           “(4) EFFECTIVELY CONNECTED INCOME.—In the case of a foreign corporation, to  
10           determine adjusted financial statement income, the principles of section 882 shall  
11           apply.

12           “(5) ADJUSTMENTS FOR CERTAIN TAXES.—Adjusted financial statement income shall  
13           be appropriately adjusted to disregard any Federal income taxes, or income, war  
14           profits, or excess profits taxes (within the meaning of section 901) with respect to a  
15           foreign country or possession of the United States, which are taken into account on the  
16           taxpayer’s applicable financial statement. To the extent provided by the Secretary, the  
17           preceding sentence shall not apply to income, war profits, or excess profits taxes  
18           (within the meaning of section 901) that are imposed by a foreign country or  
19           possession of the United States and taken into account on the taxpayer’s applicable  
20           financial statement if the taxpayer does not choose to take the benefits of section 901.  
21           The Secretary shall prescribe such regulations or other guidance as may be necessary  
22           and appropriate to provide for the proper treatment of current and deferred taxes for  
23           purposes of this paragraph, including the time at which such taxes are properly taken  
24           into account.

25           “(6) ADJUSTMENT WITH RESPECT TO DISREGARDED ENTITIES.—Adjusted financial  
26           statement income shall be adjusted to take into account any adjusted financial  
27           statement income of a disregarded entity owned by the taxpayer.

28           “(7) SPECIAL RULE FOR COOPERATIVES.—In the case of a cooperative to which  
29           section 1381 applies, the adjusted financial statement income (determined without  
30           regard to this paragraph) shall be reduced by the amounts referred to in section  
31           1382(b) (relating to patronage dividends and per-unit retain allocations) to the extent  
32           such amounts were not otherwise taken into account in determining adjusted financial  
33           statement income.

34           “(8) RULES FOR ALASKA NATIVE CORPORATIONS.—Adjusted financial statement  
35           income shall be appropriately adjusted to allow—

36                   “(A) cost recovery and depletion attributable to property the basis of which is  
37                   determined under section 21(c) of the Alaska Native Claims Settlement Act (43  
38                   U.S.C. 1620(c)), and

39                   “(B) deductions for amounts payable made pursuant to section 7(i) or section  
40                   7(j) of such Act (43 U.S.C. 1606(i) and 1606(j)) only at such time as the deductions  
41                   are allowed for tax purposes.

42           “(9) AMOUNTS ATTRIBUTABLE TO ELECTIONS FOR DIRECT PAYMENT OF CERTAIN

1 CREDITS.—Adjusted financial statement income shall be appropriately adjusted to  
2 disregard any amount received as a refund of taxes which is attributable to an election  
3 under section 6417.

4 “(10) CONSISTENT TREATMENT OF MORTGAGE SERVICING INCOME OF TAXPAYER  
5 OTHER THAN A REGULATED INVESTMENT COMPANY.—

6 “(A) IN GENERAL.—Adjusted financial statement income shall be adjusted so as  
7 not to include any item of income in connection with a mortgage servicing  
8 contract any earlier than when such income is included in gross income under any  
9 other provision of this chapter.

10 “(B) RULES FOR AMOUNTS NOT REPRESENTING REASONABLE  
11 COMPENSATION.—The Secretary shall provide regulations to prevent the  
12 avoidance of taxes imposed by this chapter with respect to amounts not  
13 representing reasonable compensation (as determined by the Secretary) with  
14 respect to a mortgage servicing contract.

15 “(11) SECRETARIAL AUTHORITY TO ADJUST ITEMS.—The Secretary shall issue  
16 regulations or other guidance to provide for such adjustments to adjusted financial  
17 statement income as the Secretary determines necessary to carry out the purposes of  
18 this section, including adjustments—

19 “(A) to prevent the omission or duplication of any item,

20 “(B) to take into account the ownership of a member of a group by a  
21 corporation or partnership which is not a member of such group, and

22 “(C) to carry out the principles of part II of subchapter C of this chapter  
23 (relating to corporate liquidations), part III of subchapter C of this chapter  
24 (relating to corporate organizations and reorganizations), and part II of  
25 subchapter K of this chapter (relating to partnership contributions and  
26 distributions).

27 “(d) Deduction for Financial Statement Net Operating Loss.—

28 “(1) IN GENERAL.—Adjusted financial statement income (determined after  
29 application of subsection (c) and without regard to this subsection) shall be reduced by  
30 an amount equal to the lesser of—

31 “(A) the aggregate amount of financial statement net operating loss carryovers  
32 to the taxable year, or

33 “(B) 80 percent of adjusted financial statement income computed without  
34 regard to the deduction allowable under this subsection.

35 “(2) FINANCIAL STATEMENT NET OPERATING LOSS CARRYOVER.—A financial  
36 statement net operating loss for any taxable year shall be a financial statement net  
37 operating loss carryover to each taxable year following the taxable year of the loss.  
38 The portion of such loss which shall be carried to subsequent taxable years shall be the  
39 amount of such loss remaining (if any) after the application of paragraph (1).

40 “(3) FINANCIAL STATEMENT NET OPERATING LOSS DEFINED.—For purposes of this  
41 subsection, the term ‘financial statement net operating loss’ means the amount of the

1 net loss (if any) set forth on the corporation's applicable financial statement  
2 (determined after application of subsection (c) and without regard to this subsection)  
3 for taxable years ending after December 31, 2019.

4 “(e) Regulations and Other Guidance.—The Secretary shall provide for such regulations  
5 and other guidance as necessary to carry out the purposes of this section, including  
6 regulations and other guidance relating to the effect of the rules of this section on  
7 partnerships with income taken into account by an applicable corporation.”.

8 (2) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter A of  
9 chapter 1 is amended by inserting after the item relating to section 56 the following  
10 new item:

11 “Sec.56A.Adjusted financial statement income.”.

12 (c) Corporate AMT Foreign Tax Credit.—Section 59, as amended by this section, is  
13 amended by adding at the end the following new subsection:

14 “(l) Corporate AMT Foreign Tax Credit.—

15 “(1) IN GENERAL.—For purposes of this part, if an applicable corporation chooses to  
16 have the benefits of subpart A of part III of subchapter N for any taxable year, the  
17 corporate AMT foreign tax credit for the taxable year of the applicable corporation is  
18 an amount equal to sum of—

19 “(A) the lesser of—

20 “(i) the aggregate of the applicable corporation's pro rata share (as  
21 determined under section 56A(c)(3)) of the amount of income, war profits,  
22 and excess profits taxes (within the meaning of section 901) imposed by any  
23 foreign country or possession of the United States which are—

24 “(I) taken into account on the applicable financial statement of each  
25 controlled foreign corporation with respect to which the applicable  
26 corporation is a United States shareholder, and

27 “(II) paid or accrued (for Federal income tax purposes) by each such  
28 controlled foreign corporation, or

29 “(ii) the product of the amount of the adjustment under section 56A(c)(3)  
30 and the percentage specified in section 55(b)(2)(A)(i), and

31 “(B) the amount of income, war profits, and excess profits taxes (within the  
32 meaning of section 901) imposed by any foreign country or possession of the  
33 United States to the extent such taxes are—

34 “(i) taken into account on the applicable corporation's applicable financial  
35 statement, and

36 “(ii) paid or accrued (for Federal income tax purposes) by the applicable  
37 corporation.

38 “(2) CARRYOVER OF EXCESS TAX PAID.—For any taxable year for which an  
39 applicable corporation chooses to have the benefits of subpart A of part III of  
40 subchapter N, the excess of the amount described in paragraph (1)(A)(i) over the

1 amount described in paragraph (1)(A)(ii) shall increase the amount described in  
2 paragraph (1)(A)(i) in any of the first 5 succeeding taxable years to the extent not  
3 taken into account in a prior taxable year.

4 “(3) REGULATIONS OR OTHER GUIDANCE.—The Secretary shall provide for such  
5 regulations or other guidance as is necessary to carry out the purposes of this  
6 subsection.”

7 (d) Treatment of General Business Credit.—Section 38(c)(6)(E) is amended to read as  
8 follows:

9 “(E) CORPORATIONS.—In the case of a corporation—

10 “(i) the first sentence of paragraph (1) shall be applied by substituting ‘25  
11 percent of the taxpayer’s net income tax as exceeds \$25,000’ for ‘the greater  
12 of’ and all that follows,

13 “(ii) paragraph (2)(A) shall be applied without regard to clause (ii)(I)  
14 thereof, and

15 “(iii) paragraph (4)(A) shall be applied without regard to clause (ii)(I)  
16 thereof.”

17 (e) Credit for Prior Year Minimum Tax Liability.—

18 (1) IN GENERAL.—Section 53(e) is amended to read as follows:

19 “(e) Application to Applicable Corporations.—In the case of a corporation—

20 “(1) subsection (b)(1) shall be applied by substituting ‘the net minimum tax for all  
21 prior taxable years beginning after 2022’ for ‘the adjusted net minimum tax imposed  
22 for all prior taxable years beginning after 1986’, and

23 “(2) the amount determined under subsection (c)(1) shall be increased by the  
24 amount of tax imposed under section 59A for the taxable year.”

25 (2) CONFORMING AMENDMENTS.—Section 53(d) is amended—

26 (A) in paragraph (2), by striking “, except that in the case” and all that follows  
27 through “treated as zero”, and

28 (B) by striking paragraph (3).

29 (f) Effective Date.—The amendments made by this section shall apply to taxable years  
30 beginning after December 31, 2021.

31 ~~(e) Normalization Requirements.—~~

32 ~~(1) In general.—A normalization method of accounting shall not be treated as being used with~~  
33 ~~respect to any public utility property for purposes of section 167 or 168 of the Internal Revenue~~  
34 ~~Code of 1986 if the taxpayer, in computing its cost of service for ratemaking purposes and~~  
35 ~~reflecting operating results in its regulated books of account, reduces the tax reserve deficit less~~  
36 ~~rapidly or to a lesser extent than such reserve would be reduced under the average rate~~  
37 ~~assumption method.~~

38 ~~(2) Alternative method for certain taxpayers.—If, as of the first day of the taxable year that~~  
39 ~~includes the date of enactment of this Act—~~



1 (A) the taxpayer was required by a regulatory agency to compute depreciation for public-  
2 utility property on the basis of an average life or composite rate method, and

3 (B) the taxpayer's books and underlying records did not contain the vintage account data  
4 necessary to apply the average rate assumption method,

5 the taxpayer will be treated as using a normalization method of accounting if, with respect to  
6 such jurisdiction, the taxpayer uses the alternative method for public utility property that is  
7 subject to the regulatory authority of that jurisdiction.

8 ~~(3)~~ 2022.

## 9 **SEC. 138102. EXCISE TAX ON REPURCHASE OF** 10 **CORPORATE STOCK.**

11 (a) In General.—Subtitle D is amended by inserting after chapter 36 the following new  
12 chapter:

### 13 **“CHAPTER 37—REPURCHASE OF CORPORATE** 14 **STOCK**

15 **“Sec.4501.Repurchase of corporate stock.**

### 16 **“SEC. 4501. REPURCHASE OF CORPORATE STOCK.**

17 **“(a) General Rule.—There is hereby imposed on each covered corporation a tax equal to**  
18 **1 percent of the fair market value of any stock of the corporation which is repurchased by**  
19 **such corporation during the taxable year.**

20 **“(b) Covered Corporation.—For purposes of this section, the term ‘covered corporation’**  
21 **means any domestic corporation the stock of which is traded on an established securities**  
22 **market (within the meaning of section 7704(b)(1)).**

23 **“(c) Repurchase.—For purposes of this section—**

24 **“(1) IN GENERAL.—The term ‘repurchase’ means—**

25 **“(A) a redemption within the meaning of section 317(b) with regard to the stock**  
26 **of a covered corporation, and**

27 **“(B) any transaction determined by the Secretary to be economically similar to**  
28 **a transaction described in subparagraph (A).**

29 **“(2) TREATMENT OF PURCHASES BY SPECIFIED AFFILIATES.—**

30 **“(A) IN GENERAL.—The acquisition of stock of a covered corporation by a**  
31 **specified affiliate of such covered corporation, from a person who is not the**  
32 **covered corporation or a specified affiliate of such covered corporation, shall be**  
33 **treated as a repurchase of the stock of the covered corporation by such covered**  
34 **corporation.**

35 **“(B) SPECIFIED AFFILIATE.—For purposes of this section, the term ‘specified**  
36 **affiliate’ means, with respect to any corporation—**

1                   “(i) any corporation more than 50 percent of the stock of which is owned  
2                   (by vote or by value), directly or indirectly, by such corporation, and

3                   “(ii) any partnership more than 50 percent of the capital interests or  
4                   profits interests of which is held, directly or indirectly, by such corporation.

5                   “(3) ADJUSTMENT.—The amount taken into account under subsection (a) with  
6                   respect to any stock repurchased by a covered corporation shall be reduced by the fair  
7                   market value of any stock issued by the covered corporation during the taxable year,  
8                   including the fair market value of any stock issued to employees of such covered  
9                   corporation or a specified affiliate of such covered corporation during the taxable  
10                  year, whether or not such stock is issued in response to the exercise of an option to  
11                  purchase such stock.

12                  “(d) Special Rules for Acquisition of Stock of Certain Foreign Corporations.—

13                  “(1) IN GENERAL.—In the case of an acquisition of stock of an applicable foreign  
14                  corporation by a specified affiliate of such corporation (other than a foreign  
15                  corporation or a foreign partnership (unless such partnership has a domestic entity as  
16                  a direct or indirect partner)) from a person who is not the applicable foreign  
17                  corporation or a specified affiliate of such applicable foreign corporation, for purposes  
18                  of this section—

19                         “(A) such specified affiliate shall be treated as a covered corporation with  
20                         respect to such acquisition,

21                         “(B) such acquisition shall be treated as a repurchase of stock of a covered  
22                         corporation by such covered corporation, and

23                         “(C) the adjustment under subsection (c)(3) shall be determined only with  
24                         respect to stock issued by such specified affiliate to employees of the specified  
25                         affiliate.

26                  “(2) SURROGATE FOREIGN CORPORATIONS.—In the case of a repurchase of stock of a  
27                  covered surrogate foreign corporation by such covered surrogate foreign corporation,  
28                  or an acquisition of stock of a covered surrogate foreign corporation by a specified  
29                  affiliate of such corporation, for purposes of this section—

30                         “(A) the expatriated entity with respect to such covered surrogate foreign  
31                         corporation shall be treated as a covered corporation with respect to such  
32                         repurchase or acquisition,

33                         “(B) such repurchase or acquisition shall be treated as a repurchase of stock of  
34                         a covered corporation by such covered corporation, and

35                         “(C) the adjustment under subsection (c)(3) shall be determined only with  
36                         respect to stock issued by such expatriated entity to employees of the expatriated  
37                         entity.

38                  “(3) DEFINITIONS.—For purposes of this subsection—

39                         (A) Tax reserve deficit.—The term “tax reserve deficit” means the excess of—“(A)  
40                         APPLICABLE FOREIGN CORPORATION.—The term ‘applicable foreign corporation’  
41                         means any foreign corporation the stock of which is traded on an established

1 securities market (within the meaning of section 7704(b)(1)).

2 (i) the amount which would be the balance in the reserve for deferred taxes (as  
3 described in section 168(i)(9)(A)(ii) of the Internal Revenue Code of 1986, or section  
4 167(l)(3)(G)(ii) of such Code as in effect on the day before the date of the enactment of  
5 the Tax Reform Act of 1986) if the amount of such reserve were determined by  
6 assuming that the corporate rate increases provided in the“(B) COVERED SURROGATE  
7 FOREIGN CORPORATION.—The term ‘covered surrogate foreign corporation’  
8 means any surrogate foreign corporation (as determined under section  
9 7874(a)(2)(B) by substituting ‘September 20, 2021’ for ‘March 4, 2003’ each place  
10 it appears) the stock of which is traded on an established securities market  
11 (within the meaning of section 7704(b)(1)), but only with respect to taxable years  
12 which include any portion of the applicable period with respect to such  
13 corporation under section 7874(d)(1).

14 “(C) EXPATRIATED ENTITY.—The term ‘expatriated entity’ has the meaning  
15 given such term by section 7874(a)(2)(A).

16 “(e) Exceptions.—Subsection (a) shall not apply—

17 “(1) to the extent that the repurchase is part of a reorganization (within the meaning  
18 of section 368(a)) and no gain or loss is recognized on such repurchase by the  
19 shareholder under chapter 1 by reason of such reorganization,

20 “(2) in any case in which the stock repurchased is, or an amount of stock equal to  
21 the value of the stock repurchased is, contributed to an employer-sponsored  
22 retirement plan, employee stock ownership plan, or similar plan,

23 “(3) in any case in which the total value of the stock repurchased during the taxable  
24 year does not exceed \$1,000,000,

25 “(4) under regulations prescribed by the Secretary, in cases in which the repurchase  
26 is by a dealer in securities in the ordinary course of business,

27 “(5) to repurchases by a regulated investment company (as defined in section 851)  
28 or a real estate investment trust, or

29 “(6) to the extent that the repurchase is treated as a dividend for purposes of this  
30 title.

31 “(f) Regulations and Guidance.—The Secretary shall prescribe such regulations and  
32 other guidance as are necessary or appropriate to administer and to prevent the avoidance  
33 of the purposes of this section, including regulations and other guidance—

34 “(1) to prevent the abuse of the exceptions provided by subsection (e),

35 “(2) to address special classes of stock and preferred stock, and

36 “(3) for the application of the rules under subsection (d).”.

37 (b) Tax Not Deductible.—Paragraph (6) of section 275(a) is amended by inserting “37,”  
38 before “41”.

39 (c) Clerical Amendment.—The table of chapters for subtitle D is amended by inserting  
40 after the item relating to chapter 36 the following new item:

## 1 “Chapter 37—Repurchase of Corporate Stock”.

2 (d) **Effective Date.**—The amendments made by this section shall apply to repurchases  
3 (within the meaning of section 4501(c) were in effect for all prior periods, over

4 (ii) the balance in such reserve as of the day before such corporate rate increases take effect.

5 (B) **Average rate assumption method.**—The average rate assumption method is the method  
6 under which the excess in the reserve for deferred taxes is reduced over the remaining lives of  
7 the property as used in its regulated books of account which gave rise to the reserve for deferred  
8 taxes. Under such method, if timing differences for the property reverse, the amount of the  
9 adjustment to the reserve for the deferred taxes is calculated by multiplying—

10 (i) the ratio of the aggregate deferred taxes for the property to the aggregate timing differences  
11 for the property as of the beginning of the period in question, by

12 (ii) the amount of the timing differences which reverse during such period.

13 (C) **Alternative method.**—The “alternative method” is the method in which the taxpayer—

14 (i) computes the tax reserve deficit on all public utility property included in the plant account  
15 on the basis of the weighted average life or composite rate used to compute depreciation for  
16 regulatory purposes, and

17 (ii) reduces the tax reserve deficit ratably over the remaining regulatory life of the property.

18 (4) **Treatment of normalization violation.**—If, for any taxable year ending after the date of the  
19 enactment of this Act, the taxpayer does not use a normalization method of accounting, such  
20 taxpayer shall not be treated as using a normalization method of accounting for purposes of  
21 subsections (f)(2) and (i)(9)(C) of section 168 of the Internal Revenue Code of 1986, as added  
22 by this section) of stock after December 31, 2021.:

23 (5) **Regulations.**—The Secretary of the Treasury, or the Secretary’s designee, shall issue such  
24 regulations or other guidance as may be necessary or appropriate to carry out this subsection,  
25 including regulations or other guidance to provide appropriate coordination between this  
26 subsection, section 13001(d) of Public Law 115-97, and section 203(e) of the Tax Reform Act of  
27 1986.

## 28 Subpart B—Limitations on Deduction for Interest Expense

### 29 SEC. 138111. LIMITATIONS ON DEDUCTION FOR 30 INTEREST EXPENSE.

31 (a) **Interest Expense of Certain Members of International Financial Reporting**  
32 **Groups.**—Section 163 is amended by redesignating subsection (n) as subsection (p) and by  
33 inserting after subsection (m) the following new subsection:

34 “(n) **Limitation on Deduction of Interest by Certain Members of International Financial**  
35 **Reporting Groups.**—

36 “(1) **IN GENERAL.**—In the case of any specified domestic corporation which is a member  
37 of any international financial reporting group, the deduction under this chapter for interest  
38 paid or accrued during the taxable year in excess of the amount of interest includible in the

1 gross income of such corporation shall not exceed the allowable percentage of 110 percent  
2 of such excess.

3 “(2) SPECIFIED DOMESTIC CORPORATION.—For purposes of this subsection—

4 “(A) IN GENERAL.—The term ‘specified domestic corporation’ means any domestic  
5 corporation other than—

6 “(i) any corporation if the excess of—

7 “(I) the average amount of interest paid or accrued by such corporation  
8 during the 3-taxable-year period ending with the taxable year to which  
9 paragraph (1) applies, over

10 “(II) the average amount of interest includible in the gross income of such  
11 corporation for such 3-taxable-year period,

12 does not exceed \$12,000,000,

13 “(ii) any corporation to which paragraph (1) of section 163(j) does not apply by  
14 reason of paragraph (3) thereof ~~(relating to exemption for certain small~~  
15 ~~businesses)~~, **of such section (determined without regard to paragraph (4)(B)**  
16 **of such section),** and

17 “(iii) any S corporation, real estate investment trust, or regulated investment  
18 company.

19 “(B) AGGREGATION RULE.—For purposes of **clauses (i) and (ii)** of subparagraph  
20 (A)~~(i)~~, all domestic corporations which are members of the same international financial  
21 reporting group shall be treated as a single corporation.

22 “(C) **FOREIGN CORPORATIONS ENGAGED IN TRADE OR BUSINESS WITHIN THE**  
23 **UNITED STATES.—If a foreign corporation is engaged in a trade or business within**  
24 **the United States, such foreign corporation shall be treated as a domestic**  
25 **corporation with respect to the items that are effectively connected with such**  
26 **trade or business.**

27 “(3) INTERNATIONAL FINANCIAL REPORTING GROUP.—For purposes of this subsection—

28 “(A) IN GENERAL.—The term ‘international financial reporting group’ means, with  
29 respect to any reporting year, two or more entities if—

30 “(i) either—

31 “(I) at least one entity is a foreign corporation engaged in a trade or  
32 business within the United States, or

33 “(II) at least one entity is a domestic corporation and another entity is a  
34 foreign corporation, and

35 “(ii) such entities are included in the same applicable financial statement with  
36 respect to such year.

37 “(B) ~~ADDITIONAL MEMBERS.—~~ **ELECTION TO INCLUDE ELIGIBLE CORPORATIONS IN**  
38 **GROUP.—**

39 “(i) IN GENERAL.—To the extent provided by the Secretary in regulations or

1 other guidance, ~~the specified domestic corporation referred to in paragraph (1) an~~  
2 **international financial reporting group** may elect (at such time and in such  
3 manner as the Secretary may provide) **to treat all eligible corporations with**  
4 **respect to such group as members of such group** for purposes of this  
5 subsection ~~to treat any eligible corporation as a member of the international~~  
6 ~~financial reporting group of which such specified domestic corporation is a~~  
7 ~~member if such eligible corporation maintains (and such specified domestic~~  
8 ~~corporation has. As a condition of such election, all such eligible corporations~~  
9 **must maintain (and provide** access to) such books and records as the Secretary  
10 determines are satisfactory to allow for the application of this subsection with  
11 respect to such eligible corporation. ~~Any election under this clause shall apply~~  
12 ~~only with respect to the specified domestic corporation which makes such~~  
13 ~~election.~~ **corporations. Such election may be revoked only with the consent of**  
14 **the Secretary.**

15 “(ii) ELIGIBLE CORPORATION.—The term ‘eligible corporation’ means, with  
16 respect to any international financial reporting group, any corporation if at least  
17 20 percent of the stock of such corporation (determined by vote and value) is held  
18 (directly or indirectly) by members of such international financial reporting group  
19 (determined without regard to this ~~clause~~) **subparagraph).**

20 “(4) ALLOWABLE PERCENTAGE.—For purposes of this subsection—

21 “(A) IN GENERAL.—The term ‘allowable percentage’ means, with respect to any  
22 specified domestic corporation for any taxable year, the ratio (expressed as a  
23 percentage and not greater than 100 percent) of—

24 “(i) such corporation’s allocable share of the international financial reporting  
25 group’s reported net interest expense for the reporting year of such group which  
26 ends in or with such taxable year of such corporation, over

27 “(ii) such corporation’s reported net interest expense for such reporting year of  
28 such group.

29 “(B) REPORTED NET INTEREST EXPENSE.—The term ‘reported net interest expense’  
30 means—

31 “(i) with respect to any international financial reporting group for any reporting  
32 year, the excess of—

33 “(I) the aggregate amount of interest expense reported in such group’s  
34 applicable financial statements for such taxable year, over

35 “(II) the aggregate amount of interest income reported in such group’s  
36 applicable financial statements for such taxable year, and

37 “(ii) with respect to any specified domestic corporation for any reporting year,  
38 the excess of—

39 “(I) the amount of interest expense of such corporation reported in the  
40 books and records of the international financial reporting group which are  
41 used in preparing such group’s applicable financial statements for such  
42 taxable year, over

1                   “(II) the amount of interest income of such corporation reported in such  
2                   books and records.

3                   “(C) ALLOCABLE SHARE OF REPORTED NET INTEREST EXPENSE.—With respect to any  
4                   specified domestic corporation which is a member of any international financial  
5                   reporting group, such corporation’s allocable share of such group’s reported net  
6                   interest expense for any reporting year is the portion of such expense which bears the  
7                   same ratio to such expense as—

8                   “(i) the EBITDA of such corporation for such reporting year, bears to

9                   “(ii) the EBITDA of such group for such reporting year.

10                  “(D) EBITDA.—

11                  “(i) IN GENERAL.—The term ‘EBITDA’ means, with respect to any reporting  
12                  year, earnings before interest income and interest expense, taxes, depreciation,  
13                  depletion, and amortization—

14                  “(I) as determined in the international financial reporting group’s  
15                  applicable financial statements for such year, or

16                  “(II) ~~for purposes of subparagraph (A)(i),~~ as determined in the books and  
17                  records of the international financial reporting group which are used in  
18                  preparing such statements if not determined in such statements.

19                  “(ii) ~~TREATMENT OF INTRA-GROUP DISTRIBUTIONS.—THE DETERMINATION OF~~  
20                  **EBITDA OF A SPECIFIED DOMESTIC CORPORATION.—The EBITDA of any**  
21                  **specified domestic corporation shall be determined on a stand-alone basis and**  
22                  without regard to any distribution received by such corporation from any other  
23                  member of the international financial reporting group.

24                  “(E) SPECIAL RULES FOR NON-POSITIVE EBITDA.—

25                  “(i) NON-POSITIVE GROUP EBITDA.—In the case of any international financial  
26                  reporting group the EBITDA of which is zero or less, paragraph (1) shall not  
27                  apply to any specified domestic corporation which is a member of such group.

28                  “(ii) NON-POSITIVE ENTITY EBITDA.—In the case of any specified domestic  
29                  corporation the EBITDA of which is zero or less, the allowable percentage shall  
30                  be 0 percent.

31                  “(5) APPLICABLE FINANCIAL STATEMENT.—For purposes of this subsection, the term  
32                  ‘applicable financial statement’ has the meaning given such term in section 451(b)(3).

33                  “(6) REPORTING YEAR.—For purposes of this subsection, the term ‘reporting year’ means  
34                  any year for which an applicable financial statement is prepared or required to be prepared.

35                  ~~“(7) Foreign corporations engaged in trade or business within the United States.—For~~  
36                  ~~purposes of this subsection, any foreign corporation engaged in a trade or business within~~  
37                  ~~the United States shall be treated as a domestic corporation with respect to any earnings,~~  
38                  ~~interest income and interest expense, or other amount, which is effectively connected with~~  
39                  ~~the conduct of a trade or business in the United States.~~

40                  “(8) REGULATIONS.—The Secretary may issue such regulations or other guidance as are

1 necessary or appropriate to carry out the purposes of this subsection, including regulations  
2 or other guidance which—

3 “(A) allows or requires the adjustment of amounts reported on applicable financial  
4 statements,

5 “(B) allows or requires any corporation to be included or excluded as a member of  
6 any international financial reporting group for purposes of any determination or  
7 calculation under this subsection,

8 “(C) **treats interest income of a controlled foreign corporation which is subpart**  
9 **F income, and any interest expense of such corporation which is related to**  
10 **subpart F income, as income and interest expense, respectively, of a specified**  
11 **domestic corporation for purposes of this subsection,**

12 “(D) **prevents the omission, inclusion, or duplication of any item or amount of**  
13 **interest income or interest expense, and**

14 “(E) provides rules for the application of this subsection with respect to—

15 “(i) a domestic corporation that is a partner (directly or indirectly) in a  
16 partnership,

17 ~~and~~ “(ii) **a domestic corporation that owns (directly or indirectly) an**  
18 **interest in an entity that is fiscally transparent in one or more jurisdictions,**  
19 **and**

20 ~~“(ii)“(iii) a foreign corporation to which this subsection applies by reason of~~  
21 ~~paragraph (7).”~~ **(2)(C).”**

22 (b) Modification of Application of Limitation on Business Interest to Partnerships and S  
23 Corporations.—~~Section~~ **Corporations.—**

24 **(1) IN GENERAL.—Section 163(j)(4) is amended to read as follows:**

25 ~~“(4) APPLICATION TO PARTNERSHIPS AND S CORPORATIONS.—IN CORPORATIONS.—~~

26 “**(A) IN GENERAL.—In the case of any partnership or S corporation, this subsection**  
27 **shall be applied at the partner or shareholder level, respectively.”** **respectively.**

28 “**(B) APPLICATION OF EXEMPTION FOR CERTAIN SMALL BUSINESSES.—In the case**  
29 **of any partnership or S corporation which does not meet the gross receipts test of**  
30 **section 448(c) for any taxable year, paragraph (3) shall not apply with respect to**  
31 **any distributive, or pro rata, share of business interest and other items under this**  
32 **subsection of such partnership or S corporation.**

33 “**(C) REGULATIONS.— The Secretary shall prescribe such regulations or other**  
34 **guidance as may be necessary or appropriate to carry out the purposes of this**  
35 **section, including regulations or other guidance—**

36 “**(i) for requiring or restricting the allocation of business interest and other**  
37 **items under this subsection,**

38 “**(ii) to provide for such reporting requirements as the Secretary**  
39 **determines appropriate, and**



1                   “(iii) for the application of this subsection in the case of tiered structures  
2                   or trades or businesses described in paragraph (7).”.

3           (2) CONFORMING AMENDMENT.—Section 163(j)(3) is amended by inserting “except  
4           to the extent provided in paragraph (4)(B)” after “to such taxpayer for such taxable  
5           year”.

6           (c) Carryforward of Disallowed Interest.—

7                   (1) IN GENERAL.—Section 163 is amended by inserting after subsection (n), as added by  
8                   subsection (a), the following new subsection:

9                   “(o) Carryforward of Certain Disallowed **Interest.**—~~The Interest.~~—

10                   ~~“(1) In general.~~—The amount of any interest not allowed as a deduction for any taxable year  
11                   by reason of subsection (j)(4) or (n)(1) (whichever imposes the lower limitation with respect to  
12                   such taxable year) shall be treated as interest (and as business interest for purposes of subsection  
13                   (j) (4)) **to the extent such amount is properly attributable to a trade or business as defined**  
14                   **in subsection (j)(7))** paid or accrued in the succeeding taxable year.”. ~~year.~~

15                   ~~“(2) Limitation on carryforward.~~—Interest paid or accrued in a taxable year beginning after  
16                   December 31, 2021 (determined without regard to paragraph (1)), shall not be carried forward  
17                   under paragraph (1) past the fifth taxable year following the taxable year in which such interest  
18                   was so paid or accrued. For purposes of the preceding sentence, interest shall be treated as  
19                   allowed as a deduction on a first in, first out basis.”.

20           (2) CONFORMING AMENDMENTS.—

21                   (A) Section 163(j)(2) is amended to read as follows:

22                   “(2) CARRYFORWARD CROSS-REFERENCE.—For carryforward treatment, see subsection  
23                   (o).”.

24                   (B) Section 381(c)(20) is amended to read as follows:

25                   “(20) CARRYFORWARD OF DISALLOWED INTEREST.—The carryover of disallowed interest  
26                   described in section 163(o) to taxable years ending after the date of distribution or  
27                   transfer.”.

28                   (C) Section 382(d)(3) is amended to read as follows:

29                   “(3) APPLICATION TO CARRYFORWARD OF DISALLOWED INTEREST.—The term ‘pre-change  
30                   loss’ shall include any carryover of disallowed interest described in section 163(o) under  
31                   rules similar to the rules of paragraph (1).”.

32           (d) Effective Date.—The amendments made by this section shall apply to taxable years  
33           beginning after December 31, ~~2021~~ **2022**.

34           (e) Transition Rule.—In the case of a partner’s first succeeding taxable year described in  
35           subclause (II) of section 163(j)(4)(B)(ii) of the Internal Revenue Code of 1986 (as in effect  
36           before the amendment made by subsection (b)) which begins after December 31, ~~2021~~ **2022**, the  
37           amount of excess business interest which would (but for such amendment) be carried to such  
38           taxable year under such subclause shall be treated as interest (and as business interest for  
39           purposes of section 163(j) of such Code, as amended by this section) paid or accrued in such  
40           taxable year. **A rule similar to the rule in the preceding sentence shall apply in the case of an**

1 **S corporation and its shareholders.** For carryover of any such interest disallowed for such  
2 taxable year, see section 163(o) of such Code, as amended by this section.

### 3 Subpart C—Outbound International Provisions

## 4 SEC. 138121. MODIFICATIONS TO DEDUCTION FOR 5 FOREIGN-DERIVED INTANGIBLE INCOME AND 6 GLOBAL INTANGIBLE LOW-TAXED INCOME.

7 (a) In General.—Section 250(a) is amended to read as follows:

8 “(a) In General.—In the case of a domestic corporation for any taxable year, there shall be  
9 allowed as a deduction an amount equal to the sum of—

10 “(1) ~~21.875~~ **24.8** percent of the foreign-derived intangible income of such domestic  
11 corporation for such taxable year, plus

12 “(2) ~~37.5~~ **28.5** percent of—

13 “(A) the global intangible low-taxed income (if any) which is included in the gross  
14 income of such domestic corporation under section 951A for such taxable year, and

15 “(B) the amount treated as a dividend received by such corporation under section 78  
16 which is attributable to the amount described in subparagraph (A).”.

17 (b) Deduction Taken Into Account in Determining Net Operating Loss Deduction.—Section  
18 172(d) is amended by striking paragraph (9).

19 (c) Certain Other Modifications.—

20 (1) Section 250(b)(3) is amended—

21 (A) in subparagraph (A)(i)—

22 (i) by striking “and” at the end of subclause (V),

23 (ii) by striking “over” at the end of subclause (VI), and

24 (iii) by adding at the end the following new subclauses:

25 “(VII) any income ~~received or accrued which is of a kind which would be~~  
26 ~~foreign personal holding company income (as defined in section 954(e));~~  
27 **described in clause (i) or (ii) of section 904(d)(2)(B), determined without**  
28 **regard to clause (iii)(II) thereof,**

29 “(VIII) ~~any amount included in the gross income of such corporation~~  
30 ~~under section 1293,~~“(VIII) **except as otherwise provided by the Secretary,**  
31 **any income and gain from the sale or other disposition (including the**  
32 **deemed sale or other deemed disposition) of property giving rise to rents**  
33 **or royalties derived in the active conduct of a trade or business, and**

34 “(IX) any disqualified extraterritorial income, over”, and

35 (B) by adding at the end the following new subparagraph:

36 “(C) **DISQUALIFIED EXTRATERRITORIAL INCOME.**—

1           “(i) IN GENERAL.—For purposes of subparagraph (A)(i)(IX), the term  
2           ‘disqualified extraterritorial income’ means any amount included in the gross  
3           income of the corporation with respect to any transaction for any taxable year if  
4           any amount could (determined after application of clause (ii) but without regard to  
5           any election under section 942(a)(3) as in effect before its repeal) be excluded  
6           from the gross income of the corporation with respect to such transaction for such  
7           taxable year by reason of section 114 pursuant to the application of subsection (d)  
8           or (f) of section 101 of the American Jobs Creation Act of 2004.

9           “(ii) ELECTION OUT OF EXTRATERRITORIAL INCOME BENEFITS.—

10           “(I) IN GENERAL.—Except as provided in subclause (II), the corporation  
11           referred to in clause (i) may make an irrevocable election (at such time and  
12           in such form and manner as the Secretary may provide) to have subsections  
13           (d) and (f) of section 101 of the American Jobs Creation Act of 2004 not  
14           apply with respect to such corporation for the taxable year for which such  
15           election is made and all succeeding taxable years (applicable with respect to  
16           all transactions, including transactions occurring before such taxable year).

17           “(II) EXPANDED AFFILIATED GROUPS.—In the case of any corporation  
18           which is a member of an expanded affiliated group, the election described in  
19           subclause (I) may be made only by the common parent of such group **(or, in**  
20           **the case of a common parent which is not required to file a return of tax**  
21           **under this chapter, the delegate of such common parent)** and shall apply  
22           with respect to all members of such group. For purposes of the preceding  
23           sentence, the term ‘expanded affiliated group’ means an affiliated group as  
24           defined in section 1504(a), determined without regard to section 1504(b)(3)  
25           and by substituting ‘more than 50 percent’ for ‘at least 80 percent’ each  
26           place it appears.”.

27           **(C) Section 250(b)(5)(E) is amended by inserting “(other than paragraph**  
28           **(3)(A)(i)(VIII))” after “For purposes of this subsection”.**

29           (2) Section 613A(d)(1) is amended by striking “and” at the end of subparagraph (D), by  
30           striking the period at the end of subparagraph (E) and inserting “, and”, and by inserting  
31           after subparagraph (E) the following new subparagraph:

32           “(F) any deduction allowable under section 250.”.

33           (d) Effective Date.—

34           (1) IN GENERAL.—Except as ~~otherwise~~ provided in ~~this subsection~~ **paragraph (2)**, the  
35           amendments made by this section shall apply to taxable years beginning after December 31,  
36           ~~2021~~ **2022**.

37           (2) CERTAIN ~~OTHER~~ MODIFICATIONS.—The amendments made by subsection (c) shall  
38           apply to taxable years beginning after ~~December 31, 2017~~ **the date of the enactment of**  
39           **this Act**.

40           ~~(e) Transitional~~ **(e) No Inference Regarding Certain Modifications.—The amendments**  
41           **made by subsection (c) shall not be construed to create any inference with respect to the**  
42           **proper application of any provision of the Internal Revenue Code of 1986 with respect to**

1 **any taxable year beginning before the taxable years to which such amendments apply.**

2 **(f) Transition Rule for Accelerated Percentage Reduction.—**

3 (1) IN GENERAL.—In the case of any taxable year which includes December 31, ~~2021~~  
4 **2022** (other than a taxable year with respect to which such date is the last day of such  
5 taxable year)—

6 (A) the percentage in effect under section 250(a)(1)(A) of the Internal Revenue  
7 Code of 1986 shall be treated as being equal to the sum of—

8 (i) the pre-effective date percentage of 37.5 percent, plus

9 (ii) the post-effective date percentage of ~~21.875~~ **24.8** percent, and

10 (B) the percentage in effect under section 250(a)(1)(B) of such Code shall be treated  
11 as being equal to the sum of—

12 (i) the pre-effective date percentage of 50 percent, plus

13 (ii) the post-effective date percentage of ~~37.5~~ **28.5** percent.

14 (2) PRE- AND POST-EFFECTIVE DATE PERCENTAGES.—For purposes of this subsection, with  
15 respect to any taxable year—

16 (A) the term “pre-effective date percentage” means the ratio that the ~~portion~~  
17 **number of days in** such taxable year which ~~precedes~~ **are before** January 1, ~~2022~~  
18 **2023**, bears to the ~~entire~~ **number of days in such** taxable year, and

19 (B) the term “post-effective date percentage” means the ratio that the ~~remainder~~  
20 **number of days in** such taxable year **which are after December 31, 2022**, bears to  
21 the ~~entire~~ **number of days in such** taxable year.

22 **SEC. 138122. REPEAL OF ELECTION FOR 1-MONTH**  
23 **DEFERRAL IN DETERMINATION OF TAXABLE YEAR OF**  
24 **SPECIFIED FOREIGN CORPORATIONS.**

25 (a) In General.—Section 898(c) is amended by striking paragraph (2) and redesignating  
26 paragraph (3) as paragraph (2).

27 (b) Effective Date.—The amendments made by this section shall apply to taxable years of  
28 specified foreign corporations beginning after November 30, ~~2021~~. **2022.**

29 ~~(c) Transition Rule.—A taxpayer’s~~ **(c) Transition Rule.—In the case of a corporation that is**  
30 **a specified foreign corporation as of November 30, 2022, such corporation’s** first taxable  
31 year beginning after ~~November 30, 2021~~, **such date** shall end at the same time as the first  
32 required year (within the meaning of section 898(c)(1) of the Internal Revenue Code of 1986)  
33 ending after such date. **If any specified foreign corporation is required by this section (or the**  
34 **amendments made by this section) to change its taxable year for its first taxable year**  
35 **beginning after November 30, 2022—**

36 **(1) such change shall be treated as initiated by such corporation,**

37 **(2) such change shall be treated as having been made with the consent of the**  
38 **Secretary, and**

1           (3) the Secretary (including the Secretary’s delegate in the case of any reference to  
2           the Secretary in this paragraph) shall issue regulations or other guidance for  
3           allocating foreign taxes that accrue in such first taxable year between such taxable  
4           year and the prior taxable year, including such adjustments as the Secretary  
5           determines are necessary or appropriate to carry out the purposes of this section.

6           SEC. 138123. MODIFICATIONS OF FOREIGN TAX  
7           CREDIT RULES APPLICABLE TO CERTAIN TAXPAYERS  
8           RECEIVING SPECIFIC ECONOMIC BENEFITS.

9           (a) In General.—Section 901 is amended by redesignating subsection (n) as subsection (o) and  
10          by inserting after subsection (m) the following new subsection:

11          “(n) Special Rules Relating to Dual Capacity Taxpayers.—

12               “(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount  
13               paid or accrued by a dual capacity taxpayer to a foreign country or possession of the United  
14               States for any period shall not be considered a tax—

15                       “(A) if, for such period, the foreign country or possession does not impose a  
16                       generally applicable income tax, or

17                       “(B) to the extent such amount exceeds the amount which would be paid or accrued  
18                       by such dual capacity taxpayer under the generally applicable income tax imposed by  
19                       such country or possession if such taxpayer were not a dual capacity taxpayer.

20               Nothing in this paragraph shall be construed to imply the proper treatment of any such  
21               amount not in excess of the amount determined under subparagraph (B).

22               “(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term ‘dual  
23               capacity taxpayer’ means, with respect to any foreign country or possession of the United  
24               States, a person who—

25                       “(A) is subject to a levy of such country or possession, and

26                       “(B) receives (or will receive) directly or indirectly a specific economic benefit from  
27                       such country or possession (**or any political subdivision, agency, or instrumentality**  
28                       **thereof**).

29               “(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection, the term  
30               ‘generally applicable income tax’ means an income tax (or a series of income taxes) which  
31               is generally imposed under the laws of a foreign country or possession of the United States  
32               on residents of such foreign country or possession that are not dual capacity taxpayers.”.

33          \*\* 109 (b) Effective Date.—The amendments made by this section shall apply to taxable years  
34          beginning amounts paid or accrued after December 31, 2022 2021.

35  
36          ~~(b) Effective Date.—The amendments made by this section shall~~  
37          ~~apply to taxable years of foreign corporations beginning after~~

1 ~~December 31, 2021, and to taxable years of United States~~  
2 ~~shareholders in which or with which such taxable years of~~  
3 ~~foreign corporations end.~~ SEC. 138124. MODIFICATIONS TO  
4 FOREIGN TAX CREDIT LIMITATIONS.

5 (a) Country-by-country Application of Limitation on Foreign Tax Credit Based on Taxable  
6 Units.—

7 (1) IN GENERAL.—Section 904 is amended by inserting after subsection (d) the following  
8 new subsection:

9 “(e) Country-by-country Application Based on Taxable Units.—

10 “(1) IN GENERAL.—~~THE PROVISIONS OF SUBSECTIONS (A), (B), (C), AND (D) AND SECTIONS~~  
11 ~~907 AND 960 GENERAL.—~~**Subsection (d) (and the provisions of this title referred to in**  
12 **paragraph (1) of such subsection)** shall be applied separately with respect to each country  
13 by taking into account the aggregate income properly attributable or otherwise allocable to a  
14 taxable unit of the taxpayer which is a tax resident of **(or, in the case of a branch, is**  
15 **located in)** such country.

16 “(2) TAXABLE UNITS.—

17 “(A) IN GENERAL.—Except as otherwise provided by the Secretary, each item shall  
18 be attributable or otherwise allocable to exactly one taxable unit of the taxpayer.

19 “(B) DETERMINATION OF TAXABLE UNITS.—Except as otherwise provided by the  
20 Secretary, the taxable units of a taxpayer are as follows:

21 “(i) GENERAL TAXABLE UNIT.—The person that is the taxpayer and that is not  
22 otherwise described in a separate clause of this subparagraph.

23 “(ii) ~~CONTROLLED CERTAIN FOREIGN CORPORATIONS.~~—Each ~~controlled~~ foreign  
24 corporation with respect to which the taxpayer is a United States shareholder.

25 “(iii) INTERESTS IN PASS-THROUGH ENTITIES.—Each interest held (directly or  
26 indirectly) by the taxpayer or any controlled foreign corporation referred to in  
27 clause (ii) in a pass-through entity if such pass-through entity is a tax resident of a  
28 country other than the country with respect to which such taxpayer or controlled  
29 foreign corporation (as the case may be) is a tax resident.

30 “(iv) BRANCHES.—Each branch (or portion thereof) the activities of which are  
31 directly or indirectly carried on by the taxpayer or any controlled foreign  
32 corporation referred to in clause (ii) and which give rise to a taxable presence in a  
33 country other than the country ~~in~~ **with respect to** which ~~the~~ **such** taxpayer or ~~any~~  
34 ~~such~~ controlled foreign corporation (as the case may be) is a tax resident.

35 “(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

36 “(A) TAX RESIDENT.—Except as otherwise provided by the Secretary, the term ‘tax  
37 resident’ means a person or ~~arrangement~~ **entity** subject to tax under the tax law of a  
38 country as a resident, ~~or a person or arrangement that gives rise to a taxable presence~~  
39 ~~by reason of its activities in such country.~~ If an entity is organized under the law of a

1 country, or resident in a country, that does not impose an income tax with respect to  
2 such ~~entity~~ **entities**, such entity shall, except as provided by the Secretary, be treated as  
3 subject to tax under the tax law of such country for the purposes of the preceding  
4 sentence.

5 “(B) PASS-THROUGH ENTITY.—Except as otherwise provided by the Secretary, the  
6 term ‘pass-through entity’ includes any partnership or other entity ~~or arrangement~~ to  
7 the extent that income, gain, deduction, or loss of the entity is taken into account in  
8 determining the income or loss of a person that owns (directly or indirectly) an interest  
9 in such entity.

10 “(C) BRANCH.—Except as otherwise provided by the Secretary, the term ‘branch’  
11 means a taxable presence of a tax resident in a country other than its country of  
12 residence as determined under such other country’s tax law. The Secretary shall  
13 provide regulations or other guidance applying such term to activities in a country that  
14 ~~does not subject income to tax on the basis of residence or~~ **do not give rise to a** taxable  
15 presence.

16 “(D) TREATMENT OF FISCALLY AUTONOMOUS JURISDICTIONS.—Any fiscally  
17 autonomous jurisdiction shall be treated as a separate country. Any possession of the  
18 United States shall also be treated as a separate country.

19 ~~For purposes~~“(E) POSSESSION OF THE PRECEDING SENTENCE, THE UNITED  
20 STATES.—**The** term ‘possession of the United States’ means each of American Samoa,  
21 the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto  
22 Rico, Guam, and the Virgin Islands.

23 “(4) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may  
24 be necessary or appropriate to carry out, or prevent avoidance of, the purposes of this  
25 subsection, including regulations or other guidance—

26 “(A) providing for the application of this subsection to ~~entities, arrangements, and~~  
27 ~~branches that are otherwise~~ **an entity or arrangement that is** considered a **tax**  
28 resident of more than one country or **of** no country,

29 “(B) providing for the application of this subsection to hybrid entities or hybrid  
30 transactions (as such terms are used for purposes of section 267A), pass-through  
31 entities, passive foreign investment companies, trusts, and other entities or  
32 arrangements not otherwise described in this subsection, and

33 “(C) providing for the assignment of any item (including foreign taxes and  
34 deductions) to taxable units, including in the case of amounts not otherwise taken into  
35 account in determining taxable income under this chapter.”.

36 (2) ~~APPLICATION OF RECAPTURE OF OVERALL FOREIGN LOSS.—SECTION 904(F)(5)(E)(I) IS~~  
37 ~~AMENDED BY INSERTING “APPLIED SEPARATELY WITH RESPECT TO EACH COUNTRY (WITHIN~~  
38 ~~THE MEANING OF SUBSECTION (E)) AS PROVIDED IN SUBSECTION (E)” BEFORE THE PERIOD AT~~  
39 ~~THE END.~~

40 (3) ~~APPLICATION OF SEPARATE LIMITATION LOSSES WITH RESPECT TO GLOBAL INTANGIBLE~~  
41 ~~LOW-TAXED INCOME.—SECTION 904(F)(5) IS AMENDED BY ADDING AT THE END THE~~  
42 ~~FOLLOWING NEW SUBPARAGRAPH: INCOME.—~~

1           ~~“(G) Special rule with respect to global intangible low-taxed income.—The amount~~  
2           ~~of~~ **(A) IN GENERAL.—Section 904(f)(5)(B) is amended to read as follows:**

3           **“(B) ALLOCATION OF LOSSES.—Except as otherwise provided in this**  
4           **subparagraph,** the separate limitation losses for any taxable year ~~shall reduce income~~  
5           ~~described in subparagraph (d)(1)(A) for such taxable year only to the extent the~~  
6           ~~aggregate amount of such losses exceeds the aggregate amount of~~ **(to the extent such**  
7           **losses do not exceed** the separate limitation incomes for such taxable year. ~~For~~  
8           ~~purposes of this subparagraph, year) shall be allocated among (and operate to~~  
9           **reduce) such incomes on a proportionate basis. In the case of a separate limitation**  
10           **loss for any taxable year in any category other than subparagraph (d)(1)(A), the**  
11           **amount of such separate limitation loss shall be allocated among (and operate to**  
12           **reduce) separate limitation income shall exclude in any category other than income**  
13           ~~described in subparagraph (d)(1)(A) for the taxable year.”.~~ **on a proportionate basis**  
14           **(without regard to income described in subparagraph (d)(1)(A)). The remaining**  
15           **separate limitation losses may reduce separate limitation income described in**  
16           **subparagraph (d)(1)(A) only to the extent that the aggregate amount of such**  
17           **losses exceeds the aggregate amount of separate limitation incomes (other than**  
18           **income described in subparagraph (d)(1)(A) for such taxable year.”.**

19           **(B) INCOME CATEGORY.—Section 904(f)(5)(E)(i) is amended to read as follows:**

20           **“(i) INCOME CATEGORY.—The term ‘income category’ means each**  
21           **category of income with respect to which this section is required to be**  
22           **applied separately by reason of any provision of this title.”.**

23           **(C) SEPARATE LIMITATION LOSS.—Section 904(f)(5)(E)(iii) is amended to read as**  
24           **follows:**

25           **“(iii) SEPARATE LIMITATION LOSS.—The term ‘separate limitation loss’**  
26           **means, with respect to any income category, the amount by which the gross**  
27           **income from sources outside the United States is exceeded by the sum of the**  
28           **deductions properly allocated and apportioned thereto.”.**

29           **(b) Repeal of Separate Application to Foreign Branch Income.—**

30           **(1) IN GENERAL.—Section 904(d)(1) is amended by striking subparagraph (B) and**  
31           **redesignating subparagraphs (C) and (D) as subparagraph (B) and (C).**

32           **(2) COORDINATION WITH DEDUCTION FOR FOREIGN-DERIVED INTANGIBLE**  
33           **INCOME.—Section ~~205(b)(3)(A)~~ **250(b)(3)(A)** is amended—**

34           **(A) by striking subclause (VI) of clause (i) and inserting the following new**  
35           **subclause:**

36           ~~“(VI) the income of a United States person which is attributable to 1 or~~  
37           ~~more branches (which would be referred to in clause (iv) of section~~  
38           ~~904(e)(2)(B) if such clause were applied without regard to any reference to a~~  
39           ~~controlled foreign corporation)(within the meaning of section 904(e)(3)(C))~~  
40           ~~or pass-through entities (which would be referred to in clause (iii) of section~~  
41           ~~904(e)(2)(B) if such clause were applied without regard to any reference to a~~  
42           ~~controlled foreign corporation)(within the meaning of section 904(e)(3)(B))~~



1 in 1 or more foreign countries, over”, and

2 (B) by adding at the end the following flush sentence:

3 “For purposes of clause (i)(VI), the amount of income attributable to a branch or  
4 pass-through entity shall be determined under rules established by the Secretary.”.

5 (3) ~~CONFORMING AMENDMENTS.~~— **AMENDMENTS.**—

6 (A) Section 904(d)(2)(A)(ii) is amended by striking “, foreign branch income,”.

7 (B) **Section 904(d)(2)(H) is amended to read as follows:**

8 “**(H) TREATMENT OF INCOME TAX BASE DIFFERENCES.—The Secretary shall**  
9 **issue regulations or other guidance assigning to the proper category of income**  
10 **any tax imposed under the law of a foreign country or possession of the United**  
11 **States on an amount which does not constitute income under United States tax**  
12 **principles.”.**

13 (C) Section 904(d)(2) is amended by striking subparagraph (J).

14 (c) Modification of Foreign Tax Credit Carryback and Carryforward.—

15 (1) ~~Carryover limited to 5 taxable years.—~~

16 (A) ~~In general.—Section 904(c) is amended by striking “10 succeeding taxable years”~~  
17 ~~and inserting “5 succeeding taxable years”.~~

18 (B) ~~Conforming amendment.—Section 6511(d)(3)(A) is amended by striking “10 years”~~  
19 ~~and inserting “5 years”.~~

20 (2) ~~REPEAL OF CARRYBACK.~~—Section 904(c) is amended—

21 (A) by striking “in the first preceding taxable year, and”,

22 (B) by striking “preceding or” each place it appears, and

23 (C) by striking “Carryback and” in the heading thereof.

24 (3) ~~Carryover applicable to tax on global intangible low taxed income.—Section 904(c)~~  
25 ~~is amended by striking the last sentence.~~

26 (4) ~~(2) APPLICATION TO LIMITATION ON FOREIGN OIL AND GAS TAXES.—Section 907(f)(1)~~  
27 ~~is amended amended—~~

28 (A) by striking “in the first preceding taxable year and”, ~~and.~~

29 (B) ~~by striking “first 10” and inserting “first 5”.~~ (3) **APPLICATION OF CARRYFORWARD**  
30 **TO TAXES ON GLOBAL INTANGIBLE LOW-TAXED INCOME.—**

31 (A) **IN GENERAL.—Section 904(c) is amended by striking the last sentence.**

32 (B) **TEMPORARY LIMITATION OF CARRYFORWARD TO 5 TAXABLE YEARS.—Section**  
33 **904(c), as amended by the preceding provisions of this Act, is amended—**

34 (i) **by striking “Any amount by which all taxes” and all that precedes it**  
35 **and inserting the following:**

36 “(c) **Carryback and Carryover of Excess Tax Paid.—**

1           “(1) IN GENERAL.—Any amount by which all taxes”, and

2                           (ii) by adding at the end the following new paragraph:

3           “(2) TEMPORARY LIMITATION ON CARRYFORWARD OF TAXES ON GLOBAL INTANGIBLE  
4           LOW-TAXED INCOME.—

5                           “(A) IN GENERAL.—In the case of taxes paid or accrued with respect to amounts  
6                           described in subsection (d)(1)(A), paragraph (1) shall be applied by substituting  
7                           ‘5 succeeding taxable years’ for ‘10 succeeding taxable years’.

8                           “(B) TERMINATION.—Subparagraph (A) shall not apply to any tax paid or  
9                           accrued in a taxable year beginning after December 31, 2030.”.

10          (d) Treatment of Certain Tax-exempt Dividends.—

11                           (1) CERTAIN TAX-EXEMPT DIVIDENDS TAKEN INTO ACCOUNT IN APPLYING LIMITATIONS ON  
12                           FOREIGN TAX CREDITS.—Section 904(b) is amended by striking paragraph (4).

13                           (2) CERTAIN TAX-EXEMPT DIVIDENDS NOT TAKEN INTO ACCOUNT IN ALLOCATING INTEREST  
14                           EXPENSE.—Section 864(e)(3) is amended by striking “or 245(a)” and inserting “, 245(a), or  
15                           245A”.

16          (e) Rules for Allocation of Certain Deductions to Foreign Source Global Intangible Low-taxed  
17          Income for Purposes of Foreign Tax Credit Limitation.—Section 904(b), as amended by the  
18          preceding provisions of this Act, is amended by adding at the end the following new paragraph:

19                           “(4) DEDUCTIONS TREATED AS ALLOCABLE TO FOREIGN SOURCE GLOBAL INTANGIBLE  
20                           LOW-TAXED INCOME.—In the case of a domestic corporation and solely for purposes of the  
21                           application of subsection (a) with respect to amounts described in subsection (d)(1)(A), the  
22                           taxpayer’s taxable income from sources without the United States shall be ~~determined by—~~  
23                           **determined—**

24   “(A) by allocating **and apportioning** any deduction allowed under section 250(a)(2)  
25   **(and any deduction allowed under section 164(a)(3) for taxes imposed on amounts**  
26   **described in section 250(a)(2))** to such income, and

27   ~~“(B) by treating any expense of such domestic corporation as not allocable to such~~  
28   ~~income.”; allocating and apportioning any other deduction to such income only if~~  
29   **the Secretary determines that such deduction is directly allocable to such income.**

30                           **Any deduction which would (but for subparagraph (B)) have been allocated or**  
31                           **apportioned to such income shall only be allocated or apportioned to income which is**  
32                           **from sources within the United States.”.**

33          (f) Treatment of Certain Asset Dispositions.—Section 904(b), as amended by the preceding  
34          provisions of this Act, is amended by adding at the end the following new paragraph:

35                           “(5) TREATMENT OF CERTAIN ASSET DISPOSITIONS.—

36   “(A) IN GENERAL.—Except as otherwise provided by the Secretary, in the case of  
37   any covered asset disposition, the principles of section 338(h)(16) shall apply in  
38   determining the source and character of any item for purposes of this part.

39   “(B) COVERED ASSET DISPOSITION.—For purposes of this paragraph, the term  
40   ‘covered asset disposition’ means any transaction which—

1                   “(i) is treated as a disposition of assets ~~for purposes of~~ **under** subchapter N of  
2                   this chapter, and

3                   “(ii) is treated as a disposition of stock of a corporation (or is disregarded) for  
4                   purposes of the tax laws of ~~the~~ **a** relevant foreign country or possession of the  
5                   United States.

6                   “(C) REGULATIONS.—The Secretary shall issue such regulations or other guidance  
7                   as is necessary or appropriate to carry out, or to ~~the~~ prevent the avoidance of, the  
8                   purposes of this paragraph.”.

9                   (g) Redetermination of Foreign Taxes and Related Claims.—

10                   (1) IN GENERAL.—Section 905(c) ~~(4) is amended~~ **is amended**—

11                   **(A) in paragraph (1),** by striking “or” at the end of subparagraph (B) and by  
12                   inserting after subparagraph (C) the following new subparagraphs:

13                   “(D) the taxpayer makes a timely change in its choice to claim a credit or deduction  
14                   for taxes paid or accrued, or

15                   “(E) there is any other change in the amount, or treatment, of taxes, which affects  
16                   the taxpayer’s tax liability under this ~~chapter.~~”.

17                   **chapter,”**

18                   **(B) in paragraph (2)(B),** by striking “Any such taxes” and inserting “Except as  
19                   otherwise provided by the Secretary, any such taxes”, and

20                   **(C) by striking “Accrued” in the heading thereof.**

21                   (2) MODIFICATION TO TIME FOR CLAIMING CREDIT OR DEDUCTION.—Section 901(a) is  
22                   amended by striking the second sentence and inserting the following: “~~The choice to claim a~~  
23                   ~~credit for such amounts~~” **Such choice for any taxable year** may be made **or changed at**  
24                   any time before the expiration of the **applicable** period prescribed by section  
25                   6511(d)(3)(A), ~~and the choice to claim a deduction in lieu of a credit may be made at any~~  
26                   ~~time before the expiration of the period prescribed by section 6511(a),~~ for making a claim  
27                   for **credit or refund or credit of an overpayment** of the tax imposed by this chapter for  
28                   such taxable year, ~~or such later period prescribed by section 6511(e) if the period is~~  
29                   ~~extended by agreement.”.~~ **that is attributable to such amounts.”.**

30                   (3) MODIFICATION TO SPECIAL PERIOD OF LIMITATION.—Section 6511(d)(3)~~(A)~~ is  
31                   amended—

32                   **(A) in subparagraph (A)—**

33                   **(i)** by inserting “~~change~~”**a change** in the liability for” before “any taxes paid or  
34                   accrued”,

35                   ~~(B)~~**(ii)** by striking “actually paid” and inserting “paid (or deemed paid under  
36                   section 960)”, and

37                   ~~(C)~~**(iii)** by inserting “CHANGE IN THE LIABILITY FOR” before “FOREIGN TAXES”  
38                   in the heading thereof, **and**

39                   **(B) in subparagraph (B),** by striking “the allowance of a credit for the taxes”

1           **and inserting “the allowance of an additional credit by reason of the change in**  
2           **liability for the taxes”.-**

3  
4           (h) Effective Dates.—

5           (1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made  
6           by this section shall apply to taxable years beginning after December 31, ~~2021~~ **2022**.

7           (2) MODIFICATION OF FOREIGN TAX CREDIT CARRYBACK AND ~~CARRYFORWARD.—EXCEPT~~  
8           ~~AS OTHERWISE PROVIDED IN PARAGRAPH (3), THE CARRYFORWARD.—~~The amendments  
9           made by subsection (c) **shall apply to taxes paid or accrued in taxable years beginning**  
10           **after December 31, 2022.**

11           (3) TREATMENT OF CERTAIN ASSET DISPOSITIONS.—

12           (A) IN GENERAL.—The amendment made by subsection (f) shall apply to  
13           transactions after the date of the enactment of this Act.

14           (B) BINDING CONTRACT EXCEPTION.—The amendment made by subsection (f)  
15           shall not apply to any transaction which is made pursuant to a written binding  
16           contract which was in effect on September 13, 2021, and is not modified in any  
17           material respect thereafter.

18           (4) REDETERMINATION OF FOREIGN TAXES AND RELATED CLAIMS.—

19           (A) IN GENERAL.—Except as otherwise provided in this paragraph, the  
20           amendments made by subsection (g) shall apply to taxes paid or accrued in taxable  
21           years beginning after December 31, 2021.

22           ~~(3) Certain modifications.— The amendment made by subsection (c)(4)(B) shall~~  
23           ~~apply to taxable years of foreign corporations beginning after December 31, 2017, and~~  
24           ~~to taxable years of United States shareholders in which or with which such taxable~~  
25           ~~years of foreign corporations end.~~

26           ~~(4) Redetermination of foreign taxes and related claims.— The amendments made by~~  
27           ~~subsection (g) shall take effect on~~(B) CERTAIN CHANGES.—The amendments made  
28           by subparagraphs (A) and (C) of subsection (g)(1) shall apply to changes that  
29           occur on or after the date which is 60 days after the date of the enactment of this Act.

30           (C) MODIFICATION TO SPECIAL PERIOD OF LIMITATION.—The amendments made  
31           by subsection (g)(3) shall apply to taxes paid, accrued, or deemed paid in taxable  
32           years beginning after December 31, 2021.

33           (i) Regulations.—The Secretary shall ~~prescribe rules~~ **issue regulations or other guidance**  
34           providing for the application of ~~subsection (e)~~ **subsections (d), (e), (f), and (g)** of section 904 of  
35           the Internal Revenue Code of 1986, ~~as added (as amended by this section, to any)~~ **with respect**  
36           **to amounts carried over under subsection (e) of such section subsections (c), (f), or (g)** from a  
37           taxable year with respect to which ~~such subsection (e) did~~ **of such section does not apply to a**  
38           taxable year with respect to which such subsection (e) does apply **and from a taxable year with**  
39           **respect to which subsection (d)(1)(B) of such section (determined without regard to the**  
40           **amendments made by this section) applies to a taxable year with respect to which such**  
41           **section does not apply.**

1 SEC. 138125. FOREIGN OIL AND GAS EXTRACTION  
2 INCOME AND FOREIGN OIL RELATED INCOME TO  
3 INCLUDE OIL SHALE AND TAR SANDS.

4 (a) In General.—Paragraphs (1)(A) and (2)(A) of section 907(c) are each amended by  
5 inserting “(or oil shale or tar sands)” after “oil or gas wells”.

6 \*\* 110 ~~(f)~~(b) Effective Date.—The amendments made by this section shall apply to taxable  
7 years beginning after December 31, ~~2024~~ 2021.

8  
9 ~~(b) Effective Date.—The amendments made by this section shall~~  
10 ~~apply to taxable years of foreign corporations beginning after~~  
11 ~~December 31, 2021, and to taxable years of United States~~  
12 ~~shareholders in which or with which such taxable years of~~  
13 ~~foreign corporations end.~~ SEC. 138126. MODIFICATIONS TO  
14 INCLUSION OF GLOBAL INTANGIBLE LOW-TAXED  
15 INCOME.

16 (a) Country-by-country Application of Section Based on CFC Taxable Units.—Section 951A  
17 is amended by adding at the end the following new subsection:

18 “(g) Country-by-country Application of Section Based on CFC Taxable Units.—

19 “(1) IN GENERAL.—If any CFC taxable unit of a United States shareholder is a tax  
20 resident of **(or, in the case of a branch, is located in)** a country which is different from the  
21 country with respect to which any other CFC taxable unit of such United States shareholder  
22 is a tax resident— **resident (or, in the case of a branch, is located in)**—

23 “(A) such shareholder’s global intangible low-taxed income for purposes of  
24 subsection (a) shall be the sum of the amounts of global intangible low-taxed income  
25 determined separately with respect to each ~~country with respect to which any CFC~~  
26 ~~taxable unit of such shareholder is a tax resident~~ **such country**, and

27 “(B) for purposes of determining such separate amounts of global intangible  
28 low-taxed income—

29 “(i) **except as otherwise provided by the Secretary**, any reference in  
30 subsection (b), (c), or (d) to a controlled foreign corporation of such shareholder  
31 shall be treated as reference to a CFC taxable unit of such shareholder, and

32 “(ii) net CFC tested income, net deemed tangible income return, qualified  
33 business asset investment, interest expense described in subsection (b)(2)(B), and  
34 such other items and amounts as the Secretary may provide, shall be determined  
35 separately with respect to each such country by determining such amounts with  
36 respect to ~~each the~~ **CFC taxable units** of such shareholder which ~~is~~ **are** a tax

1 resident of such country.

2 “(2) DEFINITIONS.—For purposes of this subsection—

3 “(A) CFC TAXABLE UNIT.—The term ‘CFC taxable unit’ means any taxable unit  
4 described **in** clause (ii), (iii), or (iv) of section 904(e)(2)(B)~~(determined, determined—~~

5 **“(i) by substituting ‘Each controlled foreign corporation’ for ‘Each foreign**  
6 **corporation’ in clause (ii) of such section, and**

7 **“(ii) without regard to the references to the taxpayer in clauses (iii) and (iv) of**  
8 **such section).**

9 “(B) APPLICATION OF OTHER DEFINITIONS.—Terms used in this subsection which are  
10 also used in section 904(e) shall have the same meaning as when used in ~~such~~ section  
11 **904(e).**

12 “(3) SPECIAL RULES.—For purposes of this subsection—

13 “(A) APPLICATION OF CERTAIN RULES.—Except as otherwise provided by the  
14 Secretary, rules similar to the rules of section 904(e) shall apply.

15 “(B) ALLOCATION OF GLOBAL INTANGIBLE LOW-TAXED INCOME TO CONTROLLED  
16 FOREIGN CORPORATIONS.—Except as otherwise provided by the Secretary, subsection  
17 (f)(2) shall be applied separately with respect to each CFC taxable unit.”.

18 (b) Regulatory Authority.—

19 (1) IN GENERAL.—Section 951A, as amended by subsection (a), is amended by adding at  
20 the end the following new subsection:

21 “(h) Regulations.—The Secretary shall issue such regulations or other guidance as may be  
22 necessary or appropriate to carry out, or prevent the avoidance of, the purposes of this section,  
23 including regulations or guidance which provide for—

24 “(1) the treatment of property if such property is transferred, or held, temporarily,

25 “(2) the treatment of property if the avoidance of the purposes of this section is a factor in  
26 the transfer or holding of such property, ~~and~~

27  
28 “(3) appropriate adjustments to the basis of stock and other ownership interests, and to  
29 earnings and profits, to reflect tested **losses (whether or not taken into account in**  
30 **determining global intangible low-taxed income), losses.”.**

31 ~~(2) Conforming amendment.—Section 951A(d) is amended by striking paragraph (4).~~

32 ~~(3) Additional regulatory authority.—Section 951A(h), as added by paragraph (1), is~~  
33 ~~amended by striking “and” at the end of paragraph (2), by striking the period at the end of~~  
34 ~~paragraph (3) and inserting a comma, and by adding at the end the following new~~  
35 ~~paragraphs:~~

36 “(4) rules similar to the rules provided under the regulations or guidance issued under  
37 section ~~904(e)(5)~~ **904(e)(4)**,

38 **“(5) other** appropriate basis adjustments, ~~and~~

1           “(6) appropriate ~~adjustment~~ **adjustments** to be made, and appropriate tax attributes and  
2 records to be maintained, separately with respect to CFC taxable ~~units~~.”.

3           **units, and**

4           “(7) **appropriate adjustments in determining tested income or tested loss if property**  
5 **is transferred between related parties or amounts are paid or accrued between related**  
6 **parties.**”.

7           **(2) CONFORMING AMENDMENT.—Section 951A(d) is amended—**

8                   **(A) by striking paragraph (4), and**

9                   **(B) by redesignating the second paragraph (3) (relating to partnership**  
10 **property) as paragraph (4).**

11           (c) Carryover of Net CFC Tested Loss.—

12                   (1) IN GENERAL.—Section 951A(c) is amended by adding at the end the following new  
13 paragraph:

14                   “(3) CARRYOVER OF NET CFC TESTED LOSS.—

15                           “(A) IN GENERAL.—If the amount described in paragraph (1)(B) with respect to any  
16 United States shareholder for any taxable year of such United States shareholder  
17 (determined after the application of this paragraph ) **with respect to amounts arising**  
18 **in preceding taxable years)** exceeds the amount described in paragraph (1)(A) with  
19 respect to such shareholder of such taxable year, the amount otherwise described in  
20 paragraph (1)(B) with respect to such shareholder for the succeeding taxable year shall  
21 be increased by the amount of such excess.

22                           “(B) PROPER ADJUSTMENT IN ALLOCATIONS OF GLOBAL INTANGIBLE LOW-TAXED  
23 INCOME TO CONTROLLED FOREIGN CORPORATIONS.—Proper adjustments shall be made  
24 in the application of subsection (f)(2)(B) to take into account any decrease in global  
25 intangible low-taxed income by reason of the application of subparagraph (A).”.

26                   (2) COORDINATION WITH COUNTRY-BY-COUNTRY APPLICATION.—Section  
27 951A(g)(1)(B)(ii), as added by subsection (a), is amended by inserting “any increase  
28 determined under subsection (c)(3)(A),” after “interest expense described in subsection  
29 (b)(2)(B).”.

30                   (3) APPLICATION OF RULES WITH RESPECT TO OWNERSHIP CHANGES.—Section 382(d) is  
31 amended by adding at the end the following new paragraph:

32                   “(4) APPLICATION TO CARRYOVER OF NET CFC TESTED LOSS.—The term ‘pre-change loss’  
33 shall include any excess carried over under section 951A(c)(3) under rules similar to the  
34 rules of paragraph (1).”.

35           (d) Reduction in Net Deemed Tangible Income Return for Purposes of Determining Global  
36 Intangible Low-taxed Income.—

37                   (1) IN GENERAL.—Section 951A(b)(2)(A) is amended by striking “10 percent” and  
38 inserting “5 percent”.

39                   (2) APPLICATION TO ASSETS LOCATED IN POSSESSIONS OF THE UNITED STATES.—Section  
40 951A(b) is amended by adding at the end the following new paragraph:

1           “(3) APPLICATION TO ASSETS LOCATED IN POSSESSIONS OF THE UNITED STATES.—In the  
2           case of any specified tangible property located in a possession of the United States,  
3           paragraph (2)(A) and subsection (d) shall be applied by substituting ‘10 percent’ for ‘5  
4           percent’ in paragraph (2)(A).”.

5           (e) Inclusion of Foreign Oil and Gas Extraction Income in Determining Tested Income and  
6           Loss.—Section 951A(c)(2)(A)(i) is amended by inserting “and” at the end of subclause (III), by  
7           striking “and” at the end of subclause (IV) and inserting “over”, and by striking subclause (V).

8           (f) Coordination With Other Provisions.—Section 951A(f)(1) is amended by adding at the end  
9           the following new subparagraph:

10                   “(C) TREATMENT OF CERTAIN REFERENCES.—Except as otherwise provided by the  
11                   Secretary, references to section 951 or section 951(a) in sections 959, 961, 962, and  
12                   such other ~~sections~~ **provisions** as the Secretary may identify shall include references to  
13                   section 951A or section 951A(a), respectively.”.

14           (g) Effective Date.—

15                   (1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made  
16                   by this section shall apply to taxable years of foreign corporations beginning after  
17                   December 31, ~~2021~~ **2022**, and to taxable years of United States shareholders in which or  
18                   with which such taxable years of foreign corporations end.

19                   (2) ~~CERTAIN RELATED MODIFICATIONS.—~~**THE REGULATORY AUTHORITY AND**  
20                   **COORDINATION WITH OTHER PROVISIONS.—**The amendments made by subsections (b)(1),  
21                   ~~(b)(2)~~, and (f) shall apply to taxable years of foreign corporations beginning after ~~December~~  
22                   **31, 2017 the date of the enactment of this Act**, and to taxable years of United States  
23                   shareholders in which or with which such taxable years of foreign corporations end.

24           **(h) No Inference Regarding Certain Modifications.—The amendments made by**  
25           **subsections (b) and (f) shall not be construed to create any inference with respect to the**  
26           **proper application of any provision of the Internal Revenue Code of 1986 with respect to**  
27           **any taxable year beginning before the taxable years to which such amendments apply.**

## 28   SEC. 138127. MODIFICATIONS TO DETERMINATION OF 29   DEEMED PAID CREDIT FOR TAXES PROPERLY 30   ATTRIBUTABLE TO TESTED INCOME.

31           (a) Increase in Deemed Paid Credit.—Section 960(d)(1) is amended by striking “80 percent”  
32           and inserting “95 percent (100 percent in the case of tested foreign income taxes paid or accrued  
33           to a possession of the United States)”.

34           (b) Inclusion of Taxes Properly Attributable to Tested ~~Loss~~.—~~Section Loss~~.—

35                   **(1) IN GENERAL.—Section** 960(d)(3) is amended to read as follows:

36                   “(3) TESTED FOREIGN INCOME TAXES.—For purposes of paragraph (1), the term ‘tested  
37                   foreign income taxes’ means, with respect to any domestic corporation which is a United  
38                   States shareholder of a controlled foreign ~~corporation~~, such shareholder’s pro rata share (as  
39                   ~~determined under section 951A(e)(1)) of~~ **corporation**—



1           “(A) the foreign income taxes (~~within the meaning of section 904(d)(2)(F)~~) **paid or**  
2           **accrued by such foreign corporation** which are properly attributable to ~~amounts~~  
3           ~~taken into account in determining the~~ tested income or tested loss ~~under section~~  
4           ~~951A(b)(2)~~, **of such foreign corporation taken into account by such domestic**  
5           **corporation under section 951A**, and

6           “(B) solely to the extent provided in regulations prescribed by the Secretary, the  
7           foreign income taxes (as so defined) paid or accrued by a foreign corporation (other  
8           than ~~such a~~ controlled foreign corporation) which owns, directly or indirectly, 80  
9           percent or more (by vote or value) of the stock in such domestic corporation but only  
10          if—

11           “(i) such foreign income taxes are properly attributable to amounts of such  
12          controlled foreign corporation taken into account in determining tested income or  
13          tested loss under section ~~951A(b)(2)~~, **951A(c)(2)**, and

14           “(ii) no credit is allowed, in whole or in part, for such foreign taxes in any  
15          foreign jurisdiction.”.

16          **(2) CONFORMING AMENDMENT.—Section 960(d)(2)(B) is amended by striking “the**  
17          **aggregate amount described in section 951A(c)(1)(A)” and inserting “the net CFC**  
18          **tested income (as defined in section 951A(c)(1))”.**

19          (c) Application of Foreign Tax Credit Limitation to Amounts Included Under Section 78.—

20           (1) Section 904(d)(2) is amended by redesignating subparagraph (K) as subparagraph (L)  
21          and by inserting after subparagraph (J) the following new subparagraph:

22           “(K) AMOUNTS INCLUDIBLE UNDER SECTION 78.—Any amount includible in gross  
23          income under section 78 shall be treated as income in the same separate category as the  
24          related foreign taxes deemed paid.”.

25           (2) Section 904(d)(3)(G) is amended by striking the second sentence and inserting the  
26          following: “Any amount included in gross income under section 78 shall not be treated as a  
27          dividend.”.

28          **(d) Disallowance of Foreign Tax Credit With Respect to Distributions of Previously**  
29          **Taxed Global Intangible Low-taxed Income.—Section 960(d) is amended by adding at the**  
30          **end the following new paragraph:**

31           **“(4) DISALLOWANCE OF FOREIGN TAX CREDIT WITH RESPECT TO DISTRIBUTIONS OF**  
32          **PREVIOUSLY TAXED GLOBAL INTANGIBLE LOW-TAXED INCOME.—No credit shall be**  
33          **allowed under section 901 for 20 percent of any foreign income taxes paid or accrued**  
34          **(or deemed paid under section 960(b)(1)) with respect to any amount excluded from**  
35          **gross income under section 959(a) by reason of an inclusion in gross income under**  
36          **section 951A(a).”.**

37          **(e) Modification of Disallowance of Foreign Tax Credit Respect to Distributions of**  
38          **Previously Taxed Global Intangible Low-taxed Income.—Section 960(d)(4), as added by**  
39          **subsection (d), is amended by striking “20 percent” and inserting “5 percent”.**

40          **(f) Effective Date.—**

41           (1) IN GENERAL.—Except as **otherwise** provided in ~~paragraph (2)~~ **this subsection**, the

1 amendments made by this section shall apply to taxable years of foreign corporations  
2 beginning after December 31, ~~2021~~ **2022**, and to taxable years of United States shareholders  
3 in which or with which such taxable years of foreign corporations end.

4 ~~(2) APPLICATION OF FOREIGN TAX CREDIT LIMITATION TO AMOUNTS INCLUDED UNDER~~  
5 ~~SECTION 78.—THE AMENDMENTS MADE BY SUBSECTION (C) SUBSECTIONS (C) AND~~  
6 ~~(D).—The amendments made by subsections (c) and (d) shall apply to taxable years~~  
7 ~~beginning after December 31, 2017. of foreign corporations beginning after the date of~~  
8 ~~the enactment of this Act, and to taxable years of United States shareholders in which~~  
9 ~~or with which such taxable years of foreign corporations end.~~

10 **(g) No Inference Regarding Certain Modifications.—The amendments made by**  
11 **subsections (c) and (d) shall not be construed to create any inference with respect to the**  
12 **proper application of any provision of the Internal Revenue Code of 1986 with respect to**  
13 **any taxable year beginning before the taxable years to which such amendments apply.**

## 14 SEC. 138128. DEDUCTION FOR FOREIGN SOURCE 15 PORTION OF DIVIDENDS LIMITED TO CONTROLLED 16 FOREIGN CORPORATIONS, ETC.

17 (a) In General.—Section 245A is amended—

18 (1) in subsections (a), (c)(1), and (c)(2), by striking “specified 10-percent owned foreign  
19 corporation” each place it appears and inserting “controlled foreign corporation”, and

20 (2) by striking subsection (b).

21 (b) Modifications Related to Determination of Status as a Controlled Foreign Corporation.—

22 (1) Subpart F of part III of subchapter N of chapter 1 is amended by inserting after  
23 section 951A the following new section:

## 24 “SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME 25 OF FOREIGN CONTROLLED UNITED STATES 26 SHAREHOLDERS.

27 “(a) In General.—In the case of any foreign controlled United States shareholder of a foreign  
28 controlled foreign corporation—

29 “(1) this subpart (other than sections 951A, 951(b), ~~957~~, and ~~965~~) **957**) shall be applied  
30 with respect to such shareholder (separately from, and in addition to, the application of this  
31 subpart without regard to this section)—

32 “(A) by substituting ‘foreign controlled United States shareholder’ for ‘United States  
33 shareholder’ each place it appears therein, and

34 “(B) by substituting ‘foreign controlled foreign corporation’ for ‘controlled foreign  
35 corporation’ each place it appears therein, and

36 “(2) ~~sections~~ **section** 951A ~~and 965~~ shall be applied with respect to such shareholder —

37 “(A) by treating each reference to ‘United States shareholder’ in such sections as

1 including a reference to such shareholder, and

2 “(B) by treating each reference to ‘controlled foreign corporation’ in such sections  
3 as including a reference to such foreign controlled foreign corporation.

4 “(b) Foreign Controlled United States Shareholder.—For purposes of this section, the term  
5 ‘foreign controlled United States shareholder’ means, with respect to any foreign corporation,  
6 any United States person which would be a United States shareholder with respect to such  
7 foreign corporation if—

8 “(1) section 951(b) were applied by substituting ‘more than 50 percent’ for ‘10 percent or  
9 more’, and

10 “(2) section 958(b) were applied without regard to paragraph (4) thereof.

11 “(c) Foreign Controlled Foreign Corporation.—For purposes of this section, the term ‘foreign  
12 controlled foreign corporation’ means a foreign corporation, other than a controlled foreign  
13 corporation, which would be a controlled foreign corporation if section 957(a)(1) were applied—

14 “(1) by substituting ‘foreign controlled United States shareholders’ for ‘United States  
15 shareholders’, and

16 “(2) by substituting ‘section 958(b) (other than paragraph (4) thereof)’ for ‘section  
17 958(b)’.

18 “(d) Regulations.—The Secretary shall prescribe such regulations or other guidance as may be  
19 necessary or appropriate to carry out the purposes of this section, including regulations or other  
20 guidance—

21 “(1) to treat a foreign controlled United States shareholder or a foreign controlled foreign  
22 corporation as a United States shareholder or as a controlled foreign corporation,  
23 respectively, for purposes of provisions of this title other than this subpart, and

24 “(2) to prevent the avoidance of the purposes of this section.”.

25 (2) Section 957(a) is amended to read as follows:

26 “(a) Controlled Foreign Corporation.—For purposes of this title—

27 “(1) IN GENERAL.—The term ‘controlled foreign corporation’ means any foreign  
28 corporation if more than 50 percent of—

29 “(A) the total combined voting power of all classes of stock of such corporation  
30 entitled to vote, or

31 “(B) the total value of the stock of such corporation,  
32 is owned (within the meaning of section 958(a)), or is considered as owned by applying the  
33 rules of ownership of section 958(b), by United States shareholders on any day during the  
34 taxable year of such foreign corporation.

35 “(2) ELECTION TO TREAT A FOREIGN CORPORATION AS A CONTROLLED FOREIGN  
36 CORPORATION FOR CERTAIN PURPOSES.—

37 “(A) IN GENERAL.—In the case of a foreign corporation with respect to which an  
38 election is in effect under this paragraph, such foreign corporation shall be treated as a  
39 controlled foreign corporation ~~with respect to all United States shareholders of such~~

1 ~~foreign corporation.~~ **for purposes of this title.**

2 “(B) EXCEPTIONS.—Notwithstanding ~~subparagraph (A),~~ **such any other provision**  
3 **of this paragraph,** a foreign corporation shall not be treated as a controlled foreign  
4 corporation **by reason of this paragraph** for purposes of ~~section 951B(e) or for any~~  
5 ~~other purpose~~ **any provision of this title** if the Secretary determines that treatment of  
6 such foreign corporation as a controlled foreign corporation for **purposes of** such  
7 ~~purpose~~ **provision** would be inconsistent with the purposes of this subchapter.

8 “(C) ELECTION.—

9 “(i) BY WHOM.—An election under subparagraph (A) shall be effective only if  
10 made by the foreign corporation and by all United States shareholders of such  
11 foreign corporation (determined as of the time of such election by such foreign  
12 corporation).

13 “(ii) WITH RESPECT TO WHOM.—Any election under this paragraph, once  
14 effective, shall apply to such foreign corporation and to all United States  
15 shareholders of such foreign corporation (including any person who becomes a  
16 United States shareholder of such foreign corporation after such election takes  
17 effect).

18 “(iii) TIME, MANNER, ETC.—The election under this paragraph shall be made at  
19 such time and in such manner as the Secretary may provide and, once effective,  
20 may be revoked only with the consent of the Secretary.

21 “(D) REGULATIONS.—The Secretary shall issue such regulations or other guidance  
22 as may be necessary or appropriate to carry out the purposes of this paragraph,  
23 including regulations or other guidance for the application of this paragraph to an  
24 acquisition ~~of assets described in section 381(a) from any corporation~~ with respect to  
25 **any corporation** to which an election under this paragraph applies.”

26 (3) Section 958(b) is amended—

27 (A) by inserting after paragraph (3) the following:

28 “(4) Subparagraphs (A), (B), and (C) of section 318(a)(3) shall not be applied so as to  
29 consider a United States person as owning stock which is owned by a person who is not a  
30 United States person.”, and

31 (B) by striking “Paragraph (1)” in the last sentence and inserting “Paragraphs (1)  
32 and (4)”.

33 (4) Section 959(b) is amended—

34 (A) by striking “the earnings and profits of a controlled foreign corporation”  
35 and inserting “the earnings and profits of a foreign corporation”,

36 (B) by striking “another controlled foreign corporation” and inserting “a  
37 controlled foreign corporation”,

38 (C) by striking “such other controlled foreign corporation” and inserting “such  
39 controlled foreign corporation”, and

40 (D) by striking “of such United States shareholder in the controlled foreign

1           **corporation” and inserting “of such United States shareholder in the foreign**  
2           **corporation”.**

3           (5) The table of sections for subpart F of part III of subchapter N of chapter 1 is amended  
4           by inserting after the item relating to section 951A the following new item:

5           “Sec.951B.Amounts included in gross income of foreign controlled United States shareholders.”.

6           (c) Certain Other Modifications.—

7           (1) ~~Section 245A(b)(1) is amended by striking “with respect to such corporation”.~~

8           (2) Section 245A(e)(4) is amended by striking “an amount received” and all that follows  
9           through “for which the controlled foreign corporation received a deduction” and inserting  
10           “any dividend received from a controlled foreign corporation for which such controlled  
11           foreign corporation received a deduction”.

12           (3) ~~Section 245A(e)(1) is amended—~~

13           (A) ~~by striking “any dividend” and inserting “any hybrid dividend”, and~~

14           (B) ~~by striking “if the dividend is a hybrid dividend”.~~

15           (4)(2) Section 245A(g) is amended to read as follows:

16           “(g) Regulations.—The Secretary shall prescribe such regulations or other guidance as may be  
17           necessary or appropriate to carry out the ~~provisions~~ **purposes** of this section, including  
18           regulations or other guidance for—

19           “(1) the treatment of United States shareholders owning stock of a controlled foreign  
20           corporation through a partnership, and

21           “(2) the denial of all or a portion of the deduction under this section with respect to  
22           dividends received from foreign corporations in situations in which—

23           “(A) any portion of the dividend is out of earnings and profits arising from  
24           ~~dispositions to~~ **transactions with** related parties which—

25           “(i) ~~are~~ **do not made occur** in the ordinary course of a trade or business, and

26           “(ii) ~~are made~~ **occur** on or after January 1, 2018, and during a taxable year to  
27           which section 951A did not apply, or

28           “(B) a transfer or issuance of stock on or after January 1, 2018, results in a reduction  
29           in ~~the a~~ a United States shareholder’s pro rata share of a controlled foreign corporation’s  
30           subpart F income or tested income (as defined in section 951A).”.

31           (5) ~~Section 246(b)(1) is amended to read as follows:~~(d) **Conforming Amendments.**—

32           “(1) **General rule.**—~~Except as provided in paragraph (2), the aggregate amount of the~~  
33           ~~deductions allowed by section 243(a)(1) and subsection (a) and (b) of section 245 shall not~~  
34           ~~exceed the percentage determined under paragraph (3) of the taxable income computed~~  
35           ~~without regard to the deductions allowed by section 172, section 243(a)(1), subsections (a)~~  
36           ~~and (b) of section 245, and section 250, without regard to any adjustment under section~~  
37           ~~1059, and without regard to any capital loss carryback to the taxable year under section~~  
38           ~~1212(a)(1).”.~~(1) **Section 91 is amended—**

1           ~~(6)~~ Section 246(c)(1)(A) in subsection (a), by striking “specified 10-percent  
2           owned foreign corporation (as defined in section 245A)” and inserting “controlled  
3           foreign corporation”, and

4           **(B)** in subsection (e), by striking “specified 10-percent owned foreign  
5           corporation” and inserting “controlled foreign corporation”.

6           **(2)(A)** The heading of section 245A is amended by striking “section 243” and all that  
7           follows through “245A” and inserting “section 243, 245, or 245A”. “specified 10-percent  
8           owned foreign corporations” and inserting “controlled foreign corporations”.

9           ~~(7) For purposes of section 78 of the Internal Revenue Code of 1986, as in effect on the~~  
10          ~~day before the enactment of Public Law 115-97, with respect to taxable years of foreign~~  
11          ~~corporations beginning before January 1, 2018, and ending after December 31, 2017, any~~  
12          ~~reference to section 245 of such Code shall be treated as including a reference to section~~  
13          ~~245A of such Code (as added by such Public Law).~~ **(B)** The item relating to section 245A  
14          in the table of sections for part VIII of subchapter B of chapter 1 is amended by  
15          striking “specified 10-percent owned foreign corporations” and inserting “controlled  
16          foreign corporations”.

17          ~~(d)~~ **(3)** Section 246(c)(5) is amended—

18                 **(A)** in subparagraph (B), by striking “specified 10-percent owned foreign  
19                 corporation” each place it appears and inserting “controlled foreign  
20                 corporation”, and

21                 **(B)** by striking “SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION” in the  
22                 heading and inserting “CONTROLLED FOREIGN CORPORATION”.

23          **(4)** Section 904 is amended—

24                 **(A)** in subsection (b)(4), by striking “specified 10-percent owned foreign  
25                 corporation” both places it appears and inserting “controlled foreign  
26                 corporation”, and

27                 **(B)** in subsection (d)(2)(E)—

28                         **(i)** in clause (i)(I), by striking “(as defined in section 245A(b))”, and

29                         **(ii)** by redesignating clause (ii) as clause (iii) and by inserting after clause  
30                         **(i)** the following new clause:

31                                 **“(ii) SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION.—**For purposes  
32                                 **of this subparagraph—**

33   **“(I) IN GENERAL.—**The term ‘specified 10-percent owned foreign  
34   **corporation’** means any foreign corporation with respect to which any  
35   **domestic corporation** is a United States shareholder with respect to such  
36   **corporation.**

37   **“(II) EXCLUSION OF PASSIVE FOREIGN INVESTMENT COMPANIES.—**Such  
38   **term shall not include any corporation** which is a passive foreign  
39   **investment company** (as defined in section 1297) with respect to the  
40   **shareholder and which is not a controlled foreign corporation.”.**

1 (5) Section 909(b) is amended by striking “(as defined in section 245A(b) without  
2 regard to paragraph (2) thereof)” and inserting “(as defined in section 904(d)(2)(E)(ii)  
3 without regard to subclause (II) thereof”).

4 (6) Section 961(d) is amended—

5 (A) by striking “specified 10-percent owned foreign corporation (as defined in  
6 section 245A)” and inserting “controlled foreign corporation”, and

7 (B) by striking “Specified 10-percent Owned Foreign Corporation” in the  
8 heading and inserting “Controlled Foreign Corporation”.

9 (e) Effective Dates.—

10 (1) ~~IN GENERAL.—THE AMENDMENT MADE BY SUBSECTION (A) GENERAL.—~~**Except as**  
11 **otherwise provided in this subsection, the amendments made by this section** shall apply  
12 to distributions made after the date of the enactment of this Act.

13 (2) ~~MODIFICATIONS RELATED TO DETERMINATION OF STATUS AS A CONTROLLED FOREIGN~~  
14 ~~CORPORATION.—~~The amendments made by subsection (b) shall apply ~~to~~—

15 ~~(A) the last taxable year~~ **years** of foreign corporations beginning **after the date of the**  
16 **enactment of this Act, and before January 1, 2018,** and each subsequent taxable year of  
17 ~~such foreign corporations, and~~

18 ~~(B) taxable years of United States persons in which or with which such taxable years of~~  
19 ~~foreign corporations end.~~

20 ~~(3) Certain other modifications.—The amendments made by subsection (c) shall apply.~~  
21 **(f) No Inference Regarding Certain Modifications.—The amendments made by subsections (b)(1),**  
22 **(b)(3), (b)(5), and (c) shall not be construed to create any inference with respect to the**  
23 **proper application of any provision of the Internal Revenue Code of 1986 with respect to**  
24 **distributions made after December 31, 2017, or taxable years beginning, respectively, before**  
25 **the distributions or taxable years, respectively, to which such amendments apply.**

## 26 SEC. 138129. LIMITATION ON FOREIGN BASE 27 COMPANY SALES AND SERVICES INCOME.

28 (a) Foreign Base Company Sales ~~Income.—Section~~ **Income.—**

29 **(1) IN GENERAL.—Section 954(d)(2) is amended to read as follows:**

30 **“(2) LIMITATION.— LIMITATION AND REGULATORY AUTHORITY.—**

31 **“(A) IN GENERAL.—For purposes of this subsection, the term ‘related person’ shall**  
32 **not include any person unless such person is—**

33 **“(i) a taxable unit (within the meaning of section 904(e)) which is a tax resident**  
34 **of (or, in the case of a branch, is located in) the United States, or**

35 **“(ii) is subject to tax under this chapter by reason of such person’s**  
36 **activities in the United States.**

37 **“(B) REGULATIONS.—The Secretary shall issue such regulations or other guidance**  
38 **as may be necessary or appropriate to carry out the purposes of this paragraph,—**

1 including subsection (and subsection (e)), including—

2 “(i) regulations or other guidance providing for the proper application of  
3 subparagraph (A) in the case of a **transaction (or series of transactions)** in which  
4 a person described in subparagraph (A) is a ~~party.~~ **party, and**

5 “(ii) regulations or other guidance providing that a **pass-through entity or**  
6 **branch held directly or indirectly by a controlled foreign corporation**  
7 **(whether tax resident or located inside or outside the country in which the**  
8 **controlled foreign corporation is a tax resident) shall be treated as a wholly**  
9 **owned subsidiary of the controlled foreign corporation.**

10 “(C) CERTAIN TERMS.—Any term used in this subsection or subsection (e)  
11 which is also used in section 904(e) shall have the same meaning as when used in  
12 such section.”.

13 (2) CONFORMING AMENDMENT.—Section 954(d)(1)(A) is amended by striking “under  
14 the laws of which the controlled foreign corporation is created or organized” and  
15 inserting “in which the controlled foreign corporation is a tax resident”.

16 (b) Foreign Base Company Services ~~Income.~~—Section **Income.**—

17 (1) IN GENERAL.—Section 954(e)(1)(A) is amended by striking “subsection (d)(3)” and  
18 inserting “subsection (d)”.

19 (2) CONFORMING AMENDMENT.—Section 954(e)(1)(B) is amended by striking “under  
20 the laws of which the controlled foreign corporation is created or organized” and  
21 inserting “in which the controlled foreign corporation is a tax resident”.

22 (c) Certain Other Modifications.—

23 (1) ~~(A) Section 951(a)(1) is amended—~~ Section 78 is amended by striking “, (b),”.

24 ~~(i) by striking “the last day” in the matter preceding subparagraph (A) and inserting “any~~  
25 ~~day”;~~(2)(A) Section 951(a) is amended to read as follows:

26 (ii) by striking “his” each place it appears and inserting “such shareholder’s”, and“(a)  
27 **Amounts Included.**—

28 (iii) by inserting “if such shareholder”“(1) IN GENERAL.—If a foreign corporation is a  
29 **controlled foreign corporation on any day during a taxable year, every person who is a**  
30 **United States shareholder of such corporation, and who owns (within the meaning of**  
31 **section 958(a)) stock in such corporation on any such day, shall include in such**  
32 **shareholder’s gross income for such shareholder’s taxable year in which or with which**  
33 **such taxable year of such corporation ends—**

34 “(A) his pro rata share (determined under paragraph (2)) of the corporation’s  
35 subpart F income for such year, and

36 “(B) if such shareholder owns (within the meaning of section 958(a)) stock of  
37 such foreign corporation as of the close of the last relevant day of such foreign  
38 corporation’s taxable year, the amount determined under section 956 with respect  
39 to such shareholder for such year (but only to the extent not excluded from gross  
40 income under section 959(a)(2)). ” before “the amount” in subparagraph (B).



1           ~~(B) Section 951(a) is amended by striking paragraph (2) and inserting the following~~  
2           ~~new paragraphs:~~

3           “(2) PRO RATA SHARE OF SUBPART F INCOME.—In the case of any United States  
4           shareholder with respect to a foreign corporation, the pro rata share referred to in paragraph  
5           (1)(A) is the sum of—

6           “ (A) if such shareholder owns (within the meaning of section 958(a)) stock of such  
7           foreign corporation as of the close of the last relevant day of such foreign corporation’s  
8           taxable year, such shareholder’s general pro rata share determined under paragraph (3),  
9           plus

10          “ (B) if such shareholder owns (within the meaning of section 958(a)) stock of such  
11          foreign corporation during such taxable year but does not own (within the meaning of  
12          section 958(a)) such stock as of the close of such last relevant day, such shareholder’s  
13          nontaxed current dividend share determined under paragraph (4).

14          “(3) GENERAL PRO RATA SHARE.—

15          “ (A) IN GENERAL.—In the case of any United States shareholder with respect to a  
16          foreign corporation, the general pro rata share determined under this paragraph is the  
17          excess (if any) of—

18                 “ (i) the pro rata current earnings percentage of the amount which bears the  
19                 same ratio to such corporation’s subpart F income for the taxable year (reduced  
20                 by the aggregate nontaxed current dividend shares determined under paragraph  
21                 (4) with respect to such shareholder or any other United States shareholder) as the  
22                 part of such year during which such corporation is a controlled foreign  
23                 corporation bears to the entire year, over

24                 “ (ii) the lesser of—

25                         “ (I) the amount of any pre-holding period dividends with respect to stock  
26                         of such foreign corporation which such shareholder owns (within the  
27                         meaning of section 958(a)) as of the close of the last relevant day of such  
28                         foreign corporation’s taxable year, or

29                         “ (II) the amount which bears the same ratio to the subpart F income of  
30                         such corporation for the taxable year (reduced by the aggregate nontaxed  
31                         current dividend shares determined under paragraph (4) with respect to such  
32                         shareholder or any other United States shareholder) as the part of such year  
33                         during which such shareholder did not own (within the meaning of section  
34                         958(a)) such stock bears to the entire year.

35          “ (B) PRO RATA CURRENT EARNINGS PERCENTAGE.—For purposes of subparagraph  
36          (A)(i), the term ‘pro rata current earnings percentage’ means, in the case of any United  
37          States shareholder with respect to a foreign corporation for any taxable year of such  
38          foreign corporation, the ratio (expressed as a percentage) of—

39                 “ (i) the amount which would have been distributed with respect to the stock  
40                 which such shareholder owns (within the meaning of section 958(a)) in such  
41                 corporation if on the last relevant day of such taxable year it had distributed its  
42                 earnings and profits for such taxable year (computed as of the close of such

1 taxable year without diminution by reason of any distributions made during such  
2 taxable year), divided by

3 “(ii) such corporation’s earnings and profits for such taxable year (as so  
4 computed).

5 “(C) PRE-HOLDING PERIOD DIVIDENDS.—For purposes of subparagraph (A)(ii)(I), the  
6 term ‘pre-holding period dividends’ means, in the case of any United States  
7 shareholder with respect to a foreign corporation for any taxable year of such foreign  
8 corporation, dividends which are—

9 “(i) made out of such corporation’s earnings and profits for the taxable year  
10 (other than nontaxed current dividends as defined in paragraph (4)(C)), and

11 “(ii) received—

12 “(I) by any other United States person with respect to stock of such  
13 foreign corporation which such shareholder owns (within the meaning of  
14 section 958(a)) as of the close of the last relevant day of such foreign  
15 corporation’s taxable year, and

16 “(II) while such foreign corporation was a controlled foreign corporation  
17 and before such shareholder owned (within the meaning of section 958(a))  
18 such stock.

19 “(4) NONTAXED CURRENT DIVIDEND SHARE.—

20 “(A) IN GENERAL.—In the case of any United States shareholder with respect to a  
21 foreign corporation, the nontaxed current dividend share determined under this  
22 paragraph is the nontaxed current dividend percentage of the subpart F income of such  
23 foreign corporation for the taxable year.

24 “(B) NONTAXED CURRENT DIVIDEND PERCENTAGE.—For purposes of this paragraph,  
25 the term ‘nontaxed current dividend percentage’ means, in the case of any United  
26 States shareholder with respect to a foreign corporation for any taxable year of such  
27 foreign corporation, the ratio (expressed as a percentage) of—

28 “(i) the amount of nontaxed current dividends with respect to such taxable year  
29 received with respect to the stock of such foreign corporation which such  
30 shareholder owns (within the meaning of section 958(a)) at the time of the  
31 dividend on a day in which such corporation is a controlled foreign corporation,  
32 divided by

33 “(ii) such foreign corporation’s earnings and profits for such taxable year  
34 (computed as of the close of such taxable year without diminution by reason of  
35 any distributions made during such taxable year).

36 “(C) NONTAXED CURRENT DIVIDENDS.—For purposes of this paragraph, the term  
37 ‘nontaxed current dividends’ means the portion of any amount received with respect to  
38 stock to the extent such amount (without regard to amounts included in the gross  
39 income of a United States shareholder for the taxable year by reason of this subpart)—

40 “(i) would result in a dividend out of the corporation’s earnings and profits for  
41 the taxable year (including a dividend under section 1248 attributable to earnings

1 and profits for the taxable year), and

2 “(ii) either—

3 “(I) would give rise to a deduction under section 245A(a), or

4 “(II) in the case of a dividend paid directly or indirectly to a controlled  
5 foreign corporation with respect to stock owned by the shareholder within  
6 the meaning of section 958(a)(2), would not result in subpart F income with  
7 respect to such controlled foreign corporation by reason of subsection (b)(4),  
8 (c)(3), or (c)(6) of section 954.

9 ~~Any amount treated as the foreign source portion of a dividend under section 245A(g)~~  
10 ~~shall be treated as nontaxed current dividends for purposes of this paragraph.~~

11 “(5) LAST RELEVANT DAY OF TAXABLE YEAR OF A CONTROLLED FOREIGN  
12 CORPORATION.—For purposes of this subsection, the term ‘last relevant day’ means, with  
13 respect to any taxable year of a foreign corporation, the last day of such taxable year on  
14 which such corporation is a controlled foreign corporation.

15 “(6) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as  
16 may be necessary or appropriate to carry out the purposes of this subsection, including  
17 regulations or other guidance—

18 “(A) to treat a partnership as an aggregate of its partners,

19 “(B) to provide rules allowing a foreign corporation to close its taxable year upon a  
20 change in ownership, and

21 “(C) to treat a distribution followed by an issuance of stock to a shareholder not  
22 subject to tax under this chapter in the same manner as an acquisition of stock.”.

23 ~~(C) Section 951A(e)(1) is amended by striking “determined under the rules of section~~  
24 ~~951(a)(2) in the same manner as such section applies to subpart F income” and inserting~~  
25 ~~“determined under rules similar to the rules of section 951(a)(2)”.~~

26 ~~(D) Section 951A(e)(2)~~ **(B) Section 951A(a)** is amended to read as follows:

27 ~~“(2) Treatment as united states shareholder.—A person shall be treated as”~~ **“(a) In General.—If**  
28 **a foreign corporation is a controlled foreign corporation on any day during a taxable year,**  
29 **every person who is a United States shareholder of such corporation, and who a controlled-**  
30 **foreign corporation for any taxable year of such person if such person—**

31 ~~“(A) is a United States shareholder of such foreign corporation on any day in such taxable~~  
32 ~~year, and~~

33 ~~“(B) owns (within the meaning of section 958(a)) stock in such foreign corporation on any day~~  
34 ~~in such taxable year which is part of a taxable year of such foreign corporation with respect to~~  
35 ~~which such foreign corporation is a controlled foreign corporation.”.~~ **corporation on any such**  
36 **day, shall include in such shareholder’s gross income for such shareholder’s taxable year in**  
37 **which or with which such taxable year of such corporation ends, such shareholder’s global**  
38 **intangible low-taxed income for such taxable year.”.**

39 ~~(E)~~ **(C) Section 951A(e)** is amended to read as follows:

40 **“(e) Determination of Pro Rata Shares.—For purposes of this section, the pro rata shares**

1 referred to in subsections (b), (c)(1)(A), and (c)(1)(B), respectively, shall be determined  
2 under rules similar to the rules of section 951(a)(2) and shall be taken into account in the  
3 taxable year of the United States shareholder in which or with which the taxable year of the  
4 controlled foreign corporation ends.”.

5 (D) Section 953(c)(5)(A)(i) is amended—

6 (i) in subclause (I), by adding “and” at the end,

7 (ii) in subclause (II)—

8 (I) by striking “on the last day of the taxable year” and inserting “during the  
9 taxable year”, and

10 (II) by striking “and” at the end and inserting “or”, and

11 (iii) by striking subclause (III).

12 ~~(2) Section 78 is amended by striking “, (b).”.~~

13 ~~(d) Certain Related Prospective Modifications.—Section 961(c) is amended—~~**(3) Section**  
14 **959 is amended by adding at the end the following:**

15 **\*\* 111** “(g) Regulations.—The Secretary shall issue such regulations or other guidance as ~~the~~  
16 ~~Secretary determines~~ **may be** necessary or appropriate to carry out the purposes of this ~~section~~  
17 ~~section.~~”.

18 **(4) Section 961(b)(1) is amended by inserting after the first sentence the following:**  
19 **“The Secretary shall prescribe such other reductions to basis as are necessary or**  
20 **appropriate to carry out the purposes of this section.”.**

21 **(5) Section 961(c) is amended—**

22 ~~(A)(1)~~ by striking “Basis Adjustments in” in the heading of such subsection and  
23 inserting “Application of Rules to”, and

24 ~~(2)(B)~~ by striking “then adjustments similar to” and all that follows in such  
25 subsection and inserting “then rules similar to the rules of subsections (a) and (b) shall  
26 apply to—

27 “(1) such stock,

28 “(2) stock in any other controlled foreign corporation by reason of which the United  
29 States shareholder is considered under section 958(a)(2) as owning the stock described in  
30 paragraph (1), and

31 “(3) property by reason of which the United States shareholder is considered as owning  
32 stock described in paragraph (1) or (2)-

33 ,

34 **but only for purposes of determining the amount included under section 951 in the gross**  
35 **income of such United States shareholder (or any other United States shareholder who**  
36 **acquires from any person any portion of the interest of such United States shareholder by**  
37 **reason of which such shareholder was treated as owning such stock, but only to the extent**  
38 **of such portion, and subject to such proof of identity of such interest as the Secretary may**  
39 **prescribe by regulations).** The preceding sentence shall not apply with respect to any stock or

1 property to which subsection (a) or (b) applies.”.

2  
3 ~~(e) Effective Dates.—~~

4 ~~(1) In general.—Except as otherwise provided in this subsection, the amendments made by~~  
5 ~~this section shall apply to taxable years of foreign corporations beginning after December 31,~~  
6 ~~2021, and to taxable years of United States shareholders in which or with which such taxable~~  
7 ~~years of foreign corporations end.~~

8 ~~(2) Certain other modifications.—~~

9 ~~(A) The amendments made by subsection (c)(1) shall apply to distributions made after~~  
10 ~~December 31, 2017.~~

11 ~~(B) The amendment made by subsection (c)(2)(d) Effective Dates.—The amendments made~~  
12 ~~by this section shall apply to taxable years of foreign corporations beginning after December 31,~~  
13 ~~2017 2021, and to taxable years of United States shareholders in which or with which such~~  
14 ~~taxable years of foreign corporations end.~~

15 ~~(e) No Inference Regarding Certain Modifications.—The amendments made by~~  
16 ~~paragraphs (1) and (2) of subsection (c) shall not be construed to create any inference with~~  
17 ~~respect to the proper application of any provision of the Internal Revenue Code of 1986~~  
18 ~~with respect to any taxable year beginning before the taxable years to which such~~  
19 ~~amendments apply.~~

## 20 Subpart D—Inbound International Provisions

### 21 SEC. 138131. MODIFICATIONS TO BASE EROSION AND 22 ANTI-ABUSE TAX.

23 (a) Modifications to Base Erosion Minimum Tax Amount.—

24 (1) MODIFICATION OF RATES.—Section 59A(b)(1)(A) is amended by striking “10 percent  
25 (5 percent in the case of taxable years beginning in calendar year 2018)” and inserting “the  
26 applicable percentage”.

27 (2) BASE EROSION MINIMUM TAX AMOUNT DETERMINED WITHOUT REGARD TO  
28 CREDITS.—Section 59A(b)(1)(B) is amended to read as follows:

29 “(B) an amount equal to the regular tax liability (as defined in section 26(b)) of the  
30 taxpayer for the taxable year.”.

31 (3) APPLICABLE PERCENTAGE.—Section 59A(b)(2) is amended to read as follows:

32 **\*\* 112** “(2) APPLICABLE PERCENTAGE.—For purposes of ~~paragraph (1)~~ **this section**, the  
33 term ‘applicable percentage’ means—

34  
35 ~~“(2) Applicable percentage.—For purposes of this subsection, the term applicable~~  
36 ~~percentage means—“(A) in the case of any taxable year beginning after December 31,~~  
37 ~~2021, and before January 1, 2024 2023, 10 percent,~~

1           “(B) in the case of any taxable year beginning after December 31, ~~2023~~ **2022**, and  
2           before January 1, ~~2026~~, ~~12.5 percent~~, and **2024, 12.5 percent**,

3           ~~“(C)“(C) in the case of any taxable year beginning after December 31, 2023, and~~  
4           **before January 1, 2025, 15 percent, and**

5           **“(D) in the case of any taxable year beginning after December 31, ~~2025~~, **2024**, 18**  
6           **percent.”.**

7           (4) TAXPAYERS SUBJECT TO RULES FOR BANKS AND SECURITIES DEALERS.—Section  
8           59A(b)(3)(B) is amended to read as follows:

9           “(B) TAXPAYER DESCRIBED.—A taxpayer is described in this subparagraph if such  
10           taxpayer is—

11                   “(i) a bank (as defined in section 585(a)(2)),

12                   “(ii) a securities dealer registered under section 15(a) of the Securities  
13                   Exchange Act of 1934, or

14                   “(iii) a member of an affiliated group (as defined in section 1504(a)(1),  
15                   determined without regard to section 1504(b)(3)) which includes any person  
16                   described in clause (i) or (ii).”.

17           (5) **TERMINATION OF INCREASED RATE FOR BANKS AND SECURITIES DEALERS.—Section**  
18           **59A(b)(3) is amended by adding at the end the following new subparagraph:**

19                   **“(C) TERMINATION.—Subparagraph (A) shall not apply to any taxable year**  
20                   **beginning after December 31, 2024.”.**

21           (6) GENERAL BUSINESS CREDIT ALLOWED AGAINST BASE EROSION AND ANTI-ABUSE  
22           TAX.—Section 38(c)(1) is amended by striking “the tax imposed by section 55” and  
23           inserting “the taxes imposed by sections 55 and 59A”.

24           ~~(6)~~(7) CONFORMING AMENDMENTS.—

25                   (A) Section 59A(b)(3)(A) is amended by striking “paragraphs (1)(A) and (2)(A)  
26                   shall each” and inserting “paragraph (2) shall”.

27                   (B) Section 59A(b) is amended by striking paragraph (4).

28           (b) Modification of Rules for Determining Modified Taxable Income.—

29                   (1) IN GENERAL.—Section 59A(c) is amended to read as follows:

30           “(c) Modified Taxable Income.—For purposes of this section—

31                   “(1) IN GENERAL.—The term ‘modified taxable income’ means the taxable income of the  
32                   taxpayer computed under this chapter for the taxable year with the following adjustments:

33                           ~~“(A) BASE EROSION TAX BENEFITS.—ANY BASE EROSION TAX BENEFIT~~  
34                   **PAYMENTS.—Taxable income** shall be determined without regard to any base erosion  
35                   ~~payment described in paragraphs (1) through (4) of subsection (d)~~ **tax benefit**,  
36                   including for purposes of determining the adjusted basis of property described in  
37                   subsection (d)(2).

38                   ~~“(B) BASE EROSION BASIS ADJUSTMENTS~~ **ADJUSTMENTS WITH RESPECT TO COST OF**

1 GOODS SOLD.—Cost of goods sold shall be determined without regard to any base  
2 erosion payment described in subparagraph (A) or (B) of subsection (d)(5).

3 “(C) NET OPERATING LOSSES.—The net operating loss deduction for the taxable year  
4 under section 172 shall be ~~applied~~— **determined**—

5 “(i) by substituting ‘modified taxable ~~income~~’ **income (as determined under**  
6 **section 59A(c)(1) without regard to subparagraph (C) thereof**’ for ‘taxable  
7 income’ in ~~subsection (a)(2)(B)(ii)(I) thereof~~ **section 172(a)(2)(B)(ii)(I),**

8 “(ii) by determining any net operating loss arising in any taxable year  
9 beginning after December 31, 2021, without regard to any ~~deduction which is a~~  
10 base erosion tax benefit (determined with respect to each such taxable year), and

11 “(iii) by making appropriate adjustments in the application of ~~subsection (b)(2)~~  
12 ~~thereof~~ **section 172(b)(2) to take into account clause clauses (i) and (ii) of this**  
13 ~~subparagraph as though such clause applied with respect to taxable years~~  
14 ~~beginning after December 31, 2021 (but by applying section 172(e) for purposes~~  
15 ~~of determining the amount of modified taxable income).~~

16 “(D) APPLICATION OF CERTAIN OTHER ADJUSTMENTS.—Except as otherwise provided  
17 by the Secretary, rules similar to the rules of subsections (g) and (h) of section 59 shall  
18 apply.

19 “(2) BASE EROSION TAX BENEFIT.—The term ‘base erosion tax benefit’ means—

20 “(A) any deduction allowed under this chapter for the taxable year with respect to  
21 any base erosion payment described in subsection (d)(1),

22 “(B) in the case of a base erosion payment described in subsection (d)(2), any  
23 deduction allowed under this chapter for the taxable year for depreciation (or  
24 amortization in lieu of depreciation) with respect to ~~the property acquired with such~~  
25 ~~payment,~~ **property referred to in subparagraph (A) or (B) of such subsection to**  
26 **the extent of the amounts described in such subsection with respect to such**  
27 **property,**

28 “(C) in the case of a base erosion payment described in subsection (d)(3)—

29 “(i) any reduction under section 803(a)(1)(B) in the gross amount of premiums  
30 and other consideration on insurance and annuity contracts for premiums and  
31 other consideration arising out of indemnity insurance, and

32 “(ii) any deduction under section 832(b)(4)(A) from the amount of gross  
33 premiums written on insurance contracts during the taxable year for premiums  
34 paid for reinsurance, and

35 “(D) in the case of a base erosion payment described in subsection (d)(4), any  
36 reduction in gross receipts with respect to such payment in computing gross income of  
37 the taxpayer for the taxable year for purposes of this chapter.”.

38 (2) CERTAIN PAYMENTS WITH RESPECT TO PROPERTY PRODUCED BY THE  
39 TAXPAYER.—Section 59A(d)(2) is amended to read as follows:

40 “(2) TREATMENT OF CERTAIN RELATED-PARTY PAYMENTS WITH RESPECT TO

1       **DEPRECIABLE PROPERTY.**—Such term shall also include any amount paid or accrued  
2       by the taxpayer to a foreign person which is a related party of the taxpayer in  
3       connection with—

4               “(A) the acquisition by the taxpayer from such person of property of a  
5               character subject to the allowance for depreciation (or amortization in lieu of  
6               depreciation), or

7               “(B) property produced by the taxpayer that is of a character subject to the  
8               allowance for depreciation (or amortization in lieu of depreciation) if such  
9               amount is required to be capitalized under section 263A, including payments in  
10              respect of indebtedness or services.”.

11       **(3) CERTAIN PAYMENTS WITH RESPECT TO INVENTORY TREATED AS BASE EROSION**  
12       **PAYMENTS.**—Section 59A(d) is amended by redesignating paragraph (5) as paragraph (6)  
13       and by inserting after paragraph (4) the following new paragraph:

14              “(5) **CERTAIN PAYMENTS WITH RESPECT TO INVENTORY.**—

15               “(A) **INDIRECT COSTS INCLUDED IN INVENTORY UNDER SECTION 263A.**—Such term  
16               shall also include any amount paid or ~~accrued~~ **incurred** by the taxpayer to a foreign  
17               person which is a related party of the taxpayer if such amount is described in paragraph  
18               (2)(B) of section 263A(a) and required to be included in inventory costs of the  
19               taxpayer under paragraph (1)(A) of such section. ~~Such~~“(B) ~~Certain indirect costs of~~  
20               ~~foreign related parties.~~—Such term shall also include ~~so much of~~ any amount paid or  
21               ~~accrued~~ **incurred** by the taxpayer to a foreign person which is a related party of the  
22               taxpayer ~~in connection with the acquisition by the taxpayer from such foreign person~~  
23               ~~of property which is inventory in the hands of the taxpayer~~ **if such amount is**  
24               **capitalized to the basis of property that is of a character subject to the allowance**  
25               **for depreciation (or amortization in lieu of depreciation), and the depreciation (or**  
26               **amortization in lieu of depreciation) is required to be included in inventory costs**  
27               **of the taxpayer under section 263A(a)(1)(A).**

28               “(B) **CERTAIN COSTS OF FOREIGN RELATED PARTIES.**—Such term shall also  
29               include so much of any amount which is paid or incurred by the taxpayer to a  
30               foreign person which is a related party of the taxpayer, is described in paragraph  
31               (2)(A) of section 263A(a), and is required to be included in inventory costs of the  
32               taxpayer under paragraph (1)(A) of such section, as exceeds the sum of—

33                   “(i) the direct costs of such property in the hands of such foreign person, plus

34                   “(ii) so much of the costs described in section 263A(a)(2)(B) with respect to  
35                   such property in the hands of such foreign person as the taxpayer demonstrates to  
36                   the satisfaction of the Secretary are attributable to amounts—

37                           “(I) paid or ~~accrued~~ **incurred** by such foreign person to a United States  
38                           person or a person which is not a related party of the taxpayer, or

39                           “(II) otherwise subject to the tax imposed by this ~~sub~~**title chapter.**

40               “(C) **APPLICATION TO ~~THESE~~ RELATED-PARTY TRANSACTIONS.**—In the case of direct  
41               costs otherwise described in clause (i) of subparagraph (B) which are paid or incurred  
42               by the foreign person referred to in such clause to another foreign person which is a



1 related party of the taxpayer, such costs shall be taken into account under such clause  
2 only to the extent that the taxpayer demonstrates to the satisfaction of the Secretary  
3 that such costs are attributable to ~~amounts~~ **amounts**—

4 **“(i) paid or ~~accrued~~ incurred** (directly or indirectly) to a United States person  
5 or a person which is not a related party of the taxpayer, **or**

6 **“(ii) otherwise subject to the tax imposed by this chapter.**

7 **“(D) SAFE HARBOR WITH RESPECT TO INDIRECT COSTS OF FOREIGN RELATED**  
8 **PARTIES.—**In the case of a taxpayer which elects the application of this subparagraph  
9 (at such time, in such manner, and with respect to such inventory property, as the  
10 Secretary may provide), the amount described in subparagraph (B)(ii) with respect to  
11 such property shall be treated for purposes of this section as being equal to 20 percent  
12 of the amount paid or incurred by the taxpayer to the related party of the taxpayer in  
13 connection with the acquisition of such ~~property.~~ **property.**

14 ~~(3)~~**“(E) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of**  
15 **subparagraphs (B) and (C) of subsection (i)(1) shall apply for purposes of**  
16 **determining whether any amount is treated as subject to the tax imposed by this**  
17 **chapter for purposes of subparagraph (B) or (C) of this paragraph.”.**

18 **(4) EXPANSION AND CONSOLIDATION OF RULES TO EXEMPT CERTAIN PAYMENTS FROM**  
19 **TREATMENT AS BASE EROSION PAYMENTS.—**

20 **(A) IN GENERAL.—**Section 59A is amended by redesignating subsection (i) as  
21 subsection (j) and by inserting after subsection (h) the following new subsection:

22 **“(i) Certain Payment Not Treated as Base Erosion Payments.—**

23 **“(1) EXCEPTION FOR PAYMENTS ON WHICH TAX IS ~~IMPOSED.~~—AN IMPOSED.—**

24 **“(A) IN GENERAL.—**An amount shall not be treated as a base erosion payment if tax  
25 is **(or was at the time of payment or accrual)** imposed by this ~~sub~~ **chapter** with  
26 respect to such amount. ~~The (other than by this section).~~

27 **“(B) TREATMENT OF CERTAIN DEDUCTIONS.—**For purposes of subparagraph  
28 **(A), tax shall be treated as imposed by this chapter without regard to any**  
29 **deduction allowed under part VIII of subchapter B.**

30 **“(C) APPLICATION OF CERTAIN RULES.—**The amount not treated as a base erosion  
31 payment by reason of the ~~preceding sentence~~ **this paragraph** shall be determined  
32 under rules similar to the rules of section 163(j)(5) (as in effect before the date of the  
33 enactment of Public Law 115-97).

34 **“(2) EXCEPTION FOR CERTAIN PAYMENTS SUBJECT TO SUFFICIENT FOREIGN TAX.—**

35 **“(A) IN GENERAL.—**An amount shall not be treated as a base erosion payment if the  
36 taxpayer establishes to the satisfaction of the Secretary that such amount was **made to**  
37 **a foreign person which is a related party of the taxpayer that is** subject to an  
38 effective rate of foreign income tax (as defined in section 904(d)(2)(F)) which is not  
39 less than the **lesser of—**

40 **“(i) 15 percent, or**

1           “(ii) the applicable percentage in effect under subsection (b)(2) (**determined**  
2           **without regard to subsection (b)(3)**) for the taxable year in which such amount  
3           is paid or accrued.

4           ~~Except~~“(B) CERTAIN PAYMENTS TO RELATED PARTIES.—To the extent provided  
5           by the Secretary in regulations, an amount paid to a foreign person which is a  
6           related party of the taxpayer shall be treated as paid to another foreign person  
7           which is a related party of the taxpayer if such second foreign person is subject to  
8           an effective rate of foreign income tax (as defined in section 904(d)(2)(F)) which is  
9           less than the lesser of 15 percent or the percentage described in subparagraph  
10          (A)(ii), to the extent the amount so paid directly or indirectly funds a payment to  
11          such second foreign person.

12          “(C) DETERMINATION ON BASIS OF APPLICABLE FINANCIAL  
13          STATEMENTS.—~~Except~~ as otherwise provided by the Secretary under subparagraph  
14          ~~(B)~~(D), the effective rate of foreign income tax with respect to any amount may be  
15          established on the basis of applicable financial statements (as defined in section  
16          451(b)(3)).

17          ~~(B)~~“(D) REGULATIONS.—The Secretary shall issue such regulations or other  
18          guidance as may be necessary or appropriate to carry out the purposes of this  
19          paragraph, including regulations or other guidance providing procedures for  
20          determining the effective rate of foreign income tax to which any amount is subject.  
21          Such procedures may require that any transaction or series of transactions among  
22          multiple parties be recharacterized as one or more transactions directly among any 2 or  
23          more of such parties where the Secretary determines that such recharacterization is  
24          appropriate to carry out, or prevent avoidance of, the purposes of this section.

25          “(3) EXCEPTION FOR CERTAIN AMOUNTS WITH RESPECT TO SERVICES.—Subsections (d)(1)  
26          and (d)(5)(A) shall not apply to so much of any amount paid or accrued by a taxpayer for  
27          services as does not exceed the total services cost of such services. The preceding sentence  
28          shall not apply unless such services meet the requirements for eligibility for use of the  
29          services cost method under section 482 (determined without regard to the requirement that  
30          the services not contribute significantly to fundamental risks of business success or  
31          failure).”.

32          (B) CONFORMING AMENDMENT.—Section 59A(d), as amended by paragraph (2), is  
33          amended by striking paragraph (6).

34          (c) ~~Repeal~~ **Termination** of Exemption From Base Erosion and Anti-abuse Tax for Taxpayers  
35          With Low Base Erosion Percentage.—Section 59A(e)(1)(C) is amended by **striking “the base**  
36          **erosion percentage (as determined under subsection (c)(4))”** and inserting “in the case of any  
37          taxable year beginning before January 1, 2024, ” before “the base erosion percentage”. **the base**  
38          **erosion percentage (as determined under subsection (c)(4) as in effect before the date of the**  
39          **enactment of the Act enacted during the 117th Congress which is entitled ‘An Act to**  
40          **provide for reconciliation pursuant to title II of S. Con. Res. 14.’)”**.

41          ~~(d) Other Modifications.~~—(d) **Treatment of Applicable Taxpayers.**—Section 59A(e) is  
42          **amended by adding at the end the following new paragraph:**

43          ~~(+)~~“(4) CONTINUATION OF TREATMENT AS APPLICABLE TAXPAYER.—If a taxpayer is

1       **an applicable taxpayer with respect to any taxable year beginning after December 31,**  
2       **2021 (other than by reason of this paragraph), such taxpayer (and any successor of**  
3       **such taxpayer) shall be an applicable taxpayer with respect to each of the 10**  
4       **succeeding taxable years.”.**

5       **(e) Other Modifications.—**

6               **(1) Section 59A(b)(1) is amended by striking “Except as provided in paragraphs (2)**  
7               **and (3), the” and inserting “The”.**

8               **(2) Section 59A(h)(2)(B) is amended by striking “section 6038B(b)(2)” and inserting**  
9               **“section 6038A(b)(2)”.**

10              ~~(2)~~**(3) Section 59A(j)(2), as redesignated by subsection (b), is amended by striking**  
11              **“subsection (g)(3)” and inserting “subsection (h)(3)”.**

12       ~~(e)~~**(f) Effective Date.—**The amendments made by this section shall apply to taxable years  
13       beginning after December 31, 2021.

14       **Subpart E—Other Business Tax Provisions**

15       **SEC. 138141. CREDIT FOR CLINICAL TESTING OF**  
16       **ORPHAN DRUGS LIMITED TO FIRST USE OR**  
17       **INDICATION.**

18       **(a) In General.—**Section 45C(b)(2)(B) is amended to read as follows:

19                       **“(B) TESTING MUST BE RELATED TO FIRST USE OR INDICATION FOR RARE DISEASE OR**  
20                       **CONDITION.—**Human clinical testing may be taken into account under subparagraph  
21                       **(A) only to the extent such testing is related to the first use or indication with respect to**  
22                       **which a drug for a rare disease or condition is designated under section 526 of the**  
23                       **Federal Food, Drug, and Cosmetic Act.”.**

24       **(b) Eligible Testing Must Be Conducted Before Approval for Any Use or Indication.—**Section  
25       45C(b)(2)(A)(ii)(II) is amended to read as follows:

26                               **“(II) before the first date on which an application (with respect to any use**  
27                               **or indication with respect to any disease or condition) with respect to such**  
28                               **drug is approved under section 505(c) of such Act or, if the drug is a**  
29                               **biological product, before the first date on which a license (with respect to**  
30                               **any use or indication with respect to any disease or condition) for such drug**  
31                               **is issued under section 351(a) of the Public Health Service Act, and”.**

32       **(c) Eligibility of Biological Products.—**

33               **(1) IN GENERAL.—**Section 45C(b)(2)(A)(i) is amended by inserting “or, if the drug is a  
34               biological product, section 351(a)(3) of the Public Health Service Act” before the comma at  
35               the end.

36               **(2) CONFORMING AMENDMENT.—**Section 45C(b)(2)(A)(ii)(I) is amended by striking  
37               “such Act” and inserting “the Federal Food, Drug, and Cosmetic Act”.

38       **(d) Effective Date.—**The amendments made by this section shall apply to taxable years

1 beginning after December 31, 2021.

## 2 SEC. 138142. MODIFICATIONS TO TREATMENT OF 3 CERTAIN LOSSES.

4 (a) Losses From Certain Capital Assets Which Become Worthless.—

5 (1) WHEN TREATED AS LOSS.—Section 165(g)(1) is amended by striking “on the last day  
6 of the taxable year” and inserting “at the time of the identifiable event establishing  
7 worthlessness”.

8 (2) TREATMENT OF PARTNERSHIP INDEBTEDNESS.—Section 165(g)(2)(C) is amended by  
9 inserting “, by a partnership,” after “by a corporation”.

10 (3) TREATMENT OF ABANDONMENT.—Section 165(g) is amended by adding at the end  
11 the following new paragraph:

12 **“(4) TREATMENT OF ABANDONMENT.—For purposes of this subsection and  
13 subsection (m), abandonment shall be treated as an identifiable event establishing  
14 worthlessness.”.**

15 (4) TREATMENT OF PARTNERSHIP INTEREST.—Section 165 is amended by redesignating  
16 subsection (m) as subsection (n) and by inserting after subsection (l) the following new  
17 subsection:

18 **“(m) Worthless Partnership Interest.—If any interest in a partnership becomes worthless  
19 during the taxable year, the loss resulting therefrom shall, for purposes of this subtitle, be treated  
20 as a loss from the sale or exchange of the interest in the partnership, as provided in section 741,  
21 at the time of the identifiable event establishing worthlessness.”.**

22 (b) Deferral of Losses in Certain Controlled Group Corporate Liquidations.—Section 267 is  
23 amended by adding at the end the following new subsection:

24 **“(h) Deferral of Losses in Certain Controlled Group Liquidations.—**

25 **“(1) IN GENERAL.—In the case of two corporations described in subsection (b)(3) any  
26 specified controlled group liquidation, no loss shall be recognized on the stock or  
27 securities by any member of the controlled group on any stock or security of the  
28 liquidating corporation in a complete liquidation to which section 331 applies until the other  
29 corporation receiving property distributed in such liquidation with respect to such stock or  
30 in exchange for such securities has disposed of substantially all property such other  
31 corporation received in such liquidation until all property received by members of the  
32 controlled group in connection with such liquidation has been transferred to one or  
33 more persons who are not related to such other corporation (within the meaning of  
34 subsection (b)(3) or section 707(b)(1)) to the member which received such property.**

35 **“(2) SPECIFIED CONTROLLED GROUP LIQUIDATION.—For purposes of this subsection,  
36 the term ‘specified controlled group liquidation’ means, with respect to any  
37 corporation which is a member of a controlled group—**

38 **“(A) one or more distributions in complete liquidation (within the meaning of  
39 section 346) of such corporation,**

1           “(B) any other transfer (including any series of transfers) of property of such  
2           corporation if any stock or security of such corporation becomes worthless in  
3           connection with such transfer, and

4           “(C) any issuance of debt by such corporation to one or more persons who are  
5           related (within the meaning of subsection (b)(3) or section 707(b)(1)) to such  
6           corporation if any stock or security of such corporation becomes worthless in  
7           connection with such issuance.

8           “(3)-

9           ~~“(2) REGULATIONS.—The Secretary shall issue such regulations or other guidance as the~~  
10          ~~Secretary determines is~~ **may be** necessary or appropriate to carry out the purposes of this  
11          subsection, including to apply the principles of this subsection to liquidating corporation  
12          stock or securities owned by a corporation indirectly through 1 or more partnerships.”.

13          (c) Cross Reference.—Section 331(c) is amended—

14                 (1) by striking “Cross Reference” and all that follows through “For general rule” and  
15                 inserting the following: “Cross Reference.—

16                         “(1) For general rule”, and

17                         (2) by adding at the end the following new paragraph:

18                                 “(2) For losses in controlled group liquidations, see section 267(h).”.

19          (d) Effective Date.—

20                 (1) SUBSECTION (A).—The amendments made by this section shall apply to losses arising  
21                 in taxable years beginning after December 31, 2021.

22                 (2) SUBSECTION (B).—The amendment made by subsection (b) shall apply to liquidations  
23                 on or after the date of the enactment of this Act.

## 24          **SEC. 138143. ADJUSTED BASIS LIMITATION FOR** 25          **DIVISIVE REORGANIZATION.**

26          (a) In General.—Section 361 is amended by adding at the end the following new subsections:

27          “(d) Adjusted Basis Limitation for Divisive Reorganizations.—

28                 “(1) IN GENERAL.—Except as provided **in** paragraph (2), in the case of a reorganization  
29                 described in section 368(a)(1)(D) with respect to which stock or securities of the controlled  
30                 corporation (within the meaning of section 355) are distributed by the distributing  
31                 corporation (within the meaning of such section) in a transaction which qualifies under such  
32                 section, ~~subsection~~ **subsections** (b)(3) and ~~subsection~~ (c)(3) shall not apply to so much of the  
33                 ~~money and other property transferred to creditors as equals an amount equal to~~ **amount**  
34                 **described in clauses (ii) and (iii) of subparagraph (A) as does not exceed** the excess (if  
35                 any) of—

36                         “(A) the sum of—

37                                 “(i) the total amount of the liabilities assumed (within the meaning of section  
38                                 357(c)) by the controlled corporation, **and**

1           “(ii) ~~“(ii) in the case of subsection (b)(3),~~ the total amount of money and the  
2           fair market value of other property ~~(including stock described in section~~  
3           ~~354(a)(2)(C))~~ transferred to the creditors,

4           and

5           ~~“(iii) in the case of subsection (c)(3),”~~ **“(iii) the fair market value of the stock**  
6           **described in section 354(a)(2)(C) and** the total principal amount of securities  
7           **obligations** of the controlled corporation ~~which is described in subsection~~  
8           **(c)(2)(B) which are** qualified property (as defined in subsection (c)(2)(B))  
9           transferred to the creditors, over

10           “(B) the total adjusted bases of the assets transferred by the distributing corporation  
11           to the controlled corporation.

12           “(2) EXCEPTION REGARDING CERTAIN STOCK OR RIGHTS TO ACQUIRE STOCK.—Paragraph  
13           (1) shall not apply to any stock (or right to acquire stock) described in subsection (c)(2)(B).

14           “(3) REGULATIONS.—The Secretary shall issue such regulations **or other guidance** as  
15           may be necessary or appropriate to **carry out the purposes of this subsection and to**  
16           prevent avoidance of tax through abuse **or circumvention** of subsection (b)(3), subsection  
17           (c)(3), or this subsection, including to determine whether a disposition of property or any  
18           other transaction is in connection with the reorganization or pursuant to the plan of  
19           reorganization.

20           “(e) Cross-references.—For provisions providing for the inclusion of income or recognition of  
21           gain in certain distributions, see subsections (d), (e), (f), (g), and (h) of section 355.”.

22           (b) Conforming Amendments.—

23           (1) Section 361(b)(3) is amended—

24           (A) in the first sentence, by inserting “, and except as provided in subsection (d)”  
25           after “paragraph (1)”, and

26           (B) by striking the second and third sentences.

27           (2) Section 361(c) is amended—

28           (A) in paragraph (3), by inserting “, and except as provided in subsection (d)” after  
29           “this subsection”, and

30           (B) by striking paragraph (5).

31           (c) Effective Date.—The amendments made by this section shall apply to reorganizations  
32           occurring on or after the date of the enactment of this Act.

33           (d) Transition Rule.—**The amendments made by this section shall not apply to any**  
34           **exchange pursuant to a transaction which is—**

35           (1) **made pursuant to a written agreement which was binding on the date of the**  
36           **enactment of this Act, and at all times thereafter,**

37           (2) **described in a ruling request submitted to the Internal Revenue Service on or**  
38           **before such date, or**

39           (3) **described on or before such date in a public announcement or in a filing with the**

1           **Securities and Exchange Commission.**

2           **SEC. 138144. RENTS FROM PRISON FACILITIES NOT**  
3           **TREATED AS QUALIFIED INCOME FOR PURPOSES OF**  
4           **REIT INCOME TESTS.**

5           (a) In General.—Section 856(d)(2) is amended by striking “and” at the end of subparagraph  
6           (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by adding at  
7           the end the following new subparagraph:

8                       “(D) any amount received or accrued, directly or indirectly, with respect to any real  
9                       or personal property which is primarily used in connection with any correctional,  
10                      detention, or penal facility.”.

11          (b) Effective Date.—The amendments made by this section shall apply to taxable years  
12          beginning after December 31, 2021.

13           **SEC. 138145. MODIFICATIONS TO EXEMPTION FOR**  
14           **PORTFOLIO INTEREST.**

15          (a) In General.—Section 871(h)(3)(B)(i) is amended to read as follows:

16                       “(i) in the case of an obligation issued by a corporation—

17                               “(I) any person who owns 10 percent or more of the total combined voting  
18                               power of all classes of stock of such corporation entitled to vote, or

19                               “(II) any person who owns 10 percent or more of the total value of the  
20                               stock of such corporation, and”.

21          (b) Effective Date.—The amendment made by this section shall apply to obligations issued  
22          after the date of the enactment of this Act.

23           **SEC. 138146. CERTAIN PARTNERSHIP INTEREST**  
24           **DERIVATIVES.**

25          (a) In General.—Section 871(m) is amended by adding at the end the following new  
26          paragraphs **paragraph:**

27                       “(8) SPECIFIED PARTNERSHIP INTEREST INCOME EQUIVALENT PAYMENTS.—

28                               “(A) IN GENERAL.—For purposes of this subsection, any payment made pursuant to  
29                               a ~~sale-repurchase transaction, or a specified notional principal contract, that~~ **that**  
30                               **(directly or indirectly) is contingent upon, or** is determined by reference to, any  
31                               income or gain in respect of an interest in a specified partnership (or any other  
32                               payment the Secretary determines to be substantially similar) shall be treated as a  
33                               dividend equivalent. **For purposes of the preceding sentence, income or gain**  
34                               **includes any income or gain from the deemed disposition of such interest as a**  
35                               **result of the termination of, or payment with respect to, such contract**  
36                               **(determined in the same manner as under section 864(c)(8) but without regard to**  
37                               **subparagraph (C) thereof) and any income or gain described in subsection (a)(1)**

1           **or section 881(a).**

2           “(B) SPECIFIED PARTNERSHIP.—For purposes of this paragraph, the term ‘specified  
3 partnership’ means—

4           “(i) any publicly -traded partnership (as defined in ~~subsection (b) of section~~  
5 7704)(b)) which is not treated as a corporation under such section, or

6           “(ii) any other partnership as the Secretary may by regulation prescribe.

7           “(C) EXCEPTIONS.—

8           “(i) ~~EXCEPTED CONTRACTS.—SUBPARAGRAPH CERTAIN~~  
9 **PAYMENTS.—Subparagraph (A)** shall not apply to any ~~contract or transaction~~  
10 **payment** the Secretary determines does not have the potential for tax avoidance.

11           “(ii) CERTAIN INCOME.—Under such regulations as the Secretary shall  
12 prescribe, there shall not be taken into account under subparagraph (A) any  
13 ~~payment the income or gain from which would (but for this paragraph) be—~~ **to**  
14 **the extent determined by reference to income or gain in respect of an interest**  
15 **in a specified partnership which would be, if earned by a nonresident alien**  
16 **individual or a foreign corporation—**

17           ~~“(I) exempt from taxes under this subtitle, or“(I) exempt from tax under~~  
18 **this chapter, or**

19           ~~“(II) treated as income“(II) from sources without the United States if paid-~~  
20 ~~to a nonresident alien individual. and not effectively connected with the~~  
21 **conduct of a trade or business within the United States.**

22           “(D) TREATMENT OF DEFINITIONS AND SPECIAL RULES WITH RESPECT TO  
23 PARTNERSHIPS.—For purposes of this paragraph, rules similar to the rules and  
24 definitions in paragraphs (3), (4), (5), (6), and (7) shall apply to an interest in a  
25 specified partnership in a manner similar to an underlying security, and to income or  
26 gain in respect of an interest in a specified partnership in a manner similar to a  
27 dividend.

28           ~~“(9) Other rules relating to treatment of dividend equivalents.—~~

29           ~~“(A) In general.—A dividend equivalent amount under this subsection shall be~~  
30 ~~treated as a dividend paid by a domestic corporation.~~

31           ~~“(B) Rate of tax for publicly traded partnership income payments.—In the case of a~~  
32 ~~payment treated as a dividend equivalent pursuant to paragraph (8), the rate of tax~~  
33 ~~imposed on any nonresident alien individual or foreign corporation with respect to~~  
34 ~~such payment shall not be less than the rate that would be imposed had such individual~~  
35 ~~or foreign corporation, as the case may be, received a dividend from a domestic~~  
36 ~~corporation in which such individual or foreign corporation owned less than 1 percent~~  
37 ~~(by vote or value) of the stock.”“(E) REGULATIONS.—The Secretary shall issue~~  
38 **such regulations or other guidance as the Secretary determines is necessary or**  
39 **appropriate to carry out the purposes of this paragraph, including to apply this**  
40 **paragraph to payments determined under sale-repurchase agreements or**  
41 **securities lending transactions with respect to interests in specified partnerships,**



1           **to determine the amount of a distribution by a specified partnership that is**  
2           **income or gain of the partnership (including the portion thereof that is excepted**  
3           **under subparagraph (C)) in a manner consistent with section 1441(g), and to**  
4           **require the provision of information by specified partnerships necessary to**  
5           **determine such amount.”.**

6           (b) Withholding of Tax on Nonresident Aliens.—Section 1441 is amended by redesignating  
7           subsection (g) as subsection (h) and by inserting after subsection (f) the following new  
8           subsection:

9           “(g) ~~Deemed Dividend Equivalent Payments~~ **Equivalents** in Case of Certain ~~Publicly Traded~~  
10           **Specified** Partnerships.—The Secretary may prescribe regulations, under rules similar to the  
11           rules of section 1446, **to determine the amount of a payment in respect of income and gain of**  
12           **a specified partnership (as defined in 871(m)(8)) which is a dividend equivalent.”.**~~(f), to~~  
13           ~~determine the manner in which the amount of income and gain is determined for purposes of this~~  
14           ~~section in the case of amounts treated as a dividend equivalent under section 871(m)(8).”.~~

15           (e) ~~Effective Date.~~—The amendments made by this section shall apply to payments made on  
16           or after the date that is 180 days after the date of the enactment of this Act.

17           \*\* 113 (c) Effective Date.—The amendments made by this section shall apply to ~~taxable years~~  
18           ~~beginning payments made~~ after December 31, ~~2020~~ **2022**.

## 19           **SEC. 138147. ADJUSTMENTS TO EARNINGS AND** 20           **PROFITS OF CONTROLLED FOREIGN CORPORATIONS.**

21           (a) In General.—Section 312(n) is amended by adding at the end the following new paragraph:

22           “(9) SPECIAL RULES FOR CONTROLLED FOREIGN CORPORATIONS.—Earnings and profits of  
23           any controlled foreign corporation shall be determined without regard to paragraphs (4), (5),  
24           and (6).”.

25           (b) Conforming Amendment.—Section 952(c) is amended by striking paragraph (3).

26           (c) Effective Date.—The amendments made by this section shall apply to taxable years of  
27           foreign corporations ~~beginning after December 31, 2021~~ **ending after the date of the**  
28           **enactment of this Act**, and to taxable years of United States shareholders in which or with  
29           which such taxable years of foreign corporations end.

## 30           **SEC. 138148. CERTAIN DIVIDENDS FROM OF** 31           **CONTROLLED FOREIGN CORPORATIONS TO UNITED** 32           **STATES SHAREHOLDERS TREATED AS** 33           **EXTRAORDINARY DIVIDENDS.**

34           (a) In General.—Section 1059 is amended by redesignating subsection (g) as subsection (h)  
35           and by inserting after subsection (f) the following new subsection:

36           “(g) Treatment of Certain Dividends ~~From of Controlled Foreign Corporations to United~~  
37           ~~States Shareholders.~~— **Corporations.**—

38           “(1) IN GENERAL.—Except as otherwise provided by the Secretary, any disqualified CFC

1 dividend shall be treated as an extraordinary dividend to which ~~paragraph~~ **paragraphs** (1)  
2 and (2) of subsection (a) ~~applies~~ **apply** without regard to the period the taxpayer held the  
3 stock with respect to which such dividend is paid.

4 ~~“(2) DISQUALIFIED CFC DIVIDEND.— For purposes of this subsection, the subsection—~~

5 ~~“(A) IN GENERAL.—The term ‘disqualified CFC dividend’ means any dividend paid~~  
6 ~~by a controlled foreign corporation to the extent a taxpayer which is a United States~~  
7 ~~shareholder of such foreign corporation if—~~

8 ~~“(A) such dividend is attributable to earnings and profits which—~~

9 ~~“(i) were earned by such~~ **during any period that such corporation was not a**  
10 ~~controlled foreign corporation during a disqualified period, or~~

11 ~~“(ii) are attributable to~~ **disqualified CFC dividends received by such gain on**  
12 ~~property which accrued during a disqualified period.~~

13 ~~“(3) Disqualified period.— For purposes of this subsection, the term~~  
14 ~~‘disqualified period’ means, with respect to any dividend paid with respect to any~~  
15 ~~stock of a controlled foreign corporation, any period during which—~~

16 ~~“(A) such foreign~~ **from another controlled foreign corporation.**

17 **“(B) APPLICATION TO CORPORATIONS NOT WHOLLY OWNED BY UNITED STATES**  
18 **SHAREHOLDERS.—If not all of the stock of any controlled foreign corporation is**  
19 **owned (within the meaning of section 958(a)) by one or more United States**  
20 **shareholders at the time that any earnings and profits are earned, the portion of**  
21 **such earnings and profits which is properly attributable to stock not so owned by**  
22 **United States shareholders shall be treated for purposes of subparagraph (A) as**  
23 **earned during a period that such corporation was not a controlled foreign**  
24 **corporation, or.**

25 ~~“(B) such stock was not owned by a United States shareholder.”“(C) TREATMENT~~  
26 ~~OF DOMESTIC PARTNERSHIPS AND CERTAIN TRUSTS.—For purposes of~~  
27 ~~subparagraph (B)—~~

28 **“(i) a domestic partnership shall not be treated as a United States**  
29 **shareholder, and**

30 **“(ii) to the extent provided by the Secretary in regulations or other**  
31 **guidance, a trust described in section 7701(a)(30)(E) shall not be treated as a**  
32 **United States shareholder.**

33 **“(D) SPECIAL RULE RELATED TO CONSTRUCTIVE OWNERSHIP.—In the case of the**  
34 **last taxable year of a foreign corporation beginning before January 1, 2018, and**  
35 **each subsequent taxable year of such foreign corporation which begins before the**  
36 **date of the enactment of this subsection, if such foreign corporation would not**  
37 **have been a controlled foreign corporation for any such taxable year if section**  
38 **958(b)(4) (as applicable to taxable years beginning after the date of the enactment**  
39 **of this subsection) had applied to such taxable year, such corporation shall not be**  
40 **treated as a controlled foreign corporation for such taxable year for purposes of**  
41 **this subsection.”.**

1 (b) Regulations.—Section 1059(h), as redesignated by subsection (a), is amended—

2 (1) by striking “regulations” both places it appears and inserting “regulations or other  
3 guidance”, and

4 (2) by striking “and” at the end of paragraph (1), by striking the period at the end of  
5 paragraph (2) and inserting “, and”, and by adding at the end the following new paragraph:

6 “(3) providing for the coordination of subsection (g) with the other provisions of this  
7 chapter, including section 1248.”.

8 (c) Effective Date.—The amendments made by this section shall apply to ~~distributions made~~  
9 **dividends paid (or amounts treated as dividends)** after the date of the enactment of this Act.

10  
11 ~~SEC. 138149. MODIFICATION OF RULES FOR~~  
12 ~~PARTNERSHIP INTERESTS HELD IN CONNECTION~~  
13 ~~WITH THE PERFORMANCE OF SERVICES.~~

14  
15 ~~\* 114 (a) In General.—Section 1061 is amended by striking~~  
16 ~~subsections (a) and (b) and inserting the following new~~  
17 ~~subsections:~~

18 ~~“(a) In General.—If one or more applicable partnership interests~~  
19 ~~are held by a taxpayer at any time during the taxable year, the~~  
20 ~~taxpayer’s net applicable partnership gain for such taxable year~~  
21 ~~shall be treated as short term capital gain.~~

22 ~~“(b) Net Applicable Partnership Gain.—For purposes of this~~  
23 ~~section—~~

24 ~~“(1) In general.—The term ‘net applicable partnership gain’~~  
25 ~~means—~~

26 ~~“(A) the taxpayer’s net long term capital gain determined by~~  
27 ~~only taking into account gains and losses with respect to one or~~  
28 ~~more applicable partnership interests described in subsection (a),~~  
29 ~~and~~

30 ~~“(B) any other amounts which are—~~

1 ~~“(i) includible in the gross income of the taxpayer with respect~~  
2 ~~to one or more such applicable partnership interests, and~~

3 ~~“(ii) treated as capital gain or subject to tax at the rate applicable~~  
4 ~~to capital gain.~~

5 ~~“(2) Holding period exception.—~~

6 ~~“(A) In general.— Net applicable partnership gain shall be~~  
7 ~~determined without regard to any amount which is realized after~~  
8 ~~the date that is 5 years after the latest of:~~

9 ~~“(i) The date on which the taxpayer acquired substantially all of~~  
10 ~~the applicable partnership interest with respect to which the~~  
11 ~~amount is realized.~~

12 ~~“(ii) The date on which the partnership in which such applicable~~  
13 ~~partnership interest is held acquired substantially all of the assets~~  
14 ~~held by such partnership.~~

15 ~~“(iii) If the partnership described in clause (i) owns, directly or~~  
16 ~~indirectly, interests in one or more other partnerships, the dates~~  
17 ~~determined by applying rules similar to the rules in clauses (i)~~  
18 ~~and (ii) in the case of each such other partnership.~~

19 ~~“(B) Shorter holding period in certain~~  
20 ~~circumstances.— Subparagraph (A) shall be applied by~~  
21 ~~substituting ‘3 years’ for ‘5 years’ in the case of—~~

22 ~~“(i) a taxpayer (other than a trust or estate) with an adjusted~~  
23 ~~gross income (determined without regard to sections 911, 931~~  
24 ~~and 933) of less than \$400,000, and~~

25 ~~“(ii) any income with respect to any applicable partnership~~  
26 ~~interest that is attributable to a real property trade or business~~  
27 ~~within the meaning of section 469(c)(7)(C).~~

28 ~~“(iii) The Secretary is directed to provide guidance regarding~~

1 ~~determination of the amount described in subsection (a) as~~  
2 ~~applied in paragraph (1) hereof, and any necessary and~~  
3 ~~appropriate reporting by any partnership to carry out the~~  
4 ~~purposes of this section.—~~

5 ~~“(3) Section 83 to not apply.—This section shall be applied~~  
6 ~~without regard to section 83 and any election in effect under~~  
7 ~~section 83(b).~~

8 ~~“(4) Special rule.—To the extent provided by the Secretary,~~  
9 ~~subsection (a) shall not apply to income or gain attributable to~~  
10 ~~any asset not held for portfolio investment on behalf of third-~~  
11 ~~party investors.”~~

12 ~~(b) Modifications Related to Definition of Applicable~~  
13 ~~Partnership Interest.—Section 1061(c) is amended—~~

14 ~~(1) in paragraph (1), by striking “to such other entity” and~~  
15 ~~inserting “with respect to a trade or business that is not an~~  
16 ~~applicable trade or business”;~~

17 ~~(2) in paragraph (3), by striking “an interest in a partnership to~~  
18 ~~the extent of the partnership’s proportionate interest in any of~~  
19 ~~the foregoing” and inserting “except as otherwise provided by~~  
20 ~~the Secretary, an interest in a partnership if such partnership has~~  
21 ~~a direct or indirect interest in any of the foregoing”, and~~

22 ~~(3) in paragraph (4)—~~

23 ~~(A) by striking “The term” and inserting “Except as otherwise~~  
24 ~~provided by the Secretary, the term”, and~~

25 ~~(B) in subparagraph (A), by striking “corporation” and inserting~~  
26 ~~“C corporation”.~~

27 ~~(c) Recognition of Gain on Transfers of Applicable Partnership~~  
28 ~~Interests to Unrelated Parties.—Section 1061(d) is amended to~~

1 read as follows:

2 ~~“(d) Transfer of Applicable Partnership Interest. If a taxpayer~~  
3 ~~transfers any applicable partnership interest, gain shall be~~  
4 ~~recognized notwithstanding any other provision of this~~  
5 ~~subtitle.”.~~

6 ~~(d) Regulations. Section 1061(e) is amended by striking the~~  
7 ~~period at the end and inserting the following: “, including~~  
8 ~~regulations or other guidance to—~~

9 ~~“(1) to prevent the avoidance of the purposes of this section,~~  
10 ~~including through the distribution of property by a partnership~~  
11 ~~and through carry waivers, and~~

12 ~~“(2) to provide for the application of this section to financial-~~  
13 ~~instruments, contracts or interests in entities other than~~  
14 ~~partnerships to the extent necessary or appropriate to carry out~~  
15 ~~the purposes of this section.”.~~

16 ~~(e) Effective Date. The amendments made by this section shall~~  
17 ~~apply to taxable years beginning after December 31, 2021.~~

18 ~~SEC. 138150~~ **SEC. 138149.** LIMITATION ON CERTAIN  
19 SPECIAL RULES FOR SECTION 1202 GAINS.

20 (a) In General.—Section 1202(a) is amended by adding at the end the following new  
21 paragraph:

22 “(5) LIMITATION ON CERTAIN SPECIAL RULES.—In the case of the sale or exchange of  
23 qualified small business stock after September 13, 2021, paragraphs (3) and (4) shall not  
24 apply to any taxpayer if—

25 “(A) the adjusted gross income of such taxpayer (determined without regard to this  
26 section and sections 911, 931, and 933) equals or exceeds \$400,000, or

27 “(B) such taxpayer is a trust or estate.”.

28 (b) Effective Date.—Except as provided in subsection (c), the amendment made by this  
29 section shall apply to sales and exchanges ~~on or~~ after September 13, 2021.

30 (c) Binding Contract Exception.—The amendment made by this section shall not apply to any  
31 sale or exchange which is made pursuant to a written binding contract which was in effect on  
32 September 12 13, 2021, and is not modified in any material respect thereafter.

1 **SEC. ~~138151~~ 138150. CONSTRUCTIVE SALES.**

2 (a) Application to Appreciated Digital Assets.—

3 (1) IN GENERAL.—Section 1259(b)(1) is amended by inserting “digital asset,” after “debt  
4 instrument.”

5 (2) EXCEPTION FOR SALES OF NONPUBLICLY TRADED PROPERTY.—Section 1259(c)(2)  
6 is amended by adding at the end the following: “A similar rule shall apply in the case  
7 of a contract for sale of any digital asset.”

8 (3) DIGITAL ASSET.—Section 1259(d) is amended by adding at the end the following new  
9 paragraph:

10 “(3) DIGITAL ASSET.—Except as otherwise provided by the Secretary, the term ‘digital  
11 asset’ means any digital representation of value which is recorded on a cryptographically  
12 secured distributed ledger or any similar technology as specified by the Secretary.”

13 (b) Treatment of Certain Contracts.—Section 1259(c)(1)(D) is amended by inserting “or enters  
14 into a contract to acquire” after “acquires”.

15 (c) Effective Date.—

16 (1) IN GENERAL.—The amendments made by subsection (a) shall apply to constructive  
17 sales (determined after the application of the amendment made by subsection (b)) after the  
18 date of the enactment of this Act.

19 (2) TREATMENT OF CERTAIN CONTRACTS.—The amendment made by subsection (b) shall  
20 apply to contracts entered into after the date of the enactment of this Act.

21 **SEC. ~~138152~~ 138151. RULES RELATING TO COMMON**  
22 **CONTROL.**

23 **\*\* 114** (a) In General.—Section ~~1061~~ **52** is amended by striking subsections (a) and (b) and  
24 inserting the following new subsections:

25 **“(a) Treatment of Controlled Groups of Corporations.—**

26 **“(1) IN GENERAL.—For purposes of this subpart, all employees of all corporations**  
27 **which are component members of the same controlled group of corporations shall be**  
28 **treated as employed by a single employer. In any such case, the credit (if any)**  
29 **determined under section 51(a) with respect to each such member shall be its**  
30 **proportionate share of the wages giving rise to such credit.**

31 **“(2) CONTROLLED GROUP OF CORPORATIONS.—**~~For(a) Clarification of Trade or~~  
32 ~~Business.—Section 52(b) is amended by adding at the end the following new sentence: “For~~  
33 ~~purposes of this subsection, the term ‘controlled group of corporations’ has the meaning~~  
34 ~~given to such term by section 1563(a), except that—~~

35 **“(A) ‘more than 50 percent’ shall be substituted for ‘at least 80 percent’ each**  
36 **place it appears in section 1563(a)(1), and**

37 **“(B) the determination shall be made without regard to subsections (a)(4) and**  
38 **(e)(3)(C) of section 1563.**

1           “(3) COMPONENT MEMBER.—For purposes of this subsection, the term ‘component  
2           member’ has the meaning given such term by section 1563(b), except that the  
3           determination shall be made without regard to whether such member is an excluded  
4           member (within the meaning of section 1563(b)(2)).

5           “(b) Employees of Partnerships, Proprietorships, etc., Which Are Under Common  
6           Control.—For purposes of this subpart, under regulations prescribed by the Secretary—

7           “(1) all employees of trades or business (whether or not incorporated) which are  
8           under common control shall be treated as employed by a single employer, and

9           “(2) the credit (if any) determined under section 51(a) with respect to each trade or  
10          business shall be its proportionate share of the wages giving rise to such credit.

11          The regulations prescribed under this subsection shall be based on principles similar to the  
12          principles which apply in the case of subsection (a). For purposes of this subsection, the  
13          term ‘trade or business’ includes any activity treated as a trade or business under paragraph (5)  
14          or (6) of section 469(c).” 469(c) (determined without regard to the phrase ‘To the extent  
15          provided in regulations’ in such paragraph (6)).”

16          (b)(b) Conforming Amendment.—Section 1563(b)(2)(C) is amended to read as follows:

17                  “(C) is a foreign corporation not engaged in a trade or business within the  
18                  United States.”

19          (c) Effective Date.—The amendment made by this section shall apply to taxable years  
20          beginning after December 31, 2021.

21          ~~SEC. 138153. WASH SALES BY RELATED PARTIES;~~  
22          **138152. MODIFICATION OF WASH SALE RULES.**

23          (a) In General.—Section 1091 is amended to read as follows:

24          **“SEC. 1091. LOSS FROM WASH SALES OF SPECIFIED**  
25          **ASSETS.**

26          ~~(a) Application of Wash Sale Rules to Related Parties.—Section 1091(a) is amended by~~  
27          ~~striking “the taxpayer has acquired” and inserting “the taxpayer (or a related party) has~~  
28          ~~acquired”.~~“(a) Disallowance of Loss Deduction.—In the case of any loss claimed to have  
29          been sustained from any sale or disposition (including any termination) of specified assets  
30          where it appears that, within a period beginning 30 days before the date of such sale or  
31          disposition and ending 30 days after such date, the taxpayer (or related party) has acquired  
32          (by purchase or by an exchange on which the entire amount of gain or loss was recognized  
33          by law), or has entered into, or has entered into a contract or option so to acquire or a long  
34          notional principal contract in respect of, substantially identical specified assets, then no  
35          deduction shall be allowed under section 165 unless the taxpayer is a dealer in specified  
36          assets and the loss is sustained in a transaction made in the ordinary course of such  
37          business.

38          ~~(b) Modification of Basis Adjustment Rule to Prevent Transfer of Losses to Related~~  
39          ~~Parties.—Section 1091(d) is amended to read as follows:“(b) Amount of Specified Assets~~



1 **Different From Amount of Specified Assets Sold.**—If the amount of specified assets  
2 **acquired (or covered by the contract or option to acquire or long notional principal**  
3 **contract in respect of) is different from the amount of specified assets sold or otherwise**  
4 **disposed of, then the particular specified assets the acquisition of which (or the contract or**  
5 **option to acquire or long notional principal contract which) resulted in the**  
6 **nondeductibility of the loss shall be determined under regulations prescribed by the**  
7 **Secretary.**

8 ~~“(d)“(c)~~ **Adjustment to Basis in Case of Wash Sale.**—If the taxpayer (or the taxpayer’s  
9 spouse) acquires **or enters into** substantially identical specified assets during the period which—

10 “(1) begins 30 days before the disposition with respect to which a deduction was  
11 disallowed under subsection (a), and

12 “(2) ends with the close of the taxpayer’s first taxable year which begins after such  
13 disposition,

14 the basis of such specified assets shall be increased by the amount of the deduction so disallowed  
15 (reduced by any amount of such deduction taken into account under this subsection to increase  
16 the basis of specified assets previously ~~acquired~~).” **acquired**).

17 ~~(e) Related Party.~~—Section 1091 is amended by adding at the end the following new  
18 subsection: **“(d) Certain Short Sales of Specified Assets and Contracts to Sell.—Rules**  
19 **similar to the rules of subsection (a) shall apply to any loss realized on the closing of a short**  
20 **sale of (or the sale, exchange, or termination of a contract or option to sell or a short**  
21 **notional principal contract in respect of) specified assets if, within a period beginning 30**  
22 **days before the date of such closing and ending 30 days after such date—**

23 ~~“(g)“(1)~~ **substantially identical specified assets were sold or terminated by the**  
24 **taxpayer (or a related party), or**

25 **“(2) another short sale of (or contract or option to sell or short notional principal**  
26 **contract in respect of) substantially identical specified assets was entered into by the**  
27 **taxpayer (or related party).**

28 **“(e) Cash Settlement.**—This section shall not fail to apply to a contract or option to  
29 **acquire or sell specified assets solely by reason of the fact that the contract or option settles**  
30 **in (or could be settled in) cash or property other than such specified assets.**

31 **“(f) Related Party.**—For purposes of this section—

32 “(1) IN GENERAL.—The term ‘related party’ means—

33 “(A) the taxpayer’s spouse,

34 “(B) any dependent of the taxpayer and any other taxpayer with respect to whom the  
35 taxpayer is a dependent,

36 “(C) any individual, corporation, partnership, trust, or estate which controls, or is  
37 controlled by, (within the meaning of section 954(d)(3)) the taxpayer or any individual  
38 described in subparagraph (A) or (B) with respect to the taxpayer (or any combination  
39 thereof),

40 **“(D) to the extent provided by the Secretary in regulations or other guidance,**

1           **any individual who bears a relationship to the taxpayer described in section**  
2           **267(b) if such taxpayer is an individual,**

3           “(E) any individual retirement plan, Archer MSA (as defined in section 220(d)), or  
4           health savings account (as defined in section 223(d)), of the taxpayer or of any  
5           individual described in subparagraph (A) or (B) with respect to the taxpayer,

6           ~~“(E)“(F)~~“(F) any account under a qualified tuition program described in section 529 or a  
7           Coverdell education savings account (as defined in section 530(b)) if the taxpayer, or  
8           any individual described in subparagraph (A) or (B) with respect to the taxpayer, is the  
9           designated beneficiary of such account or has the right to make any decision with  
10          respect to the investment of any amount in such account, and

11          ~~“(F)“(G)~~“(G) any account under—

12                  “(i) a plan described in section 401(a),

13                  “(ii) an annuity plan described in section 403(a),

14                  “(iii) an annuity contract described in section 403(b), or

15                  “(iv) an eligible deferred compensation plan described in section 457(b) and  
16                  maintained by an employer described in section 457(e)(1)(A),

17          if the taxpayer or any individual described in subparagraph (A) or (B) with respect to  
18          the taxpayer has the right to make any decision with respect to the investment of any  
19          amount in such account.

20          “(2) RULES FOR DETERMINING STATUS.—

21                  “(A) RELATIONSHIPS DETERMINED AT TIME OF ACQUISITION.—Determinations under  
22                  paragraph (1) shall be made as of the time of the purchase or exchange **(or entering**  
23                  **into a contract, option, or notional principal contract)** referred to in subsection (a)  
24                  except that determinations under subparagraphs (A) and (B) of paragraph (1) shall be  
25                  made for the taxable year which includes such purchase or exchange **(or entering**  
26                  **into)**.

27                  “(B) DETERMINATION OF MARITAL STATUS.—

28                          “(i) IN GENERAL.—Except as provided in clause (ii), marital status shall be  
29                          determined under section 7703.

30                          “(ii) SPECIAL RULE FOR MARRIED INDIVIDUALS FILING SEPARATELY AND LIVING  
31                          APART.—A husband and wife who—

32                                  “(I) file separate returns for any taxable year, and

33                                  “(II) live apart at all times during such taxable year,

34                          shall not be treated as married individuals.

35          “(3) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may  
36          be necessary to prevent the avoidance of the purposes of this subsection, including  
37          regulations which treat persons as related parties if such persons are formed or availed of to  
38          avoid the purposes of this ~~subsection.~~ **subsection.**

39          ~~(d) Wash Sale Rules to Apply With Respect to Specified Assets.—~~

1 (1) Specified assets.—Section 1091, as amended by the preceding provisions of this section, is  
2 amended by adding at the end the following new subsection:

3 ~~“(h)“(g) Specified Asset.—For purposes of this section, the term ‘specified asset’ means any~~  
4 of the following:

5 “(1) Any security described in subparagraph (A), (B), (C), (D), or (E) of section  
6 475(c)(2).

7 “(2) Any foreign currency.

8 “(3) Any commodity described in subparagraph (A), (B), or (C) of section 475(e)(2).

9 “(4) ~~Any~~ **Except as otherwise provided by the Secretary, any** digital representation of  
10 value which is recorded on a cryptographically secured distributed ledger or any similar  
11 technology as specified by the Secretary.

12 Such term shall, except as provided in regulations, include contracts or options to acquire or sell  
13 ~~any specified assets.”~~, **or notional principal contracts in respect of, any specified assets.**

14 ~~(2) Conforming amendments.—Section 1091 is amended—~~

15 ~~(A) by striking the last sentence of subsection (a);~~

16 ~~(B) by striking “stock or securities” each place it appears and inserting “specified assets”, and~~

17 ~~(C) by striking “shares of” each place it appears in subsections (a), (b), and (c).~~

18 ~~(e) Exception for Business Needs and Hedging Transactions.—Section 1091, as amended by~~  
19 ~~the preceding provisions of this section, is amended by adding at the end the following new~~  
20 ~~subsection:~~

21 ~~“(i)“(h) Exception for Business Needs and Hedging Transactions.—Except as provided in~~  
22 ~~regulations prescribed by the Secretary, subsection (a) shall not apply in the case of any sale or~~  
23 ~~other disposition—~~

24 “(1) of a foreign currency or commodity described in subsection (h), and

25 “(2) which—

26 “(A) is directly related to the business needs of a trade or business of the taxpayer  
27 (other than the trade or business of trading foreign currencies or commodities  
28 described in subsection (h)), or

29 “(B) is part of a hedging transaction (as defined in section 1221(b)(2)).”.

30 **(b) Conforming Amendments.—**

31 **(1) Section 6045(g)(2)(B) is amended—**

32 **(A) in clause (i)(I)—**

33 **(i) by striking “security (other than stock” and inserting “covered security**  
34 **(other than stock”, and**

35 **(ii) by striking “stock sold or transferred” and inserting “covered security**  
36 **sold or transferred”, and**

37 **(B) in clause (ii)—**

1 (i) by striking “stock or securities” and inserting “specified assets”, and

2 (ii) by striking “identical securities” and inserting “identical specified  
3 assets (as defined in section 1091(g))”.

4 (2) The table of sections for part VII of subchapter O of chapter 1 is amended by  
5 striking the item relation to section 1091 and inserting the following new item:

6 “Sec.1091.Loss from wash sales of specified assets.”.

7 (c)(f) Effective Date.—The amendments made by this section shall apply to sales and other,  
8 dispositions, and terminations after December 31, 2021.

9 (d) No Inference.—Nothing in this section or the amendments made by this section shall  
10 be construed to create any inference with respect to the proper treatment of related parties  
11 under section 1091 of the Internal Revenue Code of 1986 with respect to sales, dispositions,  
12 and terminations before January 1, 2022.

## 13 SEC. 138153. RESEARCH AND EXPERIMENTAL 14 EXPENDITURES.

15 (a) In General.—Section 13206 of Public Law 115–97 is amended—

16 (1) in subsection (b)(3), by striking “2021” and inserting “2025”, and

17 (2) in subsection (e), by striking “2021” and inserting “2025”.

18 \*\* 115 (e)(b) Effective Date.—The amendments amendment made by this section shall take  
19 effect on the date of the enactment of this Act.

## 20 PART 2—TAX INCREASES FOR HIGH-INCOME 21 INDIVIDUALS

### 22 ~~SEC. 138201. INCREASE IN TOP MARGINAL INDIVIDUAL 23 INCOME TAX RATE.~~

24 ~~(a) Re-establishment of 39.6 Percent Rate Bracket.—~~

25 ~~(1) Married individuals filing joint returns and surviving  
26 spouses.—The table contained in section 1(j)(2)(A) is amended  
27 by striking the last two rows and inserting the following: “~~

28 ~~“Over \$400,000 but not over \$450,000~~

29 ~~\$91,379, plus 35% of the excess over \$400,000~~

30 ~~Over \$450,000~~

31 ~~\$108,879, plus 39.6% of the excess over \$450,000.”.~~

1 ~~(2) Heads of households.— The table contained in section~~  
2 ~~1(j)(2)(B) is amended by striking the last two rows and inserting~~  
3 ~~the following: “~~

4 ~~“Over \$200,000 but not over \$425,000~~  
5 ~~\$44,298, plus 35% of the excess over \$200,000~~  
6 ~~Over \$425,000~~  
7 ~~\$123,048, plus 39.6% of the excess over \$425,000.”.~~

8 ~~(3) Unmarried individuals other than surviving spouses and~~  
9 ~~heads of households.— The table contained in section 1(j)(2)(C)~~  
10 ~~is amended by striking the last two rows and inserting the~~  
11 ~~following: “~~

12 ~~“Over \$200,000 but not over \$400,000~~  
13 ~~\$45,689.50, plus 35% of the excess over \$200,000~~  
14 ~~Over \$400,000~~  
15 ~~\$115,689.50, plus 39.6% of the excess over \$400,000.”.~~

16 ~~(4) Married individuals filing separate returns.— The table~~  
17 ~~contained in section 1(j)(2)(D) is amended by striking the last~~  
18 ~~two rows and inserting the following: “~~

19 ~~“Over \$200,000 but not over \$225,000~~  
20 ~~\$45,689.50, plus 35% of the excess over \$200,000~~  
21 ~~Over \$225,000~~  
22 ~~\$54,439.50, plus 39.6% of the excess over \$225,000.”.~~

23 ~~(5) Estates and trusts.— The table contained in section 1(j)(2)(E)~~  
24 ~~is amended by striking the last row and inserting the following:~~  
25 ~~“~~

26 ~~“Over \$12,500~~

1 ~~“\$3,011.50, plus 39.6% of the excess over \$12,500.”.~~

2 ~~(b) Application of Adjustments.— Section 1(j)(3) is amended to~~  
3 ~~read as follows:~~

4 ~~“(3) Adjustments.— For taxable years beginning after December~~  
5 ~~31, 2021, the Secretary shall prescribe tables which shall apply~~  
6 ~~in lieu of the tables contained in paragraph (2) in the same~~  
7 ~~manner as under paragraphs (1) and (2) of subsection (f)~~  
8 ~~(applied without regard to clauses (i) and (ii) of subsection~~  
9 ~~(f)(2)(A), except that in prescribing such tables—~~

10 ~~“(A) except as provided in subparagraph (B), subsection (f)(3)~~  
11 ~~shall be applied by substituting ‘calendar year 2017’ for~~  
12 ~~‘calendar year 2016’ in subparagraph (A)(ii) thereof,~~

13 ~~“(B) in the case of adjustments to the dollar amounts at which~~  
14 ~~the 39.6 percent rate bracket begins (other than such dollar~~  
15 ~~amount in paragraph (2)(E))—~~

16 ~~“(i) no adjustment shall be made for taxable years beginning~~  
17 ~~after December 31, 2021, and before January 1, 2023, and~~

18 ~~“(ii) in the case of any taxable year beginning after December~~  
19 ~~31, 2022, subsection (f)(3) shall be applied by substituting~~  
20 ~~‘calendar year 2021’ for ‘calendar year 2016’,~~

21 ~~“(C) subsection (f)(7)(B) shall apply to any unmarried individual~~  
22 ~~other than a surviving spouse, and~~

23 ~~“(D) subsection (f)(8) shall not apply.”.~~

24 ~~(c) Modification to 39.6 Percent Rate Bracket for High income~~  
25 ~~Taxpayers After 2025.— Section 1(i)(3) is amended to read as~~  
26 ~~follows:~~

27 ~~“(3) Modifications to 39.6 percent rate bracket.— In the case of~~  
28 ~~taxable years beginning after December 31, 2025—~~

1 ~~“(A) In general.— The rate of tax under subsections (a), (b), (c),~~  
2 ~~and (d) on a taxpayer’s taxable income in excess of the 39.6~~  
3 ~~percent rate bracket threshold shall be taxed at a rate of 39.6~~  
4 ~~percent.~~

5 ~~“(B) 39.6 percent rate bracket threshold.— For purposes of this~~  
6 ~~paragraph, the term ‘39.6 percent rate bracket threshold’~~  
7 ~~means—~~

8 ~~“(i) in the case any taxpayer described in subsection (a),~~  
9 ~~\$450,000,~~

10 ~~“(ii) in the case of any taxpayer described in subsection (b),~~  
11 ~~\$425,000,~~

12 ~~“(iii) in the case of any taxpayer described in subsection (c),~~  
13 ~~\$400,000, and~~

14 ~~“(iv) in the case of any taxpayer described in subsection (d),~~  
15 ~~\$225,000.~~

16 ~~“(C) Inflation adjustment.— For purposes of this paragraph, with~~  
17 ~~respect to taxable years beginning in calendar years after 2025,~~  
18 ~~each of the dollar amounts in subparagraph (B) shall be adjusted~~  
19 ~~in the same manner as under paragraph (1)(C)(i), except that~~  
20 ~~subsection (f)(3)(A)(ii) shall be applied by substituting ‘2021’~~  
21 ~~for ‘2016’.”.~~

22 ~~(d) Conforming Amendments.—~~

23

24 ~~\* 153 (1) Section 1(j)(1) is amended by striking “December 31,~~  
25 ~~2017” and inserting “December 31, 2021”.~~

26 ~~(2) The heading of section 1(j) is amended by striking “2018”~~  
27 ~~and inserting “2022”.~~

28 ~~(3) The heading of section 1(i) is amended by striking “Rate~~

1 ~~Reductions” and inserting “Modifications”~~

2 ~~(4) Section 15(f) is amended by striking “rate reductions” and~~  
3 ~~inserting “modifications”.~~

4 ~~(e) Section 15 Not to Apply.—For rules providing that section~~  
5 ~~15 of the Internal Revenue Code of 1986 does not apply to the~~  
6 ~~amendments made by this section, see sections 1(j)(6) and 15(f)~~  
7 ~~of the Internal Revenue Code of 1986.~~

8 ~~(f) Effective Date.—The amendments made by this section shall~~  
9 ~~apply to taxable years beginning after December 31, 2021.~~

10 ~~SEC. 138202. INCREASE IN CAPITAL GAINS RATE FOR~~  
11 ~~CERTAIN HIGH INCOME INDIVIDUALS.~~

12 ~~(a) In General.—Section 1(h)(1)(D) is amended by striking “20~~  
13 ~~percent” and inserting “25 percent”.~~

14 ~~(b) Re-alignment of 25 Percent Capital Gains Rate Threshold~~  
15 ~~With 39.6 Percent Income Tax Rate Threshold.—Section 1(j)(5)~~  
16 ~~is amended—~~

17 ~~(1) by striking subparagraphs (A) and (B) and inserting the~~  
18 ~~following new subparagraphs:~~

19 ~~“(A) In general.—Section 1(h)(1) shall be applied by~~  
20 ~~substituting ‘below the maximum zero rate amount’ for ‘which~~  
21 ~~would (without regard to this paragraph) be taxed at a rate below~~  
22 ~~25 percent’ in subparagraph (B)(i).~~

23 ~~“(B) Maximum zero rate amount defined.—For purposes of~~  
24 ~~applying section 1(h) with the modifications described in~~  
25 ~~subparagraph (A), the maximum zero rate amount shall be—~~

26 ~~“(i) in the case of a joint return or surviving spouse, \$77,200,~~

27 ~~“(ii) in the case of an individual who is a head of household (as~~  
28 ~~defined in section 2(b)), \$51,700,~~



1 ~~“(iii) in the case of any other individual (other than an estate or~~  
2 ~~trust), an amount equal to  $\frac{1}{2}$  of the amount in effect for the~~  
3 ~~taxable year under subclause (I), and~~

4 ~~“(iv) in the case of an estate or trust, \$2,600.”, and~~

5 ~~(2) by striking “each of the dollar amounts in clauses (i) and (ii)”~~  
6 ~~in subparagraph (C) and inserting “each dollar amount in clause~~  
7 ~~(i), (ii), or (iv)”.~~

8 ~~(c) Conforming Amendments.—~~

9 ~~(1) Section 55(b)(3) is amended by striking subparagraph (D)~~  
10 ~~and redesignating subparagraph (E) as subparagraph (D).~~

11 ~~(2) The following provisions are each amended by striking “20~~  
12 ~~percent” and inserting “25 percent”:~~

13 ~~(A) Section 531.~~

14 ~~(B) Section 541.~~

15 ~~(C) Section 1445(e)(1).~~

16 ~~(D) Section 1445(e)(6).~~

17 ~~(E) The second sentence of section 7518(g)(6)(A).~~

18 ~~(3) Section 53511(f)(2) of title 46, United States Code, is~~  
19 ~~amended to read as follows:~~

20 ~~“(2) Maximum tax rate.— For that portion of a nonqualified~~  
21 ~~withdrawal made from the capital gain account during a taxable~~  
22 ~~year to which section 1(h) of such Code (26 U.S.C. 1(h))~~  
23 ~~applies, the tax rate used under paragraph (1)(B) may not exceed~~  
24 ~~25 percent.”.~~

25 ~~(d) Section 15 Not to Apply.— The amendments made by this~~  
26 ~~section shall not be treated as a change in a rate of tax for~~  
27 ~~purposes of section 15 of the Internal Revenue Code of 1986.~~

1 ~~(e) Effective Dates.—~~

2 ~~(1) In general.— Except as otherwise provided in this subsection,~~  
3 ~~the amendments made by this section shall apply to taxable-~~  
4 ~~years ending after September 13, 2021.~~

5 ~~(2) Re-alignment of 25 percent capital gains rate threshold with~~  
6 ~~39.6 percent income tax rate threshold.— The amendments made~~  
7 ~~by subsection (b) shall apply to taxable years beginning after-~~  
8 ~~December 31, 2021.~~

9 ~~(3) Withholding under sections 1445 and 1446.— The~~  
10 ~~amendments made by subparagraphs (C) and (D) of subsection-~~  
11 ~~(c)(2) shall apply to dispositions after the date of the enactment~~  
12 ~~of this Act.~~

13 ~~(f) Transitional Rules for Taxable Years Which Include~~  
14 ~~September 13, 2021.—~~

15 ~~(1) In general.— For purposes of applying section 1(h) of the~~  
16 ~~Internal Revenue Code of 1986 with respect to any taxable year~~  
17 ~~which includes September 13, 2021, the amount determined~~  
18 ~~under subparagraph (D) of section 1(h)(1) of such Code shall be~~  
19 ~~the sum of—~~

20 ~~(A) 20 percent of the lesser of—~~

21 ~~(i) the amount on which a tax is determined under such~~  
22 ~~subparagraph (D) (without regard to this subsection), or~~

23 ~~(ii) the amount (if any) of net capital gain determined by taking~~  
24 ~~into account only dividends, gains, and losses for the portion of~~  
25 ~~the taxable year on or before September 13, 2021 (determined~~  
26 ~~without regard to collectibles gain or loss, gain described in~~  
27 ~~section 1(h)(6)(A)(i) of such Code, and section 1202 gain),~~  
28 ~~plus—~~

1 ~~(B) 25 percent of the excess (if any) of the amount described in~~  
2 ~~subparagraph (A)(i) over the amount described in subparagraph~~  
3 ~~(A)(ii).~~

4 ~~(2) Special rule for binding contracts entered into prior to~~  
5 ~~september 13, 2021. For purposes of paragraph (1), a gain~~  
6 ~~recognized in the taxable year that includes September 13, 2021,~~  
7 ~~shall be treated as being with respect to the portion of such~~  
8 ~~taxable year on or before such date if such gain arises from a~~  
9 ~~transaction which occurs pursuant to a written binding contract~~  
10 ~~entered into on or before such date (and which is not modified~~  
11 ~~thereafter in any material respect).~~

12 ~~(3) Alternative minimum tax. Rules similar to the rules of~~  
13 ~~paragraph (1) shall apply for purposes of applying section~~  
14 ~~55(b)(3) of such Code.~~

15 ~~(4) Application to pass thru entities. In applying this~~  
16 ~~subsection with respect to any pass thru entity, the~~  
17 ~~determination of when dividends, gains, and losses are properly~~  
18 ~~taken into account shall be made at the entity level.~~

19 ~~(5) Definitions of certain terms. Terms used in this subsection~~  
20 ~~which are also used in section 1(h) of such Code shall have the~~  
21 ~~respective meanings that such terms have in such section.~~

22 ~~SEC. 138203~~ **SEC. 138201.** APPLICATION OF NET  
23 INVESTMENT INCOME TAX TO TRADE OR BUSINESS  
24 INCOME OF CERTAIN HIGH INCOME INDIVIDUALS.

25 (a) In General.—Section 1411 is amended by adding at the end the following new subsection:

26 “(f) Application to Certain High Income Individuals.—

27 “(1) IN GENERAL.—In the case of any individual whose modified adjusted gross income  
28 for the taxable year exceeds the high income threshold amount, subsection (a)(1) shall be  
29 applied by substituting ‘the greater of specified net income or net investment income’ for  
30 ‘net investment income’ in subparagraph (A) thereof.

31 “(2) PHASE-IN OF INCREASE.—The increase in the tax imposed under subsection (a)(1) by

1 reason of the application of paragraph (1) of this subsection shall not exceed the amount  
2 which bears the same ratio to the amount of such increase (determined without regard to  
3 this paragraph) as—

4 “(A) the excess described in paragraph (1), bears to

5 “(B) \$100,000 ( $\frac{1}{2}$  such amount in the case of a married taxpayer (as defined in  
6 section 7703) filing a separate return).

7 “(3) HIGH INCOME THRESHOLD AMOUNT.—For purposes of this subsection, the term ‘high  
8 income threshold amount’ means—

9 “(A) except as provided in subparagraph (B) or (C), \$400,000,

10 “(B) in the case of a taxpayer making a joint return under section 6013 or a  
11 surviving spouse (as defined in section 2(a)), \$500,000, and

12 “(C) in the case of a married taxpayer (as defined in section 7703) filing a separate  
13 return,  $\frac{1}{2}$  of the dollar amount determined under subparagraph (B).

14 “(4) SPECIFIED NET INCOME.—For purposes of this section, the term ‘specified net  
15 income’ means net investment income determined—

16 “(A) without regard to the phrase ‘other than such income which is derived in the  
17 ordinary course of a trade or business not described in paragraph (2),’ in subsection  
18 (c)(1)(A)(i),

19 “(B) without regard to the phrase ‘described in paragraph (2)’ in subsection  
20 (c)(1)(A)(ii),

21 “(C) without regard to the phrase ‘other than property held in a trade or business not  
22 described in paragraph (2)’ in subsection (c)(1)(A)(iii),

23 “(D) without regard to paragraphs (2), (3), and (4) of subsection (c), and

24 “(E) by treating paragraphs (5) and (6) of section 469(c) (**determined without**  
25 **regard to the phrase ‘To the extent provided in regulations,’ in such paragraph**  
26 **(6)) as applying for purposes of subsection (c) of this section.”.**

27 (b) Application to Trusts and Estates.—Section 1411(a)(2)(A) is amended by striking  
28 “undistributed net investment income” and inserting “the greater of undistributed specified net  
29 income or undistributed net investment income”.

30 (c) Clarifications With Respect to Determination of Net Investment Income.—

31 (1) ~~WAGES SUBJECT TO FICA NOT TAKEN INTO ACCOUNT.—SECTION CERTAIN~~  
32 ~~EXCEPTIONS.—Section 1411(c)(6) is amended by inserting “or wages received with respect~~  
33 ~~to employment to read as follows:~~

34 “(6) SPECIAL RULES.—Net investment income shall not include—

35 “(A) any item taken into account in determining self-employment income for  
36 such taxable year on which a tax is imposed under section 3101(b)” before the period  
37 at the end by section 1401(b),

38 “(B) wages received with respect to employment on which a tax is imposed  
39 under section 3101(b) or 3201(a) (including amounts taken into account under

1           **section 3121(v)(2)), and**

2           **“(C) wages received from the performance of services earned outside the**  
3           **United States for a foreign employer.”.**

4           (2) NET OPERATING LOSSES NOT TAKEN INTO ACCOUNT.—Section 1411(c)(1)(B) is  
5           amended by inserting “(other than section 172)” after “this subtitle”.

6           (3) INCLUSION OF CERTAIN FOREIGN INCOME.—

7           (A) IN GENERAL.—Section 1411(c)(1)(A) is amended by striking “and” at the end of  
8           clause (ii), by striking “over” at the end of clause (iii) and inserting “and”, and by  
9           adding at the end the following new clause:

10           “(iv) any amount includible in gross income under section 951, 951A, 1293, or  
11           1296, over”.

12           (B) PROPER TREATMENT OF CERTAIN PREVIOUSLY TAXED INCOME.—Section 1411(c)  
13           is amended by adding at the end the following new paragraph:

14           “(7) CERTAIN PREVIOUSLY TAXED INCOME.—The Secretary shall issue regulations or  
15           other guidance providing for the treatment of—

16           “(A) distributions of amounts previously included in gross income for purposes of  
17           chapter 1 but not previously subject to tax under this ~~section.~~” **section, and**

18           **“(B) distributions described in section 962(d).”.**

19           (d) Effective Date.—The amendments made by this section shall apply to taxable years  
20           beginning after December 31, 2021.

21           (e) Transition Rule.—The regulations or other guidance issued by the Secretary under section  
22           1411(c)(7) of the Internal Revenue Code of 1986 (as added by this section) shall include  
23           provisions which provide for the proper coordination and application of clauses (i) and (iv) of  
24           section 1411(c)(1)(A) with respect to—

25           (1) taxable years beginning on or before December 31, 2021, and

26           (2) taxable years beginning after such date.

27           ~~SEC. 138202 138204. LIMITATION ON DEDUCTION OF~~  
28           ~~QUALIFIED BUSINESS INCOME FOR CERTAIN HIGH-~~  
29           ~~INCOME INDIVIDUALS.~~

30           ~~(a) In General.—Section 199A(a) is amended by striking “or” at~~  
31           ~~the end of paragraph (1), by striking the period at the end of~~  
32           ~~paragraph (2) and inserting “, or”, and by adding at the end the~~  
33           ~~following new paragraph:~~

34           ~~“(3) the following amount:~~

35           ~~“(A) \$500,000 in the case of a joint return or surviving spouse~~

1 ~~(as defined in section 2(a)),~~  
2 ~~“(B) \$400,000 in the case of any taxpayer not described in~~  
3 ~~subparagraph (A), (C), or (D),~~  
4 ~~“(C) \$250,000 in the case of a married individual filing a~~  
5 ~~separate return, or~~  
6 ~~“(D) \$10,000 in the case of an estate or trust.”.~~

7 ~~(b) Effective Date.—The amendments made by this section shall~~  
8 ~~apply to taxable years beginning after December 31, 2021.~~

9 **SEC. 138205. LIMITATIONS ON EXCESS BUSINESS**  
10 **LOSSES OF NONCORPORATE TAXPAYERS.**

11 (a) Limitation Made Permanent.—

12 (1) IN GENERAL.—Section 461(l)(1) is amended to read as follows:

13 “(1) LIMITATION.—In the case of any taxpayer other than a corporation, any excess  
14 business loss of the taxpayer for the taxable year shall not be allowed.”.

15 (2) CONFORMING AMENDMENT.—Section 461 is amended by striking subsection (j).

16 (b) Modification of Carryover of Disallowed Losses.—Section 461(l)(2) is amended to read as  
17 follows:

18 “(2) DISALLOWED LOSS CARRYOVER.—Any loss which is disallowed under paragraph (1)  
19 for any taxable year shall be treated (solely for purposes of this chapter) as a deduction  
20 described in paragraph (3)(A)(i) for the next taxable year.”.

21 (c) **Treatment of Unused Excess Business Loss Carryovers on Termination of Estate or**  
22 **Trust.—Section 461(l) is amended by adding at the end the following new paragraph:**

23 **“(7) SPECIAL RULE FOR TERMINATION OF ESTATE OR TRUST.—If, on the termination**  
24 **of an estate or trust, the estate or trust has an excess business loss carryover, then such**  
25 **carryover or such excess shall be allowed as a deduction, in accordance with**  
26 **regulations prescribed by the Secretary, to the beneficiaries succeeding to the property**  
27 **of the estate or trust.”.**

28 (d) Effective Date.—The amendments made by this section shall apply to taxable years  
29 beginning after December 31, 2020.

30 **SEC. ~~138206~~ 138203. SURCHARGE ON HIGH INCOME**  
31 **INDIVIDUALS, ESTATES, AND TRUSTS.**

32 (a) In General.—Part I of subchapter A of chapter 1 is amended by inserting after section 1 the  
33 following new section:

1 “SEC. 1A. SURCHARGE ON HIGH INCOME  
2 INDIVIDUALS, ESTATES, AND TRUSTS.

3 “(a) General Rule.—In the case of a taxpayer other than a corporation, there is hereby imposed  
4 (in addition to any other tax imposed by this subtitle) a tax equal to ~~3~~ **the sum of—**

5 “~~(1) 5 percent of so much of the modified adjusted gross income of the taxpayer as~~  
6 ~~exceeds—~~

7 “~~(1) \$5,000,000~~“(A) **\$10,000,000**, in the case of any taxpayer not described in  
8 ~~paragraph (2) or (3),~~ **subparagraph (B) or (C),**

9 “~~(2) \$2,500,000~~“(B) **\$5,000,000**, in the case of a married individual filing a separate  
10 return, and

11 “(C) **\$200,000, in the case of an estate or trust, plus**

12 “~~(2) 3 percent of so much of the modified adjusted gross income of the taxpayer as~~  
13 ~~exceeds—~~

14 “(A) **\$25,000,000, in the case of any taxpayer not described in subparagraph (B)**  
15 **or (C),**

16 “(B) **\$12,500,000, in the case of a married individual filing a separate return,**  
17 **and**

18 “(C) **\$500,000**“~~(3) \$100,000~~, in the case of an estate or trust.

19 “(b) Modified Adjusted Gross Income.—For purposes of this section, the term ‘modified  
20 adjusted gross income’ means adjusted gross income reduced by any deduction (not taken into  
21 account in determining adjusted gross income) allowed for investment interest (as defined in  
22 section 163(d)) **or business interest (as defined in section 163(j))**. In the case of an estate or  
23 trust, adjusted gross income shall be determined as provided in section 67(e), **and reduced by**  
24 **the amount allowed as a deduction under section 642(c)**.

25 “(c) Special Rules.—

26 “(1) NONRESIDENT ALIEN.—In the case of a nonresident alien individual (**other than an**  
27 **individual described in section 876(a) or 877(a)**), only amounts taken into account in  
28 connection with the tax imposed under section 871(b) shall be taken into account under this  
29 section.

30 “(2) CITIZENS AND RESIDENTS LIVING ~~ABROAD.~~ **THE ABROAD.**—**Each** dollar amount  
31 **which is** applicable to any taxpayer under ~~paragraph (1), (2), or (3)~~ of subsection (a) ~~(as the~~  
32 ~~case may be)~~ shall be decreased (but not below zero) by the excess (if any) of—

33 “(A) the amounts excluded from the taxpayer’s gross income under section 911,  
34 over

35 “(B) the amounts of any deductions or exclusions disallowed under section  
36 911(d)(6) with respect to the amounts described in subparagraph (A).

37 “(3) CHARITABLE TRUSTS.—Subsection (a) shall not apply to a trust all the unexpired  
38 interests in which are devoted to one or more of the purposes described in section  
39 170(c)(2)(B).

1           “(4) NOT TREATED AS TAX IMPOSED BY THIS CHAPTER FOR CERTAIN PURPOSES.—The tax  
2 imposed under this section shall not be treated as tax imposed by this chapter for purposes  
3 of determining the amount of any credit under this chapter (**other than sections 27 and**  
4 **901**) or for purposes of section ~~55~~.”

5           ~~(b)~~ 55.

6           “(5) ELECTING SMALL BUSINESS TRUSTS.—For purposes of the determination of  
7 adjusted gross income, section 641(c)(1)(A) shall not apply and all portions of any  
8 electing small business trust shall be treated as a single trust.

9           “(d) Regulations.—The Secretary shall issue such regulations or other guidance as may  
10 be necessary or appropriate to carry out the purposes of this section, including regulations  
11 or other guidance to prevent the avoidance of the purposes of this section.”

12       (b) Coordination With Certain Provisions.—

13           (1) INTEREST ON CERTAIN DEFERRED TAX LIABILITY.—Section 453A(c) is amended by  
14 redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the  
15 following new paragraph:

16           “(6) SURCHARGE ON HIGH INCOME INDIVIDUALS TAKEN INTO ACCOUNT IN  
17 DETERMINING MAXIMUM RATE OF TAX.—For purposes of paragraph (3)(B), the  
18 maximum rate of tax in effect under section 1 shall be treated as being equal to the  
19 sum of such rate and the rates in effect under paragraphs (1) and (2) of section  
20 1A(a).”

21           (2) ALIEN RESIDENTS OF PUERTO RICO, GUAM, AMERICAN SAMOA, OR THE NORTHERN  
22 MARIANA ISLANDS.—Section 876(a) is amended by striking section 1 and inserting  
23 “sections 1 and 1A”.

24           (3) EXPATRIATION TO AVOID TAX.—Section 877(b) is amended by inserting “and  
25 section 1A” after “section 1 or 55”.

26           (4) LIMITATION ON FOREIGN TAX CREDIT.—

27           (A) Section 904(b)(3)(E)(i)(I) is amended by inserting “increased by the sum of  
28 the rates set forth in paragraphs (1) and (2) of section 1A(a)” after “(whichever  
29 applies)”.

30           (B) Section 904(d)(2)(F) is amended by adding at the end the following: “For  
31 purposes of the first sentence of this subparagraph, the highest rate of tax  
32 specified in section 1 shall be treated as being equal to the sum of such rate and  
33 the rates in effect under paragraphs (1) and (2) of section 1A(a).”

34           (5) ELECTION BY INDIVIDUALS TO BE SUBJECT TO TAX AT CORPORATE RATES.—Section  
35 962(a)(1) is amended by inserting “, 1A,” after “sections 1”.

36           (6) INTEREST ON CERTAIN TAX DEFERRAL.—Section 1291(c)(2) is amended by adding  
37 at the end the following: “For purposes of the preceding sentence, the highest rate of  
38 tax in effect under section 1 shall be treated as being equal to the sum of such rate and  
39 the rates in effect under paragraphs (1) and (2) of section 1A(a).”

40           (7) AVERAGING OF FARM INCOME.—Section 1301(a) is amended by striking “section



1           **1” both places it appears and inserting “sections 1 and 1A”.**

2           **(8) TITLE 11 CASES.—Section 1398(c)(2) is amended by inserting “and tax shall be**  
3 **imposed under section 1A by treating the estate as a married individual filing a**  
4 **separate return” before the period at the end.**

5           **(9) WITHHOLDING OF TAX ON FOREIGN PARTNERS’ SHARE OF EFFECTIVELY**  
6 **CONNECTED INCOME.—Section 1446(b)(2) is amended by adding at the end the**  
7 **following flush sentence:**

8           **“For purposes of subparagraph (A), the highest rate of tax in effect under section 1**  
9 **shall be treated as being equal to the sum of such rate and the rates in effect under**  
10 **paragraphs (1) and (2) of section 1A(a).”.**

11           **(10) RELIEF FROM JOINT AND SEVERAL LIABILITY ON JOINT RETURN.—Section**  
12 **6015(d)(2)(B) is amended by inserting “, 1A,” after “section 1”.**

13           **(11) PARTNERSHIP ADJUSTMENTS.—**

14           **(A) Section 6225(b)(1) is amended by adding at the end the following flush**  
15 **sentence:**

16           **“For purposes of subparagraph (B), the highest rate of tax in effect under section 1**  
17 **shall be treated as being equal to the sum of such rate and the rates in effect under**  
18 **paragraphs (1) and (2) of section 1A(a).”.**

19           **(B) Section 6225(c)(4)(A) is amended—**

20           **(i) by striking “subsection (b)(1)(A)” and inserting “subsection (b)(1)(B),**  
21 **and**

22           **(ii) by striking “or” at the end of clause (i), by adding “or” at the end of**  
23 **clause (ii), and by inserting after clause (ii) the following new clause:**

24           **“(iii) is not an individual subject to one or both of the rates of tax in effect**  
25 **under paragraphs (1) and (2) of section 1A(a).”.**

26           **(12) REQUIRED PAYMENTS FOR ENTITIES ELECTING NOT TO HAVE REQUIRED TAXABLE**  
27 **YEAR.—Section 7519(b) is amended by inserting “and increased by the sum of the**  
28 **rates in effect under paragraphs (1) and (2) of section 1A(a)” before the period at the**  
29 **end.**

30           **(c) Clerical Amendment.—The table of sections for part I of subchapter A of chapter 1 is**  
31 **amended by inserting after the item relating to section 1 the following new item:**

32 **“Sec.1A.Surcharge on high income individuals.”.**

33           **(e)(d) Effective Date.—The amendments made by this section shall apply to taxable years**  
34 **beginning after December 31, 2021.**

35 ~~**SEC. 138207. TERMINATION OF TEMPORARY INCREASE**~~  
36 ~~**IN UNIFIED CREDIT.**~~

37 ~~**(a) In General.—Section 2010(c)(3) of the Internal Revenue**~~

1 ~~Code of 1986 is amended by striking subparagraph (C).~~

2 ~~(b) Effective Date. The amendment made by this section shall~~  
3 ~~apply to estates of decedents dying and gifts made after~~  
4 ~~December 31, 2021.~~

5 ~~SEC. 138208. INCREASE IN LIMITATION ON ESTATE~~  
6 ~~TAX VALUATION REDUCTION FOR CERTAIN REAL~~  
7 ~~PROPERTY USED IN FARMING OR OTHER TRADES OR~~  
8 ~~BUSINESSES.~~

9 ~~(a) In General. Section 2032A(a)(2) of the Internal Revenue~~  
10 ~~Code of 1986 is amended by striking “\$750,000” and inserting~~  
11 ~~“\$11,700,000”.~~

12 ~~(b) Inflation Adjustment. Section 2032A(a)(3) of such Code is~~  
13 ~~amended—~~

14 ~~(1) by striking “\$750,000” both places it appears and inserting~~  
15 ~~“\$11,700,000”;~~

16 ~~(2) by striking “1998” in the matter preceding subparagraph (A)~~  
17 ~~and inserting “2021”, and~~

18 ~~(3) by striking “1997” in subparagraph (B) and inserting “2020”.~~

19 ~~(c) Effective Date. The amendments made by this section shall~~  
20 ~~apply to the estates of decedents dying after December 31, 2021.~~

21 ~~SEC. 138209. CERTAIN TAX RULES APPLICABLE TO~~  
22 ~~GRANTOR TRUSTS.~~

23 ~~(a) Application of Transfer Taxes.—~~

24 ~~(1) In general. Subtitle B of the Internal Revenue Code of~~  
25 ~~1986 is amended by adding at the end the following new~~  
26 ~~chapter:~~

27 ~~“CHAPTER 16 SPECIAL RULES FOR GRANTOR TRUSTS~~

1 ~~“Sec.2901.Application of transfer taxes.~~

2 ~~“SEC. 2901. APPLICATION OF TRANSFER TAXES.~~

3 ~~“(a) In General.— In the case of any portion of a trust with~~  
4 ~~respect to which the grantor is the deemed owner—~~

5 ~~“(1) the value of the gross estate of the deceased deemed owner~~  
6 ~~of such portion shall include all assets attributable to that portion~~  
7 ~~at the time of the death of such owner,~~

8 ~~“(2) any distribution (other than to the deemed owner or the~~  
9 ~~deemed owner’s spouse) from such portion to one or more~~  
10 ~~beneficiaries during the life of the deemed owner of such portion~~  
11 ~~(other than in discharge of an obligation of the deemed owner)~~  
12 ~~shall be treated as a transfer by gift for purposes of chapter 12,~~

13 ~~“(3) if at any time during the life of the deemed owner of such~~  
14 ~~portion, such owner ceases to be treated as the owner of such~~  
15 ~~portion under subpart E of part 1 of subchapter J of chapter 1, all~~  
16 ~~assets attributable to such portion at such time shall be treated~~  
17 ~~for purposes of chapter 12 as a transfer by gift made by the~~  
18 ~~deemed owner, and~~

19 ~~“(4) proper adjustment shall be made with respect to amounts so~~  
20 ~~included in the gross estate, or treated as transferred by gift,~~  
21 ~~pursuant to paragraph (1), (2), or (3), as the case may be, to~~  
22 ~~account for amounts treated previously as taxable gifts under~~  
23 ~~chapter 12 with respect to previous transfers to the trust by the~~  
24 ~~deemed owner.~~

25 ~~“(b) Exceptions.— This section shall not apply to any trust that is~~  
26 ~~includible in the gross estate of the deemed owner (without~~  
27 ~~regard to subsection (a)(1)).~~

28 ~~“(c) Deemed Owner Defined.— For purposes of this chapter, the~~

1 ~~term ‘deemed owner’ means any person who is treated as the~~  
2 ~~owner of a portion of a trust under subpart E of part 1 of~~  
3 ~~subchapter J of chapter 1.’.~~

4 ~~(2) Cross reference.— Section 2511 of such Code is amended by~~  
5 ~~adding at the end the following new subsection:~~

6 ~~“(c) Cross reference.— For treatment of transfers to grantor~~  
7 ~~trusts, see section 2901.”.~~

8 ~~(3) Clerical amendment.— The table of chapters for subtitle B of~~  
9 ~~such Code is amended by adding at the end the following new~~  
10 ~~item:~~

11 ~~“Chapter 16. Special Rules for Grantor Trusts”.~~

12 ~~(b) Certain Sales to Grantor Trust.—~~

13 ~~(1) In general.— Part IV of subchapter O of chapter 1 of such~~  
14 ~~Code is amended by redesignating section 1062 as section 1063~~  
15 ~~and inserting after section 1061 the following new section:~~

16 ~~“SEC. 1062. CERTAIN SALES BETWEEN GRANTOR~~  
17 ~~TRUST AND DEEMED OWNER.~~

18 ~~“(a) In General.— In the case of any transfer of property between~~  
19 ~~a trust and the a person who is the deemed owner of the trust (or~~  
20 ~~portion thereof), such treatment of the person as the owner of the~~  
21 ~~trust shall be disregarded in determining whether the transfer is a~~  
22 ~~sale or exchange for purposes of this chapter.~~

23 ~~“(b) Exception.— Subsection (a) shall not apply to any trust that~~  
24 ~~is fully revocable by the deemed owner.~~

25 ~~“(c) Deemed Owner.— For purposes of this section, the term~~  
26 ~~‘deemed owner’ means any person who is treated as the owner~~  
27 ~~of a portion of a trust under subpart E of part 1 of subchapter J.’.~~

28 ~~(2) Related taxpayers.— Section 267(b) is amended by striking~~

~~“or” at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting “; or”, and by adding at the end the following new paragraph:~~

~~“(14) A grantor trust and the person treated as the owner of the trust (or portion thereof) under subpart E of part 1 of subchapter J of this chapter.”.~~

~~(3) Clerical amendment.— The table of sections for part IV of subchapter O of chapter 1 of such Code is amended by striking the item relating to section 1062 and inserting the following new items:~~

~~“Sec. 1062. Certain sales to grantor trusts.~~

~~“Sec. 1063. Cross references.”.~~

~~(c) Effective Date.— The amendments made by this section shall apply—~~

~~(1) to trusts created on or after the date of the enactment of this Act, and~~

~~(2) to any portion of a trust established before the date of the enactment of this Act which is attributable to a contribution made on or after such date.~~

#### ~~SEC. 138210. VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS.~~

~~(a) In General.— Section 2031 of the Internal Revenue Code of 1986 is amended by redesignating subsection (d) as subsection (f) and by inserting after subsection (c) the following new subsections:~~

~~“(d) Valuation Rules for Certain Transfers of Nonbusiness Assets.— For purposes of this chapter and chapter 12—~~

~~“(1) In general.— In the case of the transfer of any interest in an~~

1 ~~entity other than an interest which is actively traded (within the~~  
2 ~~meaning of section 1092) —~~

3 ~~“(A) the value of any nonbusiness assets held by the entity with~~  
4 ~~respect to such interest shall be determined as if the transferor~~  
5 ~~had transferred such assets directly to the transferee (and no~~  
6 ~~valuation discount shall be allowed with respect to such~~  
7 ~~nonbusiness assets), and~~

8 ~~“(B) such nonbusiness assets shall not be taken into account in~~  
9 ~~determining the value of the interest in the entity.~~

10 ~~“(2) Nonbusiness assets. — For purposes of this subsection —~~

11 ~~“(A) In general. — The term ‘nonbusiness asset’ means any~~  
12 ~~passive asset which —~~

13 ~~“(i) is held for the production or collection of income, and~~

14 ~~“(ii) is not used in the active conduct of a trade or business.~~

15 ~~“(B) Passive assets used in active conduct of trade or~~  
16 ~~business. — Except as provided in subparagraph (C), a passive~~  
17 ~~asset shall not be treated for purposes of subparagraph (A) as~~  
18 ~~used in the active conduct of a trade or business unless —~~

19 ~~“(i) the asset is property described in paragraph (1) or (4) of~~  
20 ~~section 1221(a) or is a hedge with respect to such property, or~~

21 ~~“(ii) the asset is real property used in the active conduct of 1 or~~  
22 ~~more real property trades or businesses (within the meaning of~~  
23 ~~section 469(c)(7)(C)) in which the transferor materially~~  
24 ~~participates and with respect to which the transferor meets the~~  
25 ~~requirements of section 469(c)(7)(B)(ii).~~

26 ~~For purposes of clause (ii), material participation shall be~~  
27 ~~determined under the rules of section 469(h), except that section~~  
28 ~~469(h)(3) shall be applied without regard to the limitation to~~

1 ~~farming activity.~~

2 ~~“(C) Exception for working capital. Any passive asset which is~~  
3 ~~held as a part of the reasonably required working capital needs~~  
4 ~~of a trade or business shall be treated as used in the active~~  
5 ~~conduct of a trade or business.~~

6 ~~“(3) Passive asset. For purposes of this subsection, the term~~  
7 ~~‘passive asset’ means any—~~

8 ~~“(A) cash or cash equivalents,~~

9 ~~“(B) except to the extent provided by the Secretary, stock in a~~  
10 ~~corporation or any other equity, profits, or capital interest in a~~  
11 ~~partnership,~~

12 ~~“(C) evidence of indebtedness, option, forward or futures~~  
13 ~~contract, notional principal contract, or derivative,~~

14 ~~“(D) asset described in clause (iii), (iv), or (v) of section~~  
15 ~~351(e)(1)(B),~~

16 ~~“(E) annuity,~~

17 ~~“(F) real property,~~

18 ~~“(G) asset (other than a patent, trademark, or copyright) which~~  
19 ~~produces royalty income,~~

20 ~~“(H) commodity,~~

21 ~~“(I) collectible (within the meaning of section 408(m)),~~

22 ~~“(J) personal property (as defined in section 1092(d)(1)) or~~  
23 ~~position in personal property (within the meaning of section~~  
24 ~~1092(d)(2)), or~~

25 ~~“(K) other asset specified in regulations prescribed by the~~  
26 ~~Secretary.~~

27 ~~“(4) Look thru rules.—~~

1 ~~“(A) In general.—If a passive asset of an entity consists of a~~  
2 ~~10 percent interest in any other entity, this subsection shall be~~  
3 ~~applied by disregarding the 10 percent interest and by treating~~  
4 ~~the entity as holding directly its ratable share of the assets of the~~  
5 ~~other entity. This subparagraph shall be applied successively to~~  
6 ~~any 10 percent interest of such other entity in any other entity.~~

7 ~~“(B) 10 percent interest.—The term ‘10 percent interest’~~  
8 ~~means—~~

9 ~~“(i) in the case of an interest in a corporation, ownership of at~~  
10 ~~least 10 percent (by vote or value) of the stock in such~~  
11 ~~corporation,~~

12 ~~“(ii) in the case of an interest in a partnership, ownership of at~~  
13 ~~least 10 percent of the capital or profits interest in the~~  
14 ~~partnership, and~~

15 ~~“(iii) in any other case, ownership of at least 10 percent of the~~  
16 ~~beneficial interests in the entity.~~

17 ~~For purposes of the preceding sentence, the rules prescribed by~~  
18 ~~section 318(a) shall apply.~~

19 ~~“(5) Coordination with subsection (b).—Subsection (b) shall~~  
20 ~~apply after the application of this subsection.~~

21 ~~“(6) Regulations.—The Secretary shall issue such regulations or~~  
22 ~~other guidance as the Secretary determines is necessary or~~  
23 ~~appropriate to carry out this subsection, including regulations or~~  
24 ~~other guidance to—~~

25 ~~“(A) determine whether a passive asset is used in the active~~  
26 ~~conduct of a trade or business, in addition to the instances~~  
27 ~~described in paragraph (2)(B), and~~

28 ~~“(B) determine whether a passive asset is held as a part of the~~



1 ~~reasonably required working capital needs of a trade or business-~~  
2 ~~under paragraph (2)(C).”~~

3 ~~(b) Effective Date.—The amendments made by this section shall~~  
4 ~~apply to transfers after the date of the enactment of this Act.~~

5 PART 3—MODIFICATIONS OF RULES RELATING TO  
6 RETIREMENT PLANS

7 Subpart A—Limitations on High-income Taxpayers With Large  
8 Retirement Account Balances

9 SEC. 138301. CONTRIBUTION LIMIT FOR INDIVIDUAL  
10 RETIREMENT PLANS OF HIGH-INCOME TAXPAYERS  
11 WITH LARGE ACCOUNT BALANCES.

12 (a) Contribution Limit.—

13 (1) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 is amended by adding  
14 at the end the following:

15 “SEC. 409B. CONTRIBUTION LIMIT ON INDIVIDUAL  
16 RETIREMENT PLANS OF HIGH-INCOME TAXPAYERS  
17 WITH LARGE ACCOUNT BALANCES.

18 “(a) General Rule.—Notwithstanding any other provision of this title, in the case of an  
19 individual who is an applicable taxpayer for a **any** taxable year, no annual additions ~~which are~~  
20 ~~allocable to~~ **for** such taxable year shall be made by, or on behalf of, such individual to any  
21 individual retirement plan to the extent such annual additions exceed the excess (if any) of—

22 “(1) the applicable dollar amount for such taxable year, over

23 “(2) the aggregate vested balances to the credit of the individual (whether as a participant,  
24 owner, or beneficiary) in all applicable retirement plans (determined as of the close of the  
25 calendar year preceding the calendar year in which such taxable year begins).

26 “(b) Definitions and Special Rules.—For purposes of this section—

27 “(1) ANNUAL ADDITION.—

28 “(A) IN GENERAL.—Except as provided in this paragraph, the term ‘annual addition’  
29 means any contribution to an individual retirement plan.

30 “(B) CONTRIBUTIONS TO SEP AND SIMPLE PLANS.—In the case of any employer or  
31 employee contributions by, or on behalf of, an individual to a simplified employee  
32 pension under section 408(k) or a simple retirement account under section 408(p)—

33 “(i) such contributions shall not be treated as annual additions for purposes of

1 applying the limitation under subsection (a), but

2 “(ii) the excess described in subsection (a) shall be reduced by the amount of  
3 such contributions in applying such limitation to other annual additions with  
4 respect to such individual.

5 “(C) ROLLOVER CONTRIBUTIONS DISREGARDED.—A rollover contribution under  
6 section 402(c), ~~402A(e)(3)(A)~~, 403(a)(4), 403(b)(8), 408(d)(3)(A), ~~408A(e)(1)~~, or  
7 457(e)(16) shall not be treated as an annual addition.

8 “(D) ACCOUNTS ACQUIRED BY DEATH OR DIVORCE OR SEPARATION.—The acquisition  
9 of an individual retirement plan (or the transfer to or contribution of amounts to an  
10 individual retirement plan) by reason of—

11 “(i) the death of another individual, or

12 “(ii) divorce or separation (pursuant to section 408(d)(6)),  
13 shall not be treated as an annual addition.

14 “(2) APPLICABLE DOLLAR AMOUNT.—The term ‘applicable dollar amount’ means  
15 \$10,000,000.

16 “(3) APPLICABLE RETIREMENT PLAN.—The term ‘applicable retirement plan’ means—

17 “(A) a defined contribution plan to which section 401(a) or 403(a) applies,

18 “(B) an annuity contract under section 403(b),

19 “(C) an eligible deferred compensation plan described in section 457(b) which is  
20 maintained by an eligible employer described in section 457(e)(1)(A), or

21 “(D) an individual retirement plan.

22 “(4) APPLICABLE TAXPAYER.—

23 “(A) IN GENERAL.—The term ‘applicable taxpayer’ means, with respect to any  
24 taxable year, a taxpayer whose **modified** adjusted ~~taxable~~ **gross** income for such  
25 taxable year exceeds the amount determined under subparagraph (B).

26 “(B) DOLLAR LIMIT.—The amount determined under this subparagraph for any  
27 taxable year is—

28 “(i) \$400,000 for an individual who is a taxpayer not described in clause (ii) or  
29 (iii),

30 “(ii) \$425,000 in the case of an individual who is a head of household (as  
31 defined in section 2(b)), and

32 “(iii) \$450,000 in the case of an individual who is a married individual filing a  
33 joint return or a surviving spouse (as defined in section 2(a)).

34 “(C) ~~ADJUSTED TAXABLE INCOME.~~ ~~THE TERM ‘ADJUSTED TAXABLE INCOME’ MEANS~~  
35 ~~TAXABLE~~ **MODIFIED ADJUSTED GROSS INCOME.**—**For purposes of this paragraph,**  
36 **the term ‘modified adjusted gross income’ means adjusted gross** income  
37 determined without regard to sections 911, 931, and 933, without regard to ~~to~~—

38 “(i) any deduction for annual additions to individual retirement plans to which

1 subsection (a) applies, and **without regard to** ~~“(ii) any increase in minimum required~~  
2 distributions by reason of section 4974(e).

3 “(5) ADJUSTMENTS FOR INFLATION.—

4 “(A) IN GENERAL.—In the case of any taxable year beginning after ~~2022, each of~~  
5 **2029**, the dollar amounts ~~under paragraph~~ **in paragraphs** (2) and ~~paragraph~~(4)(B) shall  
6 be increased by an amount equal to the product of—

7 “(i) such dollar amount, and

8 “(ii) the cost-of-living adjustment under section 1(f)(3) for the calendar year in  
9 which such taxable year begins, determined by substituting ‘calendar year ~~2021~~  
10 **2028**’ for ‘calendar year ~~1992~~ **2016**’ in subparagraph ~~(B)~~(A)(ii) thereof.

11 “(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not—

12 “(i) in the case of the dollar amount under paragraph (2), a multiple of  
13 \$250,000, such amount shall be rounded to the next lowest multiple of \$250,000,  
14 ~~and.~~

15 “(ii) in the case of a dollar amount under paragraph (4)(B), a multiple of  
16 \$1,000, such amount shall be rounded to the next lowest multiple of \$1,000.

17 “(c) Regulations.—The Secretary shall prescribe such regulations and guidance as are  
18 necessary or appropriate to carry out the purposes of this section, including regulations or  
19 guidance that provide for the application of this section and section 4974(e) in the case of plans  
20 with a valuation date other than the last day of a calendar year.”.

21 (2) CONFORMING AMENDMENTS.—

22 (A) The table of contents for subpart A of part I of subchapter D of chapter 1 is  
23 amended by adding after the item relating to section 409A the following new item:

24 “Sec.409B. Contribution limit on individual retirement plans of high-income taxpayers with large  
25 account balances.”.

26 (B) Section 408(r) is amended by adding at the end the following new paragraph:

27 “(3) For additional ~~limitation~~ **limitations** on contributions to individual retirement plans  
28 with large account balances, see sections ~~402A(e)(3)(A)~~ **408A(e)(3)** and 409B.”.

29 (b) Excise Tax on Excess Annual Additions.—

30 (1) IN GENERAL.—Section 4973 is amended by adding at the end the following new  
31 subsection:

32 “(i) Special Rule for Individual Retirement Plans With Excess Annual Additions.—For  
33 purposes of this section, in the case of individual retirement plans, the term ‘excess  
34 contributions’, with respect to any taxable year ~~means~~, **is increased by** the sum of—

35 “(1) the excess of the annual additions (within the meaning of section 409B(b)(1)) to such  
36 plans over the limitation under section 409B(a) for such taxable year, reduced by the  
37 amount of any excess contributions determined under subsections (b) and (f), and

38 “(2) the lesser of—

1           “(A) the amount determined under this subsection for the preceding taxable year  
2           with respect to such plans, reduced by the aggregate distributions from such plans for  
3           the taxable year (including distributions required under section 4974(e)) to the extent  
4           not contributed in a rollover contribution to another eligible retirement plan in  
5           accordance with section 402(c), ~~402A(e)(3)(A)~~, 403(a)(4), 403(b)(8), ~~457(e)(16)~~,  
6           408(d)(3), ~~or 408A(d)(3)~~, **and 457(e)(16)**, or

7           “(B) the amount (if any) by which the amount determined under section 409B(a)(2)  
8           for the taxable year exceeds the applicable dollar amount under section 409B(b)(2) for  
9           the taxable year.”.

10           (2) CONFORMING AMENDMENTS.—Subsections (b) and (f) of section 4973 are each  
11           amended by inserting “, except as further provided in subsection (i)” after “For purposes of  
12           this section”.

13           (c) Reporting Requirements.—Section 6057(a) is amended by adding at the end the following:

14           “(3) ADDITIONAL INFORMATION REGARDING HIGH ACCOUNT BALANCES.—

15           “(A) IN GENERAL.—If, as of the close of any plan year, 1 or more participants **or**  
16           **beneficiaries** in an applicable retirement plan (as defined in section 409B(b)(3)  
17           without regard to subparagraph (D) thereof) have a vested account balance of at least  
18           \$2,500,000, the plan administrator shall file a statement with the Secretary, **within the**  
19           **period described in paragraph (1)**, which includes—

20           “(i) the name and identifying number of each such participant (without regard  
21           to whether such participant has separated from employment), ~~and or~~  
22           **beneficiaries,**

23           “(ii) the amount ~~to which~~ **of the vested account balance of** each such  
24           participant ~~is entitled~~ **or beneficiary, and**

25           **“(iii) a separate accounting of such vested account balances in designated**  
26           **Roth accounts (within the meaning of section 402A) and all other vested**  
27           **account balances.**

28           “(B) INCLUSION IN REGISTRATION STATEMENT.—If both subparagraph (A) and  
29           paragraph (1) apply to a plan, the plan administrator shall include the information  
30           required under subparagraph (A) in the registration statement under paragraph (1)  
31           rather than file a statement under subparagraph (A).

32           “(C) ADJUSTMENTS FOR INFLATION.—In the case of any plan year beginning after  
33           ~~2022~~ **2029**, the \$2,500,000 amount under subparagraph (A) shall be increased by an  
34           amount equal to the product of—

35           “(i) such dollar amount, and

36           “(ii) the cost-of-living adjustment under section 1(f)(3) for the calendar year in  
37           which such taxable year begins, determined by substituting ‘calendar year ~~2021~~<sup>2</sup>  
38           **2028**’ for ‘calendar year ~~1992~~ **2016**’ in subparagraph ~~(B)~~**(A)(ii)** thereof.

39           If the amount as adjusted under the preceding sentence is not a multiple of \$250,000,  
40           such amount shall be rounded to the next lowest multiple of \$250,000.”.

1 (d) Effective Dates.—

2 (1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to  
3 taxable years beginning after December 31, ~~2021~~ 2028.

4 (2) PLAN REQUIREMENTS.—The amendments made by subsection (c) shall apply to plan  
5 years beginning after December 31, ~~2021~~ 2028.

6 **SEC. 138302. INCREASE IN MINIMUM REQUIRED**  
7 **DISTRIBUTIONS FOR HIGH-INCOME TAXPAYERS WITH**  
8 **LARGE RETIREMENT ACCOUNT BALANCES.**

9 (a) In General.—Section 4974 is amended by adding at the end the following:

10 “(e) Increase in Minimum Required Distributions for High-income Taxpayers With Large  
11 Aggregate Account Balances.—

12 “(1) IN GENERAL.—If this subsection applies to a payee who is an applicable taxpayer (as  
13 defined in section 409B(b)(4)) for a taxable year—

14 “(A) all qualified retirement plans and eligible deferred compensation plans of the  
15 payee which are applicable retirement plans taken into account in computing the  
16 excess described in paragraph (3)(A) shall be treated as 1 plan solely for purposes of  
17 applying this section to the increase in minimum required distributions for such taxable  
18 year determined under subparagraph (B), and

19 “(B) the minimum required distributions under this section for all plans treated as 1  
20 plan under subparagraph (A) with respect to such payee for such taxable year shall be  
21 increased by the excess (if any) of—

22 “(i) the sum of—

23 “(I) if paragraph (2) applies to such taxable year, the applicable Roth  
24 excess amount, plus

25 “(II) 50 percent of the excess determined under paragraph (3)(A), reduced  
26 by the applicable Roth excess amount, over

27 “(ii) the sum of the minimum required distributions (determined without regard  
28 to this subsection) for all such plans.

29 “(2) APPLICABLE ROTH EXCESS AMOUNT.—

30 “(A) APPLICATION.—For purposes of paragraph (1)(B)(i), this paragraph applies to a  
31 taxable year of a payee if the aggregate vested balances to the credit of the payee  
32 (whether as a participant, owner, or beneficiary) in all applicable retirement plans  
33 (determined as of the close of the calendar year preceding the calendar year in which  
34 the taxable year begins) exceed 200 percent of the applicable dollar amount for the  
35 calendar year in which the taxable year begins.

36 “(B) APPLICABLE ROTH EXCESS AMOUNT.—The applicable Roth excess amount for  
37 any taxable year to which this paragraph applies is an amount equal to the lesser of—

38 “(i) the excess determined under subparagraph (A), or

1           “(ii) the aggregate balances to the credit of the payee (whether as a participant,  
2           owner, or beneficiary) in all Roth IRAs and designated Roth accounts (within the  
3           meaning of section 402A) as of the time described in subparagraph (A).

4           “(3) APPLICATION.—This subsection shall apply to a payee for a taxable year—

5           “(A) if the aggregate vested balances to the credit of the payee (whether as a  
6           participant, owner, or beneficiary) in all applicable retirement plans (determined as of  
7           the close of the calendar year preceding the calendar year in which the taxable year  
8           begins) exceed the applicable dollar amount for the calendar year in which the taxable  
9           year begins, and

10          “(B) without regard to whether amounts with respect to the payee are otherwise  
11          required to be distributed under section 401(a)(9), 403(b)(10), 408(a)(6), 408(b)(3), or  
12          457(d)(2).

13          “(4) COORDINATION AND ALLOCATION.—

14          “(A) MINIMUM DISTRIBUTION REQUIREMENTS.—If this subsection applies to a payee  
15          for any taxable year—

16           “(i) this section shall apply first to minimum required distributions determined  
17           without regard to this subsection and then to any increase in minimum required  
18           distributions by reason of this subsection, and

19           “(ii) nothing in this subsection shall be construed to affect the amount of any  
20           minimum required distribution determined without regard to this subsection or the  
21           plan or plans from which it is required to be distributed ~~from~~.

22          “(B) ALLOCATION OF INCREASE IN MINIMUM REQUIRED DISTRIBUTIONS.—

23           “(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the taxpayer  
24           may, in such form and manner as the Secretary may prescribe, allocate any  
25           increase in minimum required distributions by reason of this subsection to  
26           applicable retirement plans treated as 1 plan under subparagraph (A) in such  
27           manner as the taxpayer chooses.

28           “(ii) ALLOCATION TO ROTH IRAS AND ACCOUNTS.—In the case of a taxable year  
29           to which paragraph (2) applies, the portion of any increase in minimum required  
30           distributions by reason of this subsection equal to the applicable Roth excess  
31           amount shall be allocated first to Roth IRAs and then to designated Roth accounts  
32           (within the meaning of section 402A) of the payee.

33           “(iii) SPECIAL RULES FOR EMPLOYEE STOCK OWNERSHIP PLANS.—~~IF ANY~~  
34           PLANS.—

35           “(I) IN GENERAL.—**In the case of a payee to which this subsection**  
36           **applies for any taxable year who has account balances in 1 or more**  
37           **employee stock ownership plans (as defined in section 4975(e)(7)) any**  
38           **portion of which is invested in employer securities which are not readily**  
39           **tradable on an established securities market, the increase in minimum**  
40           **required distributions by reason of this subsection shall be allocated— not**  
41           **be allocated to any such portion.**

1                   ~~“(I) first to all account balances (other than such portions) of the payee in~~  
2                   ~~all applicable retirement plans in the manner provided by this subparagraph~~  
3                   ~~(without regard to this clause), and~~

4                   ~~“(II) then to such portions in such manner as the taxpayer chooses.~~

5                   ~~The Secretary shall prescribe regulations which provide that if any such~~  
6                   ~~increase is allocated to any such portion of an account balance for the first~~  
7                   ~~taxable year of the payee beginning in 2022, the payee may elect to have~~  
8                   ~~such portion distributed over a period of years not greater than the period~~  
9                   ~~specified by the Secretary in such regulations (and any distributions made in~~  
10                  ~~accordance with such election shall be treated for purposes of this section as~~  
11                  ~~made in such first taxable year).“(II) EXCEPTION FOR AMOUNTS~~

12                  ~~ATTRIBUTABLE TO ROLLOVER.—Subclause (I) shall not apply to so much~~  
13                  ~~of any account balance as is attributable to a rollover contribution after~~  
14                  ~~the date of the enactment of this subsection to the account in accordance~~  
15                  ~~with section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16).~~

16                  “(5) DISTRIBUTIONS NOT ELIGIBLE FOR ROLLOVERS.—For purposes of determining  
17                  whether a distribution is an eligible rollover distribution, any distribution from an applicable  
18                  retirement plan which is attributable to any increase in minimum required distributions by  
19                  reason of this subsection shall be treated as a distribution required under section 401(a)(9),  
20                  403(b)(10), 408(a)(6), 408(b)(3), or 457(d)(2), whichever is applicable.

21                  “(6) ROTH DISTRIBUTIONS TREATED AS QUALIFIED DISTRIBUTIONS.—**In the case of any**  
22                  **distribution from a Roth IRA, or designated Roth account (within the meaning of**  
23                  **section 402A), of the payee by reason of the allocation of an increase in minimum**  
24                  **required distributions under this subsection, such distribution shall be treated as a**  
25                  **qualified distribution under section 408A(d)(2) or 402A(d)(2), as the case may be.**

26                  “(7) DEFINITIONS.—For purposes of this subsection, any term used in this subsection  
27                  which is also used in section 409B shall have the same meaning as when such term is used  
28                  in such section.”.

29 (b) Special Rules.—

30                  (1) DISTRIBUTION RIGHTS.—

31                         (A) QUALIFIED TRUSTS.— ~~trusts.—Section 401(a) is amended by inserting after~~  
32                         ~~paragraph (38) the following new paragraph:~~

33                         ~~“(39) Immediate distribution right.—A trust forming part of a defined contribution~~  
34                         ~~plan shall not constitute a qualified trust under this section unless an employee who~~  
35                         ~~certifies to the plan that the employee is a taxpayer who is subject to the distribution~~  
36                         ~~requirements of section 4974(e) may elect to receive a distribution from the~~  
37                         ~~employee’s account balance under the plan in such amount as the employee may elect,~~  
38                         ~~including any amounts attributable to a qualified cash or deferred arrangement (as~~  
39                         ~~defined in subsection (k)(2)).”.~~

40                         \*\* 116 ~~(4)(i)~~ IN GENERAL.—Section ~~6662(b)~~ **401(a)** is amended by inserting  
41                         after paragraph ~~(9)~~**(38)** the following new paragraph:

42                         **“(39) IMMEDIATE DISTRIBUTION RIGHT.—A trust forming part of a defined**

1 contribution plan shall not constitute a qualified trust under this section unless an  
2 employee who certifies to the plan that the employee is a taxpayer who is subject to the  
3 distribution requirements of section 4974(e) may elect to receive a distribution from  
4 the employee's account balance under the plan in such amount as the employee may  
5 elect, including any amounts attributable to a qualified cash or deferred arrangement  
6 (as defined in subsection (k)(2)). The preceding sentence shall not apply in the case of  
7 any portion of an account balance to which section 4974(e)(4)(B)(iii)(I) applies.”.

8 (ii) APPLICATION TO EMPLOYEE'S ANNUITIES.—Section 404(a)(2) is  
9 amended by striking “and (37)” and inserting “(37), and (39)”.

10 (B) ANNUITY CONTRACTS.—

11 (i) CUSTODIAL ACCOUNTS.—Section 403(b)(7)(A) is amended by adding at the  
12 end the following new flush sentence:

13 “Notwithstanding clause (i), the custodial account shall permit an employee who  
14 certifies that the employee is a taxpayer who is subject to the distribution requirements  
15 of section 4974(e) to elect to receive a distribution from the employee's custodial  
16 account in such amount as the employee may elect.”.

17 (ii) ANNUITY CONTRACTS.—Section 403(b)(11) is amended by adding at the  
18 end the following new sentence: “Notwithstanding subparagraphs (A), (B), (C),  
19 and (D), the annuity contract shall permit an employee who certifies that the  
20 employee is a taxpayer who is subject to the distribution requirements of section  
21 4974(e) to elect to receive a distribution of contributions made pursuant to a  
22 salary reduction agreement (within the meaning of section 402(g)(3)) from the  
23 employee's annuity contract in such amount as the employee may elect.”

24 (C) GOVERNMENTAL PLANS.—Section 457(d)(1) is amended by adding at the end the  
25 following new flush sentence:

26 “Notwithstanding subparagraph (A), an eligible deferred compensation plan of an employer  
27 described in subsection (e)(1)(A) shall permit ~~an employee~~ **a participant or beneficiary**  
28 who certifies that the ~~employee~~ **participant or beneficiary** is a taxpayer who is subject to  
29 the distribution requirements of section 4974(e) to elect to receive a distribution from the  
30 plan in such amount as the ~~employee~~ **participant or beneficiary** may elect.”.

31 (2) EXCEPTION FROM 10 PERCENT ADDITIONAL TAX ON EARLY DISTRIBUTIONS.—Section  
32 72(t)(2) is amended by adding at the end the following new subparagraph:

33 “(I) DISTRIBUTIONS OF EXCESS BALANCES.—Distributions from an applicable  
34 retirement plan (within the meaning of section 409B)) to the extent such distributions  
35 for the taxable year do not exceed the amount required to be distributed from such plan  
36 under section 4974(e).”.

37 (3) WITHHOLDING.—Section 3405(b) is amended by adding at the end the following new  
38 paragraph:

39 “(3) ADDITIONAL WITHHOLDING FOR REQUIRED DISTRIBUTIONS FROM HIGH BALANCE  
40 RETIREMENT ACCOUNTS.—

41 “(A) IN GENERAL.—For purposes of this section, a distribution pursuant to section



1 401(a)(39), the last sentence of section 403(b)(7)(A), the last sentence of section  
2 403(b)(11), and the last sentence of section 457(d)(1) shall be treated as a nonperiodic  
3 distribution, except that in applying this subsection to such distribution—

4 “(i) paragraph (1) shall be applied by substituting ‘35 percent’ for ‘10 percent’,  
5 and

6 “(ii) no election may be made under paragraph (2) with respect to such  
7 distribution.

8 “(B) EXCEPTION.—Subparagraph (A) shall not apply to any qualified distribution  
9 from a designated Roth account (within the meaning of section 402A).”.

10 (c) Effective Dates.—

11 (1) IN GENERAL.—The amendments made by subsection (a) shall apply to taxable years  
12 beginning after December 31, ~~2021~~ **2028**.

13 (2) PLAN REQUIREMENTS.—The amendments made by subsection (b) shall apply to plan  
14 years beginning after December 31, **2028**. ~~2021~~.

15 ~~(d) Provisions Relating to Plan Amendments.—~~

16 ~~(1) In general.—If this subsection applies to any plan or contract amendment, such plan  
17 or contract shall be treated as being operated in accordance with the terms of the plan during  
18 the period described in paragraph (2)(B)(i).~~

19 ~~(2) Amendments to which subsection applies.—~~

20 ~~(A) In general.—This subsection shall apply to any amendment to any plan or annuity  
21 contract which is made—~~

22 ~~(i) pursuant to any amendment made by this section or pursuant to any regulation issued  
23 by the Secretary of the Treasury under this section or such amendments, and~~

24 ~~(ii) on or before the last day of the first plan year beginning after December 31, 2022, or  
25 such later date as the Secretary of the Treasury may prescribe.~~

26 ~~In the case of a governmental or collectively bargained plan to which subparagraph (B) or  
27 (C) of subsection (a)(4) applies, clause (ii) shall be applied by substituting the date which is  
28 2 years after the date otherwise applied under such clause.~~

29 ~~(B) Conditions.—This subsection shall not apply to any amendment unless—~~

30 ~~(i) during the period—~~

31 ~~(I) beginning on the date the legislative or regulatory amendment described in paragraph  
32 (1)(A) takes effect (or in the case of a plan or contract amendment not required by such  
33 legislative or regulatory amendment, the effective date specified in such amendment), and~~

34 ~~(II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan  
35 or contract amendment is adopted),~~

36 ~~the plan or contract is operated as if such plan or contract amendment were in effect; and~~

37 ~~(ii) such plan or contract amendment applies retroactively for such period.~~

1 Subpart B—Other Provisions Relating to Individual Retirement  
2 Plans

3 SEC. 138311. TAX TREATMENT OF ROLLOVERS TO  
4 ROTH IRAS AND ACCOUNTS.

5 (a) Rollovers and Conversions Limited to Taxable Amounts.—

6 (1) ROTH IRAS.—

7 (A) IN GENERAL.—Paragraph (1) of section 408A(e) is amended by adding at the  
8 end the following new sentence: “A qualified rollover contribution shall not include  
9 any rollover contribution from any eligible retirement plan described in subparagraph  
10 (B) (other than from a designated Roth account (within the meaning of section 402A))  
11 if any portion of the distribution from which such contribution is made would (without  
12 regard to such contribution) be treated as not includible in gross income.”

13 (B) CONVERSIONS.—Subparagraph (C) of section 408A(d)(3) is amended by adding  
14 at the end the following new sentence: “This subparagraph shall not apply if any  
15 portion of the plan being converted would be treated as not includible in gross income  
16 if distributed at the time of the conversion.”

17 (2) DESIGNATED ROTH ACCOUNTS.—Section 402A(c)(4)(B) is amended by inserting “,  
18 determined after the application of the last sentence of paragraph (1) thereof” after “section  
19 408A(e)”.

20 (3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to  
21 distributions, transfers, and contributions made after December 31, 2021.

22 (b) No Rollovers or Conversions for High-income Taxpayers.—

23 (1) ROTH IRAS.—

24 (A) QUALIFIED ROLLOVER CONTRIBUTION.—Section 408A(e), as amended by  
25 subsection (a), is amended by adding at the end the following:

26 “(3) HIGH-INCOME TAXPAYERS MAY ONLY ROLLOVER FROM ROTH IRAS AND  
27 ACCOUNTS.—If—

28 “(A) a taxpayer is an applicable taxpayer (as defined in section 409B(b)(4)) for the  
29 taxable year in which a distribution is made, and

30 “(B) such distribution is contributed to a Roth IRA in a rollover contribution,  
31 such contribution shall be treated as a qualified rollover contribution under paragraph (1)  
32 only if it is made from another Roth IRA or from a designated Roth account (within the  
33 meaning of section 402A).”.

34 (B) ELIMINATION OF CONVERSIONS.—Paragraph (3) of section 408A(d), as amended  
35 by subsection (a), is amended by adding at the end the following:

36 “(G) PARAGRAPH NOT TO APPLY TO HIGH-INCOME TAXPAYERS.—If a taxpayer is an  
37 applicable taxpayer (as defined in section 409B(b)(4)) for any taxable year, this  
38 paragraph shall not apply to any distribution to which this paragraph otherwise applies

1 (or to any conversion described in subparagraph (C)) which is made during such  
2 taxable year.”.

3 (2) DESIGNATED ROTH ACCOUNTS.—Paragraph (4) of section 402A(c) is amended by  
4 adding at the end the following:

5 “(F) PARAGRAPH NOT TO APPLY TO HIGH-INCOME TAXPAYERS.—If a taxpayer is an  
6 applicable taxpayer (as defined in section 409B(b)(4)) for any taxable year, this  
7 paragraph shall not apply to any distribution to which this paragraph otherwise applies  
8 and which is made during such taxable year.”.

9 (3) CONFORMING AMENDMENT.—Section 409B(b)(4)(C), as added by this Act, is  
10 amended—

11 (A) by striking “and without regard to” and inserting “without regard to”, and

12 (B) by inserting before the period at the end the following: “, and without  
13 regard to the inclusion in gross income of any converted or contributed amount  
14 described in section 408A(e)(3), 408A(d)(3)(G), or 402A(c)(4)(F).”.

15 (4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to  
16 distributions, transfers, and contributions made in taxable years beginning after December  
17 31, 2031.

18 ~~SEC. 138312. PROHIBITION OF IRA INVESTMENTS~~  
19 ~~CONDITIONED ON ACCOUNT HOLDER’S STATUS.~~

20 ~~(a) In General.—Subsection (a) of section 408 is amended by~~  
21 ~~adding at the end the following new paragraph:~~

22 ~~“(7) No part of the trust funds will be invested in any security if~~  
23 ~~the issuer of such security (or any other person specified by the~~  
24 ~~Secretary) requires the individual on whose behalf the trust is~~  
25 ~~maintained to make a representation to the issuer or such other~~  
26 ~~person that such individual—~~

27 ~~“(A) has a specified minimum amount of income or assets,~~

28 ~~“(B) has completed a specified minimum level of education, or~~

29 ~~“(C) holds a specific license or credential.”.~~

30 ~~(b) Loss of Exemption of Account.—Paragraph (2) of section~~  
31 ~~408(e) is amended—~~

32 ~~(1) by striking “” each place it appears in subparagraph (A) and~~

1 ~~inserting “maintained”,~~  
2 ~~(2) by redesignating subparagraph (B) as subparagraph (C),~~  
3 ~~(3) by inserting after subparagraph (A) the following new-~~  
4 ~~subparagraph:~~  
5 ~~“(B) Prohibited investment.— If, during any taxable year of the~~  
6 ~~individual for whose benefit any individual retirement account is~~  
7 ~~maintained, the investment of any part of the funds of such~~  
8 ~~individual retirement account does not comply with subsection~~  
9 ~~(a)(7), such account ceases to be an individual retirement~~  
10 ~~account as of the first day of such taxable year. Rules similar to~~  
11 ~~the rules of clauses (i) and (ii) of subparagraph (A) shall apply~~  
12 ~~for purposes of this subparagraph.”,~~

13  
14 ~~\* 117 (4) by striking “where employee engages in prohibited~~  
15 ~~transaction” in the heading and inserting “in case of certain~~  
16 ~~prohibited transactions and investments”,~~  
17 ~~(5) by striking “In general” in the heading of subparagraph (A)~~  
18 ~~and inserting “Employee engaging in prohibited transaction”,~~  
19 ~~and~~

20  
21 ~~\* 118 (6) by striking “(A)” in subparagraph (C), as so~~  
22 ~~redesignated, and inserting “(A) or (B)”.~~

23 ~~(c) Conforming Amendments.—~~

24 ~~(1) Paragraph (1) of section 408(c) is amended by striking “(1)~~  
25 ~~through (6)” and inserting “(1) through (7)”.~~

26 ~~(2) Paragraph (3) of section 4975(c) is amended—~~

27 ~~(A) striking “” and inserting “maintained”,~~

1

2 ~~\* 119 (B) by striking “transaction” both places it appears and~~  
3 ~~inserting “transaction or investment”, and~~

4

5 ~~\* 120 (C) by striking “section 408(e)(2)(A)” and inserting~~  
6 ~~“subparagraph (A) or (B) of section 408(e)(2)”.~~

7 ~~(d) Effective Dates.—~~

8 ~~(1) In general.—Except as provided in paragraph (2), the~~  
9 ~~amendments made by this section shall apply to taxable years~~  
10 ~~beginning after December 31, 2021.~~

11 ~~(2) Special rule for existing investments.—If, on the date of the~~  
12 ~~enactment of this Act, an individual retirement account holds an~~  
13 ~~investment prohibited under section 408(a)(7) of the Internal~~  
14 ~~Revenue Code of 1986 (as added by subsection (a)), the~~  
15 ~~amendments made by this section shall apply to such investment~~  
16 ~~for taxable years beginning after December 31, 2023.~~

17 ~~SEC. 138313~~ **SEC. 138312. STATUTE OF LIMITATIONS**  
18 **WITH RESPECT TO IRA NONCOMPLIANCE.**

19 (a) In General.—Subsection (c) of section 6501 is amended by adding at the end the following  
20 new paragraph:

21 “(13) NONCOMPLIANCE RELATING TO AN INDIVIDUAL RETIREMENT PLAN.—

22 “(A) MISREPORTING.—In the case of any substantial error (willful or otherwise) in  
23 the reporting on a return of any information relating to the valuation of investment  
24 assets with respect to an individual retirement plan, the time for assessment of any tax  
25 imposed by this title with respect to such plan shall not expire before the date which is  
26 6 years after the return containing such error was filed (whether or not such return was  
27 filed on or after the date prescribed).

28 “(B) PROHIBITED TRANSACTIONS.—The time for assessment of any tax imposed by  
29 section 4975 shall not expire before the date which is 6 years after the return was filed  
30 (whether or not such return was filed on or after the date prescribed).”.

31 (b) Effective Date.—The amendment made by this section shall apply to taxes with respect to  
32 which the 3-year period under section 6501(a) of the Internal Revenue Code of 1986 (without

1 regard to the amendment made by this section) ends after December 31, 2021.

2 ~~SEC. 138313 138314. PROHIBITION OF INVESTMENT OF~~  
3 ~~IRA ASSETS IN ENTITIES IN WHICH THE OWNER HAS A~~  
4 ~~SUBSTANTIAL INTEREST.~~

5 ~~(a) In General. Subsection (a) of section 408, as amended by~~  
6 ~~the preceding provisions of this Act, is amended by adding at the~~  
7 ~~end the following new paragraph:~~

8 ~~“(8) No part of the trust funds will be invested in a corporation,~~  
9 ~~partnership or other unincorporated enterprise, or trust or estate~~  
10 ~~if—~~

11 ~~“(A) in the case of an entity with respect to which interests~~  
12 ~~described in clause (i), (ii), or (iii) are not readily tradable on an~~  
13 ~~securities market, 10 percent or more of—~~

14 ~~“(i) the combined voting power of all classes of stock entitled to~~  
15 ~~vote or the total value of shares of all classes of stock of such~~  
16 ~~corporation,~~

17 ~~“(ii) the capital interest or profits interest of such partnership or~~  
18 ~~enterprise, or~~

19 ~~“(iii) the beneficial interest of such trust or estate,~~  
20 ~~is owned (directly or indirectly) or held by the individual on~~  
21 ~~whose behalf the trust is maintained, or~~

22 ~~“(B) the individual on whose behalf the trust is maintained is an~~  
23 ~~officer or director (or an individual having powers or~~  
24 ~~responsibilities similar to officers or directors) of such~~  
25 ~~corporation, partnership, or other unincorporated enterprise.~~

26 ~~For purposes of subparagraph (A), the constructive ownership~~  
27 ~~rules of paragraphs (4) and (5) of section 4975(e) shall apply,~~  
28 ~~and any asset or interest held by the trust shall be treated as held~~

1 ~~by the individual described in such subparagraph.”.~~

2 ~~(b) Loss of Exemption of Account.— Subparagraph (B) of~~  
3 ~~section 408(e)(2), as added by this Act, is amended by striking~~  
4 ~~“(a)(7)” and inserting “(a)(7) or (a)(8)”.~~

5 ~~(c) Conforming Amendment.— Paragraph (1) of section 408(c),~~  
6 ~~as amended by the preceding provisions of this Act, is amended~~  
7 ~~by striking “(1) through (7)” and inserting “(1) through (8)”.~~

8 ~~(d) Effective Dates.—~~

9 ~~(1) In general.— Except as provided in paragraph (2), the~~  
10 ~~amendments made by this section shall apply to investments~~  
11 ~~made in taxable years beginning after December 31, 2021.~~

12 ~~(2) Special rule for existing investments.— If, on the date of the~~  
13 ~~enactment of this Act, an individual retirement account holds an~~  
14 ~~investment prohibited under section 408(a)(8) of the Internal~~  
15 ~~Revenue Code of 1986 (as added by subsection (a)), the~~  
16 ~~amendments made by this section shall apply to such investment~~  
17 ~~for taxable years beginning after December 31, 2023.~~

18 ~~SEC. 138315. IRA OWNERS TREATED AS DISQUALIFIED~~  
19 ~~PERSONS FOR PURPOSES OF PROHIBITED~~  
20 ~~TRANSACTION RULES.~~

21 ~~(a) In General.— Paragraph (2) of section 4975(e) is amended—~~

22 ~~(1) by striking “or” at the end of subparagraph (H),~~

23 ~~(2) by striking the period at the end of subparagraph (I) and inserting “; or”,~~

24 ~~(3) by inserting after subparagraph (I) the following new subparagraph:~~

25 ~~“(J) the individual for whose benefit a plan described in subparagraph (B) or (C) of~~  
26 ~~paragraph (1) is maintained.”,~~

27 ~~(4) by striking “or (E)” both places it appears in subparagraphs (F) and (G) and inserting~~  
28 ~~“(E), or (J) (in the case of a plan described in subparagraph (B) or (C) of paragraph (1))”,~~

29 ~~(5) by striking “or (G)” in subparagraph (I) and inserting “(G), or (J) (in the case of a plan~~  
30 ~~described in subparagraph (B) or (C) of paragraph (1))”, and~~

1 (6) by adding at the end the following: “For purposes of subparagraphs (G) and (I), any  
2 asset or interest held by a plan described in subparagraph (B) or (C) of paragraph (1) shall  
3 be treated as owned by the individual described in subparagraph (J) with respect to such  
4 plan.”.

5 (b) Conforming **Amendment.**—**Subparagraph Amendments.**—

6 ~~(1) Subparagraph (A) of section 408(e)(2), as amended by the preceding provisions of this~~  
7 ~~Act,~~ is amended to read as follows:

8 “(A) EMPLOYEE ENGAGING IN PROHIBITED TRANSACTION.—If, during any taxable  
9 year of the individual for whose benefit any individual retirement account is  
10 maintained, that individual engages in any transaction prohibited by section 4975 with  
11 respect to such account, such account ceases to be an individual retirement account as  
12 of the first day of such taxable year. For purposes of this paragraph, the separate  
13 account for the benefit of any individual within an individual retirement account  
14 maintained by an employer or association of employees is treated as a separate  
15 individual retirement account.”.

16 ~~(2) Subparagraph (B) of section 408(e)(2), as added by this Act, is amended by striking the~~  
17 ~~last sentence.~~

18 (c) Effective Date.—The amendments made by this section shall apply to transactions  
19 occurring after December 31, 2021.

## 20 PART 4—FUNDING THE INTERNAL REVENUE SERVICE 21 AND IMPROVING TAXPAYER COMPLIANCE

### 22 SEC. 138401. FUNDING ENHANCEMENT OF THE 23 INTERNAL REVENUE SERVICE RESOURCES.

24 (a) Appropriations.—

25 (1) **IN GENERAL.**—**The following sums:**

26 ~~In addition to amounts otherwise available, there are appropriated for fiscal year 2022,~~  
27 ~~out of any money in the Treasury not otherwise appropriated, for the fiscal year ending~~  
28 **September 30, 2022::**

29 ~~(1) \$78,935,000,000, (A) INTERNAL REVENUE SERVICE.—~~

30 (i) **IN GENERAL.**—

31 (I) **TAXPAYER SERVICES.**—**For necessary expenses of the Internal**  
32 **Revenue Service to provide taxpayer services, including pre-filing**  
33 **assistance and education, filing and account services, taxpayer advocacy**  
34 **services, and other services as authorized by 5 U.S.C. 3109, at such rates**  
35 **as may be determined by the Commissioner, \$1,931,500,000, to remain**  
36 **available until September 30, 2031, for: Provided, That these amounts**  
37 **shall be in addition to amounts otherwise available for such purposes.**

38 (II) **ENFORCEMENT.**—**For necessary expenses for tax enforcement**



1 activities of the Internal Revenue Service to determine and collect owed  
2 taxes, to provide legal and litigation support, to conduct criminal  
3 investigations (including investigative technology), to provide digital  
4 asset monitoring and compliance activities, to enforce criminal statutes  
5 related to violations of internal revenue laws and other financial crimes,  
6 to purchase and hire passenger motor vehicles (31 U.S.C. 1343(b)), and  
7 to provide other services as authorized by 5 U.S.C. 3109, at such rates as  
8 may be determined by the Commissioner, ~~\$44,887,500,000(IRS) for~~  
9 ~~strengthening tax enforcement activities and increasing voluntary~~  
10 ~~compliance, expanding audits and other enforcement activities, and~~  
11 ~~modernizing information technology to effectively support enforcement~~  
12 ~~activities, except that no use of these funds is intended to increase taxes on~~  
13 ~~any taxpayer with taxable income below \$400,000;~~

14 (2) ~~\$410,000,000~~, to remain available until September 30, 2031, ~~for~~  
15 ~~necessary expenses for the Treasury Inspector General for Tax~~  
16 ~~Administration to provide oversight of the IRS, including ensuring that~~  
17 ~~taxpayer privacy is protected and that no undue burden is imposed on small~~  
18 ~~businesses from IRS enforcement activities; and: **Provided, That these**~~  
19 ~~amounts shall be in addition to amounts otherwise available for such~~  
20 ~~purposes.~~

21 (3) ~~\$157,000,000(III) OPERATIONS SUPPORT.~~—For necessary expenses  
22 of the Internal Revenue Service to support taxpayer services and  
23 enforcement programs, including rent payments; facilities services;  
24 printing; postage; physical security; headquarters and other IRS-wide  
25 administration activities; research and statistics of income;  
26 telecommunications; information technology development,  
27 enhancement, operations, maintenance, and security; the hire of  
28 passenger motor vehicles (31 U.S.C. 1343(b)); the operations of the  
29 Internal Revenue Service Oversight Board; and other services as  
30 authorized by 5 U.S.C. 3109, at such rates as may be determined by the  
31 Commissioner, ~~\$27,376,300,000~~, to remain available until September 30,  
32 2031, ~~for the Tax Court for adjudicating tax disputes.: **Provided, That these**~~  
33 ~~amounts shall be in addition to amounts otherwise available for such~~  
34 ~~purposes.~~

35 (IV) BUSINESS SYSTEMS MODERNIZATION.—For necessary expenses of  
36 the Internal Revenue Service’s business systems modernization  
37 program, including development of callback technology and other  
38 technology to provide a more personalized customer service but not  
39 including the operation and maintenance of legacy systems,  
40 ~~\$4,750,700,000~~, to remain available until September 30, 2031: **Provided,**  
41 **That these amounts shall be in addition to amounts otherwise available**  
42 **for such purposes.**

43 (ii) TASK FORCE TO DESIGN AN IRS-RUN FREE “DIRECT EFILE” TAX RETURN  
44 SYSTEM.—For necessary expenses of the Internal Revenue Service to deliver  
45 to Congress, within nine months following the date of the enactment of this

1 Act, a report on (I) the cost (including options for differential coverage based  
2 on taxpayer adjusted gross income and return complexity) of developing and  
3 running a free direct efile tax return system, including costs to build and  
4 administer each release, with a focus on multi-lingual and mobile-friendly  
5 features and safeguards for taxpayer data; (II) taxpayer opinions,  
6 expectations, and level of trust, based on surveys, for such a free direct efile  
7 system; and (III) the opinions of an independent third-party on the overall  
8 feasibility, approach, schedule, cost, organizational design, and Internal  
9 Revenue Service capacity to deliver such a direct efile tax return system,  
10 \$15,000,000, to remain available until September 30, 2022: Provided, That  
11 these amounts shall be in addition to amounts otherwise available for such  
12 purposes.

13 (B) TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—For necessary  
14 expenses of the Treasury Inspector General for Tax Administration in carrying  
15 out the Inspector General Act of 1978, as amended, including purchase and hire  
16 of passenger motor vehicles (31 U.S.C. 1343(b)); and services authorized by 5  
17 U.S.C. 3109, at such rates as may be determined by the Inspector General for Tax  
18 Administration, \$403,000,000, to remain available until September 30, 2031:  
19 Provided, That these amounts shall be in addition to amounts otherwise available  
20 for such purposes.

21 (C) OFFICE OF TAX POLICY.—For necessary expenses of the Office of Tax Policy  
22 of the Department of the Treasury to carry out functions related to promulgating  
23 regulations under the Internal Revenue Code of 1986, \$104,533,803, to remain  
24 available until September 30, 2031: Provided, That these amounts shall be in  
25 addition to amounts otherwise available for such purposes.

26 (D) UNITED STATES TAX COURT.—For necessary expenses of the United States  
27 Tax Court, including contract reporting and other services as authorized by 5  
28 U.S.C. 3109; \$153,000,000, to remain available until September 30, 2031:  
29 Provided, That these amounts shall be in addition to amounts otherwise available  
30 for such purposes.

31 (2) MULTI-YEAR OPERATIONAL PLAN.—

32 (A) IN GENERAL.—Not later than 6 months after the date of the enactment of  
33 this Act, the Commissioner of Internal Revenue shall submit to Congress a plan  
34 detailing how the funds appropriated under paragraph (1)(A)(i) will be spent over  
35 the ten-year period ending with fiscal year 2031.

36 (B) QUARTERLY UPDATES.—

37 (i) IN GENERAL.—Not later than the last day of each calendar quarter  
38 beginning during the applicable period, the Commissioner of Internal  
39 Revenue shall submit to Congress a report on the plan established under  
40 subparagraph (A), including—

41 (I) any updates to the plan;

42 (II) progress made in implementing the plan; and

1 (III) any changes in circumstances or challenges in implementing the  
2 plan.

3 (ii) APPLICABLE PERIOD.—For purposes of clause (i), the applicable period  
4 is the period beginning 1 year after the date the report under subparagraph  
5 (A) is due and ending on September 30, 2031.

6 (C) REDUCTION IN APPROPRIATION.—

7 (i) IN GENERAL.—In the case of any failure to submit a plan required under  
8 subparagraph (A) or a report required under subparagraph (B) by the  
9 required date, the amounts made available under paragraph (1)(A)(i) shall  
10 be reduced by \$100,000 for each day after such required date that report has  
11 not been submitted to Congress.

12 (ii) REQUIRED DATE.—For purposes of clause (i), the required date is the  
13 date that is 60 days after the date the plan or report is required to be  
14 submitted under subparagraph (A) or (B), as the case may be.

15 (3) NO TAX INCREASES ON CERTAIN TAXPAYERS.—Nothing in this subsection is  
16 intended to increase taxes on any taxpayer with a taxable income below \$400,000.

17 (b) Personnel Flexibilities.—The Secretary of the Treasury (or the Secretary’s delegate)  
18 may use the funds made available under subsection (a)(1)(A), subject to such policies as the  
19 Secretary (or the Secretary’s delegate) may establish, to take such personnel actions as the  
20 Secretary (or the Secretary’s delegate) determines necessary to administer the Internal  
21 Revenue Code of 1986, including—

22 (1) utilizing direct hire authority to recruit and appoint qualified applicants,  
23 without regard to any notice or preference requirements, directly to positions in the  
24 competitive service;

25 (2) in addition to the authority under section 7812(1) of the Internal Revenue Code  
26 of 1986, appointing not more than 200 individuals to positions in the Internal Revenue  
27 Service under streamlined critical pay authority, except that—

28 (A) the authority to offer streamlined critical pay under this paragraph shall  
29 expire on September 30, 2031; and

30 (B) the positions for which streamlined critical pay is authorized under this  
31 paragraph may include positions critical to the purposes described in subclauses  
32 (I), (II), and (III) of subsection (a)(1)(A)(i); and

33 (3) appointing, without approval of the Office of Personnel Management, not more  
34 than 300 individuals to critical pay positions in the Internal Revenue Service for  
35 which—

36 (A) the rate of basic pay may not exceed the salary set in accordance with  
37 section 104 of title 3, United States Code; and

38 (B) the total annual compensation paid to an employee in such a position,  
39 including allowances, differentials, bonuses, awards, and similar cash payments,  
40 may not exceed the maximum amount of total annual compensation payable at  
41 the salary set in accordance with section 104 of title 3, United States Code.

1 **SEC. 138402. APPLICATION OF BACKUP WITHHOLDING**  
2 **WITH RESPECT TO THIRD PARTY NETWORK**  
3 **TRANSACTIONS.**

4 (a) In General.—Section 3406(b) is amended by adding at the end the following new  
5 paragraph:

6 “(8) OTHER REPORTABLE PAYMENTS INCLUDE PAYMENTS IN SETTLEMENT OF THIRD PARTY  
7 NETWORK TRANSACTIONS ONLY WHERE AGGREGATE FOR CALENDAR YEAR IS \$600 OR  
8 MORE.—Any payment in settlement of a third party network transaction required to be  
9 shown on a return required under section 6050W which is made during any calendar year  
10 shall be treated as a reportable payment only if—

11 “(A) the aggregate amount of such payment and all previous such payments made  
12 by the third party settlement organization to the participating payee during such  
13 calendar year equals or exceeds \$600, or

14 “(B) the third party settlement organization was required under section 6050W to  
15 file a return for the preceding calendar year with respect to payments to the  
16 participating payee.”.

17 (b) Conforming Amendment.—Section 6050W(e) is amended by inserting “equal or” before  
18 “exceed \$600”.

19 (c) Effective Date.—The amendments made by this section shall apply to calendar years  
20 beginning after December 31, 2021.

21 (d) Transitional Rule for 2022.—In the case of payments made during calendar year 2022,  
22 section 3406(b)(8)(A) of the Internal Revenue Code of 1986 (as added by this section) shall be  
23 applied by inserting “and the aggregate number of third party network transactions settled by the  
24 third party settlement organization with respect to the participating payee during such calendar  
25 year exceeds 200” before the comma at the end.

26 ~~SEC. 138403. LIMITATION ON DEDUCTION FOR~~  
27 ~~QUALIFIED CONSERVATION CONTRIBUTIONS MADE~~  
28 ~~BY PASS THROUGH ENTITIES, ETC.~~

29 ~~(a) In General.—Section 170(h) is amended by adding at the end~~  
30 ~~the following new paragraphs:~~

31 ~~“(7) Limitation on deduction for qualified conservation~~  
32 ~~contributions made by pass-through entities.—~~

33 ~~“(A) In general.—A contribution by a partnership (whether~~  
34 ~~directly or as a distributive share of a contribution of another~~  
35 ~~partnership) shall not be treated as a qualified conservation~~

1 ~~contribution for purposes of this section if the amount of such~~  
2 ~~contribution exceeds 2.5 times the sum of each partner's~~  
3 ~~relevant basis in such partnership.~~

4 ~~“(B) Relevant basis.—For purposes of this paragraph—~~

5 ~~“(i) In general.—The term ‘relevant basis’ means, with respect~~  
6 ~~to any partner, the portion of such partner's modified basis in the~~  
7 ~~partnership which is allocable (under rules similar to the rules of~~  
8 ~~section 755) to the portion of the real property with respect to~~  
9 ~~which the contribution described in subparagraph (A) is made.~~

10 ~~“(ii) Modified basis.—The term ‘modified basis’ means, with~~  
11 ~~respect to any partner, such partner's adjusted basis in the~~  
12 ~~partnership as determined—~~

13 ~~“(I) immediately before the contribution described in~~  
14 ~~subparagraph (A),~~

15 ~~“(II) without regard to section 752, and~~

16 ~~“(III) by the partnership after taking into account the~~  
17 ~~adjustments described in subclauses (I) and (II) and such other~~  
18 ~~adjustments as the Secretary may provide.~~

19 ~~“(C) Exception for contributions outside 3-year holding-~~  
20 ~~period.—Subparagraph (A) shall not apply to any contribution-~~  
21 ~~which is made at least 3 years after the latest of—~~

22 ~~“(i) the last date on which the partnership that made such~~  
23 ~~contribution acquired any portion of the real property with~~  
24 ~~respect to which such contribution is made,~~

25 ~~“(ii) the last date on which any partner in the partnership that~~  
26 ~~made such contribution acquired any interest in such~~  
27 ~~partnership, and~~

28 ~~“(iii) if the interest in the partnership that made such~~

1 ~~contribution is held through one or more partnerships—~~

2 ~~“(I) the last date on which any such partnership acquired any~~  
3 ~~interest in any other such partnership, and~~

4 ~~“(II) the last date on which any partner in any such partnership~~  
5 ~~acquired any interest in such partnership.~~

6 ~~“(D) Exception for family partnerships.—~~

7 ~~“(i) In general.— Subparagraph (A) shall not apply with respect~~  
8 ~~to any contribution made by any partnership if substantially all~~  
9 ~~of the partnership interests in such partnership are held, directly~~  
10 ~~or indirectly, by an individual and members of the family of~~  
11 ~~such individual.~~

12 ~~“(ii) Members of the family.— For purposes of this~~  
13 ~~subparagraph, the term ‘members of the family’ means, with~~  
14 ~~respect to any individual—~~

15 ~~“(I) the spouse of such individual, and~~

16 ~~“(II) any individual who bears a relationship to such individual~~  
17 ~~which is described in subparagraphs (A) through (G) of section~~  
18 ~~152(d)(2).~~

19 ~~“(E) Application to other pass-through entities.— Except as may~~  
20 ~~be otherwise provided by the Secretary, the rules of this~~  
21 ~~paragraph shall apply to S corporations and other pass-through~~  
22 ~~entities in the same manner as such rules apply to partnerships.~~

23 ~~“(F) Regulations.— The Secretary shall prescribe such~~  
24 ~~regulations or other guidance as may be necessary or appropriate~~  
25 ~~to carry out the purposes of this paragraph, including regulations~~  
26 ~~or other guidance—~~

27 ~~“(i) to require reporting, including reporting related to tiered~~  
28 ~~partnerships and the modified basis of partners, and~~

1 ~~“(ii) to prevent the avoidance of the purposes of this paragraph.~~

2 ~~“(8) Notice of certain failures.—~~

3 ~~“(A) In general.—If a donor is found by the Secretary to have~~  
4 ~~failed to meet the requirement that a qualified conservation~~  
5 ~~contribution shall be granted and protected in perpetuity by~~  
6 ~~reason of defective language in the deed relating to property line~~  
7 ~~adjustments or extinguishment clauses, the donor shall have 90~~  
8 ~~days from the written notice by the Secretary to correct such~~  
9 ~~failure, unless the Secretary can demonstrate that the donor’s~~  
10 ~~failure to meet those requirements was intentional.~~

11 ~~“(B) Exception.—Subparagraph (A) shall not apply to any~~  
12 ~~reportable transaction or any contribution that is not treated as a~~  
13 ~~qualified conservation contribution by reason of paragraph (7).”.~~

14 ~~(b) Application of Accuracy Related Penalties.—~~

15

16 ~~\* 116 (1) In general.—Section 6662(b) is amended by inserting~~  
17 ~~after paragraph (9) the following new paragraph:~~

18 ~~“(10) Any disallowance of a deduction by reason of section~~  
19 ~~170(h)(7).”.~~

20 ~~(2) Treatment as gross valuation misstatement.—Section~~  
21 ~~6662(h)(2) is amended by striking “and” at the end of~~  
22 ~~subparagraph (B), by striking the period at the end of~~  
23 ~~subparagraph (C) and inserting “, and”, and by adding at the end~~  
24 ~~the following new subparagraph:~~

25 ~~“(D) any disallowance of a deduction described in subsection~~  
26 ~~(b)(10).”.~~

27 ~~(3) No reasonable cause exception.—Section 6664(c)(2) is~~  
28 ~~amended by inserting “or to any disallowance of a deduction~~

1 ~~described in section 6662(b)(10)” before the period at the end.~~

2 ~~(4) Approval of assessment not required.— Section~~  
3 ~~6751(b)(2)(A) is amended by striking “subsection (b)(9)” and~~  
4 ~~inserting “paragraph (9) or (10) of subsection (b)”.~~

5 ~~(c) Application of Statute of Limitations on Assessment and~~  
6 ~~Collection.—~~

7 ~~(1) Extension for certain adjustments made under prior law.— In~~  
8 ~~the case of any disallowance of a deduction by reason of section~~  
9 ~~170(h)(7) of the Internal Revenue Code of 1986 (as added by~~  
10 ~~this section) or any penalty imposed under section 6662 of such~~  
11 ~~Code with respect to such disallowance, section 6229(d)(2) of~~  
12 ~~such Code (as in effect before its repeal) shall be applied by~~  
13 ~~substituting “2 years” for “1 year”.~~

14 ~~(2) Extension for listed transactions.— Any contribution~~  
15 ~~described in section 170(h)(7)(A) of the Internal Revenue Code~~  
16 ~~of 1986 (as added by this section) shall be treated for purposes~~  
17 ~~of sections 6501(e)(10) and 6235(c)(6) of such Code as a~~  
18 ~~transaction specifically identified by the Secretary on December~~  
19 ~~23, 2016, as a tax avoidance transaction for purposes of section~~  
20 ~~6011 of such Code.~~

21 ~~(d) Application to Certain Transactions Disallowed Under Other~~  
22 ~~Provisions of Law.— In the case of any disallowance of a~~  
23 ~~deduction under section 170 of the Internal Revenue Code of~~  
24 ~~1986 with respect to a transaction described in Internal Revenue~~  
25 ~~Service Notice 201710 with respect to a taxable year ending~~  
26 ~~before the date of the enactment of this Act, such disallowance~~  
27 ~~shall be treated for purposes of section 6662(b)(10) of such~~  
28 ~~Code (as added by this section) and subsection (c)(1) as being~~  
29 ~~by reason of section 170(h)(7) of such Code (as added by this~~



1 section).

2 ~~(e) Effective Date.—~~

3 ~~(1) In general.—Except as provided in paragraphs (2) and (3),~~  
4 ~~the amendments made by this section shall apply to~~  
5 ~~contributions made after December 23, 2016, in taxable years~~  
6 ~~ending after such date.~~

7 ~~(2) Notice of certain failures.—So much of the amendment~~  
8 ~~made by subsection (a) as relates to section 170(h)(8) of the~~  
9 ~~Internal Revenue Code of 1986, as added by such subsection,~~  
10 ~~shall apply to—~~

11 ~~(A) returns filed after the date of the enactment of this Act, and~~  
12 ~~(B) returns filed on or before such date if the period specified in~~  
13 ~~section 6501 for assessment of the taxes with respect to which~~  
14 ~~such return relates has not expired as of such date.~~

15 ~~(3) Certified historic structures.—In the case of contributions the~~  
16 ~~conservation purpose (as defined in section 170(h)(4) of the~~  
17 ~~Internal Revenue Code of 1986) of which is the preservation of~~  
18 ~~a certified historic structure (as defined in section 170(h)(4)(C)~~  
19 ~~of such Code), the amendments made by this section shall apply~~  
20 ~~to contributions made in taxable years beginning after December~~  
21 ~~31, 2018.~~

22 ~~(4) No inference.—No inference is intended as to the~~  
23 ~~appropriate treatment of contributions made in taxable years~~  
24 ~~ending on or before the date specified in paragraph (1) or (3),~~  
25 ~~whichever is applicable, or as to any activity not described in~~  
26 ~~section 170(h)(7) of the Internal Revenue Code of 1986, as~~  
27 ~~added by this section.~~

28 ~~SEC. 138404~~ **SEC. 138403.** MODIFICATION OF

## 1 PROCEDURAL REQUIREMENTS RELATING TO 2 ASSESSMENT OF PENALTIES.

3 (a) Repeal of Approval Requirement.—Section 6751, ~~as amended by the preceding provision~~  
4 ~~of this Act~~, is amended by striking subsection (b).

5 (b) Quarterly Certifications of Compliance With Procedural Requirements.—Section 6751, as  
6 amended by subsection (a) of this section, is amended by inserting after subsection (a) the  
7 following new subsection:

8 “(b) Quarterly Certifications of Compliance.—Each appropriate supervisor of employees of  
9 the Internal Revenue Service shall certify quarterly by letter to the Commissioner of Internal  
10 Revenue whether or not the requirements of subsection (a) **and administrative policies**  
11 **intended to ensure voluntary compliance** have been met with respect to notices of penalty  
12 issued by such employees.”.

13 (c) Effective Dates.—

14 (1) REPEAL OF APPROVAL REQUIREMENT.—The amendment made by subsection (a) shall  
15 take effect as if included in section 3306 of the Internal Revenue Service Restructuring and  
16 Reform Act of 1998.

17 (2) QUARTERLY CERTIFICATIONS OF COMPLIANCE WITH PROCEDURAL  
18 REQUIREMENTS.—The amendment made by subsection (b) shall apply to notices of penalty  
19 issued after the date of the enactment of this Act.

## 20 PART 5—OTHER PROVISIONS

### 21 SEC. 138501. MODIFICATIONS TO LIMITATION ON 22 DEDUCTION OF EXCESSIVE EMPLOYEE 23 REMUNERATION.

24 (a) In General.—Section 162(m) is amended by adding at the end the following new  
25 paragraph:

26 “(7) SPECIAL RULES RELATED TO LIMITATION ON DEDUCTION OF EXCESSIVE EMPLOYEE  
27 REMUNERATION.—

28 “(A) AGGREGATION RULE.—A rule similar to the rule of paragraph (6)(C)(ii) shall  
29 apply for purposes of paragraph (1).

30 “(B) REGULATIONS.—The Secretary shall prescribe such regulations or other  
31 guidance as may be necessary or appropriate to carry out the purposes of paragraph  
32 (1), including regulations or other guidance to prevent the avoidance of such purposes,  
33 including through the performance of services other than as an employee or by  
34 providing compensation through a pass-through or other entity.”.

35 (b) ~~Acceleration of Application to 5 Highest Compensated Employees.—Section~~  
36 ~~162(m)(3)(C) is amended by striking “December 31, 2026” and inserting “December 31, 2021”.~~

37 (c) Applicable Employee Remuneration.—Section 162(m)(4)(A) is amended—

1 (1) by inserting “(including performance-based compensation, commissions,  
2 post-termination compensation, and beneficiary payments)” after “remuneration for  
3 services”, and

4 (2) by inserting “and whether or not such remuneration is paid directly by the publicly  
5 held corporation” after “whether or not during the taxable year”.

6 ~~(d)~~(c) Effective Date.—The amendments made by this section shall apply to taxable years  
7 beginning after December 31, 2021.

## 8 SEC. 138502. EXTENSION OF TAX TO FUND BLACK 9 LUNG DISABILITY TRUST FUND.

10 (a) In General.—Section 4121(e)(2)(A) is amended by striking “December 31, 2021” and  
11 inserting “December 31, 2025”.

12 (b) Effective Date.—The amendment made by this section shall apply to sales after December  
13 31, 2021.

## 14 SEC. 138503. PROHIBITED TRANSACTIONS RELATING 15 TO HOLDING DISC OR FSC IN INDIVIDUAL 16 RETIREMENT ACCOUNT.

17 (a) In General.—Section 4975(c)(1) is amended by striking “or” at the end of subparagraph  
18 (E), by striking the period at the end of subparagraph (F) and inserting “; or”, and by adding at  
19 the end the following new subparagraph:

20 “(G) ~~in the case of investment, at the direction of a disqualified person, by an~~  
21 **individual retirement account in an interest** in a DISC or FSC that receives any  
22 commission, or other payment, from an entity any stock or interest in which is owned  
23 by the individual for whose benefit ~~an individual retirement account is maintained,~~  
24 ~~holding of an interest in such DISC or FSC by the individual retirement account.”~~ **the**  
25 **account is maintained.”**

26 (b) Special Rules of Application.—Section 4975(c) is amended by adding at the end the  
27 following new paragraph:

28 “(8) SPECIAL RULES OF APPLICATION FOR DISC AND FSC ~~HOLDINGS.~~— **INVESTMENTS.**—

29 “(A) INDIRECT HOLDING OF DISC OR FSC.—For purposes of paragraph (1)(G), if  
30 **investment by** an individual retirement account ~~holds in~~ an interest in an entity that  
31 owns (directly or indirectly) an interest in a DISC or FSC, ~~the account~~ shall be treated  
32 as **holding investment by such account in** an interest in such DISC or FSC.

33 “(B) CONSTRUCTIVE OWNERSHIP.—For purposes of determining ownership of stock  
34 (or any other interest) in an entity under paragraph (1)(G) and ownership of an interest  
35 in a DISC or FSC under subparagraph (A), the rules prescribed by section 318 for  
36 determining ownership shall apply, except that such section shall be applied by  
37 substituting ‘10 percent’ for ‘50 percent’ each place it appears.

38 “(C) DISC AND FSC.—For purposes of ~~his~~ **this** subsection, the terms ‘DISC’ and

1           ‘FSC’ shall have the respective meanings given such terms by section 992(a)(1)) and  
2           section 922(a) (as in effect before its repeal by the FSC Repeal and Extraterritorial  
3           Income Exclusion Act of 2000).”.

4           (c) Application of Tax to Terminated Individual Retirement Accounts.—Section 4975(c)(3) is  
5           amended by adding at the end the following: “The preceding sentence shall not apply in the case  
6           of a prohibited transaction described in paragraph (1)(G).”.

7           **(d) Related Rules for Individual Retirement Accounts.—**

8           **(1) IN GENERAL.—Section 408(a) is amended by inserting after paragraph (6) the**  
9           **following new paragraph:**

10           **“(7) No part of the trust funds will be invested in any interest in a DISC or a FSC**  
11           **that receives any commission, or other payment, from an entity any stock or interest in**  
12           **which is owned by the individual for whose benefit the trust is maintained. For**  
13           **purposes of the preceding sentence, the definitions and rules of section 4975(c)(8) shall**  
14           **apply.”.**

15           (e) Loss of Exemption of Account.—Section 408(e)(2), as amended by the preceding  
16           provisions of this Act, is amended—

17           **(1) by redesignating subparagraph (B) as subparagraph (C),**

18           **(2) by inserting after subparagraph (A) the following new subparagraph:**

19           **“(B) PROHIBITED INVESTMENT.—If, during any taxable year of the individual**  
20           **for whose benefit any individual retirement account is maintained, the investment**  
21           **of any part of the funds of such individual retirement account does not comply**  
22           **with subsection (a)(7), such account ceases to be an individual retirement account**  
23           **as of the first day of such taxable year. For purposes of this subparagraph, the**  
24           **separate account for the benefit of any individual within an individual retirement**  
25           **account maintained by an employer or association of employees is treated as a**  
26           **separate individual retirement account.”,**

27           \*\* 117 ~~(4)~~(3) by striking “WHERE EMPLOYEE ENGAGES IN PROHIBITED TRANSACTION” in  
28           the heading and inserting “IN CASE OF CERTAIN PROHIBITED TRANSACTIONS AND  
29           INVESTMENTS”,

30           \*\* 118 ~~(6)~~(4) by striking “(A)” in subparagraph (C), as so redesignated, and inserting  
31           “(A) or (B)”.

32           **(f) Conforming Amendments.—**

33           **(1) Section 408(c)(1) is amended by striking “(1) through (6)” and inserting “(1)**  
34           **through (7)”.**

35           **(2) Section 4975(c)(3) is amended—**

36           **(A) striking “established” and inserting “maintained”,**

37           \*\* 119 (B) by striking “transaction” both places it appears and inserting “transaction  
38           or investment”, and

39           \*\* 120 (C) by striking “section 408(e)(2)(A)” and inserting “subparagraph (A) or  
40           (B) of section 408(e)(2)”.

1     ~~(d)(g) Effective Date.—The amendments made by this section shall apply to stock and other~~  
2     ~~interests acquired or held on or after December 31, 2021.~~

3     ~~SEC. 138504. INCREASE IN TAX ON CERTAIN TOBACCO~~  
4     ~~PRODUCTS AND IMPOSITION OF TAX ON NICOTINE.~~

5     ~~(a) Increasing Tax on Cigarettes.—~~

6     ~~(1) Small cigarettes.—Section 5701(b)(1) is amended by striking~~  
7     ~~“\$50.33” and inserting “\$100.66”.~~

8     ~~(2) Large cigarettes.—Section 5701(b)(2) is amended by striking~~  
9     ~~“\$105.69” and inserting “\$211.39”.~~

10    ~~(b) Tax Parity for Small Cigars.—Section 5701(a)(1) is~~  
11    ~~amended by striking “\$50.33” and inserting “\$100.66”.~~

12    ~~(c) Tax Parity for Large Cigars.—Section 5701(a)(2) is amended~~  
13    ~~by striking “52.75 percent” and all that follows through the~~  
14    ~~period and inserting “\$49.56 per pound and a proportionate tax~~  
15    ~~at the like rate on all fractional parts of a pound but not less than~~  
16    ~~10.06 cents per cigar.”.~~

17    ~~(d) Tax Parity for Smokeless Tobacco.—~~

18    ~~(1) Section 5701(e) is amended—~~

19    ~~(A) in paragraph (1), by striking “\$1.51” and inserting “\$26.84”,~~

20    ~~(B) in paragraph (2), by striking “50.33 cents” and inserting~~  
21    ~~“\$10.70”, and~~

22    ~~(C) by adding at the end the following new paragraph:~~

23    ~~“(3) Smokeless tobacco sold in discrete single use units.—On~~  
24    ~~discrete single use units, \$100 per thousand.”.~~

25    ~~(2) Section 5702(m) is amended—~~

26    ~~(A) in paragraph (1), by striking “or chewing tobacco” and~~  
27    ~~inserting “, chewing tobacco, or discrete single use unit”,~~

1 ~~(B) in paragraphs (2) and (3), by inserting “and that is not a~~  
2 ~~discrete single use unit” before the period at the end of each~~  
3 ~~such paragraph, and~~

4 ~~(C) by adding at the end the following new paragraph:~~

5 ~~“(4) Discrete single use unit.— The term ‘discrete single use~~  
6 ~~unit’ means any product containing tobacco that—~~

7 ~~“(A) is not intended to be smoked, and~~

8 ~~“(B) is in the form of a lozenge, tablet, pill, pouch, dissolvable~~  
9 ~~strip, or other discrete single use or single dose unit.”.~~

10 ~~(e) Tax Parity for Pipe Tobacco.— Section 5701(f) is amended~~  
11 ~~by striking “\$2.8311 cents” and inserting “\$49.56”.~~

12 ~~(f) Tax Parity for Roll Your Own Tobacco.— Section 5701(g) is~~  
13 ~~amended by striking “\$24.78” and inserting “\$49.56”.~~

14 ~~(g) Tax Parity for Roll Your Own Tobacco and Certain~~  
15 ~~Processed Tobacco.— Section 5702(o) is amended by inserting~~  
16 ~~“, and includes processed tobacco that is removed for delivery or~~  
17 ~~delivered to a person other than a person with a permit provided~~  
18 ~~under section 5713, but does not include removals of processed~~  
19 ~~tobacco for exportation” after “wrappers thereof”.~~

20 ~~(h) Imposition of Tax on Nicotine for Use in Vaping, etc.—~~

21  
22 ~~\* 141 (1) In general.— Section 5701 is amended by~~  
23 ~~redesignating subsection (h) as subsection (i) and by inserting~~  
24 ~~after subsection (g) the following new subsection:~~

25  
26 ~~\* 142 “(h) Nicotine.— On taxable nicotine, manufactured in or~~  
27 ~~imported into the United States, there shall be imposed a tax~~

1 ~~equal to the dollar amount specified in section 5701(b)(1) per-~~  
2 ~~1,810 milligrams of nicotine (and a proportionate tax at the like-~~  
3 ~~rate on any fractional part thereof).”.~~

4 ~~(2) Taxable nicotine.—Section 5702 is amended by adding at~~  
5 ~~the end the following new subsection:~~

6 ~~“(q) Taxable Nicotine.—~~

7  
8 ~~\* 143 “(1) In general.—Except as otherwise provided in this~~  
9 ~~subsection, the term ‘taxable nicotine’ means any nicotine which~~  
10 ~~has been extracted, concentrated, or synthesized.~~

11  
12 ~~\* 144 “(2) Exception for products approved by food and drug~~  
13 ~~administration.—Such term shall not include any nicotine if the~~  
14 ~~manufacturer or importer thereof demonstrates to the~~  
15 ~~satisfaction of the Secretary of Health and Human Services that~~  
16 ~~such nicotine will be used in—~~

17 ~~“(A) a drug—~~

18  
19 ~~\* 145 “(i) that is approved under section 505 of the Federal~~  
20 ~~Food, Drug, and Cosmetic Act or licensed under section 351 of~~  
21 ~~the Public Health Service Act; or~~

22  
23 ~~\* 146 “(ii) for which an investigational use exemption has been~~  
24 ~~authorized under section 505(i) of the Federal Food, Drug, and~~  
25 ~~Cosmetic Act or under section 351(a) of the Public Health~~  
26 ~~Service Act; or~~

1 ~~\* 147 “(B) a combination product (as described in section~~  
2 ~~503(g) of the Federal Food, Drug, and Cosmetic Act), the~~  
3 ~~constituent parts of which were approved or cleared under~~  
4 ~~section 505, 510(k), or 515 of such Act.~~

5  
6 ~~\* 148 “(3) Coordination with taxation of other tobacco~~  
7 ~~products.—Tobacco products meeting the definition of cigars,~~  
8 ~~cigarettes, smokeless tobacco, pipe tobacco, and roll your own~~  
9 ~~tobacco in this section shall be classified and taxed as such~~  
10 ~~despite any concentration of the nicotine inherent in those~~  
11 ~~products or any addition of nicotine to those products during the~~  
12 ~~manufacturing process.~~

13  
14 ~~\* 149 “(4) Regulations.—The Secretary shall prescribe such~~  
15 ~~regulations or other guidance as is necessary or appropriate to~~  
16 ~~carry out the purposes of this subsection, including regulations~~  
17 ~~or other guidance for coordinating the taxation of tobacco~~  
18 ~~products and taxable nicotine to protect revenue and prevent~~  
19 ~~double taxation.”.~~

20 ~~(3) Taxable nicotine treated as a tobacco product.—Section~~  
21 ~~5702(c) is amended by striking “and roll your own tobacco” and~~  
22 ~~inserting “roll your own tobacco, and taxable nicotine”.~~

23 ~~(4) Manufacturer of taxable nicotine.—Section 5702, as~~  
24 ~~amended by paragraph (2), is amended by adding at the end the~~  
25 ~~following new subsection:~~

26 ~~“(r) Manufacturer of Taxable Nicotine.—~~

27  
28 ~~\* 150 “(1) In general.—Any person who extracts, concentrates,~~



1 ~~or synthesizes nicotine shall be treated as a manufacturer of~~  
2 ~~taxable nicotine (and as manufacturing such taxable nicotine).~~

3  
4 ~~\* 151 “(2) Application of rules related to manufacturers of~~  
5 ~~tobacco products.— Any reference to a manufacturer of tobacco~~  
6 ~~products, or to manufacturing tobacco products, shall be treated~~  
7 ~~as including a reference to a manufacturer of taxable nicotine, or~~  
8 ~~to manufacturing taxable nicotine, respectively.”.~~

9 ~~(j) Repeal of Special Rules for Determining Price of~~  
10 ~~Cigars.— Section 5702 is amended by striking subsection (l).~~

11 ~~(k) Floor Stocks Taxes.—~~

12 ~~(1) Imposition of tax.— On covered tobacco products, and~~  
13 ~~cigarette papers and tubes, manufactured in or imported into the~~  
14 ~~United States which are removed before the tax increase date~~  
15 ~~and held on such date for sale by any person, there is hereby~~  
16 ~~imposed a tax in an amount equal to the excess of—~~

17 ~~(A) the tax which would be imposed under section 5701 of the~~  
18 ~~Internal Revenue Code of 1986 on the article if the article had~~  
19 ~~been removed on such date, over~~

20 ~~(B) the prior tax (if any) imposed under section 5701 of such~~  
21 ~~Code on such article.~~

22 ~~(2) Covered tobacco products.— For purposes of this subsection,~~  
23 ~~the term “covered tobacco products” means any tobacco product~~  
24 ~~other than—~~

25 ~~(A) cigars described in section 5701(a)(2) of the Internal~~  
26 ~~Revenue Code of 1986,~~

27 ~~(B) discrete single use units (as defined in section 5702(m)(4) of~~  
28 ~~such Code, as amended by this section), and~~

1 ~~(C) taxable nicotine (as defined in section 5702(q) of such Code,~~  
2 ~~as amended by this section).~~

3 ~~(3) Credit against tax.— Each person shall be allowed as a credit~~  
4 ~~against the taxes imposed by paragraph (1) an amount equal to~~  
5 ~~the lesser of \$1,000 or the amount of such taxes. For purposes of~~  
6 ~~the preceding sentence, all persons treated as a single employer~~  
7 ~~under subsection (b), (c), (m), or (o) of section 414 of the~~  
8 ~~Internal Revenue Code of 1986 shall be treated as 1 person for~~  
9 ~~purposes of this paragraph.~~

10 ~~(4) Liability for tax and method of payment.—~~

11 ~~(A) Liability for tax.— The person referred to in paragraph (1)~~  
12 ~~shall be liable for the tax imposed by such paragraph.~~

13 ~~(B) Method of payment.— The tax imposed by paragraph (1)~~  
14 ~~shall be paid in such manner as the Secretary may provide.~~

15 ~~(5) Articles in foreign trade zones.—~~

16 ~~(A) In general.— Notwithstanding the Act of June 18, 1934~~  
17 ~~(commonly known as the Foreign Trade Zone Act, 48 Stat. 998,~~  
18 ~~19 U.S.C. 81a et seq.) or any other provision of law, any~~  
19 ~~covered tobacco products, or cigarette papers and tubes, which~~  
20 ~~are located in a foreign trade zone on the tax increase date, shall~~  
21 ~~be subject to the tax imposed by paragraph (1) if—~~

22 ~~(i) internal revenue taxes have been determined, or customs~~  
23 ~~duties liquidated, with respect to such article before such date~~  
24 ~~pursuant to a request made under the 1st proviso of section 3(a)~~  
25 ~~of such Act, or~~

26 ~~(ii) such article is held on such date under the supervision of an~~  
27 ~~officer of the United States Customs and Border Protection of~~  
28 ~~the Department of Homeland Security pursuant to the 2d proviso~~

1 ~~of such section 3(a).~~

2 ~~(6) Tax increase date.— For purposes of this subsection, the term~~  
3 ~~“tax increase date” means the first day of the first calendar~~  
4 ~~quarter described in subsection (k)(1).~~

5 ~~(7) Certain other definitions.— Terms used in this subsection~~  
6 ~~which are also used in section 5702 of the Internal Revenue~~  
7 ~~Code of 1986 shall have the same meaning as when used in such~~  
8 ~~section.~~

9 ~~(1) Effective Date.—~~

10 ~~(1) In general.— Except as otherwise provided in this subsection,~~  
11 ~~the amendments made by this section shall apply to articles~~  
12 ~~removed in calendar quarters beginning after the date of the~~  
13 ~~enactment of this Act.~~

14 ~~(2) Delayed effective date for certain products.— The~~  
15 ~~amendments made by subsections (c), (d)(1)(C), (d)(2), and (h)~~  
16 ~~shall apply to articles removed in calendar quarters beginning~~  
17 ~~after the date which is 180 days after the date of the enactment~~  
18 ~~of this Act.~~

19

20 ~~\* 152 (m) Transition Rule for Permit and Bond~~

21 ~~Requirements.— A person which is lawfully engaged in business~~  
22 ~~as a manufacturer or importer of taxable nicotine (within the~~  
23 ~~meaning of subchapter A of chapter 52 of the Internal Revenue~~  
24 ~~Code of 1986, as amended by this section) on the date of the~~  
25 ~~enactment of this Act, first becomes subject to the requirements~~  
26 ~~of subchapter B of chapter 52 of such Code by reason of the~~  
27 ~~amendments made by this section, and submits an application~~  
28 ~~under such subchapter B to engage in such business not later~~  
29 ~~than 90 days after the date of the enactment of this Act, shall not~~

1 ~~be denied the right to carry on such business by reason of such~~  
2 ~~requirements before final action on such application.~~

3 ~~SEC. 138504 138505. CLARIFICATION OF RULES-~~  
4 ~~REGARDING TOBACCO DRAWBACK.~~

5 (a) ~~In General.~~—Section 5706 is amended by adding at the end  
6 ~~the following: “Exemption from tax under section 5704 is~~  
7 ~~drawback, and no further drawback shall be allowed based on~~  
8 ~~merchandise that has not been subject to tax.”.~~

9 (b) ~~Effective Date.~~—The amendment made by this section shall  
10 ~~apply to drawback claims made on or after December 18, 2018.~~

11 (c) ~~No Inference.~~—Nothing contained in this subsection or the  
12 ~~amendments made by this subsection shall be construed to~~  
13 ~~create any inference with respect to any drawback claim made~~  
14 ~~before December 18, 2018.~~

15 ~~SEC. 138506. TERMINATION OF EMPLOYER CREDIT-~~  
16 ~~FOR PAID FAMILY AND MEDICAL LEAVE.~~

17 ~~Section 45S(i) is amended by striking “December 31, 2025” and~~  
18 ~~inserting “December 31, 2023”.~~

19 ~~SEC. 138507. CLARIFICATION OF TREATMENT OF DISC~~  
20 ~~GAINS AND DISTRIBUTIONS OF CERTAIN FOREIGN~~  
21 ~~SHAREHOLDERS.~~

22 (a) ~~In General.~~—Section 996(g) of the Internal Revenue Code of 1986 is amended by striking  
23 ~~“of such shareholder” and inserting “deemed to be had by such shareholder”.~~

24 (b) ~~Effective Date.~~—The amendments made by subsection (a) shall apply to gains and  
25 ~~distributions after December 31, 2021.~~

26 (c) ~~Application to Foreign Sales Corporations.~~—In the case of any distribution after December  
27 ~~31, 2021, section 926(b)(1) of the Internal Revenue Code of 1986 (prior to its repeal by the FSC~~  
28 ~~Repeal and Extraterritorial Income Exclusion Act of 2000) shall be applied by substituting~~  
29 ~~“deemed to be had by such shareholder” for “of such shareholder”.~~

30  
31 \* ~~11 SEC. 138508. ACCESS TO SELF EMPLOYMENT INCOME INFORMATION FOR-~~

1 PAID LEAVE ADMINISTRATION.

2  
3 \* 12 Section 6103(l) of the Internal Revenue Code of 1986 is amended by adding at the end  
4 the following new paragraph:

5  
6 \* 13 ~~“(23) Disclosure of certain return information to carry out paid family and medical leave-~~  
7 ~~benefit program.—~~

8  
9 \* 14 ~~“(A) In general.— The Secretary shall, upon written request, disclose to officers and~~  
10 ~~employees of the Department of the Treasury return information with respect to a taxpayer-~~  
11 ~~whose self-employment income is relevant in determining eligibility for, or the correct amount-~~  
12 ~~of, a paid family and medical leave benefit under title XXII of the Social Security Act. Such~~  
13 ~~information shall be limited to—~~

14 ~~“(i) the taxpayer identity information(d) No Inference.—This section (and the amendments~~  
15 ~~made by this section) shall not be construed to create any inference with respect to the~~  
16 ~~proper application of any provision of the Internal Revenue Code of 1986 with respect to~~  
17 ~~gains and distributions before January 1, 2022. taxpayer,~~

18 ~~“(ii) the self-employment income of the taxpayer, and~~

19 ~~“(iii) the taxable year to which such self-employment income relates.~~

20  
21 \* 15 ~~“(B) Restriction on disclosure.— Return information~~  
22 ~~disclosed under subparagraph (A) may be used by officers and~~  
23 ~~employees of the Department of the Treasury solely for the~~  
24 ~~purpose of administering the paid family and medical leave~~  
25 ~~benefit program under title XXII of the Social Security Act.~~

26  
27 \* 16 ~~“(C) Self-employment income.— For purposes of this~~  
28 ~~paragraph, the term ‘self-employment income’ has the meaning~~  
29 ~~given such term in section 1402(b) for purposes of the taxes~~  
30 ~~imposed by section 1401(b).”.~~

31 ~~SEC. 138505 138509. TEMPORARY RULE TO ALLOW~~  
32 ~~CERTAIN S CORPORATIONS TO REORGANIZE AS~~  
33 ~~PARTNERSHIPS WITHOUT TAX.~~

1 ~~(a) In General.—A qualified liquidation of an eligible S-~~  
2 ~~corporation shall be treated for purposes of the Internal Revenue~~  
3 ~~Code of 1986 in the same manner as if—~~

4 ~~(1) such liquidation were a complete liquidation described in~~  
5 ~~section 332(b) of such Code, and~~

6 ~~(2) the domestic partnership referred to in subsection (c)(2) were~~  
7 ~~a corporation which is an 80 percent distributee (within the~~  
8 ~~meaning of section 337(c) of such Code).~~

9 ~~(b) Eligible S Corporation.—For purposes of this section, the~~  
10 ~~term “eligible S corporation” means any corporation (including~~  
11 ~~any predecessor corporation) that was an S corporation on May~~  
12 ~~13, 1996, and at all times thereafter through the date on which~~  
13 ~~the qualified liquidation is completed.~~

14 ~~(c) Qualified Liquidation.—For purposes of this section, the~~  
15 ~~term “qualified liquidation” means one or more transactions~~  
16 ~~occurring during the 2 year period beginning on December 31,~~  
17 ~~2021 if—~~

18 ~~(1) such transactions constitute the complete liquidation of an~~  
19 ~~eligible S corporation, and~~

20 ~~(2) substantially all of the assets and liabilities of such eligible S~~  
21 ~~corporation are, as a result of such transactions, transferred to a~~  
22 ~~domestic partnership.~~

23 ~~(d) Election.—This section shall apply to any qualified~~  
24 ~~liquidation only if the eligible S corporation elects the~~  
25 ~~application of this section in such manner as the Secretary may~~  
26 ~~require and not later than the due date for filing the return of tax~~  
27 ~~under chapter 1 of such Code for the taxable year in which such~~  
28 ~~liquidation is completed.~~

1 ~~(e) Application of Restriction on Subsection S Corporation~~  
2 ~~Elections. In the case of any qualified liquidation to which this~~  
3 ~~section applies, the domestic partnership referred to in~~  
4 ~~subsection (c)(2) shall not fail to be treated as a successor~~  
5 ~~corporation of the eligible S corporation for purposes of section~~  
6 ~~1362(g) of such Code.~~

7 ~~(f) Other Definitions. Terms used in this section which are also~~  
8 ~~used in the Internal Revenue Code of 1986 shall have the same~~  
9 ~~meaning as when used in such Code.~~

10 ~~(g) Regulations. The Secretary shall prescribe such regulations~~  
11 ~~or other guidance as may be necessary or appropriate to carry~~  
12 ~~out this section.~~

13 ~~SEC. 138510. TREATMENT OF CERTAIN QUALIFIED~~  
14 ~~SOUND RECORDING PRODUCTIONS.~~

15 (a) Election To Treat Costs as Expenses.—Section 181(a)(1) is amended by striking “qualified  
16 film or television production, and any qualified live theatrical production,” and inserting  
17 “qualified film or television production, any qualified live theatrical production, and any  
18 qualified sound recording production”.

19 (b) Dollar Limitation.—Section 181(a)(2) is amended by adding at the end the following new  
20 subparagraph:

21 “(C) QUALIFIED SOUND RECORDING PRODUCTION.—Paragraph (1) shall not apply to  
22 so much of the aggregate cost of any qualified sound recording production, or to so  
23 much of the aggregate, cumulative cost of all such qualified sound recording  
24 productions in the taxable year, as exceeds \$150,000.”.

25 (c) No Other Deduction or Amortization Deduction Allowable.—Section 181(b) is amended  
26 by striking “qualified film or television production or any qualified live theatrical production”  
27 and inserting “qualified film or television production, any qualified live theatrical production, or  
28 any qualified sound recording production”.

29 (d) Election.—Section 181(c)(1) is amended by striking “qualified film or television  
30 production or any qualified live theatrical production” and inserting “qualified film or television  
31 production, any qualified live theatrical production, or any qualified sound recording  
32 production”.

33 (e) Qualified Sound Recording Production Defined.—Section 181 is amended by  
34 redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by inserting  
35 after subsection (e) the following new subsection:

1 “(f) Qualified Sound Recording Production.—For purposes of this section, the term ‘qualified  
2 sound recording production’ means a sound recording (as defined in section 101 of title 17,  
3 United States Code) produced and recorded in the United States.”.

4 (f) Termination.—Section 181(h) (as redesignated by subsection (e)) is amended by striking  
5 ~~“qualified film or television production or any”~~ **“or qualified live theatrical production”**  
6 **productions”** and inserting ~~“qualified film or television production, any”~~, qualified live  
7 theatrical ~~production,~~ **productions,** or ~~any qualified sound recording production”~~ **productions”**.

8 (g) Bonus Depreciation.—

9 (1) QUALIFIED SOUND RECORDING PRODUCTION AS QUALIFIED PROPERTY.—Section  
10 168(k)(2)(A)(i) is amended—

11 (A) by striking “or” at the end of subclause (IV), by adding “or” at the end of  
12 subclause (V), and by inserting after subclause (V) the following:

13 “(VI) which is a qualified sound recording production (as defined in  
14 subsection (f) of section 181) for which a deduction would have been  
15 allowable under section 181 without regard to subsections (a)(2) and (h) of  
16 such section or this subsection,” and

17 (B) in subclauses (IV) and (V) (as amended) by striking “without regard to  
18 subsections (a)(2) and (g)” both places it appears and inserting “without regard to  
19 subsections (a)(2) and (h)”.

20 (2) PRODUCTION PLACED IN SERVICE.—Section 168(k)(2)(H) is amended by striking  
21 “and” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “,  
22 and”, and by adding after clause (ii) the following:

23 “(iii) a qualified sound recording production shall be considered to be placed in  
24 service at the time of initial release or broadcast.”.

25 (h) Conforming Amendments.—

26 (1) The heading for section 181 is amended to read as follows: “treatment of certain  
27 qualified productions.”.

28 (2) The table of sections for part VI of subchapter B of chapter 1 is amended by striking  
29 the item relating to section 181 and inserting the following new item:

30 “Sec.181.Treatment of certain qualified productions.”.

31 (i) Effective Date.—The amendments made by this section shall apply to productions  
32 commencing in taxable years ending after the date of the enactment of this Act.

### 33 ~~SEC. 138511~~ **138506. PAYMENT TO CERTAIN** 34 **INDIVIDUALS WHO DYE FUEL.**

35 (a) In General.—Subchapter B of chapter 65 is amended by adding at the end the following  
36 new subsection:

#### 37 **“SEC. 6433. DYED FUEL.**

38 “(a) In General.—If a person establishes to the satisfaction of the Secretary that such person



1 meets the requirements of subsection (b) with respect to diesel fuel or kerosene, then the  
2 Secretary shall pay to such person an amount (without interest) equal to the tax described in  
3 subsection (b)(2)(A) with respect to such diesel fuel or kerosene.

4 “(b) Requirements.—

5 “(1) IN GENERAL.—A person meets the requirements of this subsection with respect to  
6 diesel fuel or kerosene if such person removes from a terminal eligible indelibly dyed diesel  
7 fuel or kerosene.

8 “(2) ELIGIBLE INDELIBLY DYED DIESEL FUEL OR KEROSENE DEFINED.—The term ‘eligible  
9 indelibly dyed diesel fuel or kerosene’ means diesel fuel or kerosene—

10 “(A) with respect to which a tax under section 4081 was previously paid (and not  
11 credited or refunded), and

12 “(B) which is exempt from taxation under section 4082(a).

13 “(c) Cross Reference.—For civil penalty for excessive claims under this section, see section  
14 6675.”.

15 (b) Conforming Amendments.—

16 (1) Section 6206 is amended—

17 (A) by striking “or 6427” each place it appears and inserting “6427, or 6433”, and

18 (B) by striking “6420 and 6421” and inserting “6420, 6421, and 6433”.

19 (2) Section 6430 is amended—

20 (A) by striking “or” at the end of paragraph (2), by striking the period at the end of  
21 paragraph (3) and inserting “or”, and by adding at the end the following new  
22 paragraph:

23 “(4) which are removed as eligible indelibly dyed diesel fuel or kerosene under section  
24 6433.”.

25 (3) Section 6675 is amended—

26 (A) in subsection (a), by striking “or 6427 (relating to fuels not used for taxable  
27 purposes)” and inserting “6427 (relating to fuels not used for taxable purposes), or  
28 6433 (relating to eligible indelibly dyed fuel)”, and

29 (B) in subsection (b)(1), by striking “6421, or 6427,” and inserting “6421, 6427, or  
30 6433”.

31 (4) The table of sections for subchapter B of chapter 65 is amended by adding at the end  
32 the following new item:

33 “Sec.6433.Dyed fuel.”.

34 (c) Effective Date.—The amendments made by this section shall apply to eligible indelibly  
35 dyed diesel fuel or kerosene removed on or after the date that is 180 days after the date of the  
36 enactment of this section.

37 ~~SEC. 138512. EXTENSION OF CREDIT FOR PORTION OF~~

~~1 EMPLOYER SOCIAL SECURITY TAXES PAID WITH  
2 RESPECT TO EMPLOYEE TIPS TO BEAUTY SERVICE  
3 ESTABLISHMENTS.~~

~~4 (a) Extension of Tip Credit to Beauty Service Business.—~~

~~5 (1) In general.—Section 45B(b)(2) is amended to read as  
6 follows:~~

~~7 “(2) Application only to certain lines of business.—In applying  
8 paragraph (1), there shall be taken into account only tips  
9 received from customers or clients in connection with the  
10 following services:~~

~~11 “(A) The providing, delivering, or serving of food or beverages  
12 for consumption, if the tipping of employees delivering or  
13 serving food or beverages by customers is customary.~~

~~14 “(B) The providing of beauty services to a customer or client if  
15 the tipping of employees providing such services is customary.”.~~

~~16 (2) Beauty service defined.—Section 45B is amended by adding  
17 at the end the following new subsection:~~

~~18 “(e) Beauty Service.—For purposes of this section, the term  
19 ‘beauty service’ means any of the following:~~

~~20 “(1) Barbering and hair care.~~

~~21 “(2) Nail care.~~

~~22 “(3) Esthetics.~~

~~23 “(4) Body and spa treatments.”.~~

~~24 (b) Credit Determined With Respect to Minimum Wage in  
25 Effect.—Section 45B(b)(1)(B) is amended—~~

~~26 (1) by striking “as in effect on January 1, 2007, and”, and~~

~~27 (2) by inserting “, and in the case of food or beverage~~

1 ~~establishments, as in effect on January 1, 2007” after “without~~  
2 ~~regard to section 3(m) of such Act”.~~

3 ~~(c) Effective Date.— The amendments made by this section shall~~  
4 ~~apply to taxable years beginning after December 31, 2021.~~

5 ~~SEC. 138513. ENHANCEMENT OF WORK OPPORTUNITY~~  
6 ~~CREDIT DURING COVID19 RECOVERY PERIOD.~~

7 ~~(a) In General.— Section 51 is amended by adding at the end the~~  
8 ~~following new subsection:~~

9 ~~“(1) Adjustment to Credit During COVID19 Recovery~~  
10 ~~Period.— In the case of individuals (other than any individual~~  
11 ~~who is a qualified summer youth employee) hired after the date~~  
12 ~~of the enactment of this subsection and before January 1,~~  
13 ~~2023—~~

14 ~~“(1) Increased amount of credit.— Subsection (a) shall be~~  
15 ~~applied by substituting ‘50 percent’ for ‘40 percent’.~~

16 ~~“(2) Availability of credit in second year of employment.—~~

17 ~~“(A) In general.— Subsection (a) shall be applied by inserting~~  
18 ~~‘or qualified second year wages’ after ‘wages’.~~

19 ~~“(B) Qualified second year wages.— For the purposes of this~~  
20 ~~paragraph, the term ‘qualified second year wages’ means~~  
21 ~~qualified wages which are attributable to service rendered during~~  
22 ~~the 1 year period beginning on the day after the last day of the~~  
23 ~~1 year period with respect to the recipient determined under~~  
24 ~~subsection (b)(2).~~

25 ~~“(3) Increase in limitation on wages taken into~~  
26 ~~account.— Subsection (b)(3) shall be applied by substituting~~  
27 ~~‘\$10,000’ for ‘\$6,000’.~~

28 ~~“(4) Eligibility of rehires.—~~

1 ~~“(A) In general. Subsection (i)(2) shall not apply.~~

2 ~~“(B) Regulations. The Secretary shall issue such regulations as~~  
3 ~~the Secretary determines appropriate to ensure a reasonable~~  
4 ~~application of subparagraph (A), including prohibiting attempts~~  
5 ~~to claim the benefit of this section through the termination and~~  
6 ~~rehiring of an employee.”.~~

7 ~~(b) Effective Date. The amendment made by this section shall~~  
8 ~~apply to taxable years ending after the date of enactment of this~~  
9 ~~Act.~~

10

11 ~~\* 121 SEC. 138514. ALLOWANCE OF DEDUCTION FOR~~  
12 ~~CERTAIN EXPENSES OF THE TRADE OR BUSINESS OF~~  
13 ~~BEING AN EMPLOYEE.~~

14

15 ~~\* 122 (a) Above the Line Deduction for Union Dues. Section~~  
16 ~~62(a)(2) is amended by adding at the end the following new~~  
17 ~~subparagraph:~~

18 ~~“(F) Union dues. The deductions allowed by section 162~~  
19 ~~which are both—~~

20 ~~“(A) not in excess of \$250, and~~

21

22 ~~\* 123 “(B) attributable to a trade or business consisting of the~~  
23 ~~performance of services by the taxpayer as an employee if such~~  
24 ~~deductions are for dues paid to a labor organization described in~~  
25 ~~section 501(c)(5) and with respect to which such taxpayer~~  
26 ~~remained a member through the end of the taxable year.”.~~

27 ~~(b) Effective Date. The amendments made by this section shall~~  
28 ~~apply to taxable years beginning after December 31, 2021.~~

1 ~~SEC. 138515. COVER OVER OF CERTAIN DISTILLED~~  
2 ~~SPIRITS TAXES.~~

3 ~~(a) Repeal of Limitation on Cover Over of Distilled Spirits~~  
4 ~~Taxes to Puerto Rico and Virgin Islands.—~~

5 ~~(1) In general.—Section 7652 is amended by striking subsection~~  
6 ~~(f) and by redesignating subsections (g) and (h) as subsections~~  
7 ~~(f) and (g), respectively.~~

8 ~~(2) Effective date.—The amendments made by this subsection~~  
9 ~~shall apply to distilled spirits brought into the United States after~~  
10 ~~December 31, 2021.~~

11 ~~(b) Required Transfer to Puerto Rico Conservation Trust Fund~~  
12 ~~of Portion of Puerto Rico Rum Cover Over.—~~

13 ~~(1) In general.—Section 7652(a) is amended by adding at the~~  
14 ~~end the following new paragraph:~~

15 ~~“(4) Required transfer to puerto rico conservation trust fund of~~  
16 ~~portion of rum taxes covered over.—~~

17 ~~“(A) In general.—From any taxes collected on rum transported~~  
18 ~~to the United States that are covered into the treasury of Puerto~~  
19 ~~Rico under paragraph (3) at a rate equal to or greater than~~  
20 ~~\$10.50 per proof gallon, Puerto Rico shall transfer to the Puerto~~  
21 ~~Rico Conservation Trust Fund an amount per proof gallon equal~~  
22 ~~to or greater than  $\frac{1}{6}$  of the difference between \$10.50 and the~~  
23 ~~rate, not to exceed \$13.25, at which such taxes are covered into~~  
24 ~~such treasury. Puerto Rico’s obligations under this paragraph~~  
25 ~~shall not modify or impair payment priorities established under~~  
26 ~~Puerto Rico law and in effect on May 21, 2021.~~

27 ~~“(B) Puerto rico conservation trust fund.—For purposes of this~~  
28 ~~section, the term ‘Puerto Rico Conservation Trust Fund’ means~~

1 ~~the fund established pursuant to a Memorandum of~~  
2 ~~Understanding between the United States Department of the~~  
3 ~~Interior and the Commonwealth of Puerto Rico, dated December~~  
4 ~~24, 1968.”.~~

5 ~~(2) Cover over determined without regard to certain rate~~  
6 ~~reductions.— Section 7652(h), as amended by subsections (a)~~  
7 ~~and (c), is amended by inserting “(a)(4),” after “(a)(3),”.~~

8 ~~(3) Effective date.— The amendments made by this subsection~~  
9 ~~shall apply to distilled spirits brought into the United States after~~  
10 ~~December 31, 2021.~~

11 ~~(c) Cover Over Determined Without Regard to Certain Rate~~  
12 ~~Reductions.—~~

13 ~~(1) In general.— Section 7652, as amended by subsection (a), is~~  
14 ~~amended by inserting after subsection (g) the following new~~  
15 ~~subsection:~~

16 ~~“(h) Cover Over Determined Without Regard to Certain Rate~~  
17 ~~Reductions.— For purposes of subsections (a)(3), (b)(3), and~~  
18 ~~(c)(1), refunds under section 5001(c)(4) shall not be taken into~~  
19 ~~account as a refund, and the amount of taxes imposed and~~  
20 ~~collected under section 5001(a)(1) shall be determined without~~  
21 ~~regard to section 5001(c).”.~~

22 ~~(2) Effective date.— The amendment made by paragraph (1)~~  
23 ~~shall take effect as if included in section 13807 of Public Law~~  
24 ~~116260.~~

25 ~~(3) Conforming amendments.—~~

26 ~~(A) 7652(e).—~~

27 ~~(i) In general.— Section 7652(e) is amended by striking~~  
28 ~~paragraph (5).~~

1 ~~(ii) Effective date.—The amendment made by this subparagraph~~  
2 ~~shall take effect as if included in section 13807 of Public Law~~  
3 ~~11597.~~

4 ~~(B) 7652(i).—~~

5 ~~(i) In general.—Section 7652 is amended by striking subsection~~  
6 ~~(i).~~

7 ~~(ii) Effective date.—The amendment made by this subparagraph~~  
8 ~~shall take effect as if included in section 107 of Public Law~~  
9 ~~116260.~~

10 ~~SEC. 138516. RESEARCH AND EXPERIMENTAL~~  
11 ~~EXPENDITURES.~~

12 ~~(a) In General.—Section 13206 of Public Law 11597 is~~  
13 ~~amended—~~

14 ~~(1) in subsection (b)(3), by striking “2021” and inserting~~  
15 ~~“2025”, and~~

16 ~~(2) in subsection (e), by striking “2021” and inserting “2025”.~~

17 ~~(b) Effective Date.—The amendment made by this section shall~~  
18 ~~take effect on the date of the enactment of this Act.~~

19 ~~SEC. 138517. PAYROLL CREDIT FOR COMPENSATION~~  
20 ~~OF LOCAL NEWS JOURNALISTS.~~

21 ~~(a) In General.—In the case of an eligible local newspaper~~  
22 ~~publisher, there shall be allowed as a credit against applicable~~  
23 ~~employment taxes for each calendar quarter an amount equal to~~  
24 ~~the applicable percentage of wages paid by such publisher to~~  
25 ~~local news journalists for such calendar quarter.~~

26 ~~(b) Limitations and Refundability.—~~

1 ~~\* 127 (1) Wages taken into account.—The amount of wages~~  
2 ~~paid with respect to any individual which may be taken into~~  
3 ~~account under subsection (a) during any calendar quarter by the~~  
4 ~~eligible local newspaper publisher shall not exceed \$12,500.~~

5 ~~(2) Credit limited to employment taxes.—The credit allowed by~~  
6 ~~subsection (a) with respect to any calendar quarter shall not~~  
7 ~~exceed the applicable employment taxes (reduced by any credits~~  
8 ~~allowed under sections 3131, 3132, 3134, and 6432 of the~~  
9 ~~Internal Revenue Code of 1986) on the wages paid with respect~~  
10 ~~to the employment of all the employees of the eligible local~~  
11 ~~newspaper publisher for such calendar quarter.~~

12 ~~(3) Refundability of excess credit.—~~

13 ~~(A) In general.—If the amount of the credit under subsection (a)~~  
14 ~~exceeds the limitation of paragraph (2) for any calendar quarter,~~  
15 ~~such excess shall be treated as an overpayment that shall be~~  
16 ~~refunded under sections 6402(a) and 6413(b) of the Internal~~  
17 ~~Revenue Code of 1986.~~

18 ~~(B) Treatment of payments.—For purposes of section 1324 of~~  
19 ~~title 31, United States Code, any amounts due to the employer~~  
20 ~~under this paragraph shall be treated in the same manner as a~~  
21 ~~refund due from a credit provision referred to in subsection~~  
22 ~~(b)(2) of such section.~~

23 ~~(c) Definitions.—For purposes of this section—~~

24 ~~(1) Applicable percentage.—The term “applicable percentage”~~  
25 ~~means—~~

26  
27 ~~\* 129 (A) in the case of each of the first 4 calendar quarters to~~  
28 ~~which this section applies, 50 percent, and~~



1 ~~(B) in the case of each calendar quarter thereafter, 30 percent.~~

2 ~~(2) Applicable employment taxes.— The term “applicable~~  
3 ~~employment taxes” means the taxes imposed under section~~  
4 ~~3111(b) of the Internal Revenue Code of 1986.~~

5 ~~(3) Eligible local newspaper publisher.— The term “eligible~~  
6 ~~local newspaper publisher” means, with respect to any calendar~~  
7 ~~quarter, any employer if substantially all of the gross receipts of~~  
8 ~~such employer for such calendar quarter are derived in the trade~~  
9 ~~or business of publishing a local newspaper.~~

10 ~~(4) Local newspaper.— The term “local newspaper” means any~~  
11 ~~print or digital publication if—~~

12 ~~(A) the primary content of such publication is original content~~  
13 ~~derived from primary sources and relating to news and current~~  
14 ~~events,~~

15 ~~(B) such publication primarily serves the needs of a regional or~~  
16 ~~local community,~~

17 ~~(C) the publisher of such publication employs at least one local~~  
18 ~~news journalist who resides in such regional or local~~  
19 ~~community, and~~

20 ~~(D) the publisher of such publication employs no more than 750~~  
21 ~~employees during the calendar quarter with respect to which a~~  
22 ~~credit is allowed under this section.~~

23 ~~(5) Local news journalist.— The term “local news journalist”~~  
24 ~~means, with respect to any eligible local newspaper publisher for~~  
25 ~~any calendar quarter, an individual who provides at least 100~~  
26 ~~hours of service during such calendar quarter to such eligible~~  
27 ~~local newspaper publisher, during which time such individual~~  
28 ~~regularly gathers, collects, photographs, records, writes, or~~

1 ~~reports news or information that concerns local events or other~~  
2 ~~matters of local public interest.~~

3 ~~(6) Secretary.— The term “Secretary” means the Secretary of the~~  
4 ~~Treasury or the Secretary’s delegate.~~

5 ~~(7) Wages.— The term “wages” means wages (as defined in~~  
6 ~~section 3121(a) of the Internal Revenue Code of 1986).~~

7 ~~(8) Other terms.— Any term used in this section which is also~~  
8 ~~used in chapter 21 or chapter 22 of the Internal Revenue Code of~~  
9 ~~1986 shall have the same meaning as when used in such chapter.~~

10 ~~(d) Aggregation Rule.—~~

11 ~~(1) In general.— All persons treated as a single employer under~~  
12 ~~subsection (a) or (b) of section 52 of the Internal Revenue Code~~  
13 ~~of 1986, or subsection (m) or (o) of section 414 of such Code,~~  
14 ~~shall be treated as one employer for purposes of this section.~~

15 ~~(2) Exception.— Paragraph (1) shall not apply unless such~~  
16 ~~persons are involved in the production of the same print or~~  
17 ~~digital publication.~~

18 ~~(e) Certain Rules To Apply.— For purposes of this section, rules~~  
19 ~~similar to the rules of sections 51(i)(1) and 280C(a) of the~~  
20 ~~Internal Revenue Code of 1986 shall apply.~~

21  
22 ~~\* 132 (f) Certain Governmental Employers.— This credit shall~~  
23 ~~not apply to the Government of the United States, the~~  
24 ~~government of any State or political subdivision thereof, or any~~  
25 ~~agency or instrumentality of any of the foregoing.~~

26  
27 ~~\* 133 (g) Election To Have Section Not Apply.— This section~~  
28 ~~shall not apply with respect to any eligible local newspaper~~

1 ~~publisher for any calendar quarter if such person elects (at such~~  
2 ~~time and in such manner as the Secretary may prescribe) not to~~  
3 ~~have this section apply.~~

4 ~~(h) Special Rules.—~~

5  
6 ~~\* 134 (1) Employee not taken into account more than once.—An~~  
7 ~~employee shall not be included for purposes of this section for~~  
8 ~~any period with respect to any employer if such employer is~~  
9 ~~allowed a credit under section 51 of the Internal Revenue Code~~  
10 ~~of 1986 with respect to such employee for such period.~~

11 ~~(2) Denial of double benefit.—Any wages taken into account in~~  
12 ~~determining the credit allowed under this section shall not be~~  
13 ~~taken into account for purposes of determining the credits~~  
14 ~~allowed under section 41, 45A, 45P, 45S, 51, 1396, 3131, 3132,~~  
15 ~~3134, and 6432 of such Code.~~

16  
17 ~~\* 135 (3) Third party payors.—Any credit allowed under this~~  
18 ~~section shall be treated as a credit described in section~~  
19 ~~3511(d)(2) of such Code.~~

20  
21 ~~\* 136 (i) Treatment of Deposits.—The Secretary shall waive any~~  
22 ~~penalty under section 6656 of the Internal Revenue Code of~~  
23 ~~1986 for any failure to make a deposit of any applicable~~  
24 ~~employment taxes if the Secretary determines that such failure~~  
25 ~~was due to the reasonable anticipation of the credit allowed~~  
26 ~~under this section.~~

27 ~~(j) Regulations and Guidance.—The Secretary shall issue such~~  
28 ~~forms, instructions, regulations, and guidance as are necessary to~~

1 ~~implement the purposes of this section, including with respect to~~  
2 ~~the application of the credit under subsection (a) to third party~~  
3 ~~payors (including professional employer organizations, certified~~  
4 ~~professional employer organizations, or agents under section~~  
5 ~~3504 of the Internal Revenue Code of 1986), including~~  
6 ~~regulations or guidance allowing such payors to submit~~  
7 ~~documentation necessary to substantiate the eligible employer~~  
8 ~~status of employers that use such payors.~~

9 ~~(k) Application.— This section shall only apply to calendar~~  
10 ~~quarters during the first 5 calendar years beginning after the date~~  
11 ~~of the enactment of this Act.~~

12 ~~SEC. 138518~~ **SEC. 138507. TREATMENT OF FINANCIAL**  
13 **GUARANTY INSURANCE COMPANIES AS QUALIFYING**  
14 **INSURANCE CORPORATIONS UNDER PASSIVE**  
15 **FOREIGN INVESTMENT COMPANY RULES.**

16 (a) In General.—Section 1297(f)(3) is amended by adding at the end the following new  
17 subparagraph:

18 “(C) SPECIAL RULES FOR FINANCIAL GUARANTY INSURANCE COMPANIES.—

19 “(i) IN GENERAL.—Notwithstanding subparagraphs (A)(ii) and (B), the  
20 applicable insurance liabilities of a financial guaranty insurance company shall  
21 include its unearned premium reserves if—

22 “(I) such company is prohibited under generally accepted accounting  
23 principles from reporting on its applicable financial statements reserves for  
24 losses and loss adjustment expenses with respect to a financial guaranty  
25 insurance or reinsurance contract except to the extent that losses and loss  
26 adjustment expenses are expected to exceed the unearned premium reserves  
27 on the contract,

28 “(II) the applicable financial statement of such company reports financial  
29 guaranty exposure of at least 15-to-1 or State or local bond exposure of at  
30 least 9-to-1 (8-to-1 in the case of a taxable year of such company which ends  
31 on or before December 31, 2018), and

32 “(III) such company includes in its insurance liabilities only its unearned  
33 premium reserves relating to insurance written or assumed that is within the  
34 single risk limits set forth in subsection (D) of section 4 of the Financial  
35 Guaranty Insurance Guideline (modified by using total shareholder’s equity

1 as reported on the applicable financial statement of the company rather than  
2 aggregate of the surplus to policyholders and contingency reserves).

3 “(ii) APPLICATION OF ALTERNATIVE FACTS AND CIRCUMSTANCES TEST.—A  
4 financial guaranty insurance company shall be treated as satisfying the  
5 requirements of paragraph (2)(B)(ii).

6 “(iii) FINANCIAL GUARANTY INSURANCE COMPANY.—For purposes of this  
7 subparagraph, the term ‘financial guaranty insurance company’ means any  
8 insurance company the sole business of which is writing or reinsuring financial  
9 guaranty insurance (as defined in subsection (A) of section 1 of the Financial  
10 Guaranty Insurance Guideline) which is permitted under subsection (B) of section  
11 4 of such Guideline.

12 “(iv) FINANCIAL GUARANTY EXPOSURE.—For purposes of this subparagraph,  
13 the term ‘financial guaranty exposure’ means the ratio of—

14 “(I) the net debt service outstanding insured or reinsured by the company  
15 that is within the single risk limits set forth in the Financial Guaranty  
16 Insurance Guideline (as reported on such company’s applicable financial  
17 statement), to

18 “(II) the company’s total assets (as so reported).

19 “(v) STATE OR LOCAL BOND EXPOSURE.—For purposes of this subparagraph, the  
20 term ‘State or local bond exposure’ means the ratio of—

21 “(I) the net unpaid principal of State or local bonds (as defined in section  
22 103(c)(1)) insured or reinsured by the company that is within the single risk  
23 limits set forth in the Financial Guaranty Insurance Guideline (as reported on  
24 such company’s applicable financial statement), to

25 “(II) the company’s total assets (as so reported).”

26 “(vi) FINANCIAL GUARANTY INSURANCE GUIDELINE.—For purposes of this  
27 subparagraph—

28 “(I) IN GENERAL.—The term ‘Financial Guaranty Insurance Guideline’  
29 means the October 2008 model regulation that was adopted by the National  
30 Association of Insurance Commissioners on December 4, 2007.

31 “(II) DETERMINATIONS MADE BY SECRETARY.—The determination of  
32 whether any provision of the Financial Guaranty Insurance Guideline has  
33 been satisfied shall be made by the Secretary.”

34 (b) Reporting of Certain Items.—Section 1297(f)(4) is amended by adding at the end the  
35 following new subparagraph:

36 “(C) CLARIFICATION THAT CERTAIN ITEMS ON APPLICABLE FINANCIAL STATEMENT BE  
37 SEPARATELY REPORTED WITH RESPECT TO CORPORATION.—An amount described in  
38 paragraph (1)(B) or clause (i)(II), (i)(III), (iv)(I), (iv)(II), (v)(I), or (v)(II) of paragraph  
39 (3)(C) shall be treated as reported on an applicable financial statement for purposes of  
40 this section if—

1           “(i) such amount is separately reported on such statement with respect to the  
2           corporation referred to in paragraph (1), or

3           “(ii) such amount is separately determined for purposes of calculating an  
4           amount which is reported on such statement.

5           “(D) AUTHORITY OF SECRETARY TO REQUIRE REPORTING.—

6           “(i) IN GENERAL.—Each United States person who owns an interest in a  
7           specified non-publicly traded foreign corporation and who takes the position that  
8           such corporation is not a passive foreign investment company shall report to the  
9           Secretary such information with respect to such corporation as the Secretary may  
10          require.

11          “(ii) SPECIFIED NON-PUBLICLY TRADED FOREIGN CORPORATION.—For purposes  
12          of this subparagraph, the term ‘specified non-publicly traded foreign corporation’  
13          means any foreign corporation—

14                  “(I) which would be a passive foreign investment company if subsection  
15                  (b)(2)(B) did not apply, and

16                  “(II) no interest in which is traded on an established securities market.”.

17          (c) Effective Date.—

18                  (1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made  
19                  by this section shall take effect as if included in section 14501 of Public Law 115–97.

20                  (2) REPORTING.—The amendment made by subsection (b) shall apply to reports made  
21                  after the date of the enactment of this Act.

22       ~~SEC. 138519. CREDIT FOR QUALIFIED ACCESS~~  
23       ~~TECHNOLOGY FOR THE BLIND. 138508. EXTENSION~~  
24       ~~OF PERIOD OF LIMITATION FOR CERTAIN~~  
25       ~~LEGALLY MARRIED COUPLES.~~

26       (a) ~~In General.~~—Subpart C of part IV of subchapter A of chapter 1 is amended by inserting  
27       ~~after section 36G the following new section:~~ (a) **In General.**—**In the case of an individual first**  
28       **treated as married for purposes of the Internal Revenue Code of 1986 by the application of**  
29       **the holdings of Revenue Ruling 2013–17—**

30               ~~“SEC. 36H. CREDIT FOR QUALIFIED ACCESS TECHNOLOGY FOR THE BLIND.~~

31               ~~“(a) Allowance of Credit.—There shall be allowed as a credit against the tax imposed by~~  
32               ~~this subtitle an amount equal to amounts paid or incurred during the taxable year, not~~  
33               ~~compensated for by insurance or otherwise, by the taxpayer for qualified access technology~~  
34               ~~for use by a qualified blind individual who is the taxpayer, the taxpayer’s spouse, or any~~  
35               ~~dependent (as defined in section 152) of the taxpayer.~~

36               ~~“(b) Limitation.—The aggregate amount of the credit allowed under subsection (a) with~~  
37               ~~respect to any qualified blind individual shall not exceed \$2,000 in any~~  
38               ~~3 consecutive taxable year period.~~

1           ~~“(e) Definitions.—For purposes of this section—~~

2           ~~“(1) Qualified blind individual.—The term ‘qualified blind individual’ means an~~  
3 ~~individual who is blind~~**(1) if such individual filed a return (other than a joint return) for**  
4 **a taxable year ending before September 16, 2013, for which a joint return could have**  
5 **been made by the individual and the individual’s spouse but for the fact that such**  
6 **holdings were not effective at the time of filing, such return shall be treated as a**  
7 **separate return** within the meaning of section 63(f)(4).

8           ~~“(2) Qualified access technology defined.—The term ‘qualified access technology’~~  
9 ~~means hardware, software, or other information technology the primary function of which is~~  
10 ~~to convert or adapt information which is visually represented into forms or formats useable~~  
11 ~~by blind individuals.~~

12           ~~“(d) Denial of Double Benefit.—No credit shall be allowed under subsection (a) for any~~  
13 ~~expense for which a deduction or credit is allowed under any other provision of this chapter.~~

14           ~~“(e) Inflation Adjustment.—~~

15           ~~“(1) In general.—In the case of a taxable year beginning after 2022, the \$2,000 amount in~~  
16 ~~subsection (b) shall be increased by an amount equal to—~~

17           ~~“(A) such dollar amount, multiplied by~~

18           ~~“(B) the cost of living adjustment determined under section 1(f)(3) for the calendar year~~  
19 ~~in which the taxable year begins, determined by substituting ‘calendar year 2021’ for~~  
20 ~~‘calendar year 2016’ in subparagraph (A)(ii) thereof.~~

21           ~~“(2) Rounding.—If the amount as adjusted under subparagraph (A) is not a multiple of~~  
22 ~~\$100, such amount shall be rounded to the next lowest multiple of \$100.~~

23           ~~“(f) Termination.—This section shall not apply with respect to amounts paid or incurred~~  
24 ~~in taxable years beginning after December 31, 2026.”.~~

25           ~~(b) Conforming Amendments.—~~

26           ~~(1) Section 6211(b)(4)(A), as amended by the preceding provisions of this Act, is~~  
27 ~~amended by inserting “, 36H” after “36G”.~~

28           ~~(2) Section 1324(b)(2) of title 31, United States Code, is amended by inserting “, 36H”~~  
29 ~~after “, 36G”.~~

30           ~~(3) The table of sections for subpart C of part IV of subchapter A is amended by inserting~~  
31 ~~after the item relating to section 36G the following new item:~~

32           ~~“Sec.36H.Credit for qualified access technology for the blind.”~~ **6013(b) of such Code**  
33 **and the time prescribed by section 6013(b)(2)(A) of such Code for filing a joint return**  
34 **after filing a separate return shall not expire before the date prescribed by law**  
35 **(including extensions) for filing the return of tax for the taxable year that includes the**  
36 **date of the enactment of this Act, and**

37           **(2) in the case of a joint return filed pursuant to paragraph (1)—**

38           **(A) the period of limitation prescribed by section 6511(a) of such Code for any**  
39 **such taxable year shall be extended until the date prescribed by law (including**  
40 **extensions) for filing the return of tax for the taxable year that includes the date**

1 of the enactment of this Act, and

2 (B) section 6511(b)(2) of such Code shall not apply to any claim of credit or  
3 refund with respect to such return.

4 (b) Amendments, etc. Restricted to Change in Marital Status.—Subsection (a) shall  
5 apply only with respect to amendments to the return of tax, and claims for credit or refund,  
6 relating to a change in the marital status for purposes of the Internal Revenue Code of 1986  
7 of the individual.

8 **\*\* 121 SEC. 138514. ALLOWANCE OF DEDUCTION FOR**  
9 **CERTAIN EXPENSES OF THE TRADE OR BUSINESS OF**  
10 **BEING AN EMPLOYEE.**

11 **\*\* 122** (a) Above-the-Line Deduction for Union Dues.—Section 62(a)(2) is amended by  
12 adding at the end the following new subparagraph:

13 **“(F) UNION DUES.—In the case of any taxable year beginning after December 31,**  
14 **2021, and before January 1, 2026, the deductions allowed by section 162 which are**  
15 **both—**

16 **“(A) not in excess of \$250, and**

17 **\*\* 123** **“(B) attributable to a trade or business consisting of the performance of**  
18 **services by the taxpayer as an employee if such deductions are for dues paid to a labor**  
19 **organization described in section 501(c)(5) and with respect to which such taxpayer**  
20 **remained a member through the end of the taxable year.”.**

21 **(e)(b) Effective Date.**—The amendments made by this section shall apply to taxable years  
22 beginning after December 31, 2021.

23 **SEC. 138515. TEMPORARY INCREASE IN**  
24 **EMPLOYER-PROVIDED CHILD CARE CREDIT. 138520.**  
25 ~~**MODIFICATION OF REIT CONSTRUCTIVE OWNERSHIP**~~  
26 ~~**RULES.**~~

27 ~~**(a) In General.**—Section 856(d)(5) is amended by striking “and”~~  
28 ~~**at the end of subparagraph (A), by striking the period at the end**~~  
29 ~~**of subparagraph (B) and inserting “, and”, and by adding at the**~~  
30 ~~**end the following:**~~

31 ~~**“(C) except as otherwise provided by the Secretary, stock,**~~  
32 ~~**assets, and net profits constructively owned by a partnership,**~~  
33 ~~**estate, trust, or corporation by reason of the application of**~~  
34 ~~**section 318(a)(3) (after application of subparagraphs (A) and**~~



1 ~~(B)) shall not be considered as owned by it for purposes of again~~  
2 ~~applying such section in order to make another person the~~  
3 ~~constructive owner of such stock, assets, or net profits.~~

4 ~~Subparagraph (C) shall not prevent any person from being the~~  
5 ~~constructive owner of stock, assets, or net profits of any person~~  
6 ~~as the result of any other application of section 318(a) (as~~  
7 ~~modified by this paragraph).”.~~

8 ~~(b) Effective Date.—The amendments made by this section shall~~  
9 ~~apply to taxable years ending after the date of the enactment of~~  
10 ~~this Act.~~

11 ~~(c) No Inference.—Nothing in this section or the amendments~~  
12 ~~made by this section shall be construed to create any inference~~  
13 ~~with respect to the proper application of section 318 of the~~  
14 ~~Internal Revenue Code of 1986 to cases other than cases to~~  
15 ~~which such amendments apply.~~

## 16 ~~Subtitle J—Drug Pricing~~

17 ~~\*\* 124 (a) In General.—Section 442(b) 45F is amended by adding at the end the following~~  
18 ~~new paragraph subsection:~~

19 ~~“(g) Temporary Increase.—In the case of any taxable year beginning after December 31,~~  
20 ~~2021, and before January 1, 2026—~~

21 ~~“(1) INCREASE IN PERCENTAGE OF CREDIT FOR QUALIFIED CHILD CARE~~  
22 ~~EXPENDITURES.—Subsection (a)(1) shall be applied by substituting ‘50 percent’ for ‘25~~  
23 ~~percent’.~~

24 ~~“(2) INCREASE IN DOLLAR LIMITATION.—Subsection (b) shall be applied by~~  
25 ~~substituting ‘\$500,000’ for ‘\$150,000’.~~

26 ~~“(3) PRESERVATION OF DOLLAR LIMITATION ON QUALIFIED CHILD CARE RESOURCE~~  
27 ~~AND REFERRAL EXPENDITURES.—The aggregate amount of qualified child care resource~~  
28 ~~and referral expenditures which may be taken into account under subsection (a)(2) for~~  
29 ~~any taxable year shall not exceed \$1,500,000.”.~~

30 ~~\*\* 125 (d)(b) Effective Date.—The amendments amendment made by this section shall apply~~  
31 ~~to taxable years beginning after December 31, 2020 2021.~~

## 32 **SEC. 138516. PAYROLL CREDIT FOR COMPENSATION** 33 **OF LOCAL NEWS JOURNALISTS.**

1       \*\* 126 (a) In General.—Subchapter D of chapter 21 is amended by adding at the end the  
2 following new section:

3       **“SEC. 3135. LOCAL NEWS JOURNALIST**  
4 **COMPENSATION CREDIT.**

5       **“(a) In General.—In the case of an eligible local news journalist employer, there shall be**  
6 **allowed as a credit against the taxes imposed by section 3111(b) for each calendar quarter**  
7 **an amount equal to the applicable percentage of wages paid by such employer to local news**  
8 **journalists for such calendar quarter.**

9       **“(b) Limitations and Refundability.—**

10           **“(1) NUMBER OF LOCAL NEWS JOURNALISTS TAKEN INTO ACCOUNT.—The number of**  
11 **local news journalists which may be taken into account under subsection (a) with**  
12 **respect to any eligible local news journalist employer for any calendar quarter shall**  
13 **not exceed 1,500.**

14           \*\* 127 ~~(1)~~**“(2) WAGES TAKEN INTO ACCOUNT.—The amount of wages paid with respect**  
15 **to any individual which may be taken into account under subsection (a) during any calendar**  
16 **quarter by the eligible local newspaper publisher news journalist employer shall not**  
17 **exceed \$12,500.**

18           **“(3) CREDIT LIMITED TO EMPLOYMENT TAXES.—The credit allowed by subsection (a)**  
19 **with respect to any calendar quarter shall not exceed the taxes imposed by section**  
20 **3111(b) on the wages paid with respect to the employment of all the employees of the**  
21 **eligible local news journalist employer for such calendar quarter.**

22           \*\* 128 ~~“(A) Credit is refundable.—If~~**“(4) REFUNDABILITY OF EXCESS CREDIT.—If**  
23 **the amount of the credit under subsection (a) exceeds the limitation of paragraph ~~(2)~~(3) for any**  
24 **calendar quarter, such excess shall be treated as an overpayment that shall be refunded**  
25 **under sections 6402(a) and 6413(b).**

26       **“(c) Eligible Local News Journalist Employer.—For purposes of this section—**

27           **“(1) IN GENERAL.—The term ‘eligible local news journalist employer’ means, with**  
28 **respect to any calendar quarter, any employer which—**

29                   **“(A) is—**

30                           **“(i) an eligible local news organization, or**

31                           **“(ii) a qualifying broadcast station, and**

32                   **“(B) employs local news journalists.**

33           **“(2) ELIGIBLE LOCAL NEWS ORGANIZATION.—The term ‘eligible local news**  
34 **organization’ means, with respect to any calendar quarter, any employer—**

35                   **“(A) which publishes one or more qualifying publications during the calendar**  
36 **quarter,**

37                   **“(B) which is not a disqualified organization, and**

38                   **“(C) which did not derive more than 50 percent of its gross receipts for such**

1           **calendar quarter from disqualified organizations.**

2           **“(3) QUALIFYING BROADCAST STATION.—The term ‘qualifying broadcast station’**  
3           **means, with respect to any calendar quarter, any employer—**

4           **“(A) which owns or operates a broadcast station (as defined in section 3 of the**  
5           **Communications Act of 1934),**

6           **“(B) which is not a disqualified organization,**

7           **“(C) which did not derive more than 50 percent of its gross receipts for such**  
8           **calendar quarter from disqualified organizations, and**

9           **“(D) which discloses its ownership to the public at such times and in such**  
10           **manner as identified by the Secretary.**

11           **“(d) Other Definitions.—For purposes of this section—**

12           **“(1) APPLICABLE PERCENTAGE.—The term ‘applicable percentage’ means—**

13           **\*\* 129 (A)“(A) in the case of each of the first 4 calendar quarters to which this**  
14           **section applies, 50 percent, and**

15           **“(B) in the case of each calendar quarter thereafter, 30 percent.**

16           **“(2) LOCAL NEWS JOURNALIST.—**

17           **“(A) IN GENERAL.—The term ‘local news journalist’ means, with respect to any**  
18           **eligible local news journalist employer for any calendar quarter, any full-time**  
19           **employee (as defined in section 4980H(c)(4)) who—**

20           **“(i) provides qualified services for an average of not less than 30 hours per**  
21           **week for each week during which such employee is employed by the eligible**  
22           **local news journalist employer during the calendar quarter, and**

23           **“(ii) resides within 50 miles of the local community with respect to the**  
24           **qualifying publication or qualifying broadcast station with respect to which**  
25           **the qualified services are provided.**

26           **“(B) QUALIFIED SERVICES.—For purposes of subparagraph (A)(ii), the term**  
27           **‘qualified services’ means services—**

28           **“(i) which consist of gathering, preparing, directing the recording of,**  
29           **producing, collecting, photographing, recording, writing, editing, reporting,**  
30           **presenting, or publishing original local community news for dissemination to**  
31           **the local community, and**

32           **“(ii) which are provided with respect to—**

33           **“(I) a qualifying publication of an eligible local news organization, or**

34           **“(II) the local community of a qualifying broadcast station.**

35           **“(3) QUALIFYING PUBLICATION.—The term ‘qualifying publication’ means, with**  
36           **respect to any calendar quarter, any print or digital publication—**

37           **“(A) the primary purpose of which is to serve a local community by providing**  
38           **local news,**

- 1           “(B) which—  
2                 “(i) is published during the calendar quarter, and  
3                 “(ii) has been published during each of the 4 calendar quarters preceding  
4                 such calendar quarter,  
5           “(C) which is covered by media liability insurance for such calendar quarter,  
6           “(D) which discloses its ownership to the public at such times and in such  
7           manner as identified by the Secretary, and  
8           “(E) which receives services from not more than 1,500 persons during such  
9           calendar quarter.

10           “(4) LOCAL COMMUNITY.—The term ‘local community’ means, with respect to any  
11           qualifying broadcast station or qualifying publication, a geographically contiguous  
12           area that does not exceed the boundaries of—

13                 “(A) in the case of a qualifying broadcast station, the area for which the  
14                 qualifying broadcast station is licensed to serve by the Federal Communications  
15                 Commission under section 307 of the Communications Act of 1934, and

16                 “(B) in the case of a qualifying publication—

17                         “(i) the metropolitan or micropolitan statistical area, as defined by the  
18                         Office of Management and Budget, in which the qualifying publication is  
19                         primarily distributed,

20                         “(ii) if such qualifying publication is not primarily distributed in a  
21                         metropolitan or micropolitan statistical area, political subdivision of the  
22                         State in which such qualifying publication is primarily distributed, or

23                         “(iii) if such qualifying publication is not primarily distributed in a  
24                         metropolitan or micropolitan statistical area or a political subdivision of a  
25                         State, the State in which such qualifying publication is primarily distributed.

26           For purposes of subparagraph (B), in the case of a qualifying publication which is a  
27           digital publication, such qualifying publication shall be considered to be primarily  
28           distributed in the area where such publication is primarily consumed.

29           “(5) DISQUALIFIED ORGANIZATION.—The term ‘disqualified organization’ means—

30                 “(A) any organization described in section 501(c)(4) and exempt from tax under  
31                 section 501(a),

32                 “(B) any organization described in section 527, and

33                 “(C) any organization that is owned or controlled (directly or indirectly) by one  
34                 or more organizations described in subparagraph (A) or (B).

35           “(6) GROSS RECEIPTS.—

36                 “(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘gross  
37                 receipts’ has the meaning given such term as used in section 448(c).

38                 “(B) TAX-EXEMPT ORGANIZATIONS.—In the case of an organization which is

1           **described in section 501(c) and exempt from tax under section 501(a), any**  
2           **reference in this section to gross receipts shall be treated as a reference to gross**  
3           **receipts within the meaning of section 6033.**

4           \*\* 130 ~~(3)~~**(7) OTHER TERMS.**—Any term used in this section which is also used in this  
5           chapter ~~or chapter 22~~ shall have the same meaning as when used in such chapter.

6           \*\* 131 ~~(8)~~**(e) Aggregation rule.**—~~All~~ **Rule.**—All persons treated as a single employer under  
7           subsection (a) or (b) of section 52, or subsection (m) or (o) of section 414, shall be treated as one  
8           employer for purposes of this section.

9           **“(f) Certain Rules to Apply.—**

10           **“(1) IN GENERAL.—For purposes of this section—**

11                   **“(A) except as provided in paragraph (2), rules similar to the rules of section**  
12                   **51(i)(1) shall apply, and**

13                   **“(B) rules similar to the rules of section 280C(a) shall apply.**

14           **“(2) EXCEPTION.—Paragraph (1)(A) shall not apply with respect to any local news**  
15           **journalist of an eligible local news journalist employer which employs fewer than 15**  
16           **local news journalists during the calendar quarter.**

17           **“(g) Certain Governmental Employers.—**

18                   \*\* 132 ~~(f) Certain Governmental Employers.~~—~~This~~**“(1) IN GENERAL.—This** credit shall  
19           not apply to the Government of the United States, the government of any State or political  
20           subdivision thereof, or any agency or instrumentality of any of the foregoing.

21                   **“(2) EXCEPTION.—Paragraph (1) shall not apply to any public broadcasting entity**  
22                   **(as defined in section 397(11) of the Communications Act of 1934 (47 U.S.C. 397(11))).**

23           \*\* 133 ~~(g)~~**(h) Election To Have Section Not Apply.**—This section shall not apply with  
24           respect to any eligible local newspaper publisher **news journalist employer** for any calendar  
25           quarter if such ~~person~~ **employer** elects (at such time and in such manner as the Secretary may  
26           prescribe) not to have this section apply.

27           **“(i) Special Rules.—**

28                   \*\* 134 ~~(4)~~**(1) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.**—An employee  
29           shall not be included for purposes of this section for any period with respect to any  
30           employer if such employer is allowed a credit under section 51 ~~of the Internal Revenue~~  
31           ~~Code of 1986~~ with respect to such employee for such period.

32                   **“(2) DENIAL OF DOUBLE BENEFIT.—Any wages taken into account in determining the**  
33                   **credit allowed under this section shall not be taken into account for purposes of**  
34                   **determining the credit allowed under section 41, 45A, 45P, 45S, or 1396.**

35                   \*\* 135 ~~(3)~~**(3) THIRD-PARTY PAYORS.**—Any credit allowed under this section shall be  
36           treated as a credit described in section 3511(d)(2) of such Code.

37           \*\* 136 ~~(4)~~**(j) Treatment of Deposits.**—The Secretary shall waive any penalty under section  
38           6656 ~~of the Internal Revenue Code of 1986~~ for any failure to make a deposit of any ~~applicable~~  
39           ~~employment taxes~~ **taxes imposed under section 3111(b)** if the Secretary determines that such  
40           failure was due to the reasonable anticipation of the credit allowed under this section.

1       “(k) Extension of Limitation on Assessment.—Notwithstanding section 6501, the  
2 limitation on the time period for the assessment of any amount attributable to a credit  
3 claimed under this section shall not expire before the date that is 5 years after the later of—

4               “(1) the date on which the original return which includes the calendar quarter with  
5 respect to which such credit is determined is filed, or

6               “(2) the date on which such return is treated as filed under section 6501(b)(2).

7       “(l) Regulations and Guidance.—The Secretary shall issue such forms, instructions,  
8 regulations, and guidance as are necessary—

9               “(1) with respect to the application of the credit under subsection (a) to third-party  
10 payors (including professional employer organizations, certified professional employer  
11 organizations, or agents under section 3504), including regulations or guidance  
12 allowing such payors to submit documentation necessary to substantiate the eligible  
13 employer status of employers that use such payors, and

14               “(2) to prevent the avoidance of the purposes of the limitations under this section.

15 Any forms, instructions, regulations, or other guidance described in paragraph (1) shall  
16 require the customer to be responsible for the accounting of the credit and for any liability  
17 for improperly claimed credits and shall require the certified professional employer  
18 organization or other third-party payor to accurately report such tax credits based on the  
19 information provided by the customer.

20       “(m) Application.—This section shall only apply to wages paid in calendar quarters  
21 beginning after the date of the enactment of this section and beginning before the date that  
22 is 5 years after the first day of the first calendar quarter to which this section applies.”.

23       \*\* 137 (b) Refunds.—Paragraph (2) of section 1324(b) of title 31, United States Code, is  
24 amended by inserting “3135,” after “3134.”.

25       (c) Clerical Amendment.—The table of sections for subchapter D of chapter 21 is  
26 amended by adding at the end the following:

27       “Sec.3135.Local news journalist compensation credit.”.

28       (d) Effective Date.—The amendments made by this section shall apply to calendar  
29 quarters beginning after the date of the enactment of this Act.

## 30       **SEC. 138517. ABOVE-THE-LINE DEDUCTION FOR** 31       **EMPLOYEE UNIFORMS.**

32       \*\* 138 (a) In General.—Section 24 62(a)(2), as amended by the preceding provisions  
33 provision of this Act, is amended by adding at the end the following new subsection  
34 subparagraph:

35               “(G) WORK CLOTHES AND UNIFORMS.—In the case of any taxable year  
36 beginning after December 31, 2021, and before January 1, 2025, the deductions  
37 allowed by section 162, not in excess of \$250, which are attributable to a trade or  
38 business consisting of the performance of services by the taxpayer as an employee  
39 if such deductions are for uniforms or work clothing which are—

1                   “(i) required to be worn as a condition of employment, and

2                   “(ii) not suitable for everyday wear.”.

3           \*\* 139 (b) Effective Date.—The amendment made by this section shall apply to taxable years  
4 beginning after December 31, 2021.

5           **SEC. 138518. EXPENSES IN CONTINGENCY FEE**  
6           **CASES.**

7           (a) In General.—Section 162 is amended by redesignating subsection (s) as subsection (t)  
8 and by inserting after subsection (r) the following new subsection:

9           “(s) Expenses in Contingency Fee Cases.—In the case of any amount paid or incurred in  
10 the ordinary course of the trade or business of practicing law the repayment of which is  
11 contingent on a recovery by judgment or settlement in the action to which such amount  
12 relates—

13                   “(1) the deduction under subsection (a) shall be determined by disregarding the  
14 possibility that such amount will be repaid, and

15                   “(2) income attributable to any related recovery shall not be reduced by such  
16 amount.”.

17           (b) Effective Date.—The amendments made by this section shall apply to amounts paid,  
18 incurred, or received in taxable years beginning after the date of the enactment of this Act.

19           **SEC. 138519. INCREASE IN RESEARCH CREDIT**  
20           **AGAINST PAYROLL TAX FOR SMALL BUSINESSES.**

21           (a) In General.—Clause (i) of section 41(h)(4)(B) is amended—

22                   (1) by striking “AMOUNT.—The amount” and inserting “AMOUNT.—

23                                   “(I) IN GENERAL.—The amount”, and

24                   (2) by adding at the end the following new subclause:

25                                   “(II) INCREASE.—In the case of taxable years beginning after  
26 December 31, 2021, the amount in subclause (I) shall be increased by  
27 \$250,000.”.

28           (b) Allowance of Credit.—

29                   (1) IN GENERAL.—Paragraph (1) of section 3111(f) is amended—

30                                   (A) by striking “for a taxable year, there shall be allowed” and inserting “for a  
31 taxable year—

32   “(A) there shall be allowed”,

33                                   (B) by striking “equal to the” and inserting “equal to so much of the”,

34                                   (C) by striking the period at the end and inserting “as does not exceed the  
35 limitation of subclause (I) of section 41(h)(4)(B)(i) (applied without regard to  
36 subclause (II) thereof), and”, and

1           **(D) by adding at the end the following new subparagraph:**

2           **“(B) there shall be allowed as a credit against the tax imposed by subsection (b)**  
3           **for the first calendar quarter which begins after the date on which the taxpayer**  
4           **files the return specified in section 41(h)(4)(A)(ii) an amount equal to so much of**  
5           **the payroll tax credit portion determined under section 41(h)(2) as is not allowed**  
6           **as a credit under subparagraph (A).”.**

7           **(2) LIMITATION.—Paragraph (2) of section 3111(f) is amended—**

8           **(A) by striking “paragraph (1)” and inserting “paragraph (1)(A)”, and**

9           **(B) by inserting “, and the credit allowed by paragraph (1)(B) shall not exceed**  
10           **the tax imposed by subsection (b) for any calendar quarter,” after “calendar**  
11           **quarter”.**

12           **(3) CARRYOVER.—Paragraph (3) of section 3111(f) is amended by striking “the**  
13           **credit” and inserting “any credit”.**

14           **(4) DEDUCTION ALLOWED.—Paragraph (4) of section 3111(f) is amended—**

15           **(A) by striking “credit” and inserting “credits”, and**

16           **(B) by striking “subsection (a)” and inserting “subsection (a) or (b)”.**

17           **(c) Aggregation Rules.—Clause (ii) of section 41(h)(5)(B) is amended by striking “the**  
18           **\$250,000 amount” and inserting “each of the \$250,000 amounts”.**

19           **\*\* 140 (e)(d) Effective Date.—The amendments made by this section shall apply to buildings**  
20           **placed in service taxable years beginning after December 31, 2021.**

## 21   **SEC. 138520. IMPOSITION OF TAX ON NICOTINE.**

22           **\*\* 141 (1) In general.—Section (a) In General.—Section 5701 is amended by redesignating**  
23           **subsection (h) as subsection (i) and by inserting after subsection (g) the following new**  
24           **subsection:**

25           **\*\* 142 “(h) Nicotine.—On taxable nicotine, manufactured in or imported into the United**  
26           **States, there shall be imposed a tax equal to the dollar amount specified in section 5701(b)(1)**  
27           **(or, if greater, \$50.33) per 1,810 milligrams of nicotine (and a proportionate tax at the like rate**  
28           **on any fractional part thereof).”.**

29           **(b) Taxable Nicotine.—Section 5702 is amended by adding at the end the following new**  
30           **subsection:**

31           **“(q) Taxable Nicotine.—**

32           **\*\* 143 “(1) IN GENERAL.—Except as otherwise provided in this subsection, the term**  
33           **‘taxable nicotine’ means any nicotine which has been extracted, concentrated, or**  
34           **synthesized.**

35           **\*\* 144 “(2) EXCEPTION FOR PRODUCTS APPROVED BY FOOD AND DRUG**  
36           **ADMINISTRATION.—Such term shall not include any nicotine if the manufacturer or importer**  
37           **thereof demonstrates to the satisfaction of the Secretary of Health and Human Services that**  
38           **such nicotine will be used in—**



1           “(A) a drug—

2                   \*\* 145 “(i) that is approved under section 505 of the Federal Food, Drug, and  
3                   Cosmetic Act or licensed under section 351 of the Public Health Service Act; or

4                   \*\* 146 “(ii) for which an investigational use exemption has been authorized  
5                   under section 505(i) of the Federal Food, Drug, and Cosmetic Act or under  
6                   section 351(a) of the Public Health Service Act; or

7                   \*\* 147 “(B) a combination product (as described in section 503(g) of the Federal  
8                   Food, Drug, and Cosmetic Act), the constituent parts of which were approved or  
9                   cleared under section 505, 510(k), or 515 of such Act.

10           \*\* 148 “(3) COORDINATION WITH TAXATION OF OTHER TOBACCO PRODUCTS.—Tobacco  
11           products meeting the definition of cigars, cigarettes, smokeless tobacco, pipe tobacco, and  
12           roll-your-own tobacco in this section shall be classified and taxed as such despite any  
13           concentration of the nicotine inherent in those products or any addition of nicotine to those  
14           products during the manufacturing process.

15           \*\* 149 “(4) REGULATIONS.—The Secretary shall prescribe such regulations or other  
16           guidance as is necessary or appropriate to carry out the purposes of this subsection,  
17           including regulations or other guidance for coordinating the taxation of tobacco products  
18           and taxable nicotine to protect revenue and prevent double taxation.”.

19           **(c) Taxable Nicotine Treated as a Tobacco Product.—Section 5702(c) is amended by**  
20           **striking “and roll-your-own tobacco” and inserting “roll-your-own tobacco, and taxable**  
21           **nicotine”.**

22           **(d) Manufacturer of Taxable Nicotine.—Section 5702, as amended by subsection (b), is**  
23           **amended by adding at the end the following new subsection:**

24           **“(r) Manufacturer of Taxable Nicotine.—**

25                   \*\* 150 “(1) IN GENERAL.—Any person who extracts, concentrates, or synthesizes nicotine  
26                   shall be treated as a manufacturer of taxable nicotine (and as manufacturing such taxable  
27                   nicotine).

28                   \*\* 151 “(2) APPLICATION OF RULES RELATED TO MANUFACTURERS OF TOBACCO  
29                   PRODUCTS.—Any reference to a manufacturer of tobacco products, or to manufacturing  
30                   tobacco products, shall be treated as including a reference to a manufacturer of taxable  
31                   nicotine, or to manufacturing taxable nicotine, respectively.”.

32           **(e) Effective Date.—**

33                   **(1) IN GENERAL.—The amendments made by this section shall apply to articles**  
34                   **removed in calendar quarters beginning after the date which is 180 days after the date**  
35                   **of the enactment of this Act.**

36                   \*\* 152 ~~(m)~~(2) TRANSITION RULE FOR PERMIT AND BOND REQUIREMENTS.—A RULE FOR  
37                   **PERMIT AND BOND REQUIREMENTS.—A** person which is lawfully engaged in business as a  
38                   manufacturer or importer of taxable nicotine (within the meaning of subchapter A of  
39                   chapter 52 of the Internal Revenue Code of 1986, as amended by this section) on the date of  
40                   the enactment of this Act, first becomes subject to the requirements of subchapter B of  
41                   chapter 52 of such Code by reason of the amendments made by this section, and submits an

1 application under such subchapter B to engage in such business not later than 90 days after  
2 the date of the enactment of this Act, shall not be denied the right to carry on such business  
3 by reason of such requirements before final action on such application.

## 4 **SEC. 138521. TERMINATION OF EMPLOYER CREDIT** 5 **FOR PAID FAMILY AND MEDICAL LEAVE.**

6 **\*\* 153** ~~(+)~~ Section ~~1(j)(4)~~ **45S(i)** is amended by striking “December 31, ~~2017~~ **2025**” and  
7 inserting “December 31, ~~2021~~ **2023**”.

### 8 **Subtitle I—Drug Pricing**

#### 9 **PART 1—LOWERING PRICES THROUGH ~~FAIR~~ DRUG** 10 **PRICE NEGOTIATION**

#### 11 **SEC. 139001. PROVIDING FOR LOWER PRICES FOR** 12 **CERTAIN HIGH-PRICED SINGLE SOURCE DRUGS.**

13 (a) Program To Lower Prices for Certain High-Priced Single Source Drugs.—Title XI of the  
14 Social Security Act (~~42 U.S.C. 1301 et seq.~~) is amended by adding ~~at the end~~ **after section 1184**  
15 **(42 U.S.C. 1320e–3)** the following new part:

#### 16 **“PART ~~E~~—~~FAIR PRICE~~ ~~E~~—PRICE NEGOTIATION** 17 **PROGRAM TO LOWER PRICES FOR CERTAIN** 18 **HIGH-PRICED SINGLE SOURCE DRUGS**

#### 19 **“SEC. 1191. ESTABLISHMENT OF PROGRAM.**

20 “(a) In General.—The Secretary shall establish a ~~Fair~~ **Drug** Price Negotiation Program (in this  
21 part referred to as the ‘program’). Under the program, with respect to each price applicability  
22 period, the Secretary shall—

23 “(1) publish a list of **negotiation-eligible drugs and** selected drugs in accordance with  
24 section 1192;

25 “(2) enter into agreements with manufacturers of selected drugs with respect to such  
26 period, in accordance with section 1193;

27 “(3) negotiate and, if applicable, renegotiate maximum fair prices for such selected drugs,  
28 in accordance with section 1194; and

29 “(4) carry out the administrative duties described in section 1196.

30 “(b) Definitions Relating to Timing.—For purposes of this part:

31 “(1) INITIAL PRICE APPLICABILITY YEAR.—The term ‘initial price applicability year’  
32 means a ~~plan~~ year (beginning with ~~plan year 2025~~) ~~or, if agreed to in an agreement under~~  
33 ~~section 1193 by the Secretary and manufacturer involved, a period of more than one plan~~  
34 ~~year (beginning on or after January 1, 2025).~~

1           “(2) PRICE APPLICABILITY PERIOD.—The term ‘price applicability period’ means, with  
2           respect to a **qualifying single source** drug, the period beginning with the **first** initial price  
3           applicability year with respect to which such drug is a selected drug and ending with the last  
4           ~~plan~~ year during which the drug is a selected drug.

5           “(3) SELECTED DRUG PUBLICATION DATE.—The term ‘selected drug publication date’  
6           means, with respect to each initial price applicability year, ~~April 15~~ **February 1** of the ~~plan~~  
7           year that begins 2 years prior to such year.

8           “(4) ~~VOLUNTARY NEGOTIATION~~ **NEGOTIATION PERIOD**.—The term ‘~~voluntary negotiation~~  
9           **negotiation** period’ means, with respect to an initial price applicability year with respect to  
10          a selected drug, the period—

11           “(A) beginning on the sooner of—

12                   “(i) the date on which the manufacturer of the drug and the Secretary enter into  
13                   an agreement under section 1193 with respect to such drug; or

14                   “(ii) ~~June 15~~ **February 28** following the selected drug publication date with  
15                   respect to such selected drug; and

16           “(B) ending on ~~March 31~~ **November 1** of the year that begins ~~one year~~ **2 years** prior  
17           to the initial price applicability year.

18          “(c) Other Definitions.—For purposes of this part:

19           “(1) ~~FAIR MAXIMUM FAIR~~ **PRICE ELIGIBLE INDIVIDUAL**.—The term ‘~~fair~~ **maximum fair**  
20           price eligible individual’ means, with respect to a selected drug—

21                   “(A) in the case such drug is ~~furnished or~~ dispensed to the individual at a pharmacy  
22                   ~~or~~, by a mail order **service, or by another dispenser, service**—

23                   “(i) an individual who is enrolled under a prescription drug plan under part D of title  
24                   XVIII or an MA–PD plan under part C of such title if coverage is provided under such  
25                   plan for such selected drug; and

26  
27                   “(ii) ~~an individual who is enrolled under a group health plan or health insurance~~  
28                   ~~coverage offered in the group or individual market (as such terms are defined in~~  
29                   ~~section 2791 of the Public Health Service Act) with respect to which there is in effect~~  
30                   ~~an agreement with the Secretary under section 1197 with respect to such selected drug~~  
31                   ~~as so furnished or dispensed; and~~

32                   “(B) in the case such drug is furnished or administered to the individual by a  
33                   hospital, physician, or other provider of services or **supplier, supplier**—

34                   “(i) an individual who is ~~entitled to benefits under part A of title XVIII or enrolled~~  
35                   under part B of **title XVIII, including** such title if such selected drug is covered under  
36                   the respective part; and

37                   “(ii) ~~an individual who is enrolled under a group health plan or health insurance~~  
38                   ~~coverage offered in the group or individual market (as such terms are defined in~~  
39                   ~~section 2791 of the Public Health Service Act) with respect to which there is in effect~~  
40                   ~~an agreement with the Secretary under section 1197 with respect to such selected drug~~

1           ~~as so furnished or administered.~~ **an MA plan under part C of such title, if such**  
2           **selected drug is covered under such part.**

3           “(2) MAXIMUM FAIR PRICE.—The term ‘maximum fair price’ means, with respect to a  
4           ~~plan~~ year during a price applicability period and with respect to a selected drug (as defined  
5           in section 1192(c)) with respect to such period, the price published pursuant to section 1195  
6           in the Federal Register for such drug and year.

7           ~~“(3) UNIT.—The term ‘unit’ means Average international market price defined.—~~

8           ~~“(A) In general.—The terms ‘average international market price’ and ‘AIM price’ mean,~~  
9           ~~with respect to a drug, the average price (which shall be the net average price, if practicable,~~  
10           ~~and volume-weighted, if practicable) for a unit (as defined in paragraph (4)) of the drug for~~  
11           ~~sales of such drug (calculated across different dosage forms and strengths of the drug and~~  
12           ~~not based on the specific formulation or package size or package type), as computed (as of~~  
13           ~~the date of publication of such drug as a selected drug under section 1192(a)) in all~~  
14           ~~countries described in clause (ii) of subparagraph (B) that are applicable countries (as~~  
15           ~~described in clause (i) of such subparagraph) with respect to such drug.~~

16           ~~“(B) Applicable countries.—~~

17           ~~“(i) In general.—For purposes of subparagraph (A), a country described in clause (ii) is~~  
18           ~~an applicable country described in this clause with respect to a drug if there is available an~~  
19           ~~average price for any unit for the drug for sales of such drug in such country.~~

20           ~~“(ii) Countries described.—For purposes of this paragraph, the following are countries~~  
21           ~~described in this clause:~~

22           ~~“(I) Australia.~~

23           ~~“(II) Canada.~~

24           ~~“(III) France.~~

25           ~~“(IV) Germany.~~

26           ~~“(V) Japan.~~

27           ~~“(VI) The United Kingdom.~~

28           ~~“(4) Unit.—The term ‘unit’ means, with respect to a drug or biological, the lowest~~  
29           ~~identifiable quantity amount (such as a capsule or tablet, milligram of molecules, or grams)~~  
30           ~~of the drug that is dispensed. or biological that is dispensed or furnished. The~~  
31           ~~determination of a unit, with respect to a drug or biological, pursuant to this~~  
32           ~~paragraph shall not be subject to administrative or judicial review.~~

33           “(4) TOTAL EXPENDITURES.—The term ‘total expenditures’ includes, in the case of  
34           **expenditures with respect to part D of title XVIII, ingredient costs, dispensing fees,**  
35           **sales tax, and if applicable, vaccine administration fees. The term ‘total expenditures’**  
36           **excludes, in the case of expenditures with respect to part B of such title, expenditures**  
37           **for a drug or biological that are bundled or packaged into the payment for another**  
38           **service.**

39           “SEC. 1192. SELECTION OF NEGOTIATION-ELIGIBLE

## 1 DRUGS AS SELECTED DRUGS.

2 “(a) In General.—Not later than the selected drug publication date with respect to an initial  
3 price applicability year, ~~subject to~~ **in accordance with** subsection ~~(h)~~**(b)**, the Secretary shall  
4 select and publish in the Federal Register a list of—

5 “(1)(A) with respect to ~~an~~ **the** initial price applicability year ~~during 2025, at least 25 not~~  
6 **more than 10** negotiation-eligible drugs described in subparagraphs (A) and (B)  
7 **subparagraph (A)(i) of subsection (d)(1)**, but not subparagraph (C), of subsection (d)(1)  
8 (or, with respect to an initial price applicability year during such period beginning after  
9 2025, the maximum number (if such number is less than 25) of such negotiation-eligible  
10 drugs for the year)**(B) of such subsection**, with respect to such year; ~~and~~

11 “(B) with respect to ~~an~~ **the** initial price applicability year ~~during 2026 or a subsequent~~  
12 **year, at least 50 2026, not more than 15** negotiation-eligible drugs described in  
13 subparagraphs (A) and (B) **subparagraph (A)(i) of subsection (d)(1)**, but not subparagraph  
14 (C), of subsection (d)(1) (or, with respect to an initial price applicability year during such  
15 period, the maximum number (if such number is less than 50) of such negotiation-eligible  
16 drugs for the year)**(B) of such subsection**, with respect to such year;

17 “(C) with respect to **the initial price applicability year 2027, not more than 15**  
18 **negotiation-eligible drugs described in subparagraph (A) of subsection (d)(1), but not**  
19 **subparagraph (B) of such subsection, with respect to such year; and**

20 “(D) with respect to **the initial price applicability year 2028 or a subsequent year,**  
21 **not more than 20** negotiation-eligible drugs described in subparagraph (A) of  
22 subsection (d)(1), but not subparagraph (B) of such subsection, with respect to such  
23 year; and

24 “(2) all negotiation-eligible drugs described in subparagraph ~~(C)~~**(B)** of such subsection  
25 with respect to such year; ~~and.~~

26 “~~(3) all new entrant negotiation-eligible drugs (as defined in subsection (g)(1)) with respect to~~  
27 ~~such year.~~

28 **Each Subject to subsection (c)(2) and section 1194(f)(5), each** drug published on the list  
29 pursuant to the previous sentence shall be subject to the negotiation process under section 1194  
30 for the ~~voluntary~~ negotiation period with respect to such initial price applicability year (and the  
31 renegotiation process under such section as applicable for any subsequent year during the  
32 applicable price applicability period).

33 ~~In applying this subsection, any negotiation-eligible drug that is selected under this subsection~~  
34 ~~for~~**“(b) Selection of Drugs.—**

35 “(1) **IN GENERAL.—In carrying out subsection (a)(1), subject to paragraph (2), the**  
36 **Secretary shall, with respect to** an initial price applicability year ~~shall not count toward~~  
37 ~~the required minimum amount of drugs to be selected under paragraph (1) for any~~  
38 ~~subsequent year, including such a drug so selected that is subject to renegotiation under~~  
39 ~~section 1194. year—~~

40 “(b) **Selection of Drugs.—In carrying out subsection (a)(1) the Secretary shall select**  
41 ~~for inclusion on the published list~~**“(A) rank a combined list of negotiation-eligible**

1 ~~drugs described in subsection (a) with respect to a price applicability period;~~**(d)(1)(A)**  
2 **according to the total expenditures for such drugs under parts B and D of title**  
3 **XVIII, as determined by the Secretary, during the most recent period of 12**  
4 **months prior to the selected drug publication date (but ending not later than**  
5 **October 31 of the year prior to the year of such drug publication date), with**  
6 **respect to such year, for which data are available, with the negotiation-eligible**  
7 ~~drugs that the Secretary projects will result in the greatest savings to the Federal~~  
8 ~~Government or fair price eligible individuals during the price applicability period. In~~  
9 ~~making this projection of savings for drugs for which there is an AIM price for a price~~  
10 ~~applicability period, the savings shall be projected across different dosage forms and~~  
11 ~~strengths of the drugs and not based on the specific formulation or package size or~~  
12 ~~package type of the drugs, taking into consideration both the volume of drugs for~~  
13 ~~which payment is made, to the extent such data is available, and the amount by which~~  
14 ~~the net price for the drugs exceeds the AIM price for the drugs. with the highest total~~  
15 **expenditures being ranked the highest; and**

16 ~~“(e) Selected Drug.—For purposes of this part, each drug included on the list~~  
17 ~~published under“(B) select from such ranked combined list for inclusion on the~~  
18 **published list described in subsection (a) with respect to such year the**  
19 **negotiation-eligible drugs with the highest such rankings.**

20 **“(2) HIGH SPEND PART D DRUGS FOR 2025 AND 2026.—With respect to the initial price**  
21 **applicability year 2025 and with respect to the initial price applicability year 2026, the**  
22 **Secretary shall apply paragraph (1) as if the reference to ‘negotiation-eligible drugs**  
23 **described in subsection (d)(1)(A)’ were a reference to ‘negotiation-eligible drugs**  
24 **described in subsection (d)(1)(A)(i)’ and as if the reference to ‘total expenditures for**  
25 **such drugs under parts B and D of title XVIII’ were a reference to ‘total expenditures**  
26 **for such drugs under part D of title XVIII’.**

27 **“(c) Selected Drug.—**

28 **“(1) IN GENERAL.—For purposes of this part, consistent with subsection (e)(2) and**  
29 **subject to paragraph (2), each negotiation-eligible drug included on the list published**  
30 **under subsection (a) with respect to an initial price applicability year shall be referred to**  
31 **as a ‘selected drug’ with respect to such year and each subsequent plan year beginning**  
32 **before the first plan year beginning that begins after the date on which the Secretary**  
33 **determines two or more drug products— at least one drug or biological product—**

34 ~~“(1) are“(A) is approved or licensed (as applicable)—~~

35 ~~“(A)“(i) under section 505(j) of the Federal Food, Drug, and Cosmetic Act~~  
36 ~~using such drug as the listed drug; or~~

37 ~~“(B)“(ii) under section 351(k) of the Public Health Service Act using such drug~~  
38 ~~as the reference product; and~~

39 **“(B) is marketed pursuant to such approval or licensure.**

40 **“(2) CLARIFICATION.—A negotiation-eligible drug—**

41 **“(A) that is included on the list published under subsection (a) with respect to**  
42 **an initial price applicability year; and**

1           “(B) for which the Secretary makes a determination described in paragraph (1)  
2           before or during the negotiation period with respect to such initial price  
3           applicability year,

4           shall not be subject to the negotiation process under section 1194 with respect to such  
5           negotiation period and shall continue to be considered a selected drug under this part  
6           with respect to the number of negotiation-eligible drugs published on the list under  
7           subsection (a) with respect to such initial price applicability year.”~~(2) continue to be~~  
8           ~~marketed.~~

9           “(d) Negotiation-Eligible Drug.—

10           “(1) IN GENERAL.—For purposes of this part, **subject to paragraph (2)**, the term  
11           ‘negotiation-eligible drug’ means, with respect to the selected drug publication date with  
12           respect to an initial price applicability year, a qualifying single source drug, as defined in  
13           subsection (e), that ~~meets any of the following criteria:~~ **is described in either of the**  
14           **following subparagraphs (or, with respect to the initial price applicability year 2025 or**  
15           **2026, that is described in subparagraph (A)(i) or (B)):**

16           ~~“(A) Covered part d drugs.—The drug is among the 125 covered part D drugs (as~~  
17           ~~defined in section 1860D2(e)) for which there was an estimated greatest net spending~~  
18           ~~under parts C and~~“(A) **HIGH SPEND DRUGS.—The qualifying single source drug is,**  
19           **determined in accordance with subsection (e)(2)—**

20           **“(i) among the 50 qualifying single source drugs with the highest total**  
21           **expenditures under part D of title XVIII, as determined by the Secretary in**  
22           **accordance with paragraph (3), during the most recent plan year prior to such**  
23           ~~drug publication date~~ **period for which data are available of at least 12 months**  
24           **prior to the selected drug publication date (but ending no later than October**  
25           **31 of the year prior to the year of such drug publication date), with respect to**  
26           **such year; or**

27           **“(ii) among the 50 qualifying single source drugs with the highest total**  
28           **expenditures under part B of title XVIII-**

29           ~~“(B) Other drugs.—The drug is among the 125 drugs for which there was an~~  
30           ~~estimated greatest net spending in the United States (including the 50 States, the~~  
31           ~~District of Columbia, and the territories of the United States), as determined by~~  
32           ~~the Secretary, during the most recent plan year prior to such drug publication date~~  
33           ~~for which data are available.~~

34           ~~“(C) Insulin.—The drug is in accordance with paragraph (3), during such~~  
35           ~~most recent period, as described in clause (i).~~

36           **“(B) INSULIN.—The qualifying single source drug is described in subsection**  
37           **(e)(1)(C).**

38           **“(2) EXCEPTION FOR SMALL BIOTECH DRUGS.—**

39           **“(A) IN GENERAL.—Subject to subparagraph (C), the term ‘negotiation-eligible**  
40           **drug’ shall not include, with respect to the initial price applicability years 2025,**  
41           **2026, and 2027, a qualifying single source drug described in subsection (e)(3): that**  
42           **meets either of the following:**

1                   ~~“(2) Clarification.—In determining whether~~“(i) **PART D DRUGS.—The total**  
2 **expenditures for the qualifying single source drug under part D of title**  
3 **XVIII, as determined by the Secretary in accordance with paragraph (3),**  
4 **during 2021—**

5                   **“(I) are equal to or less than 1 percent of the total expenditures under**  
6 **such part D, as so determined, for all covered part D drugs during such**  
7 **year; and**

8                   **“(II) are equal to at least 80 percent of the total expenditures under**  
9 **such part D, as so determined, for all covered part D drugs for which the**  
10 **manufacturer of the drug has an agreement in effect under section**  
11 **1860D–14A during such year.**

12                   **“(ii) PART B DRUGS.—The total expenditures for the qualifying single**  
13 **source drug under part B of title XVIII, as determined by the Secretary in**  
14 **accordance with paragraph (3), during 2021—**

15                   **“(I) are equal to or less than 1 percent of the total expenditures under**  
16 **such part B, as so determined, for all qualifying single source drugs**  
17 **covered under such part B during such year; and**

18                   **“(II) are equal to at least 80 percent of the total expenditures under**  
19 **such part B, as so determined, for all qualifying single source drugs of**  
20 **the manufacturer that are covered under such part B during such year.**

21                   **“(B) CLARIFICATIONS RELATING TO MANUFACTURERS.—**

22                   **“(i) AGGREGATION RULE.—All persons treated as a single employer under**  
23 **subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986 shall**  
24 **be treated as one manufacturer for purposes of this paragraph.**

25                   **“(ii) LIMITATION.—A qualifying single source drug described in**  
26 **subparagraph (A) shall not include a qualifying single source drug of a**  
27 **manufacturer if such manufacturer is acquired after 2021 by another**  
28 **manufacturer that does not meet the definition of a specified manufacturer**  
29 **under section 1860D–14C(g)(4)(B)(ii), effective at the beginning of the plan**  
30 **year immediately following such acquisition or, in the case of an acquisition**  
31 **before 2024, effective January 1, 2024.**

32                   **“(C) DRUGS NOT INCLUDED AS SMALL BIOTECH DRUGS.—The following shall not**  
33 **be considered a qualifying single source drug described in subparagraph (A):**

34                   **“(i) A vaccine that is licensed under section 351 of the Public Health**  
35 **Service Act and is marketed pursuant to such section.**

36                   **“(ii) A new formulation, such as an extended release formulation, of a**  
37 **qualifying single source drug.**

38                   **“(iii) A qualifying single source drug described in subsection (e)(1)(C).**

39                   **“(3) CLARIFICATIONS AND DETERMINATIONS.—**

40                   **“(A) PREVIOUSLY SELECTED DRUGS AND SMALL BIOTECH DRUGS EXCLUDED.—In**



1           **applying clauses (i) and (ii) of paragraph (1)(A), the Secretary shall not consider**  
2           **or count—**

3                   **“(i) drugs that are already selected drugs; and**

4                   **“(ii) for initial price applicability years 2025, 2026, and 2027, qualifying**  
5                   **single source drugs described in paragraph (2)(A).**

6           **“(B) USE OF DATA.—In determining whether a qualifying single source drug**  
7           **satisfies any of the criteria described in paragraph (1) or (2), the Secretary shall, to the**  
8           **extent practicable, use data that is aggregated across dosage forms and strengths of the**  
9           **drug, including new formulations of the drug, such as an extended release**  
10           **formulation, and not based on the specific formulation or package size or package**  
11           **type of the drug.**

12           ~~“(3)“(4) PUBLICATION.—Not later than the selected drug publication date with respect to~~  
13           **“(4) PUBLICATION.—Not later than the selected drug publication date with respect to**  
14           **an initial price applicability year, the Secretary shall publish in the Federal Register a list of**  
15           **negotiation-eligible drugs with respect to such selected drug publication date.**

16           ~~“(e) Qualifying Single Source Drug.— Drug.—For purposes of this part, the term ‘qualifying~~  
17           ~~single source drug’ means any of the following:~~

18           ~~“(1) Drug products.— A drug that—~~

19           ~~“(A) is approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act and~~  
20           ~~continues to be marketed pursuant to such approval; and~~

21           ~~“(B) is not the listed drug for any drug that is approved and continues to be marketed under~~  
22           ~~section 505(j) of such Act.~~

23           ~~“(2) Biological products.— A biological product that—~~

24           ~~“(A) is licensed under section 351(a) of the Public Health Service Act, including any product~~  
25           ~~that has been deemed to be licensed under section 351 of such Act pursuant to section 7002(e)(4)~~  
26           ~~of the Biologics Price Competition and Innovation Act of 2009, and continues to be marketed~~  
27           ~~under section 351 of such Act; and~~

28           ~~“(B) is not the reference product for any biological product that is licensed and continues to be~~  
29           ~~marketed under section 351(k) of such Act.~~

30           ~~“(3) Insulin product.— Notwithstanding paragraphs (1) and (2), any insulin product that is~~  
31           ~~approved under subsection (c) or (j) of section 505 of the Federal Food, Drug, and Cosmetic Act~~  
32           ~~or licensed under subsection (a) or (k) of section 351 of the Public Health Service Act and~~  
33           ~~continues to be marketed under such section 505 or 351, including any insulin product that has~~  
34           ~~been deemed to be licensed under section 351(a) of the Public Health Service Act pursuant to~~  
35           ~~section 7002(e)(4) of the Biologics Price Competition and Innovation Act of 2009 and continues~~  
36           ~~to be marketed pursuant to such licensure.~~

37           ~~For purposes of applying paragraphs (1) and (2), a drug or biological product that is marketed~~  
38           ~~by the same sponsor or manufacturer (or an affiliate thereof or a cross-licensed producer or~~  
39           ~~distributor) as the listed drug or reference product described in such respective paragraph shall~~  
40           ~~not be taken into consideration.~~

41           ~~“(f) Information on International Drug Prices.— For purposes of determining which~~

1 ~~negotiation-eligible drugs to select under subsection (a) and, in the case of such drugs that are~~  
2 ~~selected drugs, to determine the maximum fair price for such a drug and whether such maximum~~  
3 ~~fair price should be renegotiated under section 1194, the Secretary shall use data relating to the~~  
4 ~~AIM price with respect to such drug as available or provided to the Secretary and shall on an~~  
5 ~~ongoing basis request from manufacturers of selected drugs information on the AIM price of~~  
6 ~~such a drug.~~

7 ~~“(g) New Entrant Negotiation-Eligible Drugs.—~~

8 ~~“(1) IN GENERAL.—For purposes of this part, the term ‘qualifying single source drug’~~  
9 ~~means, ‘new entrant negotiation-eligible drug’ means, with respect to the selected drug-~~  
10 ~~publication date with respect to an initial price applicability year, a qualifying single source-~~  
11 ~~drug—~~

12 ~~“(A) that is first approved or licensed, as described in paragraph (1), (2), or (3) of~~  
13 ~~subsection (e), as applicable, during the year preceding such selected drug publication date;~~  
14 ~~and~~

15 ~~“(B) that the Secretary determines under paragraph (2) is likely to be included as a~~  
16 ~~negotiation-eligible drug with respect to the subsequent selected drug publication date.~~

17 ~~“(2) Determination.—In the case of a qualifying single source drug that meets the criteria~~  
18 ~~described in subparagraph (A) of paragraph (1), with respect to an initial price applicability~~  
19 ~~year, if the wholesale acquisition cost at which such drug is first marketed in the United-~~  
20 ~~States is equal to or greater than the median household income (as determined according to~~  
21 ~~the most recent data collected by the United States Census Bureau), the Secretary shall~~  
22 ~~determine before subject to paragraphs (2) and (3), a covered part D drug (as defined in~~  
23 ~~section 1860D–2(e)) that is described in any of the following or a drug or biological~~  
24 ~~product covered under part B of title XVIII that is described in any of the following:~~

25 ~~“(A) DRUG PRODUCTS.—A drug—~~

26 ~~“(i) that is approved under section 505(c) of the Federal Food, Drug, and~~  
27 ~~Cosmetic Act and is marketed pursuant to such approval;~~

28 ~~“(ii) for which, as of the selected drug publication date with respect to the~~  
29 ~~such initial price applicability year, if the drug is likely to be included as a~~  
30 ~~negotiation-eligible drug with respect to the subsequent selected drug publication-~~  
31 ~~date, based on the projected spending under title XVIII or in the United States on-~~  
32 ~~such drug. For purposes of this paragraph the term ‘United States’ includes the 50-~~  
33 ~~States, the District of Columbia, and the territories of the United States.~~

34 ~~“(h) Conflict of Interest.—~~

35 ~~“(1) In general.—In the case the Inspector General of the Department of Health~~  
36 ~~and Human Services determines the Secretary has a conflict, with respect to a~~  
37 ~~matter described in paragraph (2), the individual described in paragraph (3) shall~~  
38 ~~carry out the duties of the Secretary under this part, with respect to a~~  
39 ~~negotiation-eligible drug, that would otherwise be such a conflict.~~

40 ~~“(2) Matter described.—A matter described in this paragraph is—~~

41 ~~“(A) a financial interest (as described in section 2635.402 of title 5, Code of~~

1 Federal Regulations, as in effect on the date of the enactment of this section,  
2 (except for an interest described in subsection (b)(2)(iv) of such section)) on the  
3 date at least 7 years will have elapsed since the date of such approval; and

4 “(iii) that is not the listed drug for any drug that is approved and  
5 marketed under section 505(j) of such Act.

6 “(B) BIOLOGICAL PRODUCTS.—A biological product—

7 “(i) that is licensed under section 351(a) of the Public Health Service Act  
8 and is marketed under section 351 of such Act;

9 “(ii) for which, as of the selected drug publication date, with respect to  
10 such initial price applicability year (as applicable), at least 10 years will have  
11 elapsed since the date of such licensure; and

12 ~~“(B) a personal or business relationship (as described in section 2635.502 of~~  
13 ~~such title) on the date of—~~“(iii) that is not the reference product for any  
14 biological product that is licensed and marketed under section 351(k) of such  
15 Act.

16 “(C) INSULIN PRODUCT.—Any insulin product that is approved under section  
17 505 of the Federal Food, Drug, and Cosmetic Act or licensed under section 351 of  
18 the Public Health Service Act and marketed pursuant to such approval or  
19 licensure, including any insulin product that has been deemed to be licensed  
20 under section 351 of the Public Health Service Act pursuant to section 7002(e)(4)  
21 of the Biologics Price Competition and Innovation Act of 2009 and is marketed  
22 pursuant to such section, regardless of whether such insulin product would be  
23 described in subparagraph (A) or (B).

24 “(2) TREATMENT OF AUTHORIZED GENERIC DRUGS.—

25 “(A) IN GENERAL.—In the case of a qualifying single source drug described in  
26 subparagraph (A) or (B) of paragraph (1) that is the listed drug (as such term is  
27 used in section 505(j) of the Federal Food, Drug, and Cosmetic Act) or the  
28 reference product (as defined in section 351(i) of the Public Health Service Act),  
29 with respect to an authorized generic drug, in applying the provisions of this part,  
30 such authorized generic drug and such listed drug or reference product shall be  
31 treated as the same qualifying single source drug.

32 “(B) AUTHORIZED GENERIC DRUG DEFINED.—For purposes of this paragraph,  
33 the term ‘authorized generic drug’ means—

34 “(i) in the case of a drug, an authorized generic drug (as such term is  
35 defined in section 505(t)(3) of the Federal Food, Drug, and Cosmetic Act);  
36 and

37 “(ii) in the case of a biological product, a reference product (as such term  
38 is defined in section 351(i) of the Public Health Service Act) that—

39 “(I) has been licensed under section 351(a) of such Act; and

40 “(II) is marketed, sold, or distributed directly or indirectly to retail  
41 class of trade under a different labeling, packaging (other than

1                   repackaging as the reference product in blister packs, unit doses, or  
2                   similar packaging for use in institutions), product code, labeler code,  
3                   trade name, or trade mark than the reference product.

4           **“(3) EXCLUSIONS.—In this part, the term ‘qualifying single source drug’ does not**  
5           **include any of the following:**

6                   **“(A) CERTAIN ORPHAN DRUGS.—A drug that is designated as a drug for only**  
7                   **one rare disease or condition under section 526 of the Federal Food, Drug, and**  
8                   **Cosmetic Act and for which the only approved indication (or indications) is for**  
9                   **such disease or condition.**

10                   **“(B) LOW SPEND MEDICARE DRUGS.—A drug or biological product (other than**  
11                   **an insulin product described in paragraph (1)(C)) with respect to which the total**  
12                   **expenditures under parts B and D of title XVIII, as determined by the Secretary,**  
13                   **during the most recent period for which data are available of at least 12 months**  
14                   **prior to the selected drug publication date, with respect to each price applicability year;**

15                   ~~“(C) employment by a manufacturer of a negotiation-eligible drug during the~~  
16                   ~~preceding 10-year period beginning on the date of the selected drug publication date,~~  
17                   ~~with respect to each price applicability year; and~~

18                   ~~“(D) any other matter the General Counsel determines appropriate.~~

19                   ~~“(3) Individual described.—An individual described in this paragraph is—~~

20                   ~~“(A) the highest ranking officer or employee of the Department of Health and~~  
21                   ~~Human Services (as determined by the organizational chart of the Department) that~~  
22                   ~~does not have a conflict under this subsection; and~~

23                   ~~“(B) is nominated by the President and confirmed by the Senate with respect to the~~  
24                   ~~position. (but ending no later than October 31 of the year prior to the year of such~~  
25                   ~~drug publication date), with respect to such year is less than—~~

26                   **“(i) with respect to 2021, \$200,000,000; or**

27                   **“(ii) with respect to a subsequent year, the dollar amount specified in this**  
28                   **subparagraph for the previous year increased by the annual percentage**  
29                   **increase in the consumer price index (all items; U.S. city average) as of**  
30                   **December of such previous year.**

31           **“(f) No Administrative or Judicial Review of Determinations and Selections.—The**  
32           **determination of negotiation-eligible drugs under subsection (d) and the selection of drugs**  
33           **under this section are not subject to administrative or judicial review.**

34           **“SEC. 1193. MANUFACTURER AGREEMENTS.**

35                   **“(a) In General.—For purposes of section 1191(a)(2), the Secretary shall enter into agreements**  
36                   **with manufacturers of selected drugs with respect to a price applicability period, by not later than**  
37                   **June 15 February 28 following the selected drug publication date with respect to such selected**  
38                   **drug, under which—**

39                   **“(1) during the ~~voluntary~~ negotiation period for the initial price applicability year for the**  
40                   **selected drug, the Secretary and manufacturer, in accordance with section 1194, negotiate to**

1 determine (and, by not later than the last date of such period ~~and in accordance with~~  
2 ~~subsection (e)~~, agree to) a maximum fair price for such selected drug of the manufacturer in  
3 order **for the manufacturer** to provide access to such price—

4 “(A) to **maximum** fair price eligible individuals who with respect to such drug are  
5 described in subparagraph (A) of section 1191(c)(1) and are ~~furnished or dispensed~~  
6 ~~such drug~~ **dispensed such drug (and to pharmacies, mail order services, and other**  
7 **dispensers, with respect to such maximum fair price eligible individuals who are**  
8 **dispensed such drugs)** during, subject to subparagraph (2), the price applicability  
9 period; and

10 “(B) to hospitals, physicians, and other providers of services and suppliers with  
11 respect to **maximum** fair price eligible individuals who with respect to such drug are  
12 described in subparagraph (B) of such section and are furnished or administered such  
13 drug during, subject to subparagraph (2), the price applicability period;

14 “(2) the Secretary and the manufacturer shall, in accordance with ~~a process and during a~~  
15 ~~period specified by the Secretary pursuant to rulemaking~~ **section 1194**, renegotiate (and, by  
16 not later than the last date of such period ~~and in accordance with subsection (e)~~, agree to)  
17 the maximum fair price for such drug ~~if the Secretary determines that there is a material~~  
18 ~~change in any of the factors described in section 1194(d) relating to the drug, including~~  
19 ~~changes in the AIM price for such drug, in order~~, **in order for the manufacturer** to  
20 provide access to such maximum fair price (as so renegotiated)—

21 “(A) to **maximum** fair price eligible individuals who with respect to such drug are  
22 described in subparagraph (A) of section 1191(c)(1) and are ~~furnished or dispensed~~  
23 ~~such drug~~ **dispensed such drug (and to pharmacies, mail order services, and other**  
24 **dispensers, with respect to such maximum fair price eligible individuals who are**  
25 **dispensed such drugs)** during any year during the price applicability period  
26 (beginning after such renegotiation) with respect to such selected drug; and

27 “(B) to hospitals, physicians, and other providers of services and suppliers with  
28 respect to **maximum** fair price eligible individuals who with respect to such drug are  
29 described in subparagraph (B) of such section and are furnished or administered such  
30 drug during any year described in subparagraph (A);

31 “(3) **access to** the maximum fair price (including as renegotiated pursuant to paragraph  
32 (2)), with respect to such a selected drug, shall be provided ~~to~~ **by the manufacturer to—**

33 “(A) **maximum** fair price eligible individuals, who with respect to such drug are  
34 described in subparagraph (A) of section 1191(c)(1), at the pharmacy ~~or by a~~, mail  
35 order service, **or other dispenser** at the point-of-sale of such drug **(and shall be**  
36 **provided by the manufacturer to the pharmacy, mail order service, or other**  
37 **dispenser, with respect to such maximum fair price eligible individuals who are**  
38 **dispensed such drugs)**, as described in paragraph (1)(A) or (2)(A), as applicable;  
39 and

40 “(B) hospitals, physicians, and other providers of services and suppliers with  
41 respect to **maximum fair price eligible individuals who with respect to such drug**  
42 **are described in subparagraph (B) of such section and are furnished or**  
43 **administered such drug, as described in paragraph (1)(B) or (2)(B), as applicable;**

1           “(4) the manufacturer, subject to subsection (d), submits to the Secretary, ~~in a through~~  
2           **an online portal established by the Secretary or other** form and manner specified by the  
3           **Secretary, Secretary**—

4           ~~“(A) for the voluntary negotiation period for the price applicability period (and, if~~  
5           ~~applicable, before any period of renegotiation specified pursuant to paragraph (2))~~ **section**  
6           **1194(f)** with respect to such ~~drug~~ **all drug**—

7                   **“(A) information on the non-Federal average manufacturer price for the drug**  
8                   **for the applicable year or period; and**

9                   **“(B) all other** information that the Secretary requires to carry out the negotiation (or  
10                   renegotiation process) under this part, including information described in section  
11                   **1192(f) and section 1194(d)(1); and 1194(e)(1); and**

12           ~~“(B) on an ongoing basis, information on changes in prices for such drug that would~~  
13           ~~affect the AIM price for such drug or otherwise provide a basis for renegotiation of the~~  
14           ~~maximum fair price for such drug pursuant to paragraph (2);~~

15           ~~“(5) the manufacturer agrees that in the case the selected drug of a manufacturer is a drug~~  
16           ~~described in subsection (c), the manufacturer will, in accordance with such subsection,~~  
17           ~~make any payment required under such subsection with respect to such drug; and~~

18           ~~“(6)“(5) the manufacturer complies with requirements imposed by the Secretary for~~  
19           ~~purposes of administering the program, including with respect to the duties described in~~  
20           ~~section 1196.~~

21           “(b) Agreement in Effect Until Drug Is No Longer a Selected Drug.—An agreement entered  
22           into under this section shall be effective, with respect to a **selected** drug, until such drug is no  
23           longer considered a selected drug under section 1192(c).

24           ~~“(c) Special Rule for Certain Selected Drugs Without AIM Price.—~~

25           ~~“(1) In general.—In the case of a selected drug for which there is no AIM price available with~~  
26           ~~respect to the initial price applicability year for such drug and for which an AIM price becomes~~  
27           ~~available beginning with respect to a subsequent plan year during the price applicability period~~  
28           ~~for such drug, if the Secretary determines that the amount described in paragraph (2)(A) for a~~  
29           ~~unit of such drug is greater than the amount described in paragraph (2)(B) for a unit of such drug,~~  
30           ~~then by not later than one year after the date of such determination, the manufacturer of such~~  
31           ~~selected drug shall pay to the Treasury an amount equal to the product of—~~

32           ~~“(A) the difference between such amount described in paragraph (2)(A) for a unit of such drug~~  
33           ~~and such amount described in paragraph (2)(B) for a unit of such drug; and~~

34           ~~“(B) the number of units of such drug sold in the United States, including the 50 States, the~~  
35           ~~District of Columbia, and the territories of the United States, during the period described in~~  
36           ~~paragraph (2)(B).~~

37           ~~“(2) Amounts described.—~~

38           ~~“(A) Weighted average price before aim price available.—For purposes of paragraph (1), the~~  
39           ~~amount described in this subparagraph for a selected drug described in such paragraph, is the~~  
40           ~~amount equal to the weighted average manufacturer price (as defined in section 1927(k)(1)) for~~  
41           ~~such dosage strength and form for the drug during the period beginning with the first plan year~~

1 for which the drug is included on the list of negotiation-eligible drugs published under section  
2 1192(d) and ending with the last plan year during the price applicability period for such drug  
3 with respect to which there is no AIM price available for such drug.

4 ~~“(B) Amount multiplier after aim price available.—For purposes of paragraph (1), the amount~~  
5 ~~described in this subparagraph for a selected drug described in such paragraph, is the amount~~  
6 ~~equal to 200 percent of the AIM price for such drug with respect to the first plan year during the~~  
7 ~~price applicability period for such drug with respect to which there is an AIM price available for~~  
8 ~~such drug.~~

9 ~~“(d) Confidentiality of Information.—Information submitted to the Secretary under this part~~  
10 ~~by a manufacturer of a selected drug that is proprietary information of such manufacturer (as~~  
11 ~~determined by the Secretary) may shall be used only by the Secretary or disclosed to and used by~~  
12 ~~the Comptroller General of the United States or the Medicare Payment Advisory Commission for~~  
13 ~~purposes of carrying out this part.~~

14 ~~“(e) Regulations.—~~

15 ~~“(1) In general.—The Secretary shall, pursuant to rulemaking, specify, in accordance with~~  
16 ~~paragraph (2), the information that must be submitted under subsection (a)(4).~~

17 ~~“(2) Information specified.—Information described in paragraph (1), with respect to a selected~~  
18 ~~drug, shall include information on sales of the drug (by the manufacturer of the drug or by~~  
19 ~~another entity under license or other agreement with the manufacturer, with respect to the sales~~  
20 ~~of such drug, regardless of the name under which the drug is sold) in any foreign country that is~~  
21 ~~part of the AIM price. The Secretary shall verify, to the extent practicable, such sales from~~  
22 ~~appropriate officials of the government of the foreign country involved.~~

23 ~~“(f) Compliance With Requirements for Administration of Program.—Each manufacturer with~~  
24 ~~an agreement in effect under this section shall comply with requirements imposed by the~~  
25 ~~Secretary or a third party with a contract under section 1196(c)(1), as applicable, for purposes of~~  
26 ~~administering the program.”(d) Implementation for 2025 and 2026.—Notwithstanding any~~  
27 **other provision of this part, the Secretary shall implement this section for 2025 and 2026 by**  
28 **program instruction or otherwise.**

## 29 “SEC. 1194. NEGOTIATION AND RENEGOTIATION 30 PROCESS.

31 ~~“(a) In General.—For purposes of this part, under an agreement under section 1193 between~~  
32 ~~the Secretary and a manufacturer of a selected drug, with respect to the period for which such~~  
33 ~~agreement is in effect and in accordance with subsections (b) and, (c), and (d), the Secretary and~~  
34 ~~the manufacturer—~~

35 ~~“(1) shall during the voluntary negotiation period with respect to the initial price-~~  
36 ~~applicability year for such drug, in accordance with this section, negotiate a maximum fair~~  
37 ~~price for such drug for the purpose described in section 1193(a)(1); and~~

38 ~~“(2) as applicable pursuant to section 1193(a)(2) and renegotiate, in accordance with the~~  
39 ~~process specified pursuant to such section, renegotiate subsection (f), such maximum fair~~  
40 ~~price for such drug for the purpose described in such section. if such drug is a~~  
41 **renegotiation-eligible drug under such subsection.**

1 ~~“(b) Negotiating Methodology and Objective.—“(b) Negotiation Process Requirements.—~~

2 ~~“(1) In general.—The“(1) METHODOLOGY AND PROCESS.—The Secretary shall develop~~  
3 ~~and use a consistent methodology for negotiations under subsection (a) that~~ **and process, in**  
4 ~~accordance with paragraph (2) and subject to paragraph (3), achieves, for negotiations~~  
5 **under subsection (a) that aims to achieve** the lowest maximum fair price for each selected  
6 ~~drug while appropriately rewarding innovation..~~

7 ~~“(2) Prioritizing factors.—In considering“(2) SPECIFIC ELEMENTS OF NEGOTIATION~~  
8 **PROCESS.—As part of the negotiation process under this section, with respect to a**  
9 **selected drug and the negotiation period with respect to the initial price applicability**  
10 **year with respect to such drug, the following shall apply:**

11 **“(A) SUBMISSION OF INFORMATION.—Not later than March 1 of the year of the**  
12 **selected drug publication date, with respect to the selected drug, the**  
13 **manufacturer of the drug shall submit to the Secretary, in accordance with**  
14 **section 1193(a)(4), the information described in such section.**

15 **“(B) INITIAL OFFER BY SECRETARY.—Not later than the June 1 following the**  
16 **selected drug publication date, the Secretary shall provide the manufacturer of a**  
17 **selected drug with a written initial offer that contains the Secretary’s proposal for**  
18 **the maximum fair price of the drug and a list of the considerations described in**  
19 **section 1194(e) that were used in developing such offer.**

20 **“(C) RESPONSE TO INITIAL OFFER.—**

21 **“(i) IN GENERAL.—Not later than 30 days after the date of receipt of an**  
22 **initial offer under subparagraph (B), the manufacturer shall either accept**  
23 **such offer or propose a counteroffer to such offer.**

24 **“(ii) COUNTEROFFER REQUIREMENTS.—If a manufacturer proposes a**  
25 **counteroffer, such counteroffer—**

26 **“(I) shall be in writing; and**

27 **“(II) shall be justified based on** the factors described in subsection ~~(d) in~~  
28 ~~negotiating (and, as applicable, renegotiating) the maximum fair price for a~~  
29 ~~selected drug(e).~~

30 **“(D) RESPONSE TO COUNTEROFFER.—After receiving a counteroffer under**  
31 **subparagraph (C), the Secretary shall, to the extent practicable, consider all of the**  
32 **available factors listed but shall prioritize the following factors:**

33 ~~“(A) Research and development costs.—The factor described in paragraph (1)(A) of~~  
34 ~~subsection (d).~~

35 ~~“(B) Market data.—The factor described in paragraph (1)(B) of such subsection.~~

36 ~~“(C) Unit costs of production and distribution.—The factor described in paragraph~~  
37 ~~(1)(C) of such subsection.~~

38 ~~“(D) Comparison to existing therapeutic alternatives.—The factor described in~~  
39 ~~paragraph (2)(A) of such subsection.~~

40 ~~“(3) Requirement.—~~



1           ~~“(A) In general.—In respond in writing to such counteroffer.~~

2           **“(E) DEADLINE.—All negotiations shall end prior to the first day of November**  
3 **following the selected drug publication date, with respect to the initial price**  
4 **applicability year.**

5           **“(F) LIMITATIONS ON OFFER AMOUNT.—In negotiating the maximum fair price of**  
6 **a selected drug, with respect to an initial price applicability year for the selected drug,**  
7 **and, as applicable, in renegotiating the maximum fair price for such drug, with respect**  
8 **to a subsequent year during the price applicability period for such drug, in the case that**  
9 **the manufacturer of the selected drug offers under the negotiation or renegotiation, as**  
10 **applicable, a price for such drug that is not more than the target price described in**  
11 **subparagraph (B) for such drug for the respective year, the Secretary shall agree under**  
12 **such negotiation or renegotiation, respectively, to such offered price as the maximum**  
13 **fair price. the Secretary shall not offer (or agree to a counteroffer for) a maximum**  
14 **fair price for the selected drug that—**

15                   ~~“(B) Target price.—“(i) exceeds the ceiling determined under subsection (c)~~  
16 **for the selected drug and year; or**

17                   ~~“(i) In general.—Subject to clause (ii), the target price described in this~~  
18 **subparagraph for“(ii) as applicable, is less than the floor determined under**  
19 **subsection (d) for the selected drug and year.**

20           **“(G) TREATMENT OF DETERMINATION.—The establishment of a maximum fair**  
21 **price under this section is not subject to administrative or judicial review.**

22 **“(c) Ceiling for Maximum Fair Price.—**

23           **“(1) IN GENERAL.—The maximum fair price negotiated under this section for a**  
24 **selected drug, with respect to the first year of the price applicability period with**  
25 **respect to such drug, shall not exceed the applicable percent described in paragraph**  
26 **(2), with respect to such drug, of the following:**

27           **“(A) INITIAL PRICE APPLICABILITY YEAR 2025.—In the case of a selected drug**  
28 **with respect to which such initial price applicability year is 2025, the non-Federal**  
29 **average manufacturer price for such drug for 2020 (or, in the case that there is**  
30 **not a non-Federal average manufacturer price available for such drug for 2020,**  
31 **for the first full year following the market entry for such drug), increased by the**  
32 **percentage increase in the consumer price index for all urban consumers (all**  
33 **items; United States city average) from 2020 (or such first full year following the**  
34 **market entry), as applicable, to the year prior to the selected drug publication**  
35 **date with respect to such initial price applicability year.**

36           **“(B) INITIAL PRICE APPLICABILITY YEAR 2026 AND SUBSEQUENT YEARS.—In the**  
37 **case of a selected drug with respect to a year, is the average price (which shall be the**  
38 **net average price, if practicable, and volume-weighted, if practicable) for a unit of such**  
39 **drug for sales of such drug, as computed (across different dosage forms and strengths**  
40 **of the drug and not based on the specific formulation or package size or package type**  
41 **of the drug) in the applicable country described in section 1191(c)(3)(B) with respect**  
42 **to such drug that, with respect to such year, has the lowest average price for such drug**  
43 **as compared to the average prices (as so computed) of such drug with respect to such**

1 year in the other applicable countries described in such section with respect to such  
2 drug, **which such initial price applicability year is 2026 or a subsequent year, the**  
3 **lower of—**

4 ~~“(ii) Selected drugs without aim price.— In applying this paragraph in the case~~  
5 ~~of negotiating the maximum fair price of a selected drug for which there is no~~  
6 ~~AIM price available with respect to the initial price applicability year for such~~  
7 ~~drug, or, as applicable, renegotiating the maximum fair price for such drug with~~  
8 ~~respect to a subsequent year during the price applicability period for such drug~~  
9 ~~before the first plan year for which there is an AIM“(i) the non-Federal average~~  
10 **manufacturer price for such drug for 2020 (or, in the case that there is not a**  
11 **non-Federal average manufacturer** price available for such drug, ~~the target~~  
12 ~~price described in this subparagraph for such drug and respective year is the~~  
13 ~~amount that is 80 percent of the average manufacturer price (as defined in section~~  
14 ~~1927(k)(1)) for such drug and year.~~

15 ~~“(c) Limitation.—~~

16 ~~“(1) In general.— Subject to paragraph (2), the maximum fair price negotiated~~  
17 ~~(including as renegotiated) under this section for a selected drug, with respect to~~  
18 ~~each plan year during a price applicability period for such drug, shall not exceed~~  
19 ~~120 percent of the AIM price applicable to such drug with respect to such year.~~

20 ~~“(2) Selected drugs without aim price.— In the case of a selected drug for which~~  
21 ~~there is no AIM price available with respect to the initial price applicability year~~  
22 ~~for such drug, for each plan year during the price applicability period before the~~  
23 ~~first plan year for which there is an AIM price available for such drug, the~~  
24 ~~maximum fair price negotiated (including as renegotiated) under this section for~~  
25 ~~the selected drug shall not exceed the amount equal to 85 percent of the average~~  
26 ~~manufacturer price for the drug with respect to such year.~~

27 ~~“(d) Considerations.— For purposes of negotiating and, as applicable,~~  
28 ~~renegotiating (including for purposes of determining whether to renegotiate) the~~  
29 ~~maximum fair price of a selected drug— for 2020, for the first full year~~  
30 **following the market entry for such drug), increased by the percentage**  
31 **increase in the consumer price index for all urban consumers (all items;**  
32 **United States city average) from 2020 (or such first full year following the**  
33 **market entry), as applicable, to the year prior to the selected drug**  
34 **publication date with respect to such initial price applicability year; or**

35 **“(ii) the non-Federal average manufacturer price for such drug for the**  
36 **year prior to the selected drug publication date with respect to such initial**  
37 **price applicability year.**

38 **“(2) APPLICABLE PERCENT DESCRIBED.—For purposes of paragraph (1), the**  
39 **applicable percent described in this paragraph is the following:**

40 **“(A) SHORT-MONOPOLY DRUGS.—With respect to a selected drug (other than a**  
41 **post-exclusivity drug and a long-monopoly drug), 75 percent.**

42 **“(B) POST-EXCLUSIVITY DRUGS.—With respect to a post-exclusivity drug, 65**  
43 **percent.**

1           **“(C) LONG-MONOPOLY DRUGS.—With respect to a long-monopoly drug, 40**  
2           **percent.**

3           **“(3) POST-EXCLUSIVITY DRUG DEFINED.—**

4           **“(A) IN GENERAL.—In this part, subject to subparagraph (B), the term**  
5           **‘post-exclusivity drug’ means, with respect to an initial price applicability year, a**  
6           **selected drug for which at least 12 years, but fewer than 16 years, have elapsed**  
7           **since the date of approval of such drug under section 505(c) of the Federal Food,**  
8           **Drug, and Cosmetic Act or since the date of licensure of such drug under section**  
9           **351(a) of the Public Health Service Act, as applicable.**

10           **“(B) EXCLUSIONS.—The term ‘post-exclusivity drug’ shall not include any of**  
11           **the following:**

12                   **“(i) A vaccine that is licensed under section 351 of the Public Health**  
13                   **Service Act and marketed pursuant to such section.**

14                   **“(ii) A selected drug that had an agreement under this part with the**  
15                   **Secretary prior to the initial price applicability year 2030.**

16           **“(C) CLARIFICATION.—Nothing in subparagraph (B)(ii) shall limit the**  
17           **transition of a selected drug described in paragraph (2)(A) to a long-monopoly**  
18           **drug if the selected drug meets the definition of a long-monopoly drug.**

19           **“(4) LONG-MONOPOLY DRUG DEFINED.—**

20           **“(A) IN GENERAL.—In this part, subject to subparagraph (B), the term**  
21           **‘long-monopoly drug’ means, with respect to an initial price applicability year, a**  
22           **selected drug for which at least 16 years have elapsed since the date of approval of**  
23           **such drug under section 505(c) of the Federal Food, Drug, and Cosmetic Act or**  
24           **since the date of licensure of such drug under section 351(a) of the Public Health**  
25           **Service Act, as applicable.**

26           **“(B) EXCLUSION.—The term ‘long-monopoly drug’ shall not include a vaccine**  
27           **that is licensed under section 351 of the Public Health Service Act and marketed**  
28           **pursuant to such section.**

29           **“(5) NON-FEDERAL AVERAGE MANUFACTURER PRICE.—In this part, the term**  
30           **‘non-Federal average manufacturer price’ has the meaning given such term in section**  
31           **8126(h)(5) of title 38, United States Code.**

32           **“(d) Temporary Floor for Small Biotech Drugs.—In the case of a selected drug that is a**  
33           **qualifying single source drug described in section 1192(d)(2) and with respect to which the**  
34           **first initial price applicability year of the price applicability period with respect to such**  
35           **drug is 2028 or 2029, the maximum fair price negotiated under this section for such drug**  
36           **for such initial price applicability year may not be less than 66 percent of the non-Federal**  
37           **average manufacturer price for such drug (as defined and applied in subsection (c)(4)) for**  
38           **2020 (or, in the case that there is not a non-Federal average manufacturer price available**  
39           **for such drug for 2020, for the first full year following the market entry for such drug),**  
40           **increased by the percentage increase in the consumer price index for all urban consumers**  
41           **(all items; United States city average) from 2020 (or such first full year following the**  
42           **market entry), as applicable, to the year prior to the selected drug publication date with**

1 respect to the initial price applicability year.

2 **“(e) Considerations.—For purposes of negotiating the maximum fair price of a selected**  
3 **drug under this part with the** manufacturer of the drug, the Secretary, ~~consistent with~~  
4 ~~subsection (b)(2), shall take into consideration the factors described in paragraphs (1), (2), (3),~~  
5 ~~and (5), and may take into consideration the factor described in paragraph (4):~~ **shall consider the**  
6 **following factors (and, with respect to post-exclusivity drugs and long-monopoly drugs,**  
7 **shall not consider factors other than those described in subparagraphs (B) and (C) of**  
8 **paragraph (1)):**

9 **“(1) MANUFACTURER-SPECIFIC INFORMATION.—The following information, with respect**  
10 **to such selected drug, including as submitted by the manufacturer:**

11 **“(A) Research and development costs of the manufacturer for the drug and the**  
12 **extent to which the manufacturer has recouped research and development costs.**

13 **“(B) Market data for the drug, including the distribution of sales across different**  
14 **programs and purchasers and projected future revenues for the drug.**

15 **“(C) Unit costs of production and distribution of the drug.**

16 **“(D) Prior Federal financial support for novel therapeutic discovery and**  
17 **development with respect to the drug.**

18 **“(E) Data on patents and on existing and pending exclusivity for the drug.**

19 **“(F) National sales data for the drug.**

20 **“(G) Information on clinical trials for the drug in the United States or in applicable**  
21 **countries described in section 1191(e)(3)(B).**

22 **“(2) INFORMATION ON UNMET MEDICAL NEEDS AND ALTERNATIVE PRODUCTS.—THE**  
23 **TREATMENTS.—The following information, with respect to such selected drug:**

24 **“(A) The extent to which the drug represents a therapeutic advance as compared to**  
25 **existing therapeutic alternatives and, to the extent such information is available, the**  
26 **costs of such existing therapeutic alternatives.**

27 **“(B) Information on approval by the Food and Drug Administration of alternative**  
28 **drug products or biological products.**

29 **“(C) Information on comparative effectiveness analysis for such products, taking**  
30 **into consideration the effects of such products on specific populations, such as**  
31 **individuals with disabilities, the elderly, the terminally ill, children, and other patient**  
32 **populations.**

33 **“(D) The extent to which the drug addresses unmet medical needs for a**  
34 **condition for which treatment or diagnosis is not addressed adequately by**  
35 **available therapy.**

36 In considering information described in subparagraph (C), the Secretary shall not use  
37 evidence or findings from comparative clinical effectiveness research in a manner that treats  
38 extending the life of an elderly, disabled, or terminally ill individual as of lower value than  
39 extending the life of an individual who is younger, nondisabled, or not terminally ill.

40 ~~Nothing in the previous sentence shall affect the application or consideration of an AIM-~~

1 price for a selected drug.

2 ~~“(3) Foreign sales information.—To the extent available on a timely basis, including as~~  
3 ~~provided by a manufacturer of the selected drug or otherwise, information on sales of the~~  
4 ~~selected drug in each of the countries described in section 1191(e)(3)(B).~~

5 ~~“(4) VA drug pricing information.—Information disclosed to the Secretary pursuant to~~  
6 ~~subsection (f).~~

7 ~~“(5)“(3) ADDITIONAL INFORMATION.—Information submitted to the Secretary, in~~  
8 ~~accordance with a process specified by the Secretary, by other parties that are affected by~~  
9 ~~the establishment of a maximum fair price for the selected drug.~~

10 **“(f) Renegotiation Process.—**

11 **“(1) IN GENERAL.—In the case of a renegotiation-eligible drug (as defined in**  
12 **paragraph (2)) that is selected under paragraph (3), the Secretary shall provide for a**  
13 **process of renegotiation (for years (beginning with 2027) during the price applicability**  
14 **period, with respect to such drug) of the maximum fair price for such drug consistent**  
15 **with paragraph (4).**

16 **“(2) RENEGOTIATION-ELIGIBLE DRUG DEFINED.—In this section, the term**  
17 **‘renegotiation-eligible drug’ means a selected drug that is any of the following:**

18 **“(A) ADDITION OF NEW INDICATION.—A selected drug for which a new**  
19 **indication is added to the drug.**

20 **“(B) CHANGE OF STATUS TO A POST-EXCLUSIVITY DRUG.—A selected drug that is**  
21 **described in section 1192(d)(1)(A) that—**

22 **“(i) is not a post-exclusivity drug or a long-monopoly drug; and**

23 **“(ii) for which there is a change in status to that of a post-exclusivity drug.**

24 **“(C) CHANGE OF STATUS TO A LONG-MONOPOLY DRUG.—A selected drug that is**  
25 **described in section 1192(d)(1)(A) that—**

26 **“(i) is not a long-monopoly drug; and**

27 **“(ii) for which there is a change in status to that of a long-monopoly drug.**

28 **“(D) MATERIAL CHANGES.—A selected drug for which the Secretary determines**  
29 **there has been a material change of factors described in paragraph (1) or (2) of**  
30 **subsection (e).**

31 **“(3) SELECTION OF DRUGS FOR RENEGOTIATION.—Each year the Secretary shall**  
32 **select among renegotiation-eligible drugs for renegotiation as follows:**

33 **“(A) ALL POST-EXCLUSIVITY NEGOTIATION-ELIGIBLE DRUGS.—The Secretary**  
34 **shall select all renegotiation-eligible drugs described in paragraph (2)(B).**

35 **“(B) ALL LONG-MONOPOLY NEGOTIATION-ELIGIBLE DRUGS.—The Secretary**  
36 **shall select all renegotiation-eligible drugs described in paragraph (2)(C).**

37 **“(C) REMAINING DRUGS.—Among the remaining renegotiation-eligible drugs**  
38 **described in subparagraphs (A) and (D) of paragraph (2), the Secretary shall**  
39 **select renegotiation-eligible drugs for which the Secretary expects renegotiation is**

1           likely to result in a significant change in the maximum fair price otherwise  
2           negotiated.

3           **“(4) RENEGOTIATION PROCESS.—The Secretary shall specify the process for**  
4 **renegotiation of maximum fair prices with the manufacturer of a renegotiation-eligible**  
5 **drug selected for renegotiation under this subsection. Such process shall, to the extent**  
6 **practicable, be consistent with the methodology and process established under**  
7 **subsection (b) and in accordance with subsections (c) and (d), and for purposes of**  
8 **applying subsections (c) and (d), the reference to the first initial price applicability**  
9 **year of the price applicability period with respect to such drug shall be treated as the**  
10 **first initial price applicability year of such period for which the maximum fair price**  
11 **established pursuant to such renegotiation applies, including for applying subsection**  
12 **(c)(2)(B) in the case of renegotiation-eligible drugs described in paragraph (3)(A) of**  
13 **this subsection and subsection (c)(2)(C) in the case of renegotiation-eligible drugs**  
14 **described in paragraph (3)(B) of this subsection.**

15           **“(5) CLARIFICATION.—A renegotiation-eligible drug for which the Secretary makes**  
16 **a determination described in section 1192(c)(1) before or during the period of**  
17 **renegotiation shall not be subject to the renegotiation process under this section.**

18           **“(6) NO ADMINISTRATIVE OR JUDICIAL REVIEW.—The determination of**  
19 **renegotiation-eligible drugs under paragraph (2) and the selection of**  
20 **renegotiation-eligible drugs under paragraph (3) are not subject to administrative or**  
21 **judicial review.**

22           **“(g)“(e) Request for Information.—For purposes of negotiating and, as applicable,**  
23 **renegotiating (including for purposes of determining whether to renegotiate) the maximum fair**  
24 **price of a selected drug under this part with the manufacturer of the drug, with respect to a price**  
25 **applicability period, and other relevant data for purposes of this section—**

26           **“(1) the Secretary shall, not later than the selected drug publication date with respect to**  
27 **the initial price applicability year of such period, request drug pricing information from the**  
28 **manufacturer of such selected drug, including information described in subsection**  
29 **(d)(1);(e)(1); and**

30           **“(2) by not later than ~~October~~ **March** 1 following the selected drug publication date, the**  
31 **manufacturer of such selected drug shall submit to the Secretary such requested information**  
32 **in such form and manner as the Secretary ~~may require~~ **requires.****

33           The Secretary shall request, from the manufacturer or others, ~~such~~ **all** additional information as  
34 ~~may be~~ needed to carry out the negotiation and renegotiation process under this section.

35           ~~“(f) Disclosure of Information.—For purposes“(h) Implementation for 2025 and~~  
36 **2026.—Notwithstanding any other provision** of this part, the Secretary of Veterans Affairs  
37 ~~may disclose to the Secretary of Health and Human Services the price of any negotiation-eligible~~  
38 ~~drug that is purchased pursuant to section 8126 of title 38, United States Code. **shall implement**~~  
39 **this section for 2025 and 2026 by program instruction or otherwise.**

## 40           **“SEC. 1195. PUBLICATION OF MAXIMUM FAIR PRICES.**

41           **“(a) In General.—With respect to an initial price applicability year and a selected drug with**  
42 **respect to such ~~year,~~ **year—****

1           “(1) not later than ~~April 1~~ **November 15** of the ~~plan~~ year **that is 2 years** prior to such  
2 initial price applicability year, the Secretary shall publish ~~in the Federal Register on~~  
3 **CMS.gov** the maximum fair price for such drug negotiated under this part with the  
4 manufacturer of such drug;

5           “(2) not later than **November 30** of the year **that is 2 years** prior to such initial price  
6 **applicability year, the Secretary shall publish in the Federal Register the maximum**  
7 **fair price for such drug described in paragraph (1); and**

8           “(3) not later than **March 1** of the year prior to such initial price applicability year,  
9 **the Secretary shall publish in the Federal Register, subject to section 1193(c) and**  
10 **based on the considerations as described in section 1194(e), the explanation for the**  
11 **maximum fair price for such drug described in paragraphs (1) and (2).**

12       “(b) Updates.—

13           “(1) **SUBSEQUENT YEAR MAXIMUM FAIR PRICES.**—For a selected drug, for each ~~plan~~ year  
14 subsequent to ~~the first~~ initial price applicability year ~~for such drug of the price~~  
15 **applicability period with respect to such drug**, with respect to which an agreement for  
16 such drug is in effect under section 1193, **not later than November 30 of the year that is 2**  
17 **years prior to such subsequent year**, the Secretary shall publish in the Federal Register—  
18 **Register the maximum fair price applicable to such drug and year, which shall be—**

19           “(A) subject to subparagraph (B), the amount equal to the maximum fair price  
20 published for such drug for the previous year, increased by the annual percentage  
21 increase in the consumer price index for all urban consumers (all items; U.S. city  
22 average) as of September of such previous year; or

23           “(B) in the case the maximum fair price for such drug was renegotiated, for the first  
24 year for which such price as so renegotiated applies, such renegotiated maximum fair  
25 price.

26           “(2) **PRICES NEGOTIATED AFTER DEADLINE.**—In the case of a selected drug with respect to  
27 an initial price applicability year for which the maximum fair price is determined under this  
28 part after the date of publication under this section, the Secretary shall publish such  
29 maximum fair price in the Federal Register by not later than 30 days after the date such  
30 maximum price is so determined.

## 31       **“SEC. 1196. ADMINISTRATIVE DUTIES; COORDINATION** 32 **PROVISIONS.**

33       “(a) Administrative Duties.—

34           “(1) **IN GENERAL.**—For purposes of section 1191, the administrative duties described in  
35 this section are the following:

36           “(A) ~~The establishment of procedures (including through agreements with~~  
37 ~~manufacturers under this part, contracts with prescription drug plans under part D of~~  
38 ~~title XVIII and MAPD plans under part C of such title, and agreements under section~~  
39 ~~1197 with group health plans and health insurance issuers of health insurance coverage~~  
40 ~~offered in the individual or group market) under which the maximum fair price for a~~  
41 ~~selected drug is provided to fair price eligible individuals, who with respect to such~~

1 drug are described in subparagraph (A) of section 1191(e)(1), at pharmacies or by mail  
2 order service at the point of sale of the drug for the applicable price period for such  
3 drug and providing that such maximum fair price is used for determining cost sharing  
4 under such plans or coverage for the selected drug.

5 ~~“(B) The establishment of procedures (including through agreements with~~  
6 ~~manufacturers under this part and contracts with hospitals, physicians, and other~~  
7 ~~providers of services and suppliers and agreements under section 1197 with group~~  
8 ~~health plans and health insurance issuers of health insurance coverage offered in the~~  
9 ~~individual or group market) under which, in the case of a selected drug furnished or~~  
10 ~~administered by such a hospital, physician, or other provider of services or supplier to~~  
11 ~~fair price eligible individuals (who with respect to such drug are described in~~  
12 ~~subparagraph (B) of section 1191(e)(1)), the maximum fair price for the selected drug~~  
13 ~~is provided to such hospitals, physicians, and other providers of services and suppliers~~  
14 ~~(as applicable) with respect to such individuals and providing that such maximum fair~~  
15 ~~price is used for determining cost sharing under the respective part, plan, or coverage~~  
16 ~~for the selected drug.~~

17 ~~“(C) The establishment of procedures (including through agreements and contracts~~  
18 ~~described in subparagraphs (A) and (B)) to ensure that, not later than 90 days after the~~  
19 ~~dispensing of a selected drug to a fair price eligible individual by a pharmacy or mail~~  
20 ~~order service, the pharmacy or mail order service is reimbursed for an amount equal to~~  
21 ~~the difference between—~~

22 ~~“(i) the lesser of—~~

23 ~~“(I) the wholesale acquisition cost of the drug;~~

24 ~~“(II) the national average drug acquisition cost of the drug; and~~

25 ~~“(III) any other similar determination of pharmacy acquisition costs of the drug, as~~  
26 ~~determined by the Secretary; and~~

27 ~~“(ii) the maximum fair price for the drug.~~

28 ~~“(D) The establishment of procedures to ensure that the maximum fair price for a~~  
29 ~~selected drug is applied before—~~

30 ~~“(i) any coverage or financial assistance under other health benefit plans or~~  
31 ~~programs that provide coverage or financial assistance for the purchase or~~  
32 ~~provision of prescription drug coverage on behalf of **maximum** fair price eligible~~  
33 ~~individuals as the Secretary may specify; and~~

34 ~~“(ii) any other discounts.~~

35 ~~“(E) The establishment of procedures to enter into appropriate agreements and~~  
36 ~~protocols for the ongoing computation of AIM prices for selected drugs, including, to~~  
37 ~~the extent possible, to compute the AIM price for selected drugs and including by~~  
38 ~~providing that the manufacturer of such a selected drug should provide information for~~  
39 ~~such computation not later than 3 months after the first date of the voluntary~~  
40 ~~negotiation period for such selected drug.~~

41 ~~“(F)“(B) The establishment of procedures to compute and apply the maximum fair~~



1 price across different strengths and dosage forms of a selected drug and not based on  
2 the specific formulation or package size or package type of the drug.

3 ~~“(G) The establishment of procedures to negotiate and apply the maximum fair price~~  
4 ~~in a manner that does not include any dispensing or similar fee.~~

5 ~~“(H)“(C) The establishment of procedures to carry out the provisions of this part, as~~  
6 ~~applicable, with respect to—~~

7 ~~“(i) maximum fair price eligible individuals who are enrolled under a~~  
8 ~~prescription drug plan under part D of title XVIII or an MA–PD plan under part C~~  
9 ~~of such title; and~~

10 ~~“(ii) maximum fair price eligible individuals who are enrolled under a group-~~  
11 ~~health plan or health insurance coverage offered by a health insurance issuer in~~  
12 ~~the individual or group market with respect to which there is an agreement in~~  
13 ~~effect under section 1197; and part B of such title, including who are enrolled~~  
14 ~~under an MA plan under part C of such title.~~

15 ~~“(iii) fair price eligible individuals who are entitled to benefits under part A of title~~  
16 ~~XVIII or enrolled under part B of such title.~~

17 ~~“(I)“(D) The establishment of a negotiation process and renegotiation process in~~  
18 ~~accordance with section 1194, including a process for acquiring information described~~  
19 ~~in subsection (d) of such section and determining amounts described in subsection (b)~~  
20 ~~of such section.(e) of such section.~~

21 ~~“(J) The provision of a reasonable dispute resolution mechanism to resolve~~  
22 ~~disagreements between manufacturers, fair price eligible individuals, and the third-~~  
23 ~~party with a contract under subsection (e)(1).“(E) The establishment of an online~~  
24 ~~portal which manufacturers shall be required to use to submit information~~  
25 ~~described in section 1194(b)(2)(A).~~

26 ~~“(2) Monitoring compliance.—“(F) The sharing with the Secretary of the~~  
27 ~~Treasury of such information as is necessary to determine the tax imposed by~~  
28 ~~section 4192 of the Internal Revenue Code of 1986 (relating to enforcement of this~~  
29 ~~part).~~

30 ~~“(A) In general.—The“(G) The establishment of an attestation and verification~~  
31 ~~process for purposes of applying section 1192(d)(2)(B).~~

32 ~~“(2) MONITORING COMPLIANCE.—The Secretary shall monitor compliance by a~~  
33 ~~manufacturer with the terms of an agreement under section 1193, including by establishing~~  
34 ~~a mechanism through which violations of such terms may be reported. shall be reported.~~

35 ~~“(B) Notification.—If a third party with a contract under subsection (e)(1) determines that the~~  
36 ~~manufacturer is not in compliance with such agreement, the third party shall notify the Secretary~~  
37 ~~of such noncompliance for appropriate enforcement under section 4192 of the Internal Revenue~~  
38 ~~Code of 1986 or section 1198, as applicable.~~

39 ~~“(b) Collection of Data.—~~

40 ~~“(1) From prescription drug plans and mapd plans.—The Secretary may collect appropriate~~  
41 ~~data from prescription drug plans under part D of title XVIII and MAPD plans under part C of~~

1 such title in a timeframe that allows for maximum fair prices to be provided under this part for  
2 selected drugs.

3 ~~“(2) From health plans.—The Secretary may collect appropriate data from group health plans  
4 or health insurance issuers offering group or individual health insurance coverage in a timeframe  
5 that allows for maximum fair prices to be provided under this part for selected drugs.~~

6 ~~“(3) Coordination of data collection.—To the extent feasible, as determined by the  
7 Secretary,”~~**(b) Implementation for 2025 and 2026.—Notwithstanding any other provision of  
8 this part, the Secretary shall ensure that data collected pursuant to this subsection is coordinated  
9 with, and not duplicative of, other Federal data collection efforts. implement this section for  
10 2025 and 2026 by program instruction or otherwise.**

11 ~~“(c) Contract With Third Parties.—~~

12 ~~“(1) In general.—The Secretary may enter into a contract with 1  
13 or more third parties to administer the requirements established  
14 by the Secretary in order to carry out this part. At a minimum,  
15 the contract with a third party under the preceding sentence shall  
16 require that the third party—~~

17 ~~“(A) receive and transmit information between the Secretary,  
18 manufacturers, and other individuals or entities the Secretary  
19 determines appropriate;~~

20 ~~“(B) receive, distribute, or facilitate the distribution of funds of  
21 manufacturers to appropriate individuals or entities in order to  
22 meet the obligations of manufacturers under agreements under  
23 this part;~~

24 ~~“(C) provide adequate and timely information to manufacturers,  
25 consistent with the agreement with the manufacturer under this  
26 part, as necessary for the manufacturer to fulfill its obligations  
27 under this part; and~~

28 ~~“(D) permit manufacturers to conduct periodic audits, directly or  
29 through contracts, of the data and information used by the third  
30 party to determine discounts for applicable drugs of the  
31 manufacturer under the program.~~

32 ~~“(2) Performance requirements.—The Secretary shall establish~~

1 ~~performance requirements for a third party with a contract under~~  
2 ~~paragraph (1) and safeguards to protect the independence and~~  
3 ~~integrity of the activities carried out by the third party under the~~  
4 ~~program under this part.~~

5 ~~“SEC. 1197. VOLUNTARY PARTICIPATION BY OTHER~~  
6 ~~HEALTH PLANS.~~

7 ~~“(a) Agreement To Participate Under Program.—~~

8 ~~“(1) In general.—Subject to paragraph (2), under the program~~  
9 ~~under this part the Secretary shall be treated as having in effect~~  
10 ~~an agreement with a group health plan or health insurance issuer~~  
11 ~~offering group or individual health insurance coverage (as such~~  
12 ~~terms are defined in section 2791 of the Public Health Service~~  
13 ~~Act), with respect to a price applicability period and a selected~~  
14 ~~drug with respect to such period—~~

15 ~~“(A) with respect to such selected drug furnished or dispensed at~~  
16 ~~a pharmacy or by mail order service if coverage is provided~~  
17 ~~under such plan or coverage during such period for such selected~~  
18 ~~drug as so furnished or dispensed; and~~

19 ~~“(B) with respect to such selected drug furnished or~~  
20 ~~administered by a hospital, physician, or other provider of~~  
21 ~~services or supplier if coverage is provided under such plan or~~  
22 ~~coverage during such period for such selected drug as so~~  
23 ~~furnished or administered.~~

24 ~~“(2) Opting out of agreement.—The Secretary shall not be~~  
25 ~~treated as having in effect an agreement under the program~~  
26 ~~under this part with a group health plan or health insurance~~  
27 ~~issuer offering group or individual health insurance coverage~~  
28 ~~with respect to a price applicability period and a selected drug~~  
29 ~~with respect to such period if such a plan or issuer affirmatively~~

1 ~~elects, through a process specified by the Secretary, not to~~  
2 ~~participate under the program with respect to such period and~~  
3 ~~drug.~~

4 ~~“(b) Publication of Election.—With respect to each price-~~  
5 ~~applicability period and each selected drug with respect to such-~~  
6 ~~period, the Secretary and the Secretary of Labor and the~~  
7 ~~Secretary of the Treasury, as applicable, shall make public a list~~  
8 ~~of each group health plan and each health insurance issuer~~  
9 ~~offering group or individual health insurance coverage, with~~  
10 ~~respect to which coverage is provided under such plan or~~  
11 ~~coverage for such drug, that has elected under subsection (a) not~~  
12 ~~to participate under the program with respect to such period and~~  
13 ~~drug.~~

14 ~~“SEC. 1198“~~SEC. 1197. CIVIL MONETARY PENALTY.

15 “(a) Violations Relating to Offering of Maximum Fair Price.—Any manufacturer of a selected  
16 drug that has entered into an agreement under section 1193, with respect to a ~~plan~~ year during the  
17 price applicability period ~~for~~ **with respect to** such drug, that does not provide access to a price  
18 that is not more than the maximum fair price (or a lesser price) for such drug for such year—

19 “(1) to a **maximum** fair price eligible individual who with respect to such drug is  
20 described in subparagraph (A) of section 1191(c)(1) and who is ~~furnished or~~ dispensed such  
21 drug during such year **(and to pharmacies, mail order services, and other dispensers,**  
22 **with respect to such maximum fair price eligible individuals who are dispensed such**  
23 **drugs); or**

24 “(2) to a hospital, physician, or other provider of services or supplier with respect to  
25 **maximum** fair price eligible individuals who with respect to such drug is described in  
26 subparagraph (B) of such section and is furnished or administered such drug by such  
27 hospital, physician, or provider or supplier during such year;

28 shall be subject to a civil monetary penalty equal to ten times the amount equal to the **product of**  
29 **the number of units of such drug so furnished, dispensed, or administered during such year**  
30 **and the** difference between the price for such drug made available for such year by such  
31 manufacturer with respect to such individual or hospital, physician, provider **of services**, or  
32 supplier and the maximum fair price for such drug for such year.

33 “(b) Violations of Certain Terms of Agreement.—Any manufacturer of a selected drug that  
34 has entered into an agreement under section 1193, with respect to a ~~plan~~ year during the price  
35 applicability period ~~for~~ **with respect to** such drug, that is in violation of a requirement imposed  
36 pursuant to section ~~1193(a)(6)~~ **1193(a)(5), including the requirement to submit information**

1 pursuant to section 1193(a)(4), shall be subject to a civil monetary penalty of not more than  
2 equal to \$1,000,000 for each such violation. day of such violation.

3 ~~“(e)“(c) False Information.—Any manufacturer that knowingly provides false~~  
4 ~~information for the attestation process or verification process established pursuant to~~  
5 ~~section 1196(a)(1)(H), shall be subject to a civil monetary penalty equal to \$100,000,000 for~~  
6 ~~each item of such false information.~~

7 ~~“(d) Application.—The provisions of section 1128A (other than subsections (a) and (b)) shall~~  
8 ~~apply to a civil monetary penalty under this section in the same manner as such provisions apply~~  
9 ~~to a penalty or proceeding under section 1128A(a).”.~~ 1128A(a).

10 ~~“SEC. 1199. MISCELLANEOUS PROVISIONS.~~

11 ~~“(a) Paperwork Reduction Act.—Chapter 35 of title 44, United States Code, shall not apply to~~  
12 ~~data collected under this part.~~

13 ~~“(b) Limitation on Judicial Review.—The following shall not be subject to judicial review:~~

14 ~~“(1) The selection of drugs for publication under section 1192(a).~~

15 ~~“(2) The determination of whether a drug is a negotiation-eligible drug under section 1192(d).~~

16 ~~“(3) The determination of the maximum fair price of a selected drug under section 1194.~~

17 ~~“(4) The determination of units of a drug for purposes of section 1191(e)(3).~~

18 ~~“(e) Coordination.—In carrying out this part with respect to group health plans or health-~~  
19 ~~insurance coverage offered in the group market that are subject to oversight by the Secretary of~~  
20 ~~Labor or the Secretary of the Treasury, the Secretary of Health and Human Services shall~~  
21 ~~coordinate with such respective Secretary.~~

22 ~~“(d) Data Sharing.—The Secretary shall share with the Secretary of the Treasury such~~  
23 ~~information as is necessary to determine the tax imposed by section 4192 of the Internal Revenue~~  
24 ~~Code of 1986.”.~~

25 (b) Application of Maximum Fair Prices and Conforming Amendments.—

26 (1) UNDER MEDICARE.—

27 (A) APPLICATION TO PAYMENTS UNDER PART B.—Section 1847A(b)(1)(B) of the  
28 Social Security Act (42 U.S.C. 1395w-3a(b)(1)(B)) is amended by inserting “or in the  
29 case of such a drug or biological that is a selected drug (as defined referred to in  
30 section 1192(c)), with respect to a price applicability period (as defined in section  
31 1191(b)(2)), 106 percent of the maximum fair price (as defined in section 1191(c)(2))  
32 applicable for such drug and a plan year during such period” after “paragraph (4)”.

33 (B) EXCEPTION TO PART D NON-INTERFERENCE.—SECTION 1860D11(i) APPLICATION  
34 UNDER MA OF COST-SHARING FOR PART B DRUGS BASED OFF OF NEGOTIATED  
35 PRICE.—Section 1852(a)(1)(B)(iv) of the Social Security Act (42 U.S.C.  
36 1395w111(i)) is amended by inserting “1395w-22(a)(1)(B)(iv) is amended—

37 (i) by redesignating subclause (VII) as subclause (VIII); and

38 (ii) by inserting after subclause (VI) the following subclause:

39 “(VII) A drug or biological that is a selected drug (as referred to in

1 section 1192(c)).”.

2 (C) EXCEPTION TO PART D NON-INTERFERENCE.—Section 1860D–11(i) of the  
3 Social Security Act (42 U.S.C. 1395w–111(i)) is amended—

4 (i) in paragraph (1), by striking “and” at the end;

5 (ii) in paragraph (2), by striking “or institute a price structure for the  
6 reimbursement of covered part D drugs” and inserting “for covered part D  
7 drugs; and”; and

8 (iii) by adding at the end the following:

9 “(3) may not institute a price structure for the reimbursement of covered part D  
10 drugs, except as provided under part E of title ~~XI~~ after “the Secretary”. XI.”.

11 ~~(D)~~(D) APPLICATION AS NEGOTIATED PRICE UNDER PART D.—Section 1860D–2(d)(1)  
12 of the Social Security Act (42 U.S.C. 1395w–102(d)(1)) is amended—

13 (i) in subparagraph (B), by inserting “, subject to subparagraph (D),” after  
14 “negotiated prices”; and

15 (ii) by adding at the end the following new subparagraph:

16 “(D) APPLICATION OF MAXIMUM FAIR PRICE FOR SELECTED DRUGS.—In applying this  
17 section, in the case of a covered part D drug that is a selected drug (as ~~defined~~ referred  
18 to in section 1192(c)), with respect to a price applicability period (as defined in section  
19 1191(b)(2)), the negotiated prices used for payment (as described in this subsection)  
20 shall be **no greater than** the maximum fair price (as defined in section 1191(c)(2)) for  
21 such drug and for each ~~plan year during such period.~~ **year during such period plus**  
22 **any dispensing fees for such drug.**”.

23 ~~(E)~~(E) COVERAGE OF SELECTED DRUGS.—Section 1860D–4(b)(3) of the Social  
24 Security Act (42 U.S.C. 1395w–104(b)(3)) is amended by adding at the end the  
25 following new subparagraph:

26 “(I) REQUIRED INCLUSION OF SELECTED DRUGS.—For 2025 and each subsequent  
27 year, the PDP sponsor offering a prescription drug plan shall include each  
28 covered part D drug that is a selected drug under section 1192 for which an  
29 agreement for such drug is in effect under section 1193 with respect to the year.”.

30 (F) INFORMATION FROM PRESCRIPTION DRUG PLANS AND MA–PD PLANS REQUIRED.—

31 (i) PRESCRIPTION DRUG PLANS.—Section 1860D–12(b) of the Social Security  
32 Act (42 U.S.C. 1395w–112(b)) is amended by adding at the end the following  
33 new paragraph:

34 “(8) PROVISION OF INFORMATION RELATED TO MAXIMUM FAIR PRICES.—Each contract  
35 entered into with a PDP sponsor under this part with respect to a prescription drug plan  
36 offered by such sponsor shall require the sponsor to provide information to the Secretary as  
37 requested by the Secretary in accordance with section ~~1196(b).~~ **1194(g).**”.

38 (ii) MA–PD PLANS.—Section 1857(f)(3) of the Social Security Act (42 U.S.C.  
39 1395w–27(f)(3)) is amended by adding at the end the following new  
40 subparagraph:

1           “(E) PROVISION OF INFORMATION RELATED TO MAXIMUM FAIR PRICES.—Section  
2           1860D–12(b)(8).”.

3           ~~(2) UNDER GROUP HEALTH PLANS AND HEALTH INSURANCE COVERAGE.—~~

4           ~~(A) PHSA.— PART D OF TITLE XXVII OF THE PUBLIC HEALTH SERVICE ACT (42 U.S.C.~~  
5           ~~300GG111 ET SEQ.) IS AMENDED BY ADDING AT THE END THE FOLLOWING NEW SECTION:~~

6           ~~“SEC. 2799A11. FAIR PRICE NEGOTIATION PROGRAM AND APPLICATION OF~~  
7           ~~MAXIMUM FAIR PRICES.~~

8           ~~“(A) IN GENERAL.— IN THE CASE OF A GROUP HEALTH PLAN OR HEALTH INSURANCE ISSUER~~  
9           ~~OFFERING GROUP OR INDIVIDUAL HEALTH INSURANCE COVERAGE THAT IS TREATED UNDER~~  
10           ~~SECTION 1197 OF THE SOCIAL SECURITY ACT AS HAVING IN EFFECT AN AGREEMENT WITH THE~~  
11           ~~SECRETARY UNDER THE FAIR PRICE NEGOTIATION PROGRAM UNDER PART E OF TITLE XI OF~~  
12           ~~SUCH ACT, WITH RESPECT TO A PRICE APPLICABILITY PERIOD (AS DEFINED IN SECTION 1191(B)~~  
13           ~~OF SUCH ACT) AND A SELECTED DRUG (AS DEFINED IN SECTION 1192(C) OF SUCH ACT) WITH~~  
14           ~~RESPECT TO SUCH PERIOD WITH RESPECT TO WHICH COVERAGE IS PROVIDED UNDER SUCH~~  
15           ~~PLAN OR COVERAGE—~~

16           ~~“(1) THE PROVISIONS OF SUCH PART SHALL APPLY—~~

17           ~~“(A) IF COVERAGE OF SUCH SELECTED DRUG IS PROVIDED UNDER SUCH PLAN OR COVERAGE~~  
18           ~~IF THE DRUG IS FURNISHED OR DISPENSED AT A PHARMACY OR BY A MAIL ORDER SERVICE, TO~~  
19           ~~THE PLANS OR COVERAGE OFFERED BY SUCH PLAN OR ISSUER, AND TO THE INDIVIDUALS~~  
20           ~~ENROLLED UNDER SUCH PLANS OR COVERAGE, DURING SUCH PERIOD, WITH RESPECT TO SUCH~~  
21           ~~SELECTED DRUG, IN THE SAME MANNER AS SUCH PROVISIONS APPLY TO PRESCRIPTION DRUG~~  
22           ~~PLANS AND MAPD PLANS, AND TO INDIVIDUALS ENROLLED UNDER SUCH PRESCRIPTION DRUG~~  
23           ~~PLANS AND MAPD PLANS DURING SUCH PERIOD; AND~~

24           ~~“(B) IF COVERAGE OF SUCH SELECTED DRUG IS PROVIDED UNDER SUCH PLAN OR COVERAGE~~  
25           ~~IF THE DRUG IS FURNISHED OR ADMINISTERED BY A HOSPITAL, PHYSICIAN, OR OTHER~~  
26           ~~PROVIDER OF SERVICES OR SUPPLIER, TO THE PLANS OR COVERAGE OFFERED BY SUCH PLAN OR~~  
27           ~~ISSUERS, TO THE INDIVIDUALS ENROLLED UNDER SUCH PLANS OR COVERAGE, AND TO~~  
28           ~~HOSPITALS, PHYSICIANS, AND OTHER PROVIDERS OF SERVICES AND SUPPLIERS DURING SUCH~~  
29           ~~PERIOD, WITH RESPECT TO SUCH DRUG IN THE SAME MANNER AS SUCH PROVISIONS APPLY TO~~  
30           ~~THE SECRETARY, TO INDIVIDUALS ENTITLED TO BENEFITS UNDER PART A OF TITLE XVIII OR~~  
31           ~~ENROLLED UNDER PART B OF SUCH TITLE, AND TO HOSPITALS, PHYSICIANS, AND OTHER~~  
32           ~~PROVIDERS AND SUPPLIERS PARTICIPATING UNDER TITLE XVIII DURING SUCH PERIOD;~~

33           ~~“(2) THE PLAN OR ISSUER SHALL APPLY ANY COST SHARING RESPONSIBILITIES UNDER SUCH~~  
34           ~~PLAN OR COVERAGE, WITH RESPECT TO SUCH SELECTED DRUG, BY SUBSTITUTING AN AMOUNT~~  
35           ~~NOT MORE THAN THE MAXIMUM FAIR PRICE NEGOTIATED UNDER SUCH PART E OF TITLE XI~~  
36           ~~FOR SUCH DRUG IN LIEU OF THE DRUG PRICE UPON WHICH THE COST SHARING WOULD HAVE~~  
37           ~~OTHERWISE APPLIED, AND SUCH COST SHARING RESPONSIBILITIES WITH RESPECT TO SUCH~~  
38           ~~SELECTED DRUG MAY NOT EXCEED SUCH MAXIMUM FAIR PRICE; AND~~

39           ~~“(3) THE SECRETARY SHALL APPLY THE PROVISIONS OF SUCH PART E TO SUCH PLAN,~~  
40           ~~ISSUER, AND COVERAGE, SUCH INDIVIDUALS SO ENROLLED IN SUCH PLANS AND COVERAGE,~~  
41           ~~AND SUCH HOSPITALS, PHYSICIANS, AND OTHER PROVIDERS AND SUPPLIERS PARTICIPATING IN~~  
42           ~~SUCH PLANS AND COVERAGE.~~

1       ~~“(B) NOTIFICATION REGARDING NONPARTICIPATION IN FAIR PRICE NEGOTIATION-~~  
2       ~~PROGRAM.— A GROUP HEALTH PLAN OR A HEALTH INSURANCE ISSUER OFFERING GROUP OR~~  
3       ~~INDIVIDUAL HEALTH INSURANCE COVERAGE SHALL PUBLICLY DISCLOSE IN A MANNER AND IN~~  
4       ~~ACCORDANCE WITH A PROCESS SPECIFIED BY THE SECRETARY ANY ELECTION MADE UNDER~~  
5       ~~SECTION 1197 OF THE SOCIAL SECURITY ACT BY THE PLAN OR ISSUER TO NOT PARTICIPATE IN~~  
6       ~~THE FAIR PRICE NEGOTIATION PROGRAM UNDER PART E OF TITLE XI OF SUCH ACT WITH~~  
7       ~~RESPECT TO A SELECTED DRUG (AS DEFINED IN SECTION 1192(C) OF SUCH ACT) FOR WHICH~~  
8       ~~COVERAGE IS PROVIDED UNDER SUCH PLAN OR COVERAGE BEFORE THE BEGINNING OF THE~~  
9       ~~PLAN YEAR FOR WHICH SUCH ELECTION WAS MADE.”.~~

10       ~~(B) ERISA.—~~

11       ~~(i) IN GENERAL.— SUBPART B OF PART 7 OF SUBTITLE B OF TITLE I OF THE EMPLOYEE~~  
12       ~~RETIREMENT INCOME SECURITY ACT OF 1974 (29 U.S.C. 1181 ET SEQ.) IS AMENDED BY~~  
13       ~~ADDING AT THE END THE FOLLOWING NEW SECTION:~~

14       ~~“SEC. 726. FAIR PRICE NEGOTIATION PROGRAM AND APPLICATION OF~~  
15       ~~MAXIMUM FAIR PRICES.~~

16       ~~“(A) IN GENERAL.— IN THE CASE OF A GROUP HEALTH PLAN OR HEALTH INSURANCE ISSUER~~  
17       ~~OFFERING GROUP HEALTH INSURANCE COVERAGE THAT IS TREATED UNDER SECTION 1197 OF~~  
18       ~~THE SOCIAL SECURITY ACT AS HAVING IN EFFECT AN AGREEMENT WITH THE SECRETARY~~  
19       ~~UNDER THE FAIR PRICE NEGOTIATION PROGRAM UNDER PART E OF TITLE XI OF SUCH ACT,~~  
20       ~~WITH RESPECT TO A PRICE APPLICABILITY PERIOD (AS DEFINED IN SECTION 1191(B) OF SUCH~~  
21       ~~ACT) AND A SELECTED DRUG (AS DEFINED IN SECTION 1192(C) OF SUCH ACT) WITH RESPECT~~  
22       ~~TO SUCH PERIOD WITH RESPECT TO WHICH COVERAGE IS PROVIDED UNDER SUCH PLAN OR~~  
23       ~~COVERAGE—~~

24       ~~“(1) THE PROVISIONS OF SUCH PART SHALL APPLY, AS APPLICABLE—~~

25       ~~“(A) IF COVERAGE OF SUCH SELECTED DRUG IS PROVIDED UNDER SUCH PLAN OR COVERAGE~~  
26       ~~IF THE DRUG IS FURNISHED OR DISPENSED AT A PHARMACY OR BY A MAIL ORDER SERVICE, TO~~  
27       ~~THE PLANS OR COVERAGE OFFERED BY SUCH PLAN OR ISSUER, AND TO THE INDIVIDUALS~~  
28       ~~ENROLLED UNDER SUCH PLANS OR COVERAGE, DURING SUCH PERIOD, WITH RESPECT TO SUCH~~  
29       ~~SELECTED DRUG, IN THE SAME MANNER AS SUCH PROVISIONS APPLY TO PRESCRIPTION DRUG~~  
30       ~~PLANS AND MAPD PLANS, AND TO INDIVIDUALS ENROLLED UNDER SUCH PRESCRIPTION DRUG~~  
31       ~~PLANS AND MAPD PLANS DURING SUCH PERIOD; AND~~

32       ~~“(B) IF COVERAGE OF SUCH SELECTED DRUG IS PROVIDED UNDER SUCH PLAN OR COVERAGE~~  
33       ~~IF THE DRUG IS FURNISHED OR ADMINISTERED BY A HOSPITAL, PHYSICIAN, OR OTHER~~  
34       ~~PROVIDER OF SERVICES OR SUPPLIER, TO THE PLANS OR COVERAGE OFFERED BY SUCH PLAN OR~~  
35       ~~ISSUERS, TO THE INDIVIDUALS ENROLLED UNDER SUCH PLANS OR COVERAGE, AND TO~~  
36       ~~HOSPITALS, PHYSICIANS, AND OTHER PROVIDERS OF SERVICES AND SUPPLIERS DURING SUCH~~  
37       ~~PERIOD, WITH RESPECT TO SUCH DRUG IN THE SAME MANNER AS SUCH PROVISIONS APPLY TO~~  
38       ~~THE SECRETARY, TO INDIVIDUALS ENTITLED TO BENEFITS UNDER PART A OF TITLE XVIII OR~~  
39       ~~ENROLLED UNDER PART B OF SUCH TITLE, AND TO HOSPITALS, PHYSICIANS, AND OTHER~~  
40       ~~PROVIDERS AND SUPPLIERS PARTICIPATING UNDER TITLE XVIII DURING SUCH PERIOD;~~

41       ~~“(2) THE PLAN OR ISSUER SHALL APPLY ANY COST SHARING RESPONSIBILITIES UNDER SUCH~~  
42       ~~PLAN OR COVERAGE, WITH RESPECT TO SUCH SELECTED DRUG, BY SUBSTITUTING AN AMOUNT~~  
43       ~~NOT MORE THAN THE MAXIMUM FAIR PRICE NEGOTIATED UNDER SUCH PART E OF TITLE XI~~



1 FOR SUCH DRUG IN LIEU OF THE DRUG PRICE UPON WHICH THE COST SHARING WOULD HAVE  
2 OTHERWISE APPLIED, AND SUCH COST SHARING RESPONSIBILITIES WITH RESPECT TO SUCH  
3 SELECTED DRUG MAY NOT EXCEED SUCH MAXIMUM FAIR PRICE; AND

4 ~~“(3) THE SECRETARY SHALL APPLY THE PROVISIONS OF SUCH PART E TO SUCH PLAN,  
5 ISSUER, AND COVERAGE, AND SUCH INDIVIDUALS SO ENROLLED IN SUCH PLANS.~~

6 ~~“(B) NOTIFICATION REGARDING NONPARTICIPATION IN FAIR PRICE NEGOTIATION  
7 PROGRAM.— A GROUP HEALTH PLAN OR A HEALTH INSURANCE ISSUER OFFERING GROUP  
8 HEALTH INSURANCE COVERAGE SHALL PUBLICLY DISCLOSE IN A MANNER AND IN  
9 ACCORDANCE WITH A PROCESS SPECIFIED BY THE SECRETARY ANY ELECTION MADE UNDER  
10 SECTION 1197 OF THE SOCIAL SECURITY ACT BY THE PLAN OR ISSUER TO NOT PARTICIPATE IN  
11 THE FAIR PRICE NEGOTIATION PROGRAM UNDER PART E OF TITLE XI OF SUCH ACT WITH  
12 RESPECT TO A SELECTED DRUG (AS DEFINED IN SECTION 1192(C) OF SUCH ACT) FOR WHICH  
13 COVERAGE IS PROVIDED UNDER SUCH PLAN OR COVERAGE BEFORE THE BEGINNING OF THE  
14 PLAN YEAR FOR WHICH SUCH ELECTION WAS MADE.”.~~

15 ~~(II) APPLICATION TO RETIREE AND CERTAIN SMALL GROUP HEALTH PLANS.— SECTION  
16 732(A) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (29 U.S.C.  
17 1191A(A)) IS AMENDED BY STRIKING “SECTION 711” AND INSERTING “SECTIONS 711 AND  
18 726”.~~

19 ~~(III) CLERICAL AMENDMENT.— THE TABLE OF SECTIONS FOR SUBPART B OF PART 7 OF  
20 SUBTITLE B OF TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 IS  
21 AMENDED BY ADDING AT THE END THE FOLLOWING:~~

22 ~~“SEC. 726. FAIR PRICE NEGOTIATION PROGRAM AND APPLICATION OF MAXIMUM FAIR  
23 PRICES.”.~~

24 ~~(C) IRC.—~~

25 ~~(I) IN GENERAL.— SUBCHAPTER B OF CHAPTER 100 OF THE INTERNAL REVENUE CODE OF  
26 1986 IS AMENDED BY ADDING AT THE END THE FOLLOWING NEW SECTION:~~

27 ~~“SEC. 9826. FAIR PRICE NEGOTIATION PROGRAM AND APPLICATION OF  
28 MAXIMUM FAIR PRICES.~~

29 ~~“(A) IN GENERAL.— IN THE CASE OF A GROUP HEALTH PLAN THAT IS TREATED UNDER  
30 SECTION 1197 OF THE SOCIAL SECURITY ACT AS HAVING IN EFFECT AN AGREEMENT WITH THE  
31 SECRETARY UNDER THE FAIR PRICE NEGOTIATION PROGRAM UNDER PART E OF TITLE XI OF  
32 SUCH ACT, WITH RESPECT TO A PRICE APPLICABILITY PERIOD (AS DEFINED IN SECTION 1191(B)  
33 OF SUCH ACT) AND A SELECTED DRUG (AS DEFINED IN SECTION 1192(C) OF SUCH ACT) WITH  
34 RESPECT TO SUCH PERIOD WITH RESPECT TO WHICH COVERAGE IS PROVIDED UNDER SUCH  
35 PLAN —~~

36 ~~“(1) THE PROVISIONS OF SUCH PART SHALL APPLY, AS APPLICABLE —~~

37 ~~“(A) IF COVERAGE OF SUCH SELECTED DRUG IS PROVIDED UNDER SUCH PLAN IF THE DRUG IS  
38 FURNISHED OR DISPENSED AT A PHARMACY OR BY A MAIL ORDER SERVICE, TO THE PLAN, AND  
39 TO THE INDIVIDUALS ENROLLED UNDER SUCH PLAN DURING SUCH PERIOD, WITH RESPECT TO  
40 SUCH SELECTED DRUG, IN THE SAME MANNER AS SUCH PROVISIONS APPLY TO PRESCRIPTION  
41 DRUG PLANS AND MAPD PLANS, AND TO INDIVIDUALS ENROLLED UNDER SUCH PRESCRIPTION  
42 DRUG PLANS AND MAPD PLANS DURING SUCH PERIOD; AND~~

1       ~~“(B) IF COVERAGE OF SUCH SELECTED DRUG IS PROVIDED UNDER SUCH PLAN IF THE DRUG IS~~  
2       ~~FURNISHED OR ADMINISTERED BY A HOSPITAL, PHYSICIAN, OR OTHER PROVIDER OF SERVICES~~  
3       ~~OR SUPPLIER, TO THE PLAN, TO THE INDIVIDUALS ENROLLED UNDER SUCH PLAN, AND TO~~  
4       ~~HOSPITALS, PHYSICIANS, AND OTHER PROVIDERS OF SERVICES AND SUPPLIERS DURING SUCH~~  
5       ~~PERIOD, WITH RESPECT TO SUCH DRUG IN THE SAME MANNER AS SUCH PROVISIONS APPLY TO~~  
6       ~~THE SECRETARY, TO INDIVIDUALS ENTITLED TO BENEFITS UNDER PART A OF TITLE XVIII OR~~  
7       ~~ENROLLED UNDER PART B OF SUCH TITLE, AND TO HOSPITALS, PHYSICIANS, AND OTHER~~  
8       ~~PROVIDERS AND SUPPLIERS PARTICIPATING UNDER TITLE XVIII DURING SUCH PERIOD;~~

9       ~~“(2) THE PLAN SHALL APPLY ANY COST SHARING RESPONSIBILITIES UNDER SUCH PLAN,~~  
10       ~~WITH RESPECT TO SUCH SELECTED DRUG, BY SUBSTITUTING AN AMOUNT NOT MORE THAN THE~~  
11       ~~MAXIMUM FAIR PRICE NEGOTIATED UNDER SUCH PART E OF TITLE XI FOR SUCH DRUG IN LIEU~~  
12       ~~OF THE DRUG PRICE UPON WHICH THE COST SHARING WOULD HAVE OTHERWISE APPLIED, AND~~  
13       ~~SUCH COST SHARING RESPONSIBILITIES WITH RESPECT TO SUCH SELECTED DRUG MAY NOT~~  
14       ~~EXCEED SUCH MAXIMUM FAIR PRICE; AND~~

15       ~~“(3) THE SECRETARY SHALL APPLY THE PROVISIONS OF SUCH PART E TO SUCH PLAN AND~~  
16       ~~SUCH INDIVIDUALS SO ENROLLED IN SUCH PLAN.~~

17       ~~“(B) NOTIFICATION REGARDING NONPARTICIPATION IN FAIR PRICE NEGOTIATION~~  
18       ~~PROGRAM.— A GROUP HEALTH PLAN SHALL PUBLICLY DISCLOSE IN A MANNER AND IN~~  
19       ~~ACCORDANCE WITH A PROCESS SPECIFIED BY THE SECRETARY ANY ELECTION MADE UNDER~~  
20       ~~SECTION 1197 OF THE SOCIAL SECURITY ACT BY THE PLAN TO NOT PARTICIPATE IN THE FAIR~~  
21       ~~PRICE NEGOTIATION PROGRAM UNDER PART E OF TITLE XI OF SUCH ACT WITH RESPECT TO A~~  
22       ~~SELECTED DRUG (AS DEFINED IN SECTION 1192(C) OF SUCH ACT) FOR WHICH COVERAGE IS~~  
23       ~~PROVIDED UNDER SUCH PLAN BEFORE THE BEGINNING OF THE PLAN YEAR FOR WHICH SUCH~~  
24       ~~ELECTION WAS MADE.”.~~

25       ~~(II) APPLICATION TO RETIREE AND CERTAIN SMALL GROUP HEALTH PLANS.— SECTION~~  
26       ~~9831(A)(2) OF THE INTERNAL REVENUE CODE OF 1986 IS AMENDED BY INSERTING “OTHER~~  
27       ~~THAN WITH RESPECT TO SECTION 9826,” BEFORE “ANY GROUP HEALTH PLAN”.~~

28       ~~(III) CLERICAL AMENDMENT.— THE TABLE OF SECTIONS FOR SUBCHAPTER B OF CHAPTER~~  
29       ~~100 OF SUCH CODE IS AMENDED BY ADDING AT THE END THE FOLLOWING NEW ITEM:~~

30       ~~“SEC. 9826. FAIR PRICE NEGOTIATION PROGRAM AND APPLICATION OF MAXIMUM FAIR~~  
31       ~~PRICES.”.~~

32       ~~(3) FAIR PRICE NEGOTIATION PROGRAM PRICES INCLUDED IN BEST PRICE AND~~  
33       ~~AMP.— SECTION 1927 OF THE SOCIAL SECURITY ACT (42 U.S.C. 1396r8) IS AMENDED—~~

34       ~~(A) IN SUBSECTION (C)(1)(C) DRUG PRICE NEGOTIATION PROGRAM PRICES INCLUDED IN~~  
35       ~~BEST PRICE.— Section 1927(c)(1)(C) of the Social Security Act (42 U.S.C.~~  
36       ~~1396r-8(c)(1)(C)) is amended—~~

37               ~~(A) in clause (i)(VI), by striking “any prices charged” and inserting “subject to~~  
38               ~~clause (ii)(V), any prices charged”; and~~

39               ~~(B) in clause (ii)—~~

40                       ~~(i) in subclause (III), by striking at the end “; and”;~~

41                       ~~(ii) in subclause (IV), by striking at the end the period and inserting “; and”;~~

1 and

2 (iii) by adding at the end the following new subclause:

3 “(V) in the case of a rebate period and a covered outpatient drug that is a  
4 selected drug (as defined referred to in section 1192(c)) during such rebate  
5 period, shall be inclusive of the price for such drug made available from the  
6 manufacturer during the rebate period by reason of application of part E of  
7 title XI to any wholesaler, retailer, provider, health maintenance  
8 organization, nonprofit entity, or governmental entity within the United  
9 States.”; and

10 (B) in subsection (k)(1)(B), by adding at the end the following new clause:

11 “(iii) Clarification.—Notwithstanding clause (i), in the case of a rebate  
12 period and a covered outpatient drug that is a selected drug (as defined in  
13 section 1192(c)) during such rebate period, any reduction in price paid  
14 during the rebate period to the manufacturer for the drug by a wholesaler or  
15 retail community pharmacy described in subparagraph (A) by reason of  
16 application of part E of title XI shall be included in the average manufacturer  
17 price for the covered outpatient drug.”.

18 (4) FEHBP.—Section 8902 of title 5, United States Code, is amended by  
19 adding at the end the following:

20 “(p) A contract may not be made or a plan approved under this chapter  
21 with any carrier that has affirmatively elected, pursuant to section 1197 of  
22 the Social Security Act, not to participate in the Fair Price Negotiation  
23 Program established under section 1191 of such Act for any selected drug (as  
24 that term is defined in section 1192(c) of such Act).”.

25 (5) Option of secretary of veterans affairs to purchase covered drugs at  
26 maximum fair prices.—Section 8126 of title 38, United States Code, is  
27 amended—

28 (A) in subsection (a)(2), by inserting “, subject to subsection (j),” after  
29 “may not exceed”;

30 (B) in subsection (d), in the matter preceding paragraph (1), by inserting “,  
31 subject to subsection (j)” after “for the procurement of the drug”; and

32 (C) by adding at the end the following new subsection:

33 “(j)(1) In the case of a covered drug that is a selected drug, for any year  
34 during the price applicability period for such drug, if the Secretary  
35 determines that the maximum fair price of such drug for such year is less  
36 than the price for such drug otherwise in effect pursuant to this section  
37 (including after application of any reduction under subsection (a)(2) and any  
38 discount under subsection (e)), at the option of the Secretary, in lieu of the  
39 maximum price (determined after application of the reduction under  
40 subsection (a)(2) and any discount under subsection (e), as applicable) that  
41 would be permitted to be charged during such year for such drug pursuant to  
42 this section without application of this subsection, the maximum price

1 permitted to be charged during such year for such drug pursuant to this  
2 section shall be such maximum fair price for such drug and year.

3 “(2) For purposes of this subsection:

4 “(A) The term ‘maximum fair price’ means, with respect to a selected  
5 drug and year during the price applicability period for such drug, the  
6 maximum fair price (as defined in section 1191(c)(2)) **for such drug with**  
7 **respect to such period.**” of the Social Security Act) for such drug and year.

8 “(B) The term ‘negotiation eligible drug’ has the meaning given such term  
9 in section 1192(d)(1) of the Social Security Act.

10 “(C) The term ‘price applicability period’ has, with respect to a selected  
11 drug, the meaning given such term in section 1191(b)(2) of such Act.

12 “(D) The term ‘selected drug’ means, with respect to a year, a drug that is  
13 a selected drug under section 1192(e) of such Act for such year.”.

## 14 SEC. 139002. SELECTED DRUG MANUFACTURER 15 EXCISE TAX IMPOSED DURING NONCOMPLIANCE 16 PERIODS.

17 (a) In General.—~~Subchapter E of chapter General.~~—**Chapter** 32 of the Internal Revenue  
18 Code of 1986 is amended by adding at the end the following new ~~section:~~ **subchapter:**

### 19 “**Subchapter E—Other Items**

20 “**Sec.4192.Selected drugs during noncompliance periods.**

### 21 “**SEC. 4192. SELECTED DRUGS DURING** 22 **NONCOMPLIANCE PERIODS.**

23 “(a) In General.—There is hereby imposed on the sale by the manufacturer, producer, or  
24 importer of any selected drug during a day described in subsection (b) a tax in an amount such  
25 that the applicable percentage is equal to the ratio of—

26 “(1) such tax, divided by

27 “(2) the sum of such tax and the price for which so sold.

28 “(b) Noncompliance Periods.—A day is described in this subsection with respect to a selected  
29 drug if it is a day during one of the following periods:

30 “(1) The period beginning on the ~~June 16th~~ **March 1st** immediately following the  
31 selected drug publication date and ending on the first date during which the manufacturer of  
32 the drug has in place an agreement described in subsection (a) of section 1193 of the Social  
33 Security Act with respect to such drug.

34 “(2) The period beginning on the ~~April 1st~~ **November 2nd** immediately following the  
35 ~~June 16th~~ **March 1st** described in paragraph (1) and ending on the first date during which  
36 the manufacturer of the drug ~~has~~ **and the Secretary have** agreed to a maximum fair price  
37 under such agreement.

1           “(3) In the case of a selected drug with respect to which the Secretary of Health and  
2           Human Services has specified a renegotiation period under such agreement, the period  
3           beginning on the first date after the last date of such renegotiation period and ending on the  
4           first date during which the manufacturer of the drug has agreed to a renegotiated maximum  
5           fair price under such agreement.

6           “(4) With respect to information that is required to be submitted to the Secretary of  
7           Health and Human Services under such agreement, the period beginning on the date on  
8           which such Secretary certifies that such information is overdue and ending on the date that  
9           such information is so submitted.

10          ~~“(5) In the case of a selected drug with respect to which a payment is due under subsection (e)~~  
11          ~~of such section 1193, the period beginning on the date on which the Secretary of Health and~~  
12          ~~Human Services certifies that such payment is overdue and ending on the date that such payment~~  
13          ~~is made in full.~~

14          “(c) Applicable Percentage.—For purposes of this section, the term ‘applicable percentage’  
15          means—

16                 “(1) in the case of sales of a selected drug during the first 90 days described in subsection  
17                 (b) with respect to such drug, 65 percent,

18                 “(2) in the case of sales of such drug during the 91st day through the 180th day described  
19                 in subsection (b) with respect to such drug, 75 percent,

20                 “(3) in the case of sales of such drug during the 181st day through the 270th day  
21                 described in subsection (b) with respect to such drug, 85 percent, and

22                 “(4) in the case of sales of such drug during any subsequent day, 95 percent.

23          “(d) Selected Drug.—For purposes of this section—

24                 “(1) IN GENERAL.—The term ‘selected drug’ means any selected drug (within the  
25                 meaning of section 1192 of the Social Security Act) which is manufactured or produced in  
26                 the United States or entered into the United States for consumption, use, or warehousing.

27                 “(2) UNITED STATES.—The term ‘United States’ has the meaning given such term by  
28                 section 4612(a)(4).

29                 “(3) COORDINATION WITH RULES FOR POSSESSIONS OF THE UNITED STATES.—Rules similar  
30                 to the rules of paragraphs (2) and (4) of section 4132(c) shall apply for purposes of this  
31                 section.

32          “(e) Other Definitions.—For purposes of this section, the terms ‘selected drug publication  
33          date’ and ‘maximum fair price’ have the meaning given such terms in section 1191 of the Social  
34          Security Act.

35          “(f) Anti-Abuse Rule.—In the case of a sale which was timed for the purpose of avoiding the  
36          tax imposed by this section, the Secretary may treat such sale as occurring during a day  
37          described in subsection (b).”.

38          (b) No Deduction for Excise Tax Payments.—Section 275(a)(6) of the Internal Revenue Code  
39          of 1986 is amended by ~~adding~~ **inserting** “or by section 4192” before the period at the end of  
40          ~~subsection (a)(6).~~

1 ~~(e) Conforming Amendments.—~~ **(c) Certain Exemptions From Tax Not Applicable.—**

2 (1) Section 4221(a) of the Internal Revenue Code of 1986 is amended by inserting “or  
3 4192” after “section 4191”. **adding at the end the following: “In the case of the tax  
4 imposed by section 4192, paragraphs (3), (4), (5), and (6) shall not apply.”.**

5 (2) Section 6416(b)(2) of such Code is amended by inserting “or 4192” after “section  
6 4191”. **adding at the end the following: “In the case of the tax imposed by section 4192,  
7 subparagraphs (B), (C), (D), and (E) shall not apply.”.**

8 ~~(d) Clerical Amendments.—~~

9 (1) ~~The heading of subchapter E of chapter 32 of the Internal Revenue Code of 1986 is  
10 amended by striking “Medical Devices” and inserting “Other Medical Products”.~~

11 ~~(2) The~~ **(d) Clerical Amendment.—** ~~The table of subchapters for chapter 32 of such Code is~~  
12 ~~amended by striking the item relating to subchapter E and inserting~~ **adding at the end the**  
13 ~~following new item:~~

14 **“subchapter e. other items”. ~~medical products”.~~**

15 ~~(3) The table of sections for subchapter E of chapter 32 of such~~  
16 ~~Code is amended by adding at the end the following new item:~~

17 **“Sec. 4192. Selected drugs during noncompliance periods.”.**

18 (e) ~~Effective Date.—~~ **The amendments made by this section shall apply to sales after the date**  
19 ~~of the enactment of this Act.~~

20 **SEC. 139003. ~~FAIR PRICE NEGOTIATION~~**  
21 **~~IMPLEMENTATION FUND. FUNDING.~~**

22 (a) ~~In General.—~~ **There is hereby established a Fair Price Negotiation Implementation Fund**  
23 ~~(referred to in this section as the “Fund”). The Secretary of Health and Human Services may~~  
24 ~~obligate and expend amounts in the Fund to carry out this part and parts 2 and 3 (and the~~  
25 ~~amendments made by such parts).~~

26 (b) ~~Funding.—~~ **There is authorized to be appropriated, and there is hereby appropriated, out of**  
27 ~~any monies~~ **In addition to amounts otherwise available, there is appropriated for fiscal year**  
28 **2022, out of any money** in the Treasury not otherwise appropriated, ~~to the Fund \$3,000,000,000,~~  
29 ~~to remain available until expended, of which—~~

30 ~~(1) \$600,000,000 shall become available on the date of the enactment of this Act;~~

31 ~~(2) \$600,000,000 shall become available on October 1, 2023;~~

32 ~~(3) \$600,000,000 shall become available on October 1, 2024;~~

33 ~~(4) \$600,000,000 shall become available on October 1, 2025; and~~

34 ~~(5) \$600,000,000 shall become available on October 1, 2026.~~

35 (c) ~~Supplement Not Supplant.—~~ **Any amounts appropriated pursuant to this section shall be in**  
36 ~~addition to any other amounts otherwise appropriated pursuant to any other provision of law.~~

1 expended—

2 (1) \$300,000,000 to carry out the provisions of, including the amendments made by,  
3 this part in fiscal year 2022;

4 (2) \$300,000,000 to carry out the provisions of, including the amendments made by,  
5 this part in fiscal year 2023;

6 (3) \$300,000,000 to carry out the provisions of, including the amendments made by,  
7 this part in fiscal year 2024;

8 (4) \$300,000,000 to carry out the provisions of, including the amendments made by,  
9 this part in fiscal year 2025;

10 (5) \$300,000,000 to carry out the provisions of, including the amendments made by,  
11 this part in fiscal year 2026;

12 (6) \$300,000,000 to carry out the provisions of, including the amendments made by,  
13 this part in fiscal year 2027;

14 (7) \$300,000,000 to carry out the provisions of, including the amendments made by,  
15 this part in fiscal year 2028;

16 (8) \$300,000,000 to carry out the provisions of, including the amendments made by,  
17 this part in fiscal year 2029;

18 (9) \$300,000,000 to carry out the provisions of, including the amendments made by,  
19 this part in fiscal year 2030; and

20 (10) \$300,000,000 to carry out the provisions of, including the amendments made by,  
21 this part in fiscal year 2031.

22 PART 2—PRESCRIPTION DRUG INFLATION REBATES  
23 SEC. 139101. MEDICARE PART B REBATE BY  
24 MANUFACTURERS.

25 (a) In General.—Section 1834 ~~1847A~~ of the Social Security Act (42 U.S.C. ~~1395m~~) is  
26 amended by adding at the end the following new subsection: ~~1395w-3a~~ is amended—

27 “~~(z)~~(1) by redesignating subsection (h) as subsection (i) and by inserting after  
28 subsection (g) the following subsection:

29 “(h) Rebate by Manufacturers for Single Source Drugs **and Biologicals** With Prices  
30 Increasing Faster Than Inflation.—

31 “(1) REQUIREMENTS.—

32 “(A) SECRETARIAL PROVISION OF INFORMATION.—Not later than 6 months after the  
33 end of each calendar quarter beginning on or after July 1, 2023, the Secretary shall, for  
34 each part B rebatable drug, report to each manufacturer of such part B rebatable drug  
35 the following for such calendar quarter:

36 “(i) Information on the total number of **billing** units of the billing and payment  
37 code described in subparagraph (A)(i) of paragraph (3) with respect to such drug

1 and calendar quarter.

2 “(ii) Information on the amount (if any) of the excess average sales price  
3 increase described in subparagraph (A)(ii) of such paragraph for such drug and  
4 calendar quarter.

5 “(iii) The rebate amount specified under such paragraph for such part B  
6 rebatable drug and calendar quarter.

7 “(B) MANUFACTURER REQUIREMENT.—For each calendar quarter beginning on or  
8 after July 1, 2023, the manufacturer of a part B rebatable drug shall, for such drug, not  
9 later than 30 days after the date of receipt from the Secretary of the information  
10 described in subparagraph (A) for such calendar quarter, provide to the Secretary a  
11 rebate that is equal to the amount specified in paragraph (3) for such drug for such  
12 calendar quarter.

13 “(2) PART B REBATABLE DRUG DEFINED.—

14 “(A) IN GENERAL.—In this subsection, the term ‘part B rebatable drug’ means a  
15 single source drug or biological (as defined in subparagraph (D) of ~~section~~  
16 ~~1847A(e)(6))~~ **subsection (c)(6)**, including a biosimilar biological product (as defined  
17 in subparagraph (H) of such ~~section~~), ~~payable (subsection) but excluding a qualifying~~  
18 **biosimilar biological product (as defined in subsection (b)(8)(B)(iii)), that would**  
19 **be payable under this part** if such drug were furnished to an individual enrolled  
20 under this ~~part) under this part~~, except such term shall not include such a drug or  
21 biological—

22 “(i) if, **as determined by the Secretary**, the average total allowed charges **for**  
23 **such drug or biological** under this part ~~as determined by the Secretary~~ for a year  
24 per individual that uses such a drug or biological, ~~as determined by the Secretary~~,  
25 are less than, subject to subparagraph (B), \$100; or

26 “(ii) that is a vaccine described in subparagraph (A) or (B) of section  
27 1861(s)(10).

28 “(B) INCREASE.—The dollar amount applied under subparagraph (A)(i)—

29 “(i) for 2024, shall be the dollar amount specified under such subparagraph for  
30 2023, increased by the percentage increase in the consumer price index for all  
31 urban consumers (United States city average) for the 12-month period ending  
32 with June of the previous year; and

33 “(ii) for a subsequent year, shall be the dollar amount specified in this clause  
34 (or clause (i)) for the previous year (**without application of subparagraph (C)**),  
35 increased by the percentage increase in the consumer price index for all urban  
36 consumers (United States city average) for the 12-month period ending with June  
37 of the previous year.

38 ~~Any~~“(C) ROUNDING.—**Any** dollar amount ~~specified~~ **determined** under this  
39 subparagraph (B) that is not a multiple of \$10 shall be rounded to the nearest multiple  
40 of \$10.

41 “(3) REBATE AMOUNT.—



1           “(A) IN GENERAL.—For purposes of paragraph (1), the amount specified in this  
2 paragraph for a part B rebatable drug assigned to a billing and payment code for a  
3 calendar quarter is, subject to ~~subparagraph~~ **subparagraphs (B) and (G)** and  
4 paragraph (4), the amount equal to the product of—

5                   “(i) the total number of units, ~~as described in section 1847A(e)(1)(B), with~~  
6 ~~respect to such drug during the calendar quarter~~ **billing units determined under**  
7 **subparagraph (B) for the billing and payment code of such drug;** and

8                   “(ii) the amount (if any) by which—

9                           “(I) the payment amount under ~~subparagraph (B) or (C) of section~~  
10 ~~1847A(b)(1), as applicable, for such part B rebatable~~ **amount equal to—**

11                                   “(aa) in the case of a part B rebatable drug described in  
12 **paragraph (1)(B) of section 1847A(b), 106 percent of the amount**  
13 **determined under paragraph (4) of such section for such drug**  
14 **during the calendar quarter; or**

15                                   “(bb) in the case of a part B rebatable drug described in  
16 **paragraph (1)(C) of such section, the payment amount under such**  
17 **paragraph for such drug during the calendar quarter; exceeds**

18                           “(II) the inflation-adjusted payment amount determined under  
19 **subparagraph (C) for such part B rebatable drug during the calendar quarter.**

20           “(B) ~~EXCLUDED~~ **TOTAL NUMBER OF BILLING UNITS.**—For purposes of subparagraph  
21 (A)(i), the ~~Secretary shall exclude from the~~ total number of **billing** units with respect to  
22 a part B rebatable drug ~~and calendar quarter units of such part B rebatable~~ **is**  
23 **determined as follows:**

24                   “(i) **Determine the total number of units equal to—**

25                           “(I) the total number of units, as reported under subsection (c)(1)(B)  
26 **for each National Drug Code of such drug during the calendar quarter**  
27 **that is two calendar quarters prior to the calendar quarter as described**  
28 **in subparagraph (A), minus**

29                           “(II) the total number of units with respect to each National Drug  
30 **Code of such drug for which payment was made under a State plan under**  
31 **title XIX (or waiver of such plan), as reported by States under section**  
32 **1927(b)(2)(A) for the ~~most recent rebate period.~~ rebate period that is the**  
33 **same calendar quarter as described in subclause (I).**

34                   “(ii) **Convert the units determined under clause (i) to billing units for the**  
35 **billing and payment code of such drug, using a methodology similar to the**  
36 **methodology used under this section, by dividing the units determined under**  
37 **clause (i) for each National Drug Code of such drug by the billing unit for the**  
38 **billing and payment code of such drug.**

39                   “(iii) **Compute the sum of the billing units for each National Drug Code of**  
40 **such drug in clause (ii).**

41           “(C) DETERMINATION OF INFLATION-ADJUSTED PAYMENT AMOUNT.—The

1 inflation-adjusted payment amount determined under this subparagraph for a part B  
2 rebatable drug for a calendar quarter is—

3 “(i) the payment amount for the billing and payment code for such drug in the  
4 payment amount benchmark quarter (as defined in subparagraph (D)); increased  
5 by

6 “(ii) the percentage by which the rebate period CPI-U (as defined in  
7 subparagraph (F)) for the calendar quarter exceeds the benchmark period CPI-U  
8 (as defined in subparagraph (E)).

9 “(D) PAYMENT AMOUNT BENCHMARK QUARTER.—The term ‘payment amount  
10 benchmark quarter’ means the calendar quarter beginning ~~January~~ **October 1, 2016**  
11 **2021**.

12 “(E) BENCHMARK PERIOD CPI-U.—The term ‘benchmark period CPI-U’ means the  
13 consumer price index for all urban consumers (United States city average) for ~~July-~~  
14 **2015 March 2021**.

15 “(F) REBATE PERIOD CPI-U.—The term ‘rebate period CPI-U’ means, with respect to  
16 a calendar quarter described in subparagraph (C), the greater of the benchmark period  
17 CPI-U and the consumer price index for all urban consumers (United States city  
18 average) for the first month of the calendar quarter that is two calendar quarters prior  
19 to such described calendar quarter.

20 “(G) EXEMPTION FOR SHORTAGES AND SEVERE SUPPLY CHAIN  
21 DISRUPTIONS.—**The Secretary shall reduce or waive the amount under**  
22 **subparagraph (A) with respect to a part B rebatable drug that is described as**  
23 **currently in shortage on the shortage list in effect under section 506E of the**  
24 **Federal Food, Drug, and Cosmetic Act or in the case of a biosimilar biological**  
25 **product, when the Secretary determines there are severe supply chain**  
26 **disruptions.**

27 “(4) SPECIAL TREATMENT OF CERTAIN DRUGS AND EXEMPTION.—

28 “(A) SUBSEQUENTLY APPROVED DRUGS.—~~SUBJECT TO SUBPARAGRAPH (B), IN~~  
29 **DRUGS.—In** the case of a part B rebatable drug first approved or licensed by the Food  
30 and Drug Administration after ~~July March 1, 2015~~ **2021**, clause (i) of paragraph (3)(C)  
31 shall be applied as if the term ‘payment amount benchmark quarter’ were defined  
32 under paragraph (3)(D) as the third full calendar quarter after the day on which the  
33 drug was first marketed and clause (ii) of paragraph (3)(C) shall be applied as if the  
34 term ‘benchmark period CPI-U’ were defined under paragraph (3)(E) as if the  
35 reference to ~~‘July 2015’~~ **‘March 2021’** under such paragraph were a reference to ‘the  
36 first month of the first full calendar quarter after the day on which the drug was first  
37 marketed’.

38 “(B) TIMELINE FOR PROVISION OF REBATES FOR SUBSEQUENTLY APPROVED  
39 DRUGS.—In the case of a part B rebatable drug first approved or licensed by the Food  
40 and Drug Administration after ~~July March 1, 2015~~ **2021**, paragraph (1)(B) shall be  
41 applied as if the reference to ‘July 1, 2023’ under such paragraph were a reference to  
42 the later of the 6th full calendar quarter after the day on which the drug was first  
43 marketed or July 1, 2023.

1           ~~“(C) Exemption for shortages.—The Secretary may reduce or waive the rebate~~  
2           ~~amount under paragraph (1)(B) with respect to~~“(D) **SELECTED DRUGS.—In the case of**  
3           ~~a part B rebatable drug that is described as currently in shortage on the shortage list in~~  
4           ~~effect under section 506E of the Federal Food, Drug, and Cosmetic Act or in the case~~  
5           ~~of other exigent circumstances, as determined by the Secretary.~~

6           ~~“(D) Selected drugs.—In the case of a part B rebatable drug that is a selected drug~~  
7           ~~(as defined in section 1192(c)) for a price applicability period (as defined in section~~  
8           ~~**1191(b)(2)), 1191(b)(2))—**~~

9           ~~“(i) for calendar quarters during such period for which a maximum fair price (as~~  
10           ~~defined in section 1191(e)(2)) for such drug has been determined and is applied under~~  
11           ~~part E of title XI, the rebate amount under paragraph (1)(B) shall be waived; and~~

12           ~~“(ii) in the case such drug is determined (pursuant to such section 1192(c)) to no~~  
13           ~~longer be a selected drug, for each applicable year beginning~~**beginning the first**  
14           ~~calendar quarter after the price applicability period with respect to such drug, clause~~  
15           ~~(i) of paragraph (3)(C) shall be applied as if the term ‘payment amount benchmark~~  
16           ~~quarter’ were defined under paragraph (3)(D) as the calendar quarter beginning~~  
17           ~~January 1 of the last year beginning during such price applicability period with respect~~  
18           ~~to such selected drug and clause (ii) of paragraph (3)(C) shall be applied as if the term~~  
19           ~~‘benchmark period CPI–U’ were defined under paragraph (3)(E) as if the reference to~~  
20           ~~‘July 2015’ ‘**March 2021**’ under such paragraph were a reference to the ~~July~~ **March** of~~  
21           ~~the year preceding such last year.~~

22           “(5) **APPLICATION TO BENEFICIARY COINSURANCE.—**In the case of a part B rebatable drug,  
23           if the payment amount ~~under this part for a~~**described in paragraph (3)(A)(ii)(I) (or, in the**  
24           ~~case of a part B rebatable drug that is a selected drug (as defined in section 1192(c),~~  
25           ~~the payment amount described in subsection (b)(1)(B) for such drug) for a calendar~~  
26           ~~quarter exceeds the inflation adjusted payment for such quarter—~~

27           “(A) in computing the amount of any coinsurance applicable under this part to an  
28           individual to whom such drug is furnished, the computation of such coinsurance shall  
29           be ~~based on~~**equal to 20 percent of** the inflation-adjusted payment amount determined  
30           under paragraph (3)(C) for such part B rebatable drug; and

31           “(B) the amount of such coinsurance ~~is equal to 20 percent of such inflation-adjusted~~  
32           ~~payment amount so determined.~~**for such calendar quarter, as computed under**  
33           ~~subparagraph (A), shall be applied as a percent, as determined by the Secretary,~~  
34           ~~to the payment amount that would otherwise apply under subparagraphs (B) or~~  
35           ~~(C) of subsection (b)(1).~~

36           “(6) **REBATE DEPOSITS.—**Amounts paid as rebates under paragraph (1)(B) shall be  
37           deposited into the Federal Supplementary Medical Insurance Trust Fund established under  
38           section 1841.

39           “(7) **CIVIL MONEY PENALTY.—**If a manufacturer of a part B rebatable drug has failed to  
40           comply with the requirements under paragraph (1)(B) for such drug for a calendar quarter,  
41           the manufacturer shall be subject to, in accordance with a process established by the  
42           Secretary pursuant to regulations, a civil money penalty in an amount equal to at least 125  
43           percent of the amount specified in paragraph (3) for such drug for such calendar quarter.

1 The provisions of section 1128A (other than subsections (a) (with respect to amounts of  
2 penalties or additional assessments) and (b)) shall apply to a civil money penalty under this  
3 paragraph in the same manner as such provisions apply to a penalty or proceeding under  
4 section ~~1128A(a)~~. **1128A(a).**”; and

5 ~~“(8) Application to multiple source drugs.—The Secretary may, pursuant to rulemaking,~~  
6 ~~apply the provisions of this subsection to multiple source drugs (as defined in section~~  
7 ~~1847A(c)(6)(C)), including, for purposes of determining(2) in subsection (i), as~~  
8 ~~redesignated by paragraph (1)—~~

9 (A) in paragraph (4), by striking at the end “and”;

10 (B) in paragraph (5), by striking at the end the period and inserting a  
11 semicolon; and

12 (C) by adding at the end the following new paragraphs:

13 **“(6) the determination of units under subsection (h);**

14 **“(7) the determination of whether a drug is a part B rebatable drug under**  
15 **subsection (h);**

16 **“(8) the calculation of the rebate amount under paragraph (3), by calculating**  
17 **manufacturer-specific average sales prices for the benchmark period and the rebate period.”.**  
18 **subsection (h); and**

19 **“(9) the computation of coinsurance under subsection (h)(5); and**

20 **“(10) the computation of amounts paid under section 1833(a)(1)(EE).”.**

21 (b) Amounts Payable; Cost-Sharing.—Section 1833 of the Social Security Act (42 U.S.C.  
22 1395l) is amended—

23 (1) in subsection (a)—**(a)(1)**—

24 ~~(A) in paragraph (1)—~~

25 ~~(i)~~**(A)** in subparagraph (G), by inserting “, subject to subsection (i)(9),” after “the  
26 amounts paid”;

27 ~~(ii)~~**(B)** in subparagraph (S), by striking “with respect to” and inserting “subject to  
28 subparagraph ~~(DD)~~**(EE)**, with respect to”;

29 ~~(iii)~~**(C)** by striking “and (DD)” and inserting ~~“(EE)”~~;**“(DD)”**; and

30 ~~(iv)~~**(D)** by inserting before the semicolon at the end the following: “, and (EE) with  
31 respect to a part B rebatable drug (as defined in paragraph (2) of section ~~1834(z))~~  
32 **1847A(h)) for which the payment amount for a calendar quarter under paragraph**  
33 **(3)(A)(ii)(I) of such section (or, in the case of a part B rebatable drug that is a**  
34 **selected drug (as defined in section 1192(c) for which, the payment amount**  
35 **described in section 1847A(b)(1)(B)) for such drug for such quarter exceeds the**  
36 **inflation-adjusted payment under paragraph (3)(A)(ii)(II) of such section for such**  
37 **quarter, the amounts paid shall be the difference between (i) equal to the percent of**  
38 **the payment amount under paragraph (3)(A)(ii)(I) of such section or section**  
39 **1847A(b)(1)(B), as applicable, that equals the difference between (i) 100 percent,**  
40 **and (ii) the percent applied under section 1847A(h)(5)(B)”; for such drug, and ~~(ii)~~**

1 20 percent of the inflation-adjusted payment amount under paragraph (3)(A)(ii)(II) of  
2 such section for such drug”; and

3 (B) by adding at the end of the flush left matter following paragraph (9), the  
4 following:

5 “For purposes of applying paragraph (1)(EE), subsections (i)(9) and (t)(8)(F), and  
6 section 1834(z)(5), the Secretary shall make such estimates and use such data as the  
7 Secretary determines appropriate, and may do so by program instruction or  
8 otherwise.”;

9 (2) in subsection (i), by adding at the end the following new paragraph:

10 “(9) In the case of a part B rebatable drug (as defined in paragraph (2) of section 1834(z)) for  
11 which payment under this subsection is not packaged into a payment for a covered OPD service  
12 (as defined in subsection (t)(1)(B)) (or group of services) furnished on or after July 1, 2023,  
13 under the system under this subsection, in lieu of calculation of coinsurance and the amount of  
14 payment otherwise applicable under this subsection, the provisions of section 1834(z)(5),  
15 paragraph (1)(EE) of subsection (a), and the flush left matter following paragraph (9) of  
16 subsection (a), shall, as determined appropriate by the Secretary, apply under this subsection in  
17 the same manner as such provisions of section 1834(z)(5) and subsection (a) apply under such  
18 section and subsection.”; and

19 (3) in subsection (t)(8), by adding at the end the following new subparagraph:

20 “(F) ~~Part b rebatable drugs.~~ ~~In~~ the case of a part B rebatable drug (as defined in paragraph  
21 (2) of section ~~1834(z))~~ **1847A(h)**) for which payment under this ~~part~~ **subsection** is not packaged  
22 into a payment for a service furnished on or after July 1, 2023, under the **revised payment**  
23 system under this subsection, in lieu of calculation of coinsurance and the amount of payment  
24 otherwise applicable under this subsection, the provisions of section ~~1834(z)(5),~~ **1847A(h)(5)**  
25 **and** paragraph (1)(EE) of subsection (a), ~~and the flush left matter following paragraph (9) of~~  
26 ~~subsection (a),~~ shall, as determined appropriate by the Secretary, apply under this subsection in  
27 the same manner as such provisions of section ~~1834(z)(5)~~ **1847A(h)(5)** and subsection (a) apply  
28 under such section and subsection.”; **and**

29 (3) in subsection (t)(8), by adding at the end the following new subparagraph:

30 “(F) **PART B REBATABLE DRUGS.**—**In** the case of a part B rebatable drug (as  
31 defined in paragraph (2) of section **1847A(h)**, except if such drug does not have a  
32 copayment amount as a result of application of subparagraph (E)) for which  
33 payment under this part is not packaged into a payment for a covered OPD  
34 service (or group of services) furnished on or after July 1, 2023, and the payment  
35 for such drug under this subsection is the same as the amount for a calendar  
36 quarter under paragraph (3)(A)(ii)(I) of section **1847A(h)**, under the system  
37 under this subsection, in lieu of calculation of the copayment amount and the  
38 amount of payment otherwise applicable under this subsection (other than the  
39 application of the limitation described in subparagraph (C)), the provisions of  
40 section **1847A(h)(5)** and paragraph (1)(EE) of subsection (a), shall, as determined  
41 appropriate by the Secretary, apply under this subsection in the same manner as  
42 such provisions of section **1847A(h)(5)** and subsection (a) apply under such  
43 section and subsection.”.-

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(c) Conforming Amendments.—

(1) TO PART B ASP CALCULATION.—Section 1847A(c)(3) of the Social Security Act (42 U.S.C. 1395w–3a(c)(3)) is amended by inserting “~~or section 1834(z)~~” after “**subsection (h)**” before “section 1927”.

(2) EXCLUDING PARTS ~~PARTS~~ **PART B DRUG INFLATION REBATE FROM BEST PRICE.**—Section 1927(c)(1)(C)(ii)(I) of the Social Security Act (42 U.S.C. 1396r–8(c)(1)(C)(ii)(I)) is amended by inserting “or section ~~1834(z)~~” **1847A(h)** after “this section”.

(3) COORDINATION WITH MEDICAID REBATE INFORMATION DISCLOSURE.—Section 1927(b)(3)(D)(i) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)(D)(i)) is amended by striking “or to carry out section 1847B” and inserting “to carry out section 1847B or section ~~1834(z)~~”. inserting “and the rebate” after “the payment amount”.

(4) EXCLUDING PART B DRUG INFLATION REBATES FROM AVERAGE MANUFACTURER PRICE.—Section 1927(k)(1)(B)(i) of the Social Security Act (42 U.S.C. 1396r–8(k)(1)(B)(i)), as previously amended, is further amended—

(A) in subclause (IV), by striking “and”;

(B) in subclause (V), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new subclause:

“(VI) rebates paid by manufacturers under section 1847A(h); and”.

(d) Funding.—In addition to amounts otherwise available, there are appropriated to the Centers for Medicare & Medicaid Services, out of any money in the Treasury not otherwise appropriated, \$12,500,000 for fiscal year 2022 and \$7,500,000 for each of fiscal years 2023 through 2031, to remain available until expended, to carry out the provisions of, including the amendments made by, this section.

**SEC. 139102. MEDICARE PART D REBATE BY MANUFACTURERS.**

(a) In General.—Part D of title XVIII of the Social Security Act is amended by inserting after section 1860D–14A (42 U.S.C. 1395w–114a) the following new section:

**“SEC. 1860D–14B. MANUFACTURER REBATE FOR CERTAIN DRUGS WITH PRICES INCREASING FASTER THAN INFLATION.**

“(a) Requirements.—

“(1) SECRETARIAL PROVISION OF INFORMATION.—Not later than 9 months after the end of each applicable year (as defined in subsection (g)(7)), **subject to paragraph (3)**, the Secretary shall, for each part D rebatable drug, report to each manufacturer of such part D rebatable drug the following for such year:

1           ~~“(A) Information on the~~ **The** amount (if any) of the excess average **annual**  
2 manufacturer price increase described in subsection ~~(b)(1)(B)(b)(1)(A)(ii)~~ for each  
3 dosage form and strength with respect to such drug and year.

4           “(B) The rebate amount specified under subsection (b) for each dosage form and  
5 strength with respect to such drug and year.

6           “(2) MANUFACTURER REQUIREMENTS.—For each applicable year, the manufacturer of a  
7 part D rebatable drug, for each dosage form and strength with respect to such drug, not later  
8 than 30 days after the date of receipt from the Secretary of the information described in  
9 paragraph (1) for such year, shall provide to the Secretary a rebate that is equal to the  
10 amount specified in subsection (b) for such dosage form and strength with respect to such  
11 drug for such year.

12           **“(3) TRANSITION RULE FOR REPORTING.—The Secretary may, for each rebatable**  
13 **covered part D drug, delay the timeframe for reporting the information and rebate**  
14 **amount described in subparagraphs (A) and (B) of such paragraph for the applicable**  
15 **year of 2023 until not later than September 30, 2025.**

16           “(b) Rebate Amount.—

17           “(1) IN GENERAL.—

18           “(A) CALCULATION.—For purposes of this section, the amount specified in this  
19 subsection for a dosage form and strength with respect to a part D rebatable drug and  
20 applicable year is, subject to subparagraph ~~(B) of this (C), paragraph and subparagraphs~~  
21 ~~(B) and (C) of (5)(B), and paragraph (5)(6),~~ the amount equal to the product of—

22           “(i) **subject to subparagraph (B) of this paragraph**, the total number of units  
23 that are used to calculate the average manufacturer price of such dosage form and  
24 strength with respect to such part D rebatable drug, as reported by the  
25 manufacturer of such drug under section 1927 for each ~~recent rebate period under~~  
26 ~~such section~~ **month**, with respect to such year, ~~under such section for which such~~  
27 ~~information is available; and~~

28           “(ii) the amount (if any) by which—

29                   “(I) the annual manufacturer price (as determined in paragraph (2)) paid  
30 for such dosage form and strength with respect to such part D rebatable drug  
31 for the year; exceeds

32                   “(II) the inflation-adjusted payment amount determined under paragraph  
33 (3) for such dosage form and strength with respect to such part D rebatable  
34 drug for the year.

35           “(B) EXCLUDED UNITS.—For purposes of subparagraph (A)(i), the Secretary shall  
36 exclude from the total number of units for a dosage form and strength with respect to a  
37 part D rebatable drug ~~and the most recent rebate period under section 1927,~~ with  
38 respect to an applicable year, ~~for which such information is available,~~ **units the**  
39 **following:**

40           **“(i) Units** of each dosage form and strength of such part D rebatable drug, for  
41 which payment was made under a State plan under title XIX (or waiver of such

1 plan), as reported by States under section 1927(b)(2)(A) ~~for such rebate period.~~

2 **“(ii) Units of each dosage form and strength of such part D rebatable drug**  
3 **for which a rebate is paid under section 1847A(h).**

4 **“(C) EXEMPTION FOR SHORTAGES AND SEVERE SUPPLY CHAIN**  
5 **DISRUPTIONS.—The Secretary shall reduce or waive the amount under**  
6 **subparagraph (A) with respect to a part D rebatable drug that is described as**  
7 **currently in shortage on the shortage list in effect under section 506E of the**  
8 **Federal Food, Drug, and Cosmetic Act or in the case of a generic drug, when the**  
9 **Secretary determines there are severe supply chain disruptions.**

10 **“(2) DETERMINATION OF ANNUAL MANUFACTURER PRICE.—The annual manufacturer**  
11 **price determined under this paragraph for a dosage form and strength, with respect to a part**  
12 **D rebatable drug and an applicable year, is the sum of the products of—**

13 **“(A) the average manufacturer price (as defined in subsection (g)(6)) of such dosage**  
14 **form and strength, as calculated for a unit of such drug, with respect to each of the**  
15 **calendar quarters of such year; and**

16 **“(B) the ratio of—**

17 **“(i) the total number of units of such dosage form and strength reported ~~for the~~**  
18 **~~purpose of calculating average manufacturer price~~ under section 1927 ~~during with~~**  
19 **~~respect to~~ each such calendar quarter of such year; to**

20 **“(ii) the total number of units of such dosage form and strength reported ~~for the~~**  
21 **~~purpose of calculating average manufacturer price~~ under section 1927 ~~during with~~**  
22 **~~respect to~~ such year, as determined by the Secretary.**

23 **“(3) DETERMINATION OF INFLATION-ADJUSTED PAYMENT AMOUNT.—The**  
24 **inflation-adjusted payment amount determined under this paragraph for a dosage form and**  
25 **strength with respect to a part D rebatable drug for an applicable year, subject to**  
26 **~~subparagraphs (A) and (D) of paragraph (5), is—~~**

27 **“(A) the benchmark year manufacturer price determined under paragraph (4) for**  
28 **such dosage form and strength with respect to such drug and year; increased by**

29 **“(B) the percentage by which the applicable year CPI-U (as defined in subsection**  
30 **(g)(5)) for the year exceeds the benchmark period CPI-U (as defined in subsection**  
31 **(g)(4)).**

32 **“(4) DETERMINATION OF BENCHMARK YEAR MANUFACTURER PRICE.—The benchmark**  
33 **year manufacturer price determined under this paragraph for a dosage form and strength,**  
34 **with respect to a part D rebatable drug and an applicable year, is the sum of the products**  
35 **of—**

36 **“(A) the average manufacturer price (as defined in subsection (g)(6)) of such dosage**  
37 **form and strength, as calculated for a unit of such drug, with respect to each of the**  
38 **calendar quarters of the payment amount benchmark year (as defined in subsection**  
39 **(g)(3)); and**

40 **“(B) the ratio of—**



1           “(i) the total number of units **reported under section 1927** of such dosage  
2 form and strength ~~dispensed during~~ **with respect to** each such calendar quarter of  
3 such payment amount benchmark year; to

4           “(ii) the total number of units **reported under section 1927** of such dosage  
5 form and strength ~~dispensed during~~ **with respect to** such payment amount  
6 benchmark year.

7           “(5) SPECIAL TREATMENT OF CERTAIN DRUGS AND EXEMPTION.—

8           “(A) SUBSEQUENTLY APPROVED DRUGS.—In the case of a part D rebatable drug first  
9 approved or licensed by the Food and Drug Administration after ~~January~~ **October 1,**  
10 ~~2016~~ **2021**, subparagraphs (A) and (B) of paragraph (4) shall be applied as if the term  
11 ‘payment amount benchmark year’ were defined under subsection (g)(3) as the first  
12 calendar year beginning after the day on which the drug was first marketed by any  
13 manufacturer and subparagraph (B) of paragraph (3) shall be applied as if the term  
14 ‘benchmark period CPI-U’ were defined under subsection (g)(4) as if the reference to  
15 ~~‘January 2016’~~ **‘October 2021’** under such subsection were a reference to ‘January of  
16 the first year beginning after the date on which the drug was first marketed by any  
17 manufacturer’.

18           ~~“(B) EXEMPTION FOR SHORTAGES.—THE SECRETARY MAY REDUCE OR WAIVE THE  
19 REBATE UNDER PARAGRAPH (1) WITH RESPECT TO A PART D REBATABLE DRUG THAT IS  
20 DESCRIBED AS CURRENTLY IN SHORTAGE ON THE SHORTAGE LIST IN EFFECT UNDER  
21 SECTION 506E OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT OR IN THE CASE OF  
22 OTHER EXIGENT CIRCUMSTANCES, AS DETERMINED BY THE SECRETARY.~~

23           ~~“(C) TREATMENT OF NEW FORMULATIONS.—~~

24           “(i) IN GENERAL.—In the case of a part D rebatable drug that is a line extension  
25 of a part D rebatable drug that is an oral solid dosage form, the Secretary shall  
26 establish a formula for determining the ~~amount specified in this subsection~~ **rebate**  
27 **amount under paragraph (1) and the inflation adjusted payment amount**  
28 **under paragraph (3)** with respect to such part D rebatable drug and an  
29 applicable year ~~with consideration of the original part D rebatable drug,~~  
30 **consistent with the formula applied under subsection (c)(2)(C) of section 1927**  
31 **for determining a rebate obligation for a rebate period under such section.**

32           “(ii) LINE EXTENSION DEFINED.—In this subparagraph, the term ‘line extension’  
33 means, with respect to a part D rebatable drug, a new formulation of the drug,  
34 such as an extended release formulation, but does not include an abuse-deterrent  
35 formulation of the drug (as determined by the Secretary), regardless of whether  
36 such abuse-deterrent formulation is an extended release formulation.

37           ~~“(D)“(C) SELECTED DRUGS.—In the case of a part D rebatable drug that is a selected  
38 drug (as defined in section 1192(c)) for a price applicability period (as defined in  
39 section 1191(b)(2)), 1191(b)(2))—~~

40           ~~“(i) for plan years during such period for which a maximum fair price (as defined in  
41 section 1191(c)(2)) for such drug has been determined and is applied under part E of  
42 title XI, the rebate under subsection (a)(1)(B) shall be waived; and~~

1           “(ii) in the case such drug is determined (pursuant to such section 1192(c)) to no  
2 longer be a selected drug, for each applicable year beginning after the price  
3 applicability period with respect to such drug, subparagraphs (A) and (B) of paragraph  
4 (4) shall be applied as if the term ‘payment amount benchmark year’ were defined  
5 under subsection (g)(3) as the last year beginning during such price applicability period  
6 with respect to such selected drug and subparagraph (B) of paragraph (3) shall be  
7 applied as if the term ‘benchmark period CPI-U’ were defined under subsection (g)(4)  
8 as if the reference to ‘January 2016’ ‘**October 2021**’ under such subsection were a  
9 reference to January of the last year beginning during such price applicability period  
10 with respect to such drug.

11           **“(6) RECONCILIATION IN CASE OF REVISED AMP REPORTS.—The Secretary shall**  
12 **provide for a method and process under which, in the case of a manufacturer of a part**  
13 **D rebatable drug that submits revisions to information submitted under section 1927**  
14 **by the manufacturer with respect to such drug, the Secretary determines, pursuant to**  
15 **such revisions, adjustments, if any, to the calculation of the amount specified in this**  
16 **subsection for a dosage form and strength with respect to such part D rebatable drug**  
17 **and an applicable year and reconciles any overpayments or underpayments in**  
18 **amounts paid as rebates under this subsection. Any identified underpayment shall be**  
19 **rectified by the manufacturer not later than 30 days after the date of receipt from the**  
20 **Secretary of information on such underpayment.**

21           “(c) Rebate Deposits.—Amounts paid as rebates under subsection (b) shall be deposited into  
22 the Medicare Prescription Drug Account in the Federal Supplementary Medical Insurance Trust  
23 Fund established under section 1841.

24           “(d) Information.—For purposes of carrying out this section, the Secretary shall use  
25 information submitted by manufacturers under section 1927(b)(3) and information submitted by  
26 States under section 1927(b)(2)(A).

27           “(e) Civil Money Penalty.—If a manufacturer of a part D rebatable drug has failed to comply  
28 with the requirement under subsection ~~(a)(1)(B)~~(a)(2) with respect to such drug for an applicable  
29 year, the manufacturer shall be subject to, in accordance with a process established by the  
30 Secretary pursuant to regulations, a civil money penalty in an amount equal to 125 percent of the  
31 amount specified in subsection (b) for such drug for such year. The provisions of section 1128A  
32 (other than subsections (a) (with respect to amounts of penalties or additional assessments) and  
33 (b)) shall apply to a civil money penalty under this subsection in the same manner as such  
34 provisions apply to a penalty or proceeding under section 1128A(a).

35           “(f) **No Administrative or Judicial Review.**—There shall be no **administrative or** judicial  
36 review of the following:

37           “(1) The determination of units under this section.

38           “(2) The determination of whether a drug is a part D rebatable drug under this section.

39           “(3) The calculation of the rebate amount under this section.

40           “(g) Definitions.—In this section:

41           “(1) ~~PART D REBATABLE DRUG DEFINED.~~— **DRUG.**—

42           “(A) **IN GENERAL.**—The term ‘part D rebatable drug’ means a drug or biological that

1 would (without application of this section) be a covered part D drug, except such term  
2 shall, with respect to an applicable year, not include such a drug or biological if the  
3 average annual total cost under this part for such year per individual who uses such a  
4 drug or biological, as determined by the Secretary, is less than, subject to subparagraph  
5 (B), \$100, as determined by the Secretary using the most recent data available or, if  
6 data is not available, as estimated by the Secretary.

7 “(B) INCREASE.—The dollar amount applied under subparagraph (A)—

8 “(i) for 2024, shall be the dollar amount specified under such subparagraph for  
9 2023, increased by the percentage increase in the consumer price index for all  
10 urban consumers (United States city average) for the 12-month period beginning  
11 with January of 2023; and

12 “(ii) for a subsequent year, shall be the dollar amount specified in this  
13 subparagraph for the previous year, increased by the percentage increase in the  
14 consumer price index for all urban consumers (United States city average) for the  
15 12-month period beginning with January of the previous year.

16 Any dollar amount specified under this subparagraph that is not a multiple of \$10 shall  
17 be rounded to the nearest multiple of \$10.

18 “(2) ~~UNIT DEFINED.—THE UNIT.~~—The term ‘unit’ means, with respect to a part D  
19 rebatable drug, the lowest ~~identifiable quantity~~ **dispensable amount** (such as a capsule or  
20 tablet, milligram of molecules, or grams) of the part D rebatable drug, ~~including data as~~  
21 reported under section 1927.

22 “(3) PAYMENT AMOUNT BENCHMARK YEAR.—The term ‘payment amount benchmark  
23 year’ means the year beginning ~~January~~ **October 1, 2016 2021**.

24 “(4) BENCHMARK PERIOD CPI–U.—The term ‘benchmark period CPI–U’ means the  
25 consumer price index for all urban consumers (United States city average) for ~~January 2016~~  
26 **October 2021**.

27 “(5) APPLICABLE YEAR CPI–U.—The term ‘applicable year CPI–U’ means, with respect to  
28 an applicable year, the consumer price index for all urban consumers (United States city  
29 average) for January of such year.

30 “(6) AVERAGE MANUFACTURER PRICE.—The term ‘average manufacturer price’ has the  
31 meaning, with respect to a part D rebatable drug of a manufacturer, given such term in  
32 section 1927(k)(1), with respect to a covered outpatient drug of a manufacturer for a rebate  
33 period under section 1927.

34 “(7) APPLICABLE YEAR.—The term ‘applicable year’ means a **calendar** year beginning  
35 with ~~2023.~~”

36 **2023.**

37 “(h) **Implementation for 2023 and 2024.—Notwithstanding any other provision of this**  
38 **section, the Secretary shall implement this section for 2023 and 2024 by program**  
39 **instruction or otherwise.”**

40 (b) Conforming Amendments.—

1 (1) TO PART B ASP CALCULATION.—Section 1847A(c)(3) of the Social Security Act (42  
2 U.S.C. 1395w–3a(c)(3)), as amended by section 139101(c)(1), is further amended by  
3 striking “~~section 1927~~”**subsection (h)** or section ~~1834(z)~~ **1927**” and inserting “~~section~~  
4 ~~1927~~,”**subsection (h)**, section ~~1834(z)~~ **1927**, or section 1860D–14B”.

5 (2) EXCLUDING PART D DRUG INFLATION REBATE FROM BEST PRICE.—Section  
6 1927(c)(1)(C)(ii)(I) of the Social Security Act (42 U.S.C. 1396r–8(c)(1)(C)(ii)(I)), as  
7 amended by section 139101(c)(2), is further amended by striking “or section ~~1834(z)~~”  
8 **1847A(h)**” and inserting “, section ~~1834(z)~~ **1847A(h)**, or section 1860D–14B”.

9 (3) COORDINATION WITH MEDICAID REBATE INFORMATION DISCLOSURE.—Section  
10 1927(b)(3)(D)(i) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)(D)(i)), as amended by  
11 section 139101(c)(3), is further amended by striking “or **to carry out** section ~~1834(z)~~”  
12 **1847B**” and inserting “,**“or to carry out** section ~~1834(z)~~, **1847B** or section 1860D–14B”.

13 (4) EXCLUDING PART D DRUG INFLATION REBATES FROM AVERAGE MANUFACTURER  
14 PRICE.—Section **1927(k)(1)(B)(i)** of the Social Security Act (42 U.S.C.  
15 **1396r–8(k)(1)(B)(i)**), as previously amended, is further amended by adding at the end  
16 the following new subclause:

17 “(VII) rebates paid by manufacturers under section 1860D-14B.”.

18 (c) Funding.—In addition to amounts otherwise available, there are appropriated to the  
19 Centers for Medicare & Medicaid Services, out of any money in the Treasury not otherwise  
20 appropriated, \$12,500,000 for fiscal year 2022 and \$7,500,000 for each of fiscal years 2023  
21 through 2031, to remain available until expended, to carry out the provisions of, including  
22 the amendments made by, this section.

## 23 PART 3—PART D IMPROVEMENTS AND MAXIMUM 24 OUT-OF-POCKET CAP FOR MEDICARE BENEFICIARIES 25 SEC. 139201. MEDICARE PART D BENEFIT REDESIGN.

26 (a) Benefit Structure Redesign.—Section 1860D–2(b) of the Social Security Act (42 U.S.C.  
27 1395w–102(b)) is amended—

28 (1) in paragraph (2)—

29 (A) in subparagraph (A), in the matter preceding clause (i), by inserting “for a year  
30 preceding 2024 and for costs above the annual deductible specified in paragraph (1)  
31 and up to the annual out-of-pocket threshold specified in paragraph (4)(B) for 2024  
32 and each subsequent year” after “paragraph (3)”;

33 (B) in subparagraph (C)—

34 (i) in clause (i), in the matter preceding subclause (I), by inserting “for a year  
35 preceding 2024,” after “paragraph (4),”; and

36 (ii) in clause (ii)(III), by striking “and each subsequent year” and inserting  
37 “through 2023”; and

38 (C) in subparagraph (D)—

- 1 (i) in clause (i)—
- 2 (I) in the matter preceding subclause (I), by inserting “for a year preceding  
3 2024,” after “paragraph (4),”; and
- 4 (II) in subclause (I)(bb), by striking “a year after 2018” and inserting  
5 “each of years 2018 2019 through 2023”; and
- 6 (ii) in clause (ii)(V), by striking “2019 and each subsequent year” and inserting  
7 “each of years 2019 through 2023”;
- 8 (2) in paragraph (3)(A)—
- 9 (A) in the matter preceding clause (i), by inserting “for a year preceding 2024,” after  
10 “and (4),”; and
- 11 (B) in clause (ii), by striking “for a subsequent year” and inserting “for each of years  
12 2007 through 2023”; and
- 13 (3) in paragraph (4)—
- 14 (A) in subparagraph (A)—
- 15 (i) in clause (i)—
- 16 (I) by redesignating subclauses (I) and (II) as items (aa) and (bb),  
17 respectively, and moving the margin of each such redesignated item 2 ems to  
18 the right;
- 19 (II) in the matter preceding item (aa), as redesignated by subclause (I), by  
20 striking “is equal to the greater of—” and inserting “is equal to—  
21 “(I) for a year preceding 2024, the greater of—”;
- 22 (III) by striking the period at the end of item (bb), as redesignated by  
23 subclause (I), and inserting “; and”; and
- 24 (IV) by adding at the end the following:  
25 “(II) for 2024 and each succeeding year, \$0.”; and
- 26 (ii) in clause ~~(ii)~~;(ii)—
- 27 (I) by striking “clause (i)(I)” and inserting “clause (i)(I)(aa)”; **and**  
28 (II) by adding at the end the following new sentence: “The Secretary  
29 shall continue to calculate the dollar amounts specified in clause  
30 (i)(I)(aa), including with the adjustment under this clause, after 2023 for  
31 purposes of section 1860D–14(a)(1)(D)(iii).”;
- 32 (B) in subparagraph (B)—
- 33 (i) in clause (i)—
- 34 (I) in subclause (V), by striking “or” at the end;  
35 (II) in subclause (VI)—
- 36 (aa) by striking “for a subsequent year” and inserting “for each of

1 years 2021 through 2023”; and

2 (bb) by striking the period at the end and inserting a semicolon; and

3 (III) by adding at the end the following new subclauses:

4 “(VII) for 2024, is equal to \$2,000; or

5 “(VIII) for a subsequent year, is equal to the amount specified in this  
6 subparagraph for the previous year, increased by the annual percentage  
7 increase described in paragraph (6) for the year involved.”; and

8 (ii) in clause (ii), by striking “clause (i)(II)” and inserting “clause (i)”;

9 (C) in subparagraph (C)(i), by striking “and for amounts” and inserting “and, for a  
10 year preceding 2024, for amounts”; and

11 (D) in subparagraph (E), by striking “In applying” and inserting “For each of years  
12 2011 through 2023, in applying”.

13 (b) ~~Decreasing Reinsurance Payment Amount.—Section 1860D–15(b)(4) of the Social~~  
14 ~~Security Act (42 U.S.C. 1395w–115(b)(1)) is amended by inserting after “80 percent” the~~  
15 ~~following:)~~ **is amended—**

16 **(1) in paragraph (1)—**

17 **(A) by striking “equal to 80 percent” and inserting “equal to—**

18 **“(A) for a year preceding 2024, 80 percent”;**

19 **(B) in subparagraph (A), as added by subparagraph (A), by striking the period**  
20 **at the end and inserting “; and”;** and

21 **(C) by adding at the end the following new subparagraph:**

22 **“(B) for 2024 and each subsequent year, the sum of—**

23 **“(i) an amount equal to 20 percent of such allowable reinsurance costs**  
24 **attributable to that portion of gross prescription drug costs as specified in**  
25 **paragraph (3) incurred in the coverage year after such individual has**  
26 **incurred costs that exceed the annual out-of-pocket threshold specified in**  
27 **section 1860D–2(b)(4)(B) with respect to applicable drugs (as defined in**  
28 **section 1860D–14C(g)(2)); and**

29 **“(ii) an amount equal to 40 percent of such allowable reinsurance costs**  
30 **attributable to that portion of gross prescription drug costs as specified in**  
31 **paragraph (3) incurred in the coverage year after such individual has**  
32 **incurred costs that exceed the annual out-of-pocket threshold specified in**  
33 **section 1860D–2(b)(4)(B) with respect to covered part D drugs that are not**  
34 **applicable drugs (as so defined).”;**

35 **(2) in paragraph (2)—**

36 **(A) by striking “COSTS.—For purposes” and inserting “COSTS.—**

37 **“(A) IN GENERAL.—Subject to subparagraph (B), for purposes”;** and

38 **(B) by adding at the end the following new subparagraph:**

1           “(B) INCLUSION OF MANUFACTURER DISCOUNTS ON APPLICABLE DRUGS.—For  
2           purposes of applying subparagraph (A), the term ‘allowable reinsurance costs’  
3           shall include the portion of the negotiated price (as defined in section  
4           1860D–14C(g)(6)) of an applicable drug (as defined in section 1860D–14C(g)(2))  
5           that was paid by a manufacturer under the manufacturer discount program  
6           under section 1860D–14C.”; and

7           (3) in paragraph (3)—

8           (A) in the first sentence, by striking “For purposes” and inserting “Subject to  
9           paragraph (2)(B), for purposes”; and

10          (B) in the second sentence, by inserting “(or, with respect to a coverage year after  
11          2023, 20 percent)”. 2024 and subsequent years, in the case of an applicable drug,  
12          as defined in section 1860D-14C(g)(2), by a manufacturer” after “by the  
13          individual or under the plan”.

14        (⇌)(c) Reduced Cost-sharing; Beneficiary Premium Percentage.—

15           (1) COST-SHARING.—

16           (A) IN GENERAL.—Section 1860D–2(b)(2)(A) of the Social Security Act (42  
17           U.S.C. 1395w–102(b)(2)(A)) is amended—

18           (i) in the subparagraph header, by striking “25 PERCENT COINSURANCE”  
19           and inserting “COINSURANCE”;

20           (ii) in clause (i), by inserting “(or, for 2024 and each subsequent year, 23  
21           percent)” after “25 percent”; and

22           (iii) in clause (ii), by inserting “(or, for 2024 and each subsequent year, 23  
23           percent)” after “25 percent”.

24           (B) CONFORMING AMENDMENT.—Section 1860D–14(a)(2)(D) of the Social  
25           Security Act (42 U.S.C. 1395w–114(a)(2)(D)) is amended by inserting “(or, for  
26           2024 and each subsequent year, instead of coinsurance of ‘23 percent’)” after  
27           “instead of coinsurance of ‘25 percent’”.

28           (2) BENEFICIARY PREMIUM PERCENTAGE.—

29           (A) IN GENERAL.—Section 1860D–13(a)(3)(A) of the Social Security Act (42  
30           U.S.C. 1395w–113(a)(3)(A)) is amended by inserting “(or, for 2024 and each  
31           subsequent year, 23.5 percent)” after “25.5 percent”.

32           (B) CONFORMING AMENDMENTS.—

33           (i) Section 1860D–11(g)(6) of the Social Security Act (42 U.S.C.  
34           1395w–111(g)(6)) is amended by inserting “(or, for 2024 and each subsequent  
35           year, 23.5 percent)” after “25.5 percent”.

36           (ii) Section 1860D–13(a)(7)(B)(i) of the Social Security Act (42 U.S.C.  
37           1395w–113(a)(7)(B)(i)) is amended—

38           (I) in subclause (I), by inserting “(or, for 2024 and each subsequent  
39           year, 23.5 percent)” after “25.5 percent”; and

1                               **(II) in subclause (II), by inserting “(or, for 2024 and each subsequent**  
2                               **year, 23.5 percent)” after “25.5 percent”.**

3                               **(iii) Section 1860D–15(a) of the Social Security Act (42 U.S.C.**  
4                               **1395w–115(a)) is amended by inserting “(or, for 2024 and each subsequent**  
5                               **year, 76.5 percent)” after “74.5 percent”.**

6       **(d) Manufacturer Discount Program.—**

7               (1) **IN GENERAL.—**Part D of title XVIII of the Social Security Act (42 U.S.C. 1395w–101  
8               **et seq.) through 42 U.S.C. 1395w–153),** as amended by section 139102, is further amended  
9               by inserting after section 1860D–14B the following new ~~section~~ **sections:**

10       **“SEC. 1860D–14C. MANUFACTURER DISCOUNT**  
11       **PROGRAM.**

12       **“(a) Establishment.—**The Secretary shall establish a manufacturer discount program (in this  
13       section referred to as the ‘program’). Under the program, the Secretary shall enter into  
14       agreements described in subsection (b) with manufacturers and provide for the performance of  
15       the duties described in subsection (c). The Secretary shall establish a model agreement for use  
16       under the program by not later than January 1, 2023, in consultation with manufacturers, and  
17       allow for comment on such model agreement.

18       **“(b) Terms of Agreement.—**

19               **“(1) IN GENERAL.—**

20                       **“(A) AGREEMENT.—**An agreement under this section shall require the manufacturer  
21                       to provide ~~applicable beneficiaries access to,~~ **in accordance with this section,**  
22                       discounted prices for applicable drugs of the manufacturer that are dispensed to  
23                       **applicable beneficiaries** on or after January 1, 2024.

24                       ~~“(B) PROVISION OF DISCOUNTED PRICES AT THE POINT OF SALE.—THE DISCOUNTED~~  
25                       ~~PRICES DESCRIBED IN SUBPARAGRAPH (A) SHALL BE PROVIDED TO THE APPLICABLE~~  
26                       ~~BENEFICIARY AT THE PHARMACY OR BY THE MAIL ORDER SERVICE AT THE~~  
27                       ~~POINT OF SALE OF AN APPLICABLE DRUG. CLARIFICATION.—Nothing in this section~~  
28                       **shall be construed as affecting—**

29                               **“(i) the application of a coinsurance of 23 percent of the negotiated price,**  
30                               **as applied under paragraph (2)(A) of section 1860D–2(b), for costs described**  
31                               **in such paragraph; or**

32                               **“(ii) the application of the copayment amount described in paragraph**  
33                               **(4)(A) of such section, with respect to costs described in such paragraph.**

34               **“(C) TIMING OF AGREEMENT.—**

35                       **“(i) SPECIAL RULE FOR 2024.—**In order for an agreement with a manufacturer to  
36                       be in effect under this section with respect to the period beginning on January 1,  
37                       2024, and ending on December 31, 2024, the manufacturer shall enter into such  
38                       agreement not later than 30 days after the date of the establishment of a model  
39                       agreement under subsection (a).



1           “(ii) 2025 AND SUBSEQUENT YEARS.—In order for an agreement with a  
2 manufacturer to be in effect under this section with respect to plan year 2025 or a  
3 subsequent plan year, the manufacturer shall enter into such agreement ~~(or such~~  
4 ~~agreement shall be renewed under paragraph (4)(A)) not later than January 30 of~~  
5 ~~the preceding year.~~ **not later than a calendar quarter or semi-annual deadline**  
6 **established by the Secretary.**

7           “(2) PROVISION OF APPROPRIATE DATA.—Each manufacturer with an agreement in effect  
8 under this section shall collect and have available appropriate data, as determined by the  
9 Secretary, to ensure that it can demonstrate to the Secretary compliance with the  
10 requirements under the program.

11           “(3) COMPLIANCE WITH REQUIREMENTS FOR ADMINISTRATION OF PROGRAM.—Each  
12 manufacturer with an agreement in effect under this section shall comply with requirements  
13 imposed by the Secretary or a third party with a contract under subsection (d)(3), as  
14 applicable, for purposes of administering the program, including any determination under  
15 subparagraph (A) of subsection (c)(1) or procedures established under such subsection  
16 (c)(1).

17           “(4) LENGTH OF AGREEMENT.—

18           “(A) IN GENERAL.—An agreement under this section shall be effective for an initial  
19 period of not less than 12 months and shall be automatically renewed for a period of  
20 not less than 1 year unless terminated under subparagraph (B).

21           “(B) TERMINATION.—

22           “(i) BY THE SECRETARY.—The Secretary ~~may~~ **shall** provide for termination of  
23 an agreement under this section for a knowing and willful violation of the  
24 requirements of the agreement or other good cause shown. Such termination shall  
25 not be effective earlier than 30 days after the date of notice to the manufacturer of  
26 such termination. The Secretary shall provide, upon request, a manufacturer with  
27 a hearing concerning such a termination, and such hearing shall take place prior to  
28 the effective date of the termination with sufficient time for such effective date to  
29 be repealed if the Secretary determines appropriate.

30           “(ii) BY A MANUFACTURER.—A manufacturer may terminate an agreement  
31 under this section for any reason. Any such termination shall be effective, with  
32 respect to a plan year—

33           “(I) if the termination occurs before January ~~30~~ **31** of a plan year, as of the  
34 day after the end of the plan year; and

35           “(II) if the termination occurs on or after January ~~30~~ **31** of a plan year, as  
36 of the day after the end of the succeeding plan year.

37           “(iii) EFFECTIVENESS OF TERMINATION.—Any termination under this  
38 subparagraph shall not affect discounts for applicable drugs of the manufacturer  
39 that are due under the agreement before the effective date of its termination.

40           “(iv) NOTICE TO THIRD PARTY.—The Secretary shall provide notice of such  
41 termination to a third party with a contract under subsection (d)(3) within not less  
42 than 30 days before the effective date of such termination.

1 “(c) Duties Described.—The duties described in this subsection are the following:

2 “(1) ADMINISTRATION OF PROGRAM.—Administering the program, including—

3 “(A) the determination of the amount of the discounted price of an applicable drug  
4 of a manufacturer;

5 ~~“(B) the establishment of procedures under which discounted prices are provided to~~  
6 ~~applicable beneficiaries at pharmacies or by mail order service at the point of sale of~~  
7 ~~an applicable drug;~~

8 ~~“(C) the establishment of procedures to ensure that, not later than the applicable~~  
9 ~~number of calendar days after the dispensing of an applicable drug by a pharmacy or~~  
10 ~~mail order service, the pharmacy or mail order service is reimbursed for an amount~~  
11 ~~equal to the difference between—~~

12 “(i) the negotiated price of the applicable drug; and

13 “(ii) the discounted price of the applicable drug;

14 ~~“(D)“(C) the establishment of procedures to ensure that the discounted price for an~~  
15 ~~applicable drug under this section is applied before any coverage or financial~~  
16 ~~assistance under other health benefit plans or programs that provide coverage or~~  
17 ~~financial assistance for the purchase or provision of prescription drug coverage on~~  
18 ~~behalf of applicable beneficiaries as **specified by** the Secretary ~~may specify~~; and~~

19 ~~“(E)“(D) providing a reasonable dispute resolution mechanism to resolve~~  
20 ~~disagreements between manufacturers, applicable beneficiaries, and the third party~~  
21 ~~with a contract under subsection (d)(3).~~

22 “(2) MONITORING COMPLIANCE.—

23 “(A) IN GENERAL.—The Secretary shall monitor compliance by a manufacturer with  
24 the terms of an agreement under this section.

25 “(B) NOTIFICATION.—If a third party with a contract under subsection (d)(3)  
26 determines that the manufacturer is not in compliance with such agreement, the third  
27 party shall notify the Secretary of such noncompliance for appropriate enforcement  
28 under subsection (e).

29 “(3) COLLECTION OF DATA FROM PRESCRIPTION DRUG PLANS AND MA–PD PLANS.—The  
30 Secretary may collect appropriate data from prescription drug plans and MA–PD plans in a  
31 timeframe that allows for discounted prices to be provided for applicable drugs under this  
32 section.

33 “(d) Administration.—

34 “(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall provide for the  
35 implementation of this section, including the performance of the duties described in  
36 subsection (c).

37 “(2) LIMITATION.—In providing for the implementation of this section, the Secretary  
38 shall not receive or distribute any funds of a manufacturer under the program.

39 “(3) CONTRACT WITH THIRD PARTIES.—The Secretary shall enter into a contract with 1 or  
40 more third parties to administer the requirements established by the Secretary in order to

1 carry out this section. At a minimum, the contract with a third party under the preceding  
2 sentence shall require that the third party—

3 “(A) receive and transmit information between the Secretary, manufacturers, and  
4 other individuals or entities the Secretary determines appropriate;

5 “(B) receive, distribute, or facilitate the distribution of funds of manufacturers to  
6 appropriate individuals or entities in order to meet the obligations of manufacturers  
7 under agreements under this section;

8 “(C) provide adequate and timely information to manufacturers, consistent with the  
9 agreement with the manufacturer under this section, as necessary for the manufacturer  
10 to fulfill its obligations under this section; and

11 “(D) permit manufacturers to conduct periodic audits, directly or through contracts,  
12 of the data and information used by the third party to determine discounts for  
13 applicable drugs of the manufacturer under the program.

14 “(4) PERFORMANCE REQUIREMENTS.—The Secretary shall establish performance  
15 requirements for a third party with a contract under paragraph (3) and safeguards to protect  
16 the independence and integrity of the activities carried out by the third party under the  
17 program under this section.

18 “(5) IMPLEMENTATION.—The Secretary ~~may~~ **shall** implement the program under this  
19 section **for 2024 and 2025** by program instruction or otherwise.

20 ~~“(6) Administration.—Chapter 35 of title 44, United States Code, shall not apply to the~~  
21 ~~program under this section.~~

22 “(e) Enforcement.—

23 “(1) AUDITS.—Each manufacturer with an agreement in effect under this section shall be  
24 subject to periodic audit by the Secretary.

25 “(2) CIVIL MONEY PENALTY.—

26 “(A) IN GENERAL.—~~THE SECRETARY MAY IMPOSE A CIVIL MONEY PENALTY ON A~~  
27 **GENERAL.—A** manufacturer that fails to provide ~~applicable beneficiaries discounts~~  
28 **discounted prices** for applicable drugs of the manufacturer **dispensed to applicable**  
29 **beneficiaries** in accordance with such agreement **shall be subject to a civil money**  
30 **penalty** for each such failure in an amount the Secretary determines is equal to the sum  
31 of—

32 “(i) the amount that the manufacturer would have paid with respect to such  
33 discounts under the agreement, which will then be used to pay the discounts  
34 which the manufacturer had failed to provide; and

35 “(ii) 25 percent of such amount.

36 “(B) APPLICATION.—The provisions of section 1128A (other than subsections (a)  
37 and (b)) shall apply to a civil money penalty under this paragraph in the same manner  
38 as such provisions apply to a penalty or proceeding under section 1128A(a).

39 “(f) Clarification Regarding Availability of Other Covered Part D Drugs.—Nothing in this  
40 section shall prevent an applicable beneficiary from purchasing a covered part D drug that is not

1 an applicable drug (including a generic drug or a drug that is not on the formulary of the  
2 prescription drug plan or MA–PD plan that the applicable beneficiary is enrolled in).

3 “(g) Definitions.—In this section:

4 “(1) APPLICABLE BENEFICIARY.—The term ‘applicable beneficiary’ means an individual  
5 who, on the date of dispensing a covered part D drug—

6 “(A) is enrolled in a prescription drug plan or an MA–PD plan;

7 “(B) is not enrolled in a qualified retiree prescription drug plan; and

8 “(C) has incurred costs, as determined in accordance with section 1860D–2(b)(4)(C)  
9 **as if clause (iii) of such section included a reference to costs reimbursed through**  
10 **insurance, a group health plan, or certain other third-party payment**  
11 **arrangements, for covered part D drugs in the year that ~~exceed~~ exceed—**

12 “(i) **in the case of an individual not described in clause (ii) or (iii), the**  
13 **annual deductible ~~with respect to such individual~~ for such year, as specified in**  
14 **section 1860D2(b)(1), section 1860D14(a)(1)(B), or section 1860D14(a)(2)(B), as**  
15 **applicable. 1860D-2(b)(1);**

16 “(ii) **in the case of a subsidy eligible individual described in section**  
17 **1860D-14(a)(1), the annual deductible for such year, as specified in**  
18 **subparagraph (B) of such section; and**

19 “(iii) **in the case of a subsidy eligible individual described in section**  
20 **1860D–14(a)(2), the annual deductible for such year, as specified in**  
21 **subparagraph (B) of such section.**

22 “(2) APPLICABLE DRUG.—The term ‘applicable drug’, with respect to an applicable  
23 beneficiary—

24 “(A) means a covered part D drug—

25 “(i) approved under a new drug application under section 505(c) of the Federal  
26 Food, Drug, and Cosmetic Act or, in the case of a biologic product, licensed under  
27 section 351 of the Public Health Service Act; and

28 “(ii)(I) if the PDP sponsor of the prescription drug plan or the MA organization  
29 offering the MA–PD plan uses a formulary, which is on the formulary of the  
30 prescription drug plan or MA–PD plan that the applicable beneficiary is enrolled  
31 in;

32 “(ii)(II) if the PDP sponsor of the prescription drug plan or the MA organization  
33 offering the MA–PD plan does not use a formulary, for which benefits are  
34 available under the prescription drug plan or MA–PD plan that the applicable  
35 beneficiary is enrolled in; or

36 “(iii) is provided through an exception or appeal; and

37 “(B) does not include a selected drug (as ~~defined in~~ **referred to under** section  
38 1192(c)) during a price applicability period (as defined in section 1191(b)(2)) with  
39 respect to such drug.

40 “(3) APPLICABLE NUMBER OF CALENDAR DAYS.—The term ‘applicable number of

1 calendar days' means—

2 “(A) with respect to claims for reimbursement submitted electronically, 14 days; and

3 “(B) with respect to claims for reimbursement submitted otherwise, 30 days.

4 “(4) DISCOUNTED PRICE.—

5 “(A) IN GENERAL.—The term ‘discounted price’ means, **subject to subparagraphs**  
6 **(B) and (C)**, with respect to an applicable drug of a manufacturer dispensed during a  
7 year to an applicable beneficiary—

8 “(i) who has not incurred costs, as determined in accordance with section  
9 1860D–2(b)(4)(C), for covered part D drugs in the year that are equal to or exceed  
10 the annual out-of-pocket threshold specified in section 1860D–2(b)(4)(B)(i) for  
11 the year, 90 percent of the negotiated price of such drug; and

12 “(ii) who has incurred such costs, as so determined, in the year that are equal to  
13 or exceed such threshold for the year, ~~70~~ **80** percent of the negotiated price of  
14 such drug.

15 “(B) CLARIFICATION.—~~NOTHING IN THIS SECTION SHALL BE CONSTRUED AS~~  
16 ~~AFFECTING THE RESPONSIBILITY OF AN APPLICABLE BENEFICIARY FOR PAYMENT OF A~~  
17 ~~DISPENSING FEE FOR AN APPLICABLE DRUG.~~

18 “(C) PHASE-IN FOR CERTAIN DRUGS DISPENSED TO LIS BENEFICIARIES.—

19 “(i) IN GENERAL.—**In the case of an applicable drug of a specified**  
20 **manufacturer (as defined in clause (ii)) that is marketed as of the date of**  
21 **enactment of this subparagraph and dispensed for an applicable beneficiary**  
22 **who is a subsidy eligible individual (as defined in section 1860D–14(a)(3)), the**  
23 **term ‘discounted price’ means the specified LIS percent (as defined in clause**  
24 **(iii)) of the negotiated price of the applicable drug of the manufacturer.**

25 “(ii) SPECIFIED MANUFACTURER.—

26 “(I) IN GENERAL.—**In this subparagraph, subject to subclause (II), the**  
27 **term ‘specified manufacturer’ means a manufacturer of an applicable**  
28 **drug for which, in 2021—**

29 “(aa) **the manufacturer had a coverage gap discount agreement**  
30 **under section 1860D-14A;**

31 “(bb) **the total expenditures for all of the specified drugs of the**  
32 **manufacturer covered by such agreement or agreements for such**  
33 **year and covered under this part during such year represented less**  
34 **than 1.0 percent of the total expenditures under this part for all**  
35 **covered Part D drugs during such year; and**

36 “(cc) **the total expenditures for all of the specified drugs of the**  
37 **manufacturer that are single source drugs and biological products**  
38 **covered under part B during such year represented less than 1.0**  
39 **percent of the total expenditures under part B for all drugs or**  
40 **biological products covered under such part during such year.**

1                   **“(II) SPECIFIED DRUGS.—**

2                   **“(aa) IN GENERAL.—For purposes of this clause, the term**  
3                   **‘specified drug’ means, with respect to a specified manufacturer,**  
4                   **for 2021, an applicable drug that is produced, prepared,**  
5                   **propagated, compounded, converted, or processed by the**  
6                   **manufacturer.**

7                   **“(bb) AGGREGATION RULE.—All persons treated as a single**  
8                   **employer under subsection (a) or (b) of section 52 of the Internal**  
9                   **Revenue Code of 1986 shall be treated as one manufacturer for**  
10                   **purposes of this subparagraph. For purposes of making a**  
11                   **determination pursuant to the previous sentence, an agreement**  
12                   **under this section shall require that a manufacturer provide and**  
13                   **attest to such information as specified by the Secretary as**  
14                   **necessary.**

15                   **“(III) LIMITATION.—The term ‘specified manufacturer’ shall not**  
16                   **include a manufacturer described in subclause (I) if such manufacturer**  
17                   **is acquired after 2021 by another manufacturer that is not a specified**  
18                   **manufacturer, effective at the beginning of the plan year immediately**  
19                   **following such acquisition or, in the case of an acquisition before 2024,**  
20                   **effective January 1, 2024.**

21                   **“(iii) SPECIFIED LIS PERCENT.—In this subparagraph, the ‘specified LIS**  
22                   **percent’ means, with respect to a year—**

23                   **“(I) for an applicable drug dispensed for an applicable beneficiary**  
24                   **described in clause (i) who has not incurred costs, as determined in**  
25                   **accordance with section 1860D–2(b)(4)(C), for covered part D drugs in**  
26                   **the year that are equal to or exceed the annual out-of-pocket threshold**  
27                   **specified in section 1860D–2(b)(4)(B)(i) for the year—**

28                   **“(aa) for 2024, 99 percent;**

29                   **“(bb) for 2025, 98 percent;**

30                   **“(cc) for 2026, 95 percent;**

31                   **“(dd) for 2027, 92 percent; and**

32                   **“(ee) for 2028 and each subsequent year, 90 percent; and**

33                   **“(II) for an applicable drug dispensed for an applicable beneficiary**  
34                   **described in clause (i) who has incurred costs, as determined in**  
35                   **accordance with section 1860D–2(b)(4)(C), for covered part D drugs in**  
36                   **the year that are equal to or exceed the annual out-of-pocket threshold**  
37                   **specified in section 1860D–2(b)(4)(B)(i) for the year—**

38                   **“(aa) for 2024, 99 percent;**

39                   **“(bb) for 2025, 98 percent;**

40                   **“(cc) for 2026, 95 percent;**

1                   “(dd) for 2027, 92 percent;

2                   “(ee) for 2028, 90 percent;

3                   “(ff) for 2029, 85 percent; and

4                   “(gg) for 2030 and each subsequent year, 80 percent.

5                   **“(C) PHASE-IN FOR SPECIFIED SMALL MANUFACTURERS.—**

6                   **“(i) IN GENERAL.—**In the case of an applicable drug of a specified small  
7                   **manufacturer (as defined in clause (ii)) that is marketed as of the date of**  
8                   **enactment of this subparagraph and dispensed for an applicable beneficiary,**  
9                   **the term ‘discounted price’ means the specified small manufacturer percent**  
10                   **(as defined in clause (iii)) of the negotiated price of the applicable drug of the**  
11                   **manufacturer.**

12                   **“(ii) SPECIFIED SMALL MANUFACTURER.—**

13                   **“(I) IN GENERAL.—**In this subparagraph, subject to subclause (III),  
14                   **the term ‘specified small manufacturer’ means a manufacturer of an**  
15                   **applicable drug for which, in 2021—**

16                   **“(aa) the manufacturer is a specified manufacturer (as defined in**  
17                   **subparagraph (B)(ii)); and**

18                   **“(bb) the total expenditures under part D for any one of the**  
19                   **specified small manufacturer drugs of the manufacturer that are**  
20                   **covered by the agreement or agreements under section 1860D–14A**  
21                   **of such manufacturer for such year and covered under this part**  
22                   **during such year are equal to or more than 80 percent of the total**  
23                   **expenditures under this part for all specified small manufacturer**  
24                   **drugs of the manufacturer that are covered by such agreement or**  
25                   **agreements for such year and covered under this part during such**  
26                   **year.**

27                   **“(II) SPECIFIED SMALL MANUFACTURER DRUGS.—**

28                   **“(aa) IN GENERAL.—**For purposes of this clause, the term  
29                   **‘specified small manufacturer drugs’ means, with respect to a**  
30                   **specified small manufacturer, for 2021, an applicable drug that is**  
31                   **produced, prepared, propagated, compounded, converted, or**  
32                   **processed by the manufacturer.**

33                   **“(bb) AGGREGATION RULE.—**All persons treated as a single  
34                   **employer under subsection (a) or (b) of section 52 of the Internal**  
35                   **Revenue Code of 1986 shall be treated as one manufacturer for**  
36                   **purposes of this subparagraph. For purposes of making a**  
37                   **determination pursuant to the previous sentence, an agreement**  
38                   **under this section shall require that a manufacturer provide and**  
39                   **attest to such information as specified by the Secretary as**  
40                   **necessary.**

41                   **“(III) LIMITATION.—**The term ‘specified small manufacturer’ shall

1                   not include a manufacturer described in subclause (I) if such  
2                   manufacturer is acquired after 2021 by another manufacturer that is  
3                   not a specified small manufacturer, effective at the beginning of the plan  
4                   year immediately following such acquisition or, in the case of an  
5                   acquisition before 2024, effective January 1, 2024.

6                   “(iii) SPECIFIED SMALL MANUFACTURER PERCENT.—In this subparagraph,  
7                   the term ‘specified small manufacturer percent’ means, with respect to a  
8                   year—

9                   “(I) for an applicable drug dispensed for an applicable beneficiary  
10                  who has not incurred costs, as determined in accordance with section  
11                  1860D–2(b)(4)(C), for covered part D drugs in the year that are equal to  
12                  or exceed the annual out-of-pocket threshold specified in section  
13                  1860D–2(b)(4)(B)(i) for the year—

14                  “(aa) for 2024, 99 percent;

15                  “(bb) for 2025, 98 percent;

16                  “(cc) for 2026, 95 percent;

17                  “(dd) for 2027, 92 percent; and

18                  “(ee) for 2028 and each subsequent year, 90 percent; and

19                  “(II) for an applicable drug dispensed for an applicable beneficiary  
20                  who has incurred costs, as determined in accordance with section  
21                  1860D–2(b)(4)(C), for covered part D drugs in the year that are equal to  
22                  or exceed the annual out-of-pocket threshold specified in section  
23                  1860D–2(b)(4)(B)(i) for the year—

24                  “(aa) for 2024, 99 percent;

25                  “(bb) for 2025, 98 percent;

26                  “(cc) for 2026, 95 percent;

27                  “(dd) for 2027, 92 percent;

28                  “(ee) for 2028, 90 percent;

29                  “(ff) for 2029, 85 percent; and

30                  “(gg) for 2030 and each subsequent year, 80 percent.

31                  “(D) TOTAL EXPENDITURES.—For purposes of this paragraph, the term ‘total  
32                  expenditures’ includes, in the case of expenditures with respect to part D,  
33                  ingredient costs, dispensing fees, sales tax, and, if applicable, vaccine  
34                  administration fees. The term ‘total expenditures’ excludes, in the case of  
35                  expenditures with respect to part B, expenditures for a drug or biological that are  
36                  bundled or packaged into the payment for another service.

37                  “(E) SPECIAL CASE FOR CERTAIN CLAIMS.—

38                  “(i) CLAIMS SPANNING DEDUCTIBLE.—In the case where the entire amount of  
39                  the negotiated price of an individual claim for an applicable drug with respect to



1 an applicable beneficiary does not fall above the annual deductible specified in  
2 section 1860D–2(b)(1) for the year, the manufacturer of the applicable drug shall  
3 provide the discounted price under this section on only the portion of the  
4 negotiated price of the applicable drug that falls above such annual deductible.

5 “(ii) CLAIMS SPANNING OUT-OF-POCKET THRESHOLD.—In the case where the  
6 entire amount of the negotiated price of an individual claim for an applicable drug  
7 with respect to an applicable beneficiary does not fall entirely below or entirely  
8 above the annual out-of-pocket threshold specified in section 1860D–2(b)(4)(B)(i)  
9 for the year, the manufacturer of the applicable drug shall provide the discounted  
10 price—

11 “(I) in accordance with subparagraph (A)(i) on the portion of the  
12 negotiated price of the applicable drug that falls below such threshold; and

13 “(II) in accordance with subparagraph (A)(ii) on the portion of such price  
14 of such drug that falls at or above such threshold.

15 “(5) MANUFACTURER.—The term ‘manufacturer’ means any entity which is engaged in  
16 the production, preparation, propagation, compounding, conversion, or processing of  
17 prescription drug products, either directly or indirectly by extraction from substances of  
18 natural origin, or independently by means of chemical synthesis, or by a combination of  
19 extraction and chemical synthesis. Such term does not include a wholesale distributor of  
20 drugs or a retail pharmacy licensed under State law.

21 “(6) NEGOTIATED PRICE.—The term ‘negotiated price’ has the meaning given such term  
22 in section 423.100 of title 42, Code of Federal Regulations (or any successor regulation),  
23 ~~except that~~ **and**, with respect to an applicable drug, such negotiated price shall ~~not~~ include  
24 any dispensing **fee and, if applicable, any vaccine administration** fee for the applicable  
25 drug.

26 “(7) QUALIFIED RETIREE PRESCRIPTION DRUG PLAN.—The term ‘qualified retiree  
27 prescription drug plan’ has the meaning given such term in section ~~1860D22(a)(2).~~”.

28 **1860D–22(a)(2).**

## 29 **“SEC. 1860D–14D. SELECTED DRUG SUBSIDY** 30 **PROGRAM.**

31 **“With respect to covered part D drugs that would be applicable drugs (as defined in**  
32 **section 1860D–14C(g)(2) but for the application of subparagraph (B) of such section, the**  
33 **Secretary shall provide a process whereby, in the case of an applicable beneficiary (as**  
34 **defined in section 1860D–14C(g)(1)) who, with respect to a year, is enrolled in a**  
35 **prescription drug plan or is enrolled in an MA–PD plan, has not incurred costs that are**  
36 **equal to or exceed the annual out-of-pocket threshold specified in section**  
37 **1860D–2(b)(4)(B)(i), and is dispensed such a drug the Secretary (periodically and on a**  
38 **timely basis) provides the PDP sponsor or the MA organization offering the plan, a subsidy**  
39 **with respect to such drug that is equal to 10 percent of the negotiated price (as defined in**  
40 **section 1860D–14C(g)(6) of such drug.”.**

41 (2) SUNSET OF MEDICARE COVERAGE GAP DISCOUNT PROGRAM.—Section 1860D–14A of

1 the Social Security Act (42 U.S.C. 1395–114a) is amended—

2 (A) in subsection (a), in the first sentence, by striking “The Secretary” and inserting  
3 “Subject to subsection (h), the Secretary”; and

4 (B) by adding at the end the following new subsection:

5 “(h) Sunset of Program.—

6 “(1) IN GENERAL.—The program shall not apply with respect to applicable drugs  
7 dispensed on or after January 1, 2024, and, subject to paragraph (2), agreements under this  
8 section shall be terminated as of such date.

9 “(2) CONTINUED APPLICATION FOR APPLICABLE DRUGS DISPENSED PRIOR TO SUNSET.—The  
10 provisions of this section (including all responsibilities and duties) shall continue to apply  
11 **on and** after January 1, 2024, with respect to applicable drugs dispensed prior to such  
12 date.”.

13 (3) INCLUSION OF ACTUARIAL VALUE OF MANUFACTURER DISCOUNTS IN BIDS.—Section  
14 1860D–11 of the Social Security Act (42 U.S.C. 1395w–111) is amended—

15 (A) in subsection (b)(2)(C)(iii)—

16 (i) by striking “assumptions regarding the reinsurance” and inserting  
17 “assumptions regarding—

18 “(I) the reinsurance”; and

19 (ii) by adding at the end the following:

20 “(II) for 2024 and each subsequent year, the manufacturer discounts  
21 provided under section 1860D–14C subtracted from the actuarial value to  
22 produce such bid; and”; and

23 (B) in subsection (c)(1)(C)—

24 (i) by striking “an actuarial valuation of the reinsurance” and inserting “an  
25 actuarial valuation of—

26 “(i) the reinsurance”;

27 (ii) in clause (i), as inserted by clause (i) of this subparagraph, by adding “and”  
28 at the end; and

29 (iii) by adding at the end the following:

30 “(ii) for 2024 and each subsequent year, the manufacturer discounts provided  
31 under section 1860D–14C;”.

32 ~~(d)~~(e) Conforming Amendments.—

33 (1) Section 1860D–2 of the Social Security Act (42 U.S.C. 1395w–102) is amended—

34 (A) in subsection (a)(2)(A)(i)(I), by striking “, or an increase in the initial” and  
35 inserting “or, for a year preceding 2024, an increase in the initial”;

36 (B) in subsection (c)(1)(C)—

37 (i) in the subparagraph heading, by striking “AT INITIAL COVERAGE LIMIT”; and

1 (ii) by inserting “for a year preceding 2024 or the annual out-of-pocket  
2 threshold specified in subsection (b)(4)(B) for the year for 2024 and each  
3 subsequent year” after “subsection (b)(3) for the year” each place it appears; and

4 (C) in subsection (d)(1)(A), by striking “or an initial” and inserting “or, for a year  
5 preceding 2024, an initial”.

6 (2) Section 1860D–4(a)(4)(B)(i) of the Social Security Act (42 U.S.C.  
7 1395w–104(a)(4)(B)(i)) is amended by striking “the initial” and inserting “for a year  
8 preceding 2024, the initial”.

9 (3) Section 1860D–14(a) of the Social Security Act (42 U.S.C. 1395w–114(a)) is  
10 amended—

11 (A) in paragraph (1)—

12 (i) in subparagraph (C), by striking “The continuation” and inserting “For a  
13 year preceding 2024, the continuation”;

14 (ii) in subparagraph (D)(iii), by striking “1860D–2(b)(4)(A)(i)(I)” and inserting  
15 “1860D–2(b)(4)(A)(i)(I)(aa)”;

16 (iii) in subparagraph (E), by striking “The elimination” and inserting “For a  
17 year preceding 2024, the elimination”;

18 (B) in paragraph (2)—

19 (i) in subparagraph (C), by striking “The continuation” and inserting “For a  
20 year preceding 2024, the continuation”;

21 (ii) in subparagraph (E), by striking “1860D–2(b)(4)(A)(i)(I)” and inserting  
22 “1860D–2(b)(4)(A)(i)(I)(aa)”.

23 (4) Section 1860D–21(d)(7) of the Social Security Act (42 U.S.C. 1395w–131(d)(7)) is  
24 amended by striking “section 1860D–2(b)(4)(B)(i)” and inserting “section  
25 1860D–2(b)(4)(C)(i)”.

26 (5) Section 1860D–22(a)(2)(A) of the Social Security Act (42 U.S.C.  
27 1395w–132(a)(2)(A)) is amended—

28 (A) by striking “the value of any discount” and inserting the following: “the value  
29 of—

30 “(i) for years prior to 2024, any discount”;

31 (B) in clause (i), as inserted by subparagraph (A) of this paragraph, by striking the  
32 period at the end and inserting “; and”;

33 (C) by adding at the end the following new clause:

34 “(ii) for 2024 and each subsequent year, any discount provided pursuant to  
35 section 1860D–14C.”.

36 (6) Section 1860D–41(a)(6) of the Social Security Act (42 U.S.C. 1395w–151(a)(6)) is  
37 amended—

38 (A) by inserting “for a year before 2024” after “1860D–2(b)(3)”;

1 (B) by inserting “for such year” before the period.

2 (7) Section 1860D–43 of the Social Security Act (42 U.S.C. 1395w–153) is amended—

3 (A) in subsection (a)—

4 (i) by striking paragraph (1) and inserting the following:

5 “(1) participate in—

6 “(A) for 2011 through 2023, the Medicare coverage gap discount program under

7 section 1860D–14A; and

8 “(B) for 2024 and each subsequent year, the manufacturer discount program under

9 section 1860D–14C.”;

10 (ii) by striking paragraph (2) and inserting the following:

11 “(2) have entered into and have in effect—

12 “(A) for 2011 through 2023, an agreement described in subsection (b) of section

13 1860D–14A with the Secretary; and

14 “(B) for 2024 and each subsequent year, an agreement described in subsection (b) of

15 section 1860D–14C with the Secretary; and”;

16 (iii) by striking paragraph (3) and inserting the following:

17 “(3) have entered into and have in effect, under terms and conditions specified by the

18 Secretary—

19 “(A) for 2011 through 2023, a contract with a third party that the Secretary has

20 entered into a contract with under subsection (d)(3) of section 1860D–14A; and

21 “(B) for 2024 and each subsequent year, a contract with a third party that the

22 Secretary has entered into a contract with under subsection (d)(3) of section

23 1860D–14C.”; and

24 (B) by striking subsection (b) and inserting the following:

25 “(b) Effective Date.—Paragraphs (1)(A), (2)(A), and (3)(A) of subsection (a) shall apply to

26 covered part D drugs dispensed under this part on or after January 1, 2011, and before January 1,

27 2024, and paragraphs (1)(B), (2)(B), and (3)(B) of such subsection shall apply to covered part D

28 drugs dispensed under this part on or after January 1, 2024.”.

29 (8) Section 1927 of the Social Security Act (42 U.S.C. 1396r–8) is amended—

30 (A) in subsection (c)(1)(C)(i)(VI), by inserting before the period at the end the

31 following: “or under the manufacturer discount program under section 1860D–14C”;

32 and

33 (B) in subsection (k)(1)(B)(i)(V), by inserting before the period at the end the

34 following: “or under section 1860D–14C”.

35 ~~(e) Effective Date.~~ **The(f) Implementation for 2024 and 2025.—Notwithstanding any**

36 **other provision of this section, the Secretary shall implement this section, including the**

37 **amendments made by this section shall apply with respect to plan year 2024 and subsequent plan**

38 **years, for 2024 and 2025 by program instruction or otherwise.**

1 ~~SEC. 139202. ALLOWING CERTAIN ENROLLEES OF~~(g) **Funding.**—In addition to  
2 amounts otherwise available, there are appropriated to the Centers for Medicare &  
3 Medicaid Services, out of any money in the Treasury not otherwise appropriated,  
4 \$44,000,000 for fiscal year 2022, \$38,000,000 for fiscal year 2023, and \$32,000,000 for each  
5 of fiscal years 2024 through 2031, to remain available until expended, to carry out the  
6 provisions of, including the amendments made by, this section.

7 **SEC. 139202. MAXIMUM MONTHLY CAP ON COST**  
8 **SHARING PAYMENTS UNDER PRESCRIPTION DRUG**  
9 **PLANS AND MA–PD PLANS UNDER MEDICARE**  
10 **~~PROGRAM TO SPREAD OUT COST SHARING UNDER~~**  
11 **~~CERTAIN CIRCUMSTANCES.~~**

12 ~~Section 1860D2(b)(2)(a)~~ **In General.**—Section 1860D–2(b) of the Social Security Act (42  
13 U.S.C. 1395w–102(b)(2)), as amended by section 139201, is further amended—

14 (1) **in paragraph (2)**—

15 (A) in subparagraph (A), by striking “~~Subject to subparagraphs (C) and~~” and “and (D)”  
16 and inserting “~~Subject to subparagraphs (C)~~”, (D), and (E)”; and

17 (2)(B) by adding at the end the following new subparagraph:

18 “(E) ~~ENROLLEE OPTION REGARDING SPREADING COST SHARING.~~—THE SECRETARY  
19 SHALL ESTABLISH BY REGULATION A PROCESS UNDER WHICH, WITH RESPECT TO PLAN  
20 YEAR 2024 AND SUBSEQUENT PLAN YEARS, A PRESCRIPTION DRUG PLAN OR AN MAPD  
21 PLAN SHALL, IN THE CASE OF A PART D ELIGIBLE INDIVIDUAL ENROLLED WITH SUCH  
22 PLAN FOR SUCH PLAN YEAR WHO IS NOT A SUBSIDY ELIGIBLE INDIVIDUAL (AS DEFINED IN  
23 SECTION 1860D14(A)(3)) AND WITH RESPECT TO WHOM THE PLAN PROJECTS THAT THE  
24 DISPENSING OF THE FIRST FILL OF A COVERED PART D DRUG TO SUCH INDIVIDUAL WILL  
25 RESULT IN THE INDIVIDUAL INCURRING COSTS THAT ARE EQUAL TO OR ABOVE THE  
26 ANNUAL OUT-OF-POCKET THRESHOLD SPECIFIED IN PARAGRAPH (4)(B) FOR SUCH PLAN  
27 YEAR, PROVIDE SUCH INDIVIDUAL WITH THE OPTION TO MAKE THE COINSURANCE  
28 PAYMENT REQUIRED UNDER SUBPARAGRAPH (A) (FOR THE PORTION OF SUCH COSTS THAT  
29 ARE NOT ABOVE SUCH ANNUAL OUT-OF-POCKET THRESHOLD) IN THE FORM OF PERIODIC  
30 INSTALLMENTS OVER THE REMAINDER OF SUCH PLAN YEAR.”. **MAXIMUM MONTHLY CAP**  
31 **ON COST SHARING PAYMENTS.**—

32 “(i) **IN GENERAL.**—For plan years beginning on or after January 1, 2025,  
33 each PDP sponsor offering a prescription drug plan and each MA  
34 organization offering an MA–PD plan shall provide to any enrollee of such  
35 plan, including an enrollee who is a subsidy eligible individual (as defined in  
36 paragraph (3) of section 1860D-14(a)), the option to elect with respect to a  
37 plan year to pay cost sharing under the plan in monthly amounts that are  
38 capped in accordance with this subparagraph.

39 “(ii) **DETERMINATION OF MAXIMUM MONTHLY CAP.**—For each month in the  
40 plan year for which an enrollee in a prescription drug plan or an MA–PD

1 plan has made an election pursuant to clause (i), the PDP sponsor or MA  
2 organization shall determine a maximum monthly cap (as defined in clause  
3 (iv)) for such enrollee.

4 “(iii) BENEFICIARY MONTHLY PAYMENTS.—With respect to an enrollee who  
5 has made an election pursuant to clause (i), for each month described in  
6 clause (ii), the PDP sponsor or MA organization shall bill such enrollee an  
7 amount (not to exceed the maximum monthly cap) for the out-of-pocket costs  
8 of such enrollee in such month.

9 “(iv) MAXIMUM MONTHLY CAP DEFINED.—In this subparagraph, the term  
10 ‘maximum monthly cap’ means, with respect to an enrollee—

11 “(I) for the first month for which the enrollee has made an election  
12 pursuant to clause (i), an amount determined by calculating—

13 “(aa) the annual out-of-pocket threshold specified in paragraph  
14 (4)(B) minus the incurred costs of the enrollee as described in  
15 paragraph (4)(C); divided by

16 “(bb) the number of months remaining in the plan year; and

17 “(II) for a subsequent month, an amount determined by calculating—

18 “(aa) the sum of any remaining out-of-pocket costs owed by the  
19 enrollee from a previous month that have not yet been billed to the  
20 enrollee and any additional out-of-pocket costs incurred by the  
21 enrollee; divided by

22 “(bb) the number of months remaining in the plan year.

23 “(v) ADDITIONAL REQUIREMENTS.—The following requirements shall apply  
24 with respect to the option to make an election pursuant to clause (i) under  
25 this subparagraph:

26 “(I) SECRETARIAL RESPONSIBILITIES.—The Secretary shall provide  
27 information to part D eligible individuals on the option to make such  
28 election through educational materials, including through the notices  
29 provided under section 1804(a).

30 “(II) TIMING OF ELECTION.—An enrollee in a prescription drug plan  
31 or an MA–PD plan may make such an election—

32 “(aa) prior to the beginning of the plan year; or

33 “(bb) in any month during the plan year.

34 “(III) PDP SPONSOR AND MA ORGANIZATION RESPONSIBILITIES.—Each  
35 PDP sponsor offering a prescription drug plan or MA organization  
36 offering an MA–PD plan—

37 “(aa) may not limit the option for an enrollee to make such an  
38 election to certain covered part D drugs;

39 “(bb) shall, prior to the plan year, notify prospective enrollees of  
40 the option to make such an election in promotional materials;

1                   “(cc) shall include information on such option in enrollee  
2                   educational materials;

3                   “(dd) shall have in place a mechanism to notify a pharmacy  
4                   during the plan year when an enrollee incurs out-of-pocket costs  
5                   with respect to covered part D drugs that make it likely the enrollee  
6                   may benefit from making such an election;

7                   “(ee) shall provide that a pharmacy, after receiving a notification  
8                   described in item (dd) with respect to an enrollee, informs the  
9                   enrollee of such notification;

10                  “(ff) shall ensure that such an election by an enrollee has no effect  
11                  on the amount paid to pharmacies (or the timing of such payments)  
12                  with respect to covered part D drugs dispensed to the enrollee; and

13                  “(gg) shall have in place a financial reconciliation process to  
14                  correct inaccuracies in payments made by an enrollee under this  
15                  subparagraph with respect to covered part D drugs during the plan  
16                  year.

17                  “(IV) FAILURE TO PAY AMOUNT BILLED.—If an enrollee fails to pay the  
18                  amount billed for a month as required under this subparagraph, the  
19                  election of the enrollee pursuant to clause (i) shall be terminated and the  
20                  enrollee shall pay the cost sharing otherwise applicable for any covered  
21                  part D drugs subsequently dispensed to the enrollee up to the annual  
22                  out-of-pocket threshold specified in paragraph (4)(B).

23                  “(V) CLARIFICATION REGARDING PAST DUE AMOUNTS.—Nothing in this  
24                  subparagraph shall be construed as prohibiting a PDP sponsor or an  
25                  MA organization from billing an enrollee for an amount owed under  
26                  this subparagraph.

27                  “(VI) TREATMENT OF UNSETTLED BALANCES.—Any unsettled balances  
28                  with respect to amounts owed under this subparagraph shall be treated  
29                  as plan losses and the Secretary shall not be liable for any such balances  
30                  outside of those assumed as losses estimated in plan bids.”; and

31                  (2) in paragraph (4)—

32                         (A) in subparagraph (C), by striking “in subparagraph (E)” and inserting “in  
33                         subparagraph (E) and subject to subparagraph (F)”;

34                         (B) by adding at the end the following new subparagraph:

35                                 “(F) INCLUSION OF COSTS PAID UNDER MAXIMUM MONTHLY CAP OPTION.—In  
36                                 applying subparagraph (A), with respect to an enrollee who has made an election  
37                                 pursuant to clause (i) of paragraph (2)(E), costs shall be treated as incurred if  
38                                 such costs are paid by a PDP sponsor or an MA organization under the option  
39                                 provided under such paragraph.”.

40                  (b) Application to Alternative Prescription Drug Coverage.—Section 1860D–2(c) of the  
41                  Social Security Act (42 U.S.C. 1395w–102(c)) is amended by adding at the end the following

1 new paragraph:

2 “(4) SAME MAXIMUM MONTHLY CAP ON COST SHARING.—For plan years beginning on  
3 or after January 1, 2025, the maximum monthly cap on cost sharing payments under  
4 the option provided under subsection (b)(2)(E) shall apply to such coverage.”.

5 (c) Implementation for 2025.—The Secretary shall implement this section, including the  
6 amendments made by this section, for 2025 by program instruction or otherwise.

7 (d) Funding.—In addition to amounts otherwise available, there are appropriated to the  
8 Centers for Medicare & Medicaid Services, out of any money in the Treasury not otherwise  
9 appropriated, \$1,000,000 for each of fiscal years 2022 through 2031, to remain available  
10 until expended, to carry out the provisions of, including the amendments made by, this  
11 section.

## 12 PART 4—REPEAL OF CERTAIN PRESCRIPTION DRUG 13 REBATE RULE

### 14 SEC. 139301. PROHIBITING IMPLEMENTATION OF RULE 15 RELATING TO ELIMINATING THE ANTI-KICKBACK 16 STATUTE SAFE HARBOR PROTECTION FOR 17 PRESCRIPTION DRUG REBATES.

18 Beginning January 1, 2026, the Secretary of Health and Human Services shall not implement,  
19 administer, or enforce the provisions of the final rule published by the Office of the Inspector  
20 General of the Department of Health and Human Services on November 30, 2020, and titled  
21 “Fraud and Abuse; Removal of Safe Harbor Protection for Rebates Involving Prescription  
22 Pharmaceuticals and Creation of New Safe Harbor Protection for Certain Point-of-Sale  
23 Reductions in Price on Prescription Pharmaceuticals and Certain Pharmacy Benefit Manager  
24 Service Fees” (85 Fed. Reg. 76666).

## 25 PART 5—MISCELLANEOUS

### 26 SEC. 139401. APPROPRIATE COST-SHARING FOR 27 CERTAIN INSULIN PRODUCTS UNDER MEDICARE 28 PART D.

29 (a) In General.—Section 1860D–2 of the Social Security Act (42 U.S.C. 1395w–102) is  
30 amended—

31 (1) in subsection (b)—

32 (A) in paragraph (1)(A), by striking “The coverage” and inserting “Subject to  
33 paragraph (8), the coverage”;

34 (B) in paragraph (2)(A), by striking “and (D)” and inserting “and (D) and  
35 paragraph (8)”;

36 (C) in paragraph (3)(A), by striking “and (4)” and inserting “(4), and (8)”;



1           **(D) in paragraph (4)(A)(i), by striking “The coverage” and inserting “Subject**  
2           **to paragraph (8), the coverage”;** and

3           **(E) by adding at the end the following new paragraph:**

4           **“(8) TREATMENT OF COST-SHARING FOR CERTAIN INSULIN PRODUCTS.—**

5           **“(A) IN GENERAL.—For plan years beginning on or after January 1, 2023, the**  
6           **following shall apply with respect to insulin products (as defined in subparagraph**  
7           **(B)):**

8                   **“(i) NO APPLICATION OF DEDUCTIBLE.—The deductible under paragraph**  
9                   **(1) shall not apply with respect to such insulin products.**

10                   **“(ii) APPLICATION OF COST-SHARING.—**

11                           **“(I) PLAN YEAR 2023.—For plan year 2023, the coverage provides**  
12                           **benefits for such insulin products, regardless of whether an individual**  
13                           **has reached the initial coverage limit under paragraph (3) or the**  
14                           **out-of-pocket threshold under paragraph (4), with cost-sharing that is**  
15                           **equal to the applicable copayment amount.**

16                           **“(II) PLAN YEAR 2024 AND SUBSEQUENT PLAN YEARS.—For plan year**  
17                           **2024 and subsequent plan years, the coverage provides benefits for such**  
18                           **insulin products, prior to an individual reaching the out-of-pocket**  
19                           **threshold under paragraph (4), with cost-sharing that is equal to the**  
20                           **applicable copayment amount.**

21                           **“(III) APPLICABLE COPAYMENT AMOUNT.—For purposes of this clause,**  
22                           **the term ‘applicable copayment amount’ means, with respect to an**  
23                           **insulin product under a prescription drug plan or an MA–PD plan, an**  
24                           **amount that is not more than \$35.**

25           **“(B) INSULIN PRODUCT.—For purposes of this paragraph, the term ‘insulin**  
26           **product’ means an insulin product that is approved under section 505 of the**  
27           **Federal Food, Drug, and Cosmetic Act or licensed under section 351 of the Public**  
28           **Health Service Act and marketed pursuant to such approval or licensure,**  
29           **including any insulin product that has been deemed to be licensed under section**  
30           **351 of the Public Health Service Act pursuant to section 7002(e)(4) of the**  
31           **Biologics Price Competition and Innovation Act of 2009 and marketed pursuant**  
32           **to such section.”;** and

33           **(2) in subsection (c), by adding at the end the following new paragraph:**

34           **“(4) TREATMENT OF COST-SHARING FOR INSULIN PRODUCTS.—The coverage is**  
35           **provided in accordance with subsection (b)(8).”.**

36           **(b) Conforming Amendments to Cost-sharing for Low-income Individuals.—Section**  
37           **1860D–14(a) of the Social Security Act (42 U.S.C. 1395w–114(a)) is amended—**

38           **(1) in paragraph (1)—**

39                   **(A) in subparagraph (D)(iii), by adding at the end the following new sentence:**  
40                   **“For plan year 2023 and subsequent plan years, the copayment amount**

1 applicable under the preceding sentence to an insulin product (as defined in  
2 section 1860D–2(b)(8)(B)) furnished to the individual may not exceed the  
3 applicable copayment amount for the product under the prescription drug plan  
4 or MA–PD plan in which the individual is enrolled.”; and

5 (B) in subparagraph (E), by inserting the following before the period at the end  
6 “or under section 1860D–2(b)(8) in the case of an insulin product (as defined in  
7 subparagraph (B) of such section)”;

8 (2) in paragraph (2)—

9 (A) in subparagraph (D), by adding at the end the following new sentence: “For  
10 plan year 2023 and subsequent plan years, the amount of the coinsurance  
11 applicable under the preceding sentence to an insulin product (as defined in  
12 section 1860D–2(b)(8)(B)) furnished to the individual may not exceed the  
13 applicable copayment amount for the product under the prescription drug plan  
14 or MA–PD plan in which the individual is enrolled.”; and

15 (B) in subparagraph (E), by adding at the end the following new sentence: “For  
16 plan year 2023, the amount of the copayment or coinsurance applicable under the  
17 preceding sentence to an insulin product (as defined in section 1860D–2(b)(8)(B))  
18 furnished to the individual may not exceed the applicable copayment amount for  
19 the product under the prescription drug plan or MA–PD plan in which the  
20 individual is enrolled.”

21 (c) Implementation.—The Secretary shall implement this section for plan years 2023 and  
22 2024 by program instruction or otherwise.

23 **SEC. 139402. COVERAGE OF ADULT VACCINES**  
24 **RECOMMENDED BY THE ADVISORY COMMITTEE**  
25 **ON IMMUNIZATION PRACTICES UNDER MEDICARE**  
26 **PART D.**

27 (a) Ensuring Treatment of Cost Sharing Is Consistent With Treatment of Vaccines  
28 Under Medicare Part B.—Section 1860D–2 of the Social Security Act (42 U.S.C.  
29 1395w–102), as amended by section 139401, is further amended—

30 (1) in subsection (b)—

31 (A) in paragraph (1)(A), by striking “paragraph (8)” and inserting  
32 “paragraphs (8) and (9)”;

33 (B) in paragraph (2)(A), by striking “paragraph (8)” and inserting “paragraphs  
34 (8) and (9)”;

35 (C) in paragraph (3)(A), by striking “and (8)” and inserting “(8), and (9)”;

36 (D) in paragraph (4)(A)(i), by striking “paragraph (8)” and inserting  
37 “paragraphs (8) and (9)”;

38 (E) by adding at the end the following new paragraph:

1           **“(9) TREATMENT OF COST SHARING FOR ADULT VACCINES RECOMMENDED BY THE**  
2           **ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES CONSISTENT WITH TREATMENT OF**  
3           **VACCINES UNDER PART B.—**

4           **“(A) IN GENERAL.—For plan years beginning on or after January 1, 2024 , the**  
5           **following shall apply with respect to an adult vaccine recommended by the**  
6           **Advisory Committee on Immunization Practices (as defined in subparagraph**  
7           **(B)):**

8                   **“(i) NO APPLICATION OF DEDUCTIBLE.—The deductible under paragraph**  
9                   **(1) shall not apply with respect to such vaccine.**

10                   **“(ii) NO APPLICATION OF COINSURANCE OR ANY OTHER**  
11                   **COST-SHARING.—There shall be no coinsurance or other cost-sharing under**  
12                   **this part with respect to such vaccine, regardless of whether for costs below,**  
13                   **at, or above the initial coverage limit under paragraph (3) or the**  
14                   **out-of-pocket threshold under paragraph (4).**

15           **“(B) ADULT VACCINES RECOMMENDED BY THE ADVISORY COMMITTEE ON**  
16           **IMMUNIZATION PRACTICES.—For purposes of this paragraph, the term ‘adult**  
17           **vaccine recommended by the Advisory Committee on Immunization Practices’**  
18           **means a covered part D drug that is a vaccine licensed under section 351 of the**  
19           **Public Health Service Act for use by adult populations and administered in**  
20           **accordance with recommendations of the Advisory Committee on Immunization**  
21           **Practices of the Centers for Disease Control and Prevention.”; and**

22           **(2) in subsection (c), by adding at the end the following new paragraph:**

23           **“(5) TREATMENT OF COST SHARING FOR ADULT VACCINES RECOMMENDED BY THE**  
24           **ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES.—The coverage is in accordance**  
25           **with subsection (b)(9).”.**

26           **(b) Conforming Amendments to Cost Sharing for Low-income Individuals.—Section**  
27           **1860D–14(a) of the Social Security Act (42 U.S.C. 1395w–114(a)), as amended by section**  
28           **139401, is further amended—**

29                   **(1) in paragraph (1)(D), in each of clauses (ii) and (iii), by striking “In the case” and**  
30                   **inserting “Subject to paragraph (6), in the case”;**

31                   **(2) in paragraph (2)—**

32                           **(A) in subparagraph (B), by striking “A reduction” and inserting “Subject to**  
33                           **paragraph (6), a reduction”**

34                           **(B) in subparagraph (D), by striking “The substitution” and inserting “Subject**  
35                           **to paragraph (6), the substitution”;** and

36                           **(C) in subparagraph (E), by striking “subsection (c)” and inserting “paragraph**  
37                           **(6) and subsection (c)”;** and

38                   **(3) by adding at the end the following new paragraph:**

39                   **“(6) NO APPLICATION OF COST SHARING FOR ADULT VACCINES RECOMMENDED BY THE**  
40                   **ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES.—For plan years beginning on or**

1 after January 1, 2024, there shall be no cost sharing under this section, including no  
2 annual deductible applicable under this section, with respect to an adult vaccine  
3 recommended by the Advisory Committee on Immunization Practices (as defined in  
4 subparagraph (B) of such section).”.

5 (c) Rule of Construction.—Nothing in this section shall be construed as limiting coverage  
6 under part D of title XVIII of the Social Security Act for vaccines that are not  
7 recommended by the Advisory Committee on Immunization Practices.

8 (d) Implementation for 2024.—The Secretary shall implement this section, including the  
9 amendments made by this section, for 2024 by program instruction or otherwise.

## 10 **SEC. 139403. PAYMENT FOR BIOSIMILAR** 11 **BIOLOGICAL PRODUCTS DURING INITIAL PERIOD.**

12 Section 1847A(c)(4) of the Social Security Act (42 U.S.C. 1395w–3a(c)(4)) is amended—

13 (1) in each of subparagraphs (A) and (B), by redesignating clauses (i) and (ii) as  
14 subclauses (I) and (II), respectively, and moving such subclauses 2 ems to the right;

15 (2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii) and moving  
16 such clauses 2 ems to the right;

17 (3) by striking “UNAVAILABLE.—In the case” and inserting “UNAVAILABLE.—

18 “(A) IN GENERAL.—Subject to subparagraph (B), in the case”; and

19 (4) by adding at the end the following new subparagraph:

20 “(B) LIMITATION ON PAYMENT AMOUNT FOR BIOSIMILAR BIOLOGICAL PRODUCTS  
21 DURING INITIAL PERIOD.—In the case of a biosimilar biological product furnished  
22 on or after July 1, 2023, during the initial period described in subparagraph (A)  
23 with respect to the biosimilar biological product, the amount payable under this  
24 section for the biosimilar biological product is the lesser of the following:

25 “(i) The amount determined under clause (ii) of such subparagraph for the  
26 biosimilar biological product.

27 “(ii) The amount determined under subsection (b)(1)(B) for the reference  
28 biological product.”.

## 29 **SEC. 139404. TEMPORARY INCREASE IN MEDICARE** 30 **PART B PAYMENT FOR CERTAIN BIOSIMILAR** 31 **BIOLOGICAL PRODUCTS.**

32 Section 1847A(b)(8) of the Social Security Act (42 U.S.C. 1395w–3a(b)(8)) is amended—

33 (1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,  
34 and moving the margin of each such redesignated clause 2 ems to the right;

35 (2) by striking “PRODUCT.—The amount” and inserting the following: “PRODUCT.—

36 “(A) IN GENERAL.—Subject to subparagraph (B), the amount”; and

1 (3) by adding at the end the following new subparagraph:

2 “(B) TEMPORARY PAYMENT INCREASE.—

3 “(i) IN GENERAL.—In the case of a qualifying biosimilar biological product  
4 that is furnished during the applicable 5-year period for such product, the  
5 amount specified in this paragraph for such product with respect to such  
6 period is the sum determined under subparagraph (A), except that clause (ii)  
7 of such subparagraph shall be applied by substituting ‘8 percent’ for ‘6  
8 percent’.

9 “(ii) APPLICABLE 5-YEAR PERIOD.—For purposes of clause (i), the  
10 applicable 5-year period for a qualifying biosimilar biological product is—

11 “(I) in the case of such a product for which payment was made under  
12 this paragraph as of March 31, 2022, the 5-year period beginning on  
13 April 1, 2022; and

14 “(II) in the case of such a product for which payment is first made  
15 under this paragraph during a calendar quarter during the period  
16 beginning April 1, 2022, and ending March 31, 2027, the 5-year period  
17 beginning on the first day of such calendar quarter during which such  
18 payment is first made.

19 “(iii) QUALIFYING BIOSIMILAR BIOLOGICAL PRODUCT DEFINED.—For  
20 purposes of this subparagraph, the term ‘qualifying biosimilar biological  
21 product’ means a biosimilar biological product described in paragraph  
22 (1)(C) with respect to which—

23 “(I) in the case of a product described in clause (ii)(I), the average  
24 sales price under paragraph (8)(A)(i) for a calendar quarter during the  
25 5-year period described in such clause is not more than the average sales  
26 price under paragraph (4)(A) for such quarter for the reference  
27 biological product; and

28 “(II) in the case of a product described in clause (ii)(II), the average  
29 sales price under paragraph (8)(A)(i) for a calendar quarter during the  
30 5-year period described in such clause is not more than the average sales  
31 price under paragraph (4)(A) for such quarter for the reference  
32 biological product.”.

33 **SEC. 139405. IMPROVING ACCESS TO ADULT**  
34 **VACCINES UNDER MEDICAID AND CHIP.**

35 (a) Medicaid.—

36 (1) REQUIRING COVERAGE OF ADULT VACCINATIONS.—

37 (A) IN GENERAL.—Section 1902(a)(10)(A) of the Social Security Act (42 U.S.C.  
38 1396a(a)(10)(A)) is amended in the matter preceding clause (i) by inserting  
39 “(13)(B),” after “(5),”.

40 (B) MEDICALLY NEEDY.— Section 1902(a)(10)(C)(iv) of such Act (42 U.S.C.

1           **1396a(a)(10)(C)(iv)) is amended by inserting “, (13)(B),” after “(5)”.**

2           **(2) NO COST SHARING FOR VACCINATIONS.—**

3           **(A) GENERAL COST-SHARING LIMITATIONS.—Section 1916 of the Social Security**  
4           **Act (42 U.S.C. 1396o) is amended—**

5                   **(i) in subsection (a)(2)—**

6                           **(I) in subparagraph (G), by inserting a comma after “State plan”;**

7                           **(II) in subparagraph (H), by striking “; or” and inserting a comma;**

8                           **(III) in subparagraph (I), by striking “; and” and inserting “, or”; and**

9                           **(IV) by adding at the end the following new subparagraph:**

10                   **“(J) vaccines described in section 1905(a)(13)(B) and the administration of such**  
11                   **vaccines; and”;** and

12                   **(ii) in subsection (b)(2)—**

13                           **(I) in subparagraph (G), by inserting a comma after “State plan”;**

14                           **(II) in subparagraph (H), by striking “; or” and inserting a comma;**

15                           **(III) in subparagraph (I), by striking “; and” and inserting “, or”; and**

16                           **(IV) by adding at the end the following new subparagraph:**

17                   **“(J) vaccines described in section 1905(a)(13)(B) and the administration of such**  
18                   **vaccines; and”.**

19           **(B) APPLICATION TO ALTERNATIVE COST SHARING.—Section 1916A(b)(3)(B) of**  
20           **the Social Security Act (42 U.S.C. 1396o–1(b)(3)(B)) is amended by adding at the**  
21           **end the following new clause:**

22                   **“(xiv) Vaccines described in section 1905(a)(13)(B) and the administration**  
23                   **of such vaccines.”.**

24           **(3) INCREASED FMAP FOR ADULT VACCINES.—Section 1905(b) of the Social Security**  
25           **Act (42 U.S.C. 1396d(b)) is amended—**

26                   **(A) by striking “and (5)” and inserting “(5)”;**

27                   **(B) by striking “services and vaccines described in subparagraphs (A) and (B)**  
28                   **of subsection (a)(13), and prohibits cost-sharing for such services and vaccines”**  
29                   **and inserting “services described in subsection (a)(13)(A), and prohibits**  
30                   **cost-sharing for such services”;**

31                   **(C) by striking “medical assistance for such services and vaccines” and**  
32                   **inserting “medical assistance for such services”; and**

33                   **(D) by inserting “, and (6) during the first 8 fiscal quarters beginning on or**  
34                   **after the effective date of this clause, in the case of a State which, as of the date of**  
35                   **enactment of the Act titled ‘An Act to provide for reconciliation pursuant to title**  
36                   **II of S. Con. Res. 14’, provides medical assistance for vaccines described in**  
37                   **subsection (a)(13)(B) and their administration and prohibits cost-sharing for such**

1 vaccines, the Federal medical assistance percentage, as determined under this  
2 subsection and subsection (y), shall be increased by 1 percentage point with  
3 respect to medical assistance for such vaccines” before the first period.

4 **(b) CHIP.—**

5 **(1) REQUIRING COVERAGE OF ADULT VACCINATIONS.—**Section 2103(c) of the Social  
6 Security Act (42 U.S.C. 1397cc(c)) is amended by adding at the end the following  
7 paragraph:

8 “(12) **REQUIRED COVERAGE OF APPROVED, RECOMMENDED ADULT VACCINES AND**  
9 **THEIR ADMINISTRATION.—**Regardless of the type of coverage elected by a State under  
10 subsection (a), if the State child health plan or a waiver of such plan provides child  
11 health assistance or pregnancy-related assistance (as defined in section 2112) to an  
12 individual who is 19 years of age or older, such assistance shall include coverage of  
13 vaccines described in section 1905(a)(13)(B) and their administration.”.

14 **(2) NO COST-SHARING FOR VACCINATIONS.—**Section 2103(e)(2) of such Act (42 U.S.C.  
15 1397cc(e)(2)) is amended by inserting “vaccines described in subsection (c)(12) (and  
16 the administration of such vaccines),” after “in vitro diagnostic products described in  
17 subsection (c)(10) (and administration of such products),”.

18 **(c) Effective Date.—**The amendments made by this section take effect on the 1st day of  
19 the 1st fiscal quarter that begins on or after the date that is 1 year after the date of  
20 enactment of this Act and shall apply to expenditures made under a State plan or waiver of  
21 such plan under title XIX of the Social Security Act (42 U.S.C. 1396 through 1396w-6) or  
22 under a State child health plan or waiver of such plan under title XXI of such Act (42  
23 U.S.C. 1397aa through 1397mm) on or after such effective date.

24 **Subtitle J—Supplemental Security Income for the**  
25 **Territories**

26 **SECTION 131001. EXTENSION OF THE**  
27 **SUPPLEMENTAL SECURITY INCOME PROGRAM TO**  
28 **PUERTO RICO, THE UNITED STATES VIRGIN**  
29 **ISLANDS, GUAM, AND AMERICAN SAMOA.**

30 **(a) In General.—**Section 303 of the Social Security Amendments of 1972 (86 Stat. 1484) is  
31 amended by striking subsection (b).

32 **(b) Conforming Amendments.—**

33 **(1) DEFINITION OF STATE.—**Section 1101(a)(1) of the Social Security Act (42 U.S.C.  
34 1301(a)(1)) is amended by striking the 5th sentence and inserting the following: “Such  
35 term when used in title XVI includes Puerto Rico, the United States Virgin Islands,  
36 Guam, and American Samoa.”.

37 **(2) EXEMPTION OF SSI PAYMENTS FROM LIMIT ON TOTAL PAYMENTS TO THE**  
38 **TERRITORIES.—**Section 1108(a)(1) of such Act (42 U.S.C. 1308(a)(1)) is amended by  
39 striking “under titles I, X, XIV, and XVI”.

1           **(3) UNITED STATES NATIONALS TREATED THE SAME AS CITIZENS.—Section**  
2           **1614(a)(1)(B) of such Act (42 U.S.C. 1382c(a)(1)(B)) is amended—**

3                   **(A) in clause (i)(I), by inserting “or national of the United States,” after**  
4                   **“citizen”;**

5                   **(B) in clause (i)(II), by adding “; or” at the end; and**

6                   **(C) in clause (ii), by inserting “or national” after “citizen”.**

7           **(4) TERRITORIES INCLUDED IN GEOGRAPHIC MEANING OF UNITED STATES.—Section**  
8           **1614(e) of such Act (42 U.S.C. 1382c(e)) is amended by striking “and the District of**  
9           **Columbia” and inserting “, the District of Columbia, Puerto Rico, the United States**  
10           **Virgin Islands, Guam, and American Samoa”.**

11           **(c) Waiver Authority.—The Commissioner of Social Security may waive or modify any**  
12           **statutory requirement relating to the provision of benefits under the Supplemental Security**  
13           **Income Program under title XVI of the Social Security Act in Puerto Rico, the United**  
14           **States Virgin Islands, Guam, or American Samoa, to the extent that the Commissioner**  
15           **deems it necessary in order to adapt the program to the needs of the territory involved.**

16           **(d) Effective Date.—This section and the amendments made by this section shall take**  
17           **effect on January 1, 2024.**