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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Lord God, you inhabit ages and all worlds. Dwell among our Senators today. Tune their hearts to Your purposes and open their lips to speak Your wisdom. Lord, infuse them with Your spirit so that their work will make a positive impact on our Nation and world. Banish their anxieties, as You provide them with a faith strong enough to face whatever challenges they must confront. Lord, give them openness of mind in order that they might perceive Your will more clearly; openness of heart, that they might love You more profoundly; and openness of hand, that they might serve You more devotedly.

We pray in Your sacred Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable KIRSTEN E. GILLIBRAND led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. INOUYE).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, December 2, 2010.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York, to perform the duties of the Chair.

DANIEL K. INOUYE,
President pro tempore.

Mrs. GILLIBRAND thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Madam President, following leader remarks, there will be a period of morning business for Senators to speak up to 10 minutes each. The majority will control the first 30 minutes; Republicans will control the next 30 minutes. We will be in recess again today from 12:30 until 3:30 to allow for a Democratic caucus.

Yesterday, the House sent us a 2-week continuing resolution, and we need to act on that funding bill before the current continuing resolution expires on tomorrow. I will continue to work with the Republican leader on a time for its consideration.

We have other matters. I am in touch with my caucus, the Republican leader, and the White House to try to move toward completing business before Christmas.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a half hour of morning business, with Members permitted to speak for up to 10 minutes each, with the majority controlling the first 30 minutes and the Republicans controlling the next 30 minutes.

Mr. REID. It is my understanding that the order before the Senate is that each side will have a full 30 minutes.

The ACTING PRESIDENT pro tempore. The leader is correct.

The Senator from Massachusetts.

START TREATY

Mr. KERRY. Madam President, I believe a number of colleagues are lined up to speak. They are not here, so I will take a moment and take it off the Democratic side and just speak for a very few minutes.

I know a number of my colleagues are wanting to talk a little bit about the START treaty. I look forward to their doing so. I did want to bring colleagues up to speed on sort of where we are and hopefully give an accurate, up-to-the-moment assessment of sort of what the progress is.

I wish to express my gratitude to a group of Senators on the other side of the aisle—Senator KYL, Senator MCCAIN, Senator LINDSEY GRAHAM, Senator ISAKSON, and Senator CORKER, particularly—all of whom have been working in good faith and consistently.

Senator KYL and I are talking almost every single day. It has been a constructive process. Obviously, there are points of disagreement here and there on substance. We are trying to work through those. I wish to say that Senator KYL has worked with us calmly and quietly and in good faith in an effort to try to resolve some legitimate questions from Members on his side of the aisle. He has been consistent and persistent in hammering home those differences and the needs that must be met as we go through the process. Vice President BIDEN has been particularly engaged and particularly helpful in helping us to move the process forward, so the administration has a voice that

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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is directly engaged in these discussions and is working very hard to meet the concerns raised by Senator KYL and others.

I am encouraged by the process in which we are engaged. Senators need to know it has not been a process of sidestepping a best effort to try to get to a place where we can take up the START treaty in the next days. We still have some issues to try to complete.

Some Senators have expressed the desire to hear from the administration with respect to the Lisbon conference and what modality was arrived at there with respect to deployment. We will make that happen. In addition, the President was sent an additional set of questions just the other day. Those answers are being worked on, and they will be forthcoming.

As long as everybody keeps working in this kind of positive and constructive way, I am hopeful we can live up to our responsibility.

I call the attention of Senators to the Washington Post today, an editorial op-ed written by former Republican Secretaries of State Henry Kissinger, George Shultz, James Baker, Lawrence Eagleburger, and Colin Powell. They clearly say: We urge the Senate to ratify the New START treaty signed by President Obama and Russian President Dmitry Medvedev. They express their reasons why they believe it is important for us to do so.

It is my hope that the conversations we are having and the process that is in place is going to produce a positive outcome. We will certainly work in good faith to try to make that happen in the next days and hours.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCONNELL. I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

REMEMBERING MAYOR BILL GORMAN

Mr. MCCONNELL. Madam President, in October a dear friend of mine—and of the Commonwealth of Kentucky—passed away peacefully. And today I wish to pay tribute to Mayor Bill Gorman, of Hazard, KY, for his warm and generous spirit and, above all, for his faithfulness to the mission of promoting, defending, and serving the people of Hazard.

Mayor Gorman was born about a decade after the railroad came, when Hazard was first opening up to the world. He saw the floods and the cleanup, the coal carnivals, and the stores on Main Street come and go. He saw Senators and Congressmen, and Presidential candidates. He saw it all. And he could have followed it all too, right out of Hazard. But he didn't. Because Hazard was the only place he ever wanted to be.

The story goes that Bill was vacationing down in Florida in 1977, when somebody threw his name in the race for mayor. From that point on, being mayor was all Bill ever wanted. He never drew a paycheck. And he was never off the clock—as anyone who used to get his late-night phone calls can attest. He was always thinking of how to move Hazard forward, how to make life better for the people of Hazard and the surrounding region. Whether it was extending the water lines or building a pool where the kids in town could learn to swim, or expanding the hospital, or improving and expanding educational opportunities, he always had a vision and a plan to make it happen. And he usually did.

He attended every ribbon cutting, no matter how small. And he took everybody's calls—even at home—and there were a lot of them—because his number was always listed in the phone book. He treated everyone with dignity and respect, and he wanted to talk to everybody, whether you were the President of the United States—and Bill knew a lot of them or somebody down on their luck.

One of Bill's lunch buddies remembers being with him once when he got a phone call from an elderly widow who lived in one of the public housing units in town. Her health was deteriorating, she said, and she wondered if he could help her move from the fourth floor to the first floor. Mayor Gorman got the building manager on the phone immediately and asked if anything was opening up on the first floor. There was. And that woman got her wish. Moving floors was important to that lady, so it was important to Mayor Gorman.

Another time a group of city workmen dropped into a local restaurant for a bite to eat after working around the clock after a snow storm. When the bill came, they were told it had already been paid. It was Mayor Gorman, but they didn't know it. He made sure of it. He did that kind of thing all the time, never flaunting it, just lifting folks up—from high school kids going off to college to an elderly woman who needed a hand—he was there.

For Mayor Gorman, no problem was too little or too big. He was as concerned about the little things as he was determined to accomplish the big things, and he was a master at both. He never boasted. He just did good. It is a rare breed these days. But Bill Gorman was a rare man, a gentle soul who devoted himself to his mission in life and who enjoyed every minute of it. Not that he wasn't feisty. If you ever wanted to pick a fight with Mayor Gorman, say something about the people of eastern Kentucky; he would take you on. And the people of Perry Country loved him for it.

He was proud of his people and his heritage. And he was proud of the coal industry that built this region. As it happens, I got to know Bill before he was a mountain legend. Long before either of us had set out on our political careers, and I was working as the youth chairman for Marlow Cook, who was running for the Senate that year. When they sent me out on the road, they told me to look up a guy named Bill Gorman when I got to Hazard. He was the guy, they said. And they were right. And when the two of us got together for the last time at his home this past August, 42 years later, he was still the guy.

Washington may not be a very popular place these days, but Hazard is a pretty popular place in Washington. Walk into any office—whether it is a staffer or a U.S. President—and you are liable to see a Duke or Duchess of Hazard citation on the wall. I am told that even Pope John Paul II was named a Duke of Hazard, which is appropriate, since Bill used to say he was born a Baptist, was adopted by the Catholics, and would die a Presbyterian. Like a lot of politicians, he was covering all his bases.

Mayor Gorman once said that government is only as good as the people who run it. If that is true, it is likely Hazard will never be as good as it was when Mayor Gorman was with us. But I think we owe it to him to make it so—to live our lives with the same dedication and spirit of service he did. I am blessed to have known him. He is dearly missed.

MISPLACED PRIORITIES

Mr. MCCONNELL. Madam President, yesterday we watched a number of Democratic Senators come to the Senate floor and express their exasperation at not being able to do what they want to do around here. It is quite astonishing.

Let's face it, most Americans are not particularly interested in the things Democratic leaders have put at the top of their to-do list. They thought they put a restraining order on Democratic partisan priorities early last month. It is time Democrats put the priorities of the voters first.

In a couple of weeks the lights go out around here unless we do something to stop it. At the end of the month every taxpayer suffers a pay cut unless we stop it. But Democrats would rather spend the Senate's limited time on don't ask, don't tell and immigration. They would rather come down to the floor to talk about filibuster rules.

So they still do not get it, and that is why Republicans are insisting we put these things aside and finish the most important and urgent legislation before time runs out.

Fifteen million Americans are out of work. More than 3 million of those jobs have been lost since the stimulus was passed. So with all due respect for the Democrats' economic theories, the $1 trillion stimulus, endless government spending, and bailouts do not appear to have worked.

We have tried their way. Now it is time to try what businesses and families are asking us to do. Ask any business owner in America what we could do to help them start hiring again, and they will tell you the best thing we can do is give them certainty about their taxes.

The DREAM Act does not create jobs. Filibuster rules do not create jobs. Wasting time on votes to raise taxes will not create jobs.

Right now, House Democrats are getting ready to send us a bill on taxes they know will not pass in the Senate. This is a purely political exercise. Just consider what a number of Senate Democrats have said about this issue. Here is what one of their newest Members said just a few weeks ago:

I would extend them—

Referring to tax cuts—

for everyone.

Here is another one from September:

I don't think it makes sense to raise any federal taxes during the uncertain economy we are struggling through.

The first comment was from Senator COONS. The second comment was from Senator LIEBERMAN.

Another said:

I support extending all of the expiring tax cuts until . . . the nation's economy is in better shape, and perhaps longer, because raising taxes in a weak economy could impair recovery. Continuing all of the tax cuts could provide certainty for families and businesses. . . .

That was Senator BEN NELSON.

I don't think they ought to be drawing a distinction at $250,000.

That was Senator JIM WEBB.

The economy is very weak right now. Raising taxes will lower consumer demand at a time when we want people putting more money into the economy.

That was Senator EVAN BAYH.

Raising taxes during an economic downturn, one said, ''would be counterproductive.'' That was Senator KENT CONRAD.

So what is the problem? It seems to me we have solid bipartisan agreement on the right thing to do for the economy and for job creation. Who is holding it up, and what do they have against helping businesses and creating jobs?

It is time to focus. We have tried the tax-and-spend route. It has not worked. Why don't we listen to the voters? Let's fund the government while reducing spending and prevent a massive tax hike on every American taxpayer.

Look, we have bipartisan support for this in the Senate and bipartisan opposition to raising taxes on anyone. As the President said earlier this week, after our meeting at the White House:

I think everybody understands that the American people want us to focus on their jobs, not ours. They want us to come together around strategies to accelerate the recovery and get Americans back to work.

I agree with the President. Why don't we get this done?

Madam President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. SHAHEEN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NEW START TREATY

Mrs. SHAHEEN. Madam President, a number of my colleagues and I are coming to the floor today to discuss a critical national security issue that Senator KERRY has already referenced in his remarks on the Senate floor. It is an issue that requires strong bipartisan action by the Senate; that is, the ratification of the New START treaty.

As we enter into the last weeks of the 111th Congress, there is no doubt we have some significant work remaining on a number of important priorities. But we have come to the Senate floor today to say that national security and the threat posed by nuclear weapons also requires our urgent consideration this year.

After more than 20 Senate hearings, more than 31 witnesses, 900 questions and answers, and nearly 8 months of thorough consideration—including additional time during the August recess for the Senate Foreign Relations Committee to consider the treaty—it is now time to vote on New START.

The treaty is squarely in the national security interests of the United States. It reduces the number of nuclear weapons aimed at American cities and allows for the return of critical onsite inspections lost when the previous START treaty expired. Ratifying the treaty would reestablish American leadership on nuclear security and give the United States increased leverage to curb nuclear proliferation around the globe.

This treaty in no way interferes with our ability to have a safe, secure, and reliable nuclear arsenal. In fact, in response to Senate concerns, the Obama administration has committed unprecedented amounts of money to ensure this modernization piece. Just yesterday, the three directors of America's nuclear labs wrote in a letter that they were ''very pleased'' with the administration's commitment and believe this commitment provides ''adequate support to sustain the safety, security, reliability and effectiveness of America's nuclear deterrent.''

Another concern that has been raised is the effect the New START treaty may have on some of our closest NATO allies. As chair of the Senate Foreign Relations Subcommittee on Europe, I am intensely focused on meeting our NATO security commitments and defending and protecting our allies in NATO and beyond. I agree we need to remain vigilant in support of our allies, especially those in Central and Eastern Europe that border Russia and have strong, legitimate security concerns. But a failure to ratify this treaty could result in deteriorating U.S.-Russian bilateral relations and adversely affect the security of our partners in Europe.

I was pleased to see, just last week, at the NATO summit in Lisbon that all 28 NATO allies expressed their unanimous support for Senate ratification of the New START treaty. New START is in America's interests, and as our allies in Europe have stated clearly, New START is also in their interests.

Finally, a failure to ratify this treaty could have serious negative effects on our ability to meet the nuclear challenge posed by Iran. The failure to ratify the START treaty would undercut America's ability to marshal international support and exert increasing pressure on Iran. As we heard Senator KERRY reference earlier this morning, just today in the Washington Post five former Secretaries of State of the past five Republican administrations made a compelling case linking this treaty and the threats posed by Iran and North Korea.

The consensus is clear. New START is in our national security interests, and we should not wait any longer to ratify this treaty. Our military and our intelligence communities do not want us to wait. Our allies abroad and countless foreign policy experts, Republican and Democrat, across the political spectrum do not want the Senate to wait. The American people do not want us to wait.

We should follow in the footsteps of the Senate's strong bipartisan arms control history and ratify the New START treaty this year.

Madam President, I yield the floor to my colleague from Pennsylvania, Senator CASEY.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. CASEY. Madam President, I commend my colleague from New Hampshire, Senator SHAHEEN.

I am proud to join my colleagues this morning in support of the New START accord. Next Sunday will mark 1 year since American inspectors were on the ground in Russia. We need to vote on the resolution of ratification for this important treaty because it will indeed make America safer. Without ratification of this treaty, we are less safe and less secure. We have to maintain what we have always maintained in this country as it relates to our arsenal: a safe, secure, and effective nuclear arsenal. This treaty is consistent with that goal.

The agreement provides for predictability, transparency, and stability in the U.S.-Russian nuclear relationship.

Former National Nuclear Security Administration Administrator Linton Brooks put it best when he said:

> Transparency leads to predictability; predictability leads to stability.

It is that stability that we seek. The opportunity to examine Russian nuclear forces helps to limit the surprises, mistrust, or miscalculation that could result from a lack of information. By building trust with regard to our respective nuclear arsenals, progress on other important issues such as the war in Afghanistan and our policy as it relates to Iran becomes more likely.

Some have asked whether we have lost any valuable elements of the original START treaty's inspection regime. In June of this year, I chaired a hearing in the Foreign Relations Committee that addressed this very issue. We examined the implementation of the treaty with respect to both inspection and verification and how the treaty would be executed in Russia and the United States.

Critics point out that under the original START treaty, the United States was permitted 25 data update, reentry vehicles, and facility inspections a year, while under New START the United States can inspect 18 facilities annually not 25. However, in a previous hearing on the New START treaty, Admiral Mullen noted that when START entered into force there were 55 Russian facilities subject to inspection, but now there are only 35 Russian facilities subject to inspection.

I would also assert that the inspection regime has also changed to reflect the current security environment, an enhanced relationship with the Russian Federation, and more than a decade of experience in conducting START inspections. The inspection regime is simpler and cheaper than what was conducted under the first START treaty. We conduct fewer inspections under this treaty because there are fewer sites to inspect. Yet, proportionally, the number of inspections concluded under this treaty has increased not decreased. During that same hearing, Dr. James Miller, Principal Deputy Under Secretary of Defense for Policy said:

> Inspections will help the United States verify that Russia is reporting the status of its strategic forces accurately and complying with the provisions of the New START Treaty. Inspections will not be shots in the dark. Using information provided by requiring data exchanges, notifications, past inspections, and national technical means, we can choose to inspect those facilities of greatest interest to us. Then, through short-notice on-site inspections, our inspectors can verify that what the Russians are reporting accurately reflects reality.

So said the Under Secretary of Defense, Mr. MILLER.

After more than 20 hearings by the Senate Committees on Foreign Relations, Armed Services, and Intelligence, and comprehensive deliberation, it is time to vote on New START. We have examined all sides of the issue. We heard from Republican experts and Democratic experts alike. We have heard from former Secretaries of State and experts in international relations. The U.S. military leadership uniformly supports this treaty. More than 900 questions were submitted from the Senate to the administration on New START, and the administration answered every single question.

I wish to close on a historical note. On October 1, 1992, the first START treaty was ratified by the Senate by a vote of 93 to 6. As the debate on the treaty wrapped in this room, the Senate majority leader at the time, George Mitchell, commended President Bush for his role in negotiating the agreement. He read a letter from Acting Secretary of State Lawrence Eagleburger which encouraged ratification.

This expression of bipartisanship at that time was made remarkable by the fact that the Senators assembled would soon return home to campaign in the 1992 election. That election was 1 month away and Democrats and Republicans came together and supported ratification.

We all remember the contentious nature of that election, similar to the period we are living through now. Yet even within that environment, both parties came together to do the right thing for national security. We have to do this again. It is critically important that this treaty be ratified.

With that, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Oregon.

Mr. MERKLEY. Madam President, it is my privilege to rise to join with my colleagues from New Hampshire and Pennsylvania and Colorado in support of the New START treaty, the New Strategic Arms Reduction Treaty.

I bring a bit of a personal perspective, a bit of affection for this issue, for this reason: When I was in graduate school, I was studying to take on issues of world economic development, issues of international poverty. I had worked in Latin America. I had worked in India. I traveled through Central America. I spent some time in west Africa. I thought global poverty was a very important issue that could be worth investing my career in.

But as I came out of graduate school, I had an opportunity to switch tracks and work on nuclear issues as a Presidential fellow for Caspar Weinberger in the Reagan administration. This was a complete change of direction and one I didn't anticipate. But I went through that door and worked on strategic issues because the greatest threat to our planet was the successful management of nuclear weapons, strategic nuclear weapons, an enormous threat that needed to be smartly managed. I felt that engaging in that discussion, being part of that effort, was a very valuable matter in which to put my energy.

So I spent 2 years at the Pentagon working on strategic nuclear issues and then worked for Congress, the Congressional Budget Office, as a strategic nuclear policy analyst during the 1980s. It gave me a bit of a closeup view and a view particularly of the Reagan administration, working with Mikhail Gorbachev—Reagan and Gorbachev—working on these issues. One related issue—though not a strategic issue, it certainly had strategic implications—was the theater nuclear arms negotiations that resulted in the Intermediate-Range Nuclear Forces Treaty. Back then it was called the zero option. It created intrusive inspection regimes to ensure that both nations were complying with the treaty. That, of course, was the hallmark of Reagan's philosophy that we ''trust but verify.''

More than the specifics of that treaty, I wish to note that it passed 93 to 5. That treaty, similar to most strategic arms treaties, passed with wide bipartisan support. When it comes to the safety of our Nation, when it comes to minimizing the threat of nuclear devastation, we have set aside red and blue, we have set aside Republican and Democrat, and we have done what is right for our Nation.

Certainly, the threat involving nuclear weapons is as serious today as it was in 1987 when President Reagan signed the INF treaty or when it was ratified in 1998.

Now the Senate must decide whether to ratify the New START treaty. New START limits both the United States and Russia to 1,550 deployed strategic warheads, a significant reduction from the 2002 Moscow Treaty. It limits both parties to 700 deployed strategic delivery vehicles. These reductions continue to reduce both nations' oversized nuclear arsenals, a dangerous legacy of the Cold War, while allowing the U.S. military to preserve a flexible strategic deterrent.

The new treaty improves our strategic relationship with Russia. The new treaty reinforces the U.S. global leadership in nonproliferation.

Verification is a key element in New START, consistent with President Reagan's philosophy of ''trust but verify.'' With the expiration of START a year ago, U.S. officials have been without their ability to conduct onsite inspections in Russia for the first time in a decade and a half, and that increases the nuclear threat.

The new treaty allows both parties to verify compliance through data exchanges, through onsite inspections, and through reconnaissance satellites. Both countries must maintain a database listing the types of locations of all accountable warheads and delivery vehicles. Each delivery vehicle is assigned a unique identifier, which is used to track it from the moment of production through its various deployments and to its dismantlement. U.S. inspectors can verify using short notice, onsite inspections.

This treaty is critical in safeguarding nuclear material and preventing proliferation of weapons and it is critical for our relationship with Russia and our authority on nuclear issues.

Let me quote one expert:

The principal result of nonratification would be to throw the whole nuclear negotiating situation into a state of chaos.

That quote comes from GEN Brent Scowcroft, who was the first President Bush's National Security Adviser, or let's listen to this expert:

A rejection of [this treaty] would indicate that a new period of American policy had started that might rely largely on the unilateral reliance of its nuclear weapons, and would therefore create an element of uncertainty in the calculations of adversaries and allies. And therefore, I think it would have an unsettling impact on the international environment.

That is Dr. Henry Kissinger.

Today there is an article in the Washington Post: ''Why New START Deserves GOP Support.'' This is written by Dr. Kissinger, George Shultz, James Baker, III, Lawrence Eagleburger, and Colin Powell. These are Secretaries of State for the last five Republican Presidents joining together in a detailed analysis of the New START and why the Senate should ratify this treaty.

There are some who may say it is not an issue of the substance but, rather, we just need more time to consider the provisions. Consider this: The treaty was signed on April 8 of this year. The treaty went through extensive and thorough hearings and briefings on the Foreign Relations Committee. The committee favorably reported it out with bipartisan support on September 16. In the 34 weeks since the treaty was signed and the 10 weeks since it was reported from the Committee on Foreign Relations, every Member of our body has had an opportunity to read the testimony, to explore the content, to consult with the experts, to consult with the administration, and to reach a conclusion. In fact, we have had more opportunity to review this treaty than the 100th Congress did for the Intermediate-Range Nuclear Forces Treaty under Ronald Reagan.

Finally, I think it is useful to hear President Reagan's thoughts on nuclear weapons. In 1985, he said this:

There is only one way safely and legitimately to reduce the cost of national security, and that is to reduce the need for it. And this we are trying to do in negotiations with the Soviet Union. We are not just discussing limits on a further increase of nuclear weapons. We seek, instead, to reduce their number. We seek total elimination one day of nuclear weapons from the face of the Earth.

Well, this treaty does not eliminate nuclear weapons, but it does reduce them and it does, in the eyes of expert after expert after expert—Democratic experts and Republican experts—make our Nation more secure. So there can be no better reason to ratify it as soon as possible.

I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Colorado.

Mr. BENNET. Madam President, I rise to support timely ratification of the new Strategic Arms Reduction Treaty, often called New START. New START accomplishes critical goals for our national security. It reduces Russia's deployed nuclear warhead stockpile by 30 percent. It reduces the number of deployed and nondeployed launchers to 800. It limits the number of deployed missiles and bombers to 700—fewer than half the number of the original START treaty.

It also establishes a stronger system of onsite inspections, allowing us to physically count individual warheads. This is the safest way to ensure that we have an accurate understanding of Russia's nuclear weapons force. Nevertheless, the Senate has failed to take action on what should be noncontroversial—a treaty with bipartisan support that will make our country safer. Today, I wish to talk about the consequences if we fail to ratify New START.

Right now, with no treaty in place, our country has virtually no ability to monitor Russia's nuclear weapons. The previous START treaty expired on December 5, 2009, almost a year ago today. Since that time, our inspectors have been shut out of Russia's facilities. We have been making national security decisions in the dark.

By contrast, the comprehensive verification system proposed under New START allows our military to make better, safer decisions about our national security. Without these verification measures in place, we will lose track of Russia's nuclear arsenal. We will spend more money to obtain less reliable information. Delaying ratification makes no sense for our national security or for this Nation's wallet. Failure to ratify New START does not just undermined our short-term national security interests, it weakens our long-term relationship with Russia and countries all around the world. In a post-9/11 world, strong relationships and shared intelligence have never been more critical as we defend against emerging threats.

We rely on Russia's support to help us contain one of the biggest threats to our national security and to the world's security: Iran's progress toward a nuclear weapon. In fact, earlier this year, the United States brokered an agreement with Russia and China that imposes new U.N. sanctions against Iran to limit its weapons production. Our failure to move forward on New START would make these efforts more difficult.

The goal of preventing Iran from obtaining nuclear weapons requires a solid United States-Russia relationship, and that relationship begins with New START.

We have had ample time to study the treaty: 20 formal hearings, countless briefings, 900 questions submitted for the record. All Senators have had time to express opinions and register concerns. The experts, both Republicans and Democrats, tell us it is time to ratify the treaty. In fact, LTG Brent Scowcroft, National Security Adviser for Presidents Ford and George H. W. Bush, has said:

The principal result of nonratification would be to throw the whole nuclear negotiating situation into a state of chaos.

He is not alone in this considered view.

The ACTING PRESIDENT pro tempore. The time of the majority has expired.

Mrs. SHAHEEN. Madam President, I ask unanimous consent to extend our time until 10:20 and to then allow for 5 minutes for the Republicans at the other side of their time.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. BENNET. Madam President, I will wrap up in the next couple of minutes.

He is not alone in this considered view. Listen to the bipartisan wisdom calling on the Senate to ratify this treaty: former Secretaries of State George Shultz, James Baker, Henry Kissinger, Colin Powell, Madeleine Albright, and Warren Christopher; former Defense Secretaries James Schlesinger, William Cohen, William Perry, Frank Carlucci, and Harold Brown; former National Security Advisers Brent Scowcroft, Stephen Hadley, and Sandy Berger. Patriots all, committed public servants who take it as an article of faith that partisanship ends at our water's edge, as do most Coloradans and most Americans. When it comes to New START, I believe the Senate will as well.

President Reagan began negotiating the first START treaty with the Soviet Union in 1982—right in the middle of the Cold War. Even today, all these years later, we remember Reagan's brilliant phrase ''trust but verify.'' Many believed the Cold War would never end. So much has changed since the fall of the Soviet Union: the rise of global terrorism, the growing threat of Iran, the integration of our global economy, and the realization that when one economy falls, all are in danger.

As you know, I have just finished a long and tough campaign, and I can tell you that Coloradans are patriots before they are partisans. They are parents before they are Republicans and Democrats. And they are neighbors before they are foes. We need to respond, and the Senate should ratify New START now.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Maryland is recognized.

Mr. CARDIN. Madam President, I join my colleagues who have taken the floor this morning to urge a timely ratification of the START treaty. We have now been 1 year without a comprehensive verification regime to understand Russia's strategic nuclear forces. Since the end of the Cold War, we have had a verification system in place because we need to know what Russia is doing. We are at risk by not

having a comprehensive verification regime in place. The ratification of New START will allow us to have that verification system in place, and it is in our national security interest.

We have had plenty of opportunity to understand exactly what is involved in the New START Treaty. For 7 months, the Senate has been considering the ratification. We have had over 20 hearings. I am honored to serve on the Senate Foreign Relations Committee. We have had numerous hearings and opportunities, both in closed sessions and open sessions, to understand exactly why this ratification is in the security interest of the United States.

I point out that this is New START. We already had a Strategic Arms Reduction Treaty with Russia that expired at the end of last year. That treaty was ratified by a prior vote of 93 to 6. So we have great interest. We know what is involved, and we have had strong, bipartisan support for the ratification of START. The United States needs transparency to know what Russia is doing and to provide confidence and stability. We need that confidence and stability to contribute to a safer world.

The ratification of New START allows the United States to continue to be in the leadership internationally, not only to deal with arms reduction but also with nonproliferation issues. That is particularly important today as we get international support to prevent Iran from becoming a nuclear weapon state. Russia has helped us in that regard. The ratification of this treaty is a continued movement toward isolating Iran's nuclear ambitions.

As other colleagues have pointed out, military leadership and bipartisan political leadership has supported this ratification.

I urge my colleagues to ratify New START. It is in our national security interest.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized.

DREAM ACT

Mr. VITTER. Madam President, I was truly disappointed to learn that Senator REID intends to bring up a new version of the sweeping amnesty proposal, known as the DREAM Act. Disguised as an educational initiative, the DREAM Act will provide a powerful incentive for more illegal immigration by granting amnesty to millions of illegal aliens.

The bill, which is unaffordable for taxpayers in many different ways, is a bad idea and comes at the worst possible time. As of recently, there are now plenty different versions of the DREAM Act on the legislative calendar, with different moving parts and revisions, but at the end of the day, it doesn't matter which one you focus on; they all have the same core, which is amnesty for a significant number of illegal aliens.

Also with that amnesty would come very significant taxpayer-funded benefits for these folks, including instate college tuition. In these difficult economic times, it is an insult to legal, tax-paying citizens that President Obama and his allies in the Senate want to use their hard-earned money to pay for educational benefits for illegal aliens.

The struggling economy has increased the demand for enrollment in public universities, as a growing number of families are unable to afford other education. At a time when many Americans cannot afford to send their own children to college, this bill would clearly allow the government to provide Federal student loans to illegal aliens who will displace legal residents competing for taxpayer subsidies. I am opposed to this proposal because it would unfairly place American citizens in direct competition with illegal aliens for scarce slots in classes at State colleges. The number of those coveted seats is absolutely fixed. So every illegal alien who would be admitted as a result of the DREAM Act would take the place of an American citizen or someone who is legally in our country. It makes no sense to authorize Federal and State subsidies for the education of illegal aliens when our State schools are suffering, as higher education budgets are being slashed, admissions curtailed, tuitions increased.

Enactment of the DREAM Act would be bad policy under any circumstances, but in the current economic climate, it would be a catastrophe for States facing already strained budgets. The DREAM Act will continue amnesty to millions of illegal aliens who entered the United States as minors and meet loosely defined ''educational requirements.'' Specifically, the bill grants immediate legal status to illegal aliens who have merely enrolled in institutions of higher education or received a high school degree or diploma.

The sponsors say several things to try to mitigate this basic fact, but it doesn't.

First of all, they have described the beneficiaries in this legislation as kids, boys and girls. In reality, the DREAM Act allows illegal aliens up to the age of 30 to be eligible to receive amnesty and qualify for Federal student loans.

Second, HARRY REID and the bill's proponents argue that this new version of the DREAM Act has been narrowly tailored. I don't believe the American public would be convinced that dropping the age of eligibility from 35 to 30 transforms the core of this legislation or changes anything at its core.

Third, the new and improved DREAM Act also requires that illegal aliens seeking relief undergo a background check and submit biometric and biographic data. Again, that doesn't change the core of the bill, which is about amnesty for millions of illegal aliens, thereby putting them in a position to compete for important taxpayer-funded benefits with U.S. citizens.

Furthermore, the new version of the DREAM Act expands the waiver authority of the Secretary of Homeland Security, thereby negating any additional requirements for eligibility. The bar for eligibility is already extremely low, but even what little is required can be waived whenever that Secretary decides to do so.

The American people have made it very clear—crystal clear—that they want to see the government fulfill its responsibility to enforce the laws and to take steps to control illegal immigration, not to reward bad behavior with amnesty and taxpayer-funded benefits.

Amnesty and economic incentives only encourage more illegal immigration. This is certainly not the answer to our current, ongoing immigration crisis. It will only worsen our economic crisis. I am really outraged that any elected lawmaker would consider this proposal, particularly now, particularly when our States and fellow citizens are struggling to deal with economic hardship and budget cuts.

The DREAM Act also includes no cap on the number of those who will be eligible to receive this amnesty. The economic ramifications would be profound and are simply unacceptable.

Finally, there is absolutely no pay-for in this legislation, while it is beyond argument that the act will increase costs on the Federal taxpayer.

So, bottom line, this bill is absolutely increasing the Federal deficit and the Federal debt—we don't know by exactly how much. To help answer that question, I am writing the Congressional Budget Office today and asking for an immediate score of the newest version of the DREAM Act. Whatever the number is—and it is important that we get that number—let me underscore that it is beyond debate that there is significant cost to this bill, without any pay-fors. That means the DREAM Act will also increase the Federal deficit and the Federal debt.

As chairman of the Border Security Caucus, I will be fighting this measure every step of the way, doing everything I can to stop what is clearly, at its core, an amnesty proposal. I invite all Members of the Senate, Republicans and Democrats, to listen to the American people who have been speaking about this loud and clear and to heed their call and say no to amnesty and turn to what should be our clear priority, which is enforcing the laws on the books, enforcing the clear laws against illegal immigration.

With that, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WHITEHOUSE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WHITEHOUSE. Madam President, I see my distinguished friend, the Senator from Wyoming, on the floor, and I would like to make a few remarks about the Social Security COLA.

The ACTING PRESIDENT pro tempore. There is no time remaining with the majority at this moment.

Mr. WHITEHOUSE. Madam President, I ask unanimous consent to speak as in morning business for 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EMERGENCY SENIOR CITIZENS RELIEF ACT

Mr. WHITEHOUSE. I thank the Chair.

At the end of my remarks, I will propound a unanimous consent request that the minority party is aware is coming.

I travel around my State pretty often, and when I do, I hear a lot in Rhode Island about the sacrifices people have had to make during what are, for our State, still very difficult economic times. We are still over 11 percent unemployment. Many of my constituents have adjusted to this difficult economic climate by cutting back on extras and finding savings in their personal lives wherever they can. But for our seniors—Rhode Island has a very large population of seniors—who live on a limited budget, simply cutting back is a very harsh option for them.

In 2008, Rhode Island seniors on Social Security received an average monthly payment of about $1,130. Madam Present, $1,130 a month is not a lot to live on, particularly in the Northeast. I have heard from seniors who worry about keeping the heat on in their homes because oil prices are so high. I have heard from seniors who have to split pills or skip doses because their prescription costs are so high. And I am hearing this from people who have worked hard all their lives, who paid into the system throughout their careers and who believed they would be able to grow old comfortably. Instead, many of them are really just scraping by on their Social Security benefits, and the benefits often no longer cover their daily living expenses. So for people in this situation, every penny counts.

This past year, for the first time since 1975, Social Security recipients in Rhode Island, in New York, and elsewhere did not receive a cost-of-living adjustment, or COLA, and it appears they will not receive a cost-of-living adjustment in 2011 either. These yearly adjustments are dictated by a specific formula that is tied to inflation. I know that because of the slow economy, inflation has been stagnant over the past 2 years. So the rigid mathematical formula that drives the cost-of-living adjustment does not presently provide for the cost-of-living adjustment seniors need.

This is a misfire in the cost-of-living calculation because it is based on a market basket that includes things seniors don't buy a lot of and it doesn't put adequate weight on heat and oil and energy, prescriptions and medical devices, and things on which seniors do spend a lot of money. It also overlooks people such as Chuck, who is a 67-year-old retiree from North Providence, RI, who wrote to me recently to express his concern that his monthly Social Security income will be frozen at its current level for yet another year. He wrote that regardless of what the COLA formula concludes, his cost of living continues to rise. Chuck says:

> Prices have risen at the supermarkets. Medications have also increased in copayments. Today, I am paying more and getting less for the dollar.

I believe Chuck speaks for many American seniors when he expresses concern about the lack of an increase in Social Security payments. So today I rise in support of the Emergency Senior Citizens Relief Act, introduced by my colleague, Senator SANDERS of Vermont. This bill would help ease the strain on the budgets of our seniors by providing a special one-time payment in 2011 of $250 to all Social Security recipients. In effect, it would be a COLA replacement. Although a $250 COLA replacement may not sound like much money, for those on a limited budget, the extra financial assistance provides a little extra peace of mind amid skyrocketing health care and prescription drug costs. And for seniors in New England, the payment could help keep the heat on through the approaching winter.

This assistance would not be unprecedented. While this was the first year in decades that seniors did not receive a COLA, we have taken steps in recent years to provide special help to seniors and to disabled Americans struggling through this recession. In 2008, I worked very hard with my colleagues to secure a $300 rebate for seniors and SSDI recipients in that year's economic stimulus act. In 2009, we again worked to make sure the American Recovery and Reinvestment Act included a one-time $250 payment to seniors and SSDI recipients. We now have a chance to once again lend that helping hand to our seniors.

Passing this bill would be the right thing to do for seniors, obviously, but it is also a good thing to do for our struggling economy. In Rhode Island, for example, the payments would inject more than $51 million into our economy—money that would quickly be spent on essential items such as food and medicine.

As I said at the beginning, Rhode Island is hurting. Unemployment stands at 11.4 percent, gas is now more than $3 per gallon, and our seniors face yet another year of frozen Social Security payments. By passing this Emergency Senior Citizens Relief Act, we can show our seniors that they are not forgotten and in turn provide a valuable boost to the local grocery stores, pharmacies, and shopping centers that remain such an integral part of our local economy.

I urge my colleagues to join me in standing by our Nation's seniors and to support the Emergency Senior Citizens Relief Act.

In that regard, I ask unanimous consent that the Finance Committee be discharged of S. 3976, which is the Emergency Senior Citizens Relief Act of 2010 that I have been discussing; that the Senate proceed to its immediate consideration; that there be 4 hours of debate with respect to the bill divided and controlled by Senator SANDERS and the Republican leader or his designee, and that no amendments or motions be in order during the pendency of this agreement; that upon use or yielding back of time the bill be read a third time, and the Senate proceed to vote on passage of the bill.

The ACTING PRESIDENT pro tempore. Is there objection? The Senator from Wyoming.

Mr. BARRASSO. Madam President, reserving the right to object, would the Senator agree to include an amendment that would offset the cost of the bill with unspent Federal funds, the text of which I have at the desk?

Mr. WHITEHOUSE. I am happy to discuss with colleagues on the other side how this can be paid for, but I cannot help but note that colleagues on the other side do not share their concern for the payment and pay-go side of the equation when it comes to the tax cuts for people making many millions of dollars a year whom we are trying to get exempted as we try to get tax relief for the middle class.

It would be hard for me to hold seniors getting a $250 one-time benefit in a year in which the COLA formula has misfired and they are getting no COLA benefit despite their other costs going up, and at the same time be asked to agree to hundreds of thousands of dollars per millionaire, in some cases, in tax relief that is not paid for. I think, if anything, the seniors should be held to a lower standard than multimillionaires for whom the tax benefit would amount to potentially hundreds of thousands of dollars.

I appreciate my colleague's very legitimate concern about the cost this would incur. I submit we are still, at least in my State, in a stage in the recovery where we continue to need to revive the economy. This will be very beneficial to the country in terms of its economic recovery, and it would be unfair to hold seniors to a different standard for this $250 COLA, a harsher standard than we would hold our millionaires to, for hundreds of thousands of dollars in tax relief. So I stand by the request as propounded in the unanimous consent.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BARRASSO. Madam President, reserving the right to object, I note on the front page of USA Today ''Jobless Data could Break '80s RECORD.''

Not since the early 1980s has the nation's unemployment rate been so grim for so long, a government report due Friday is likely to show.

It goes on to say:

The chronic level of high unemployment shows that many Americans are still suffering, even though [the government], the National Bureau of Economic Research, has said the recession officially ended in June 2009.

The people in this country know what is happening in their own communities and their own States and do not need to be told different things by the government when they know the reality in which they are living.

I heard from my distinguished colleague some concerns we all share about the economy and what best way to stimulate economic growth. I believe, with Members on my side of the aisle, that one of the things you do is you don't raise taxes on anyone in this country during these economic times. We are unanimous on this side of the aisle in that position.

But listening to my colleague, there are now actually a growing chorus of Members from his side of the aisle who are agreeing with me, including the two newest Members of the Senate from the other side of the aisle who have come here, the distinguished Senator from West Virginia and the one from Delaware. The one from West Virginia, while running for the Senate, said, ''I wouldn't raise any taxes,'' referring to the tax cuts that are scheduled to expire come the end of this year. The Senator-elect and newly sworn in Senator from Delaware, in terms of tax cuts, said, ''I would extend them for everyone.''

So there is a growing chorus on the ways to give this economy and the job-creating segment of this economy some certainty so they can then make the investments, make the decisions, hire the people to try to do that.

We are unanimous in our support for not raising taxes on anyone during economic times like this and, with that growing chorus, then, as a result, I object.

Mr. WHITEHOUSE. I appreciate the objections of the Senator.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. WHITEHOUSE. I would respond by saying that even if we assume that the right answer at this point is to continue a massive tax cut for people who make—I think it was most recently reported that the 400 biggest income earners in the country earned an average, each, of $344 million, a third of $1 billion each. So the tax cuts for people like that create a very significant cost to the country.

I understand it is the theory of the Senator that this is to our economic benefit. But, clearly, there is a very high cost in our deficit to going down that path.

My motivation in offering this unanimous consent is that our seniors, who will spend the $250 one-time payment virtually immediately—which every economist I have ever seen who discusses the economic stimulus effect of these different types of expenditure agrees would be far more beneficial if it were the $250 payment on behalf of seniors than it would be when these highest end people get these massive tax refunds and benefits—that it would be fair to treat seniors the same way.

I regret that we face this objection. I think the objection is inconsistent in the sense that the Senator is holding, with this objection, seniors to a higher standard, a harsher standard, than he is holding millionaires and billionaires to. Everybody knows about the marginal utility of money. For a senior on a fixed income, $250 extra at the end of the year, Christmas time, whether it means keeping the house warm, affording their prescription drug payments, being able to set a little money aside for presents for their grandchildren—that is very important funding, and not just from a humanitarian point of view. From an economic point of view it means it gets plowed right back into the local economy—the local toy store, the local grocery store, the local pharmacy. It gets put right back to work. I don't know what happens when somebody making $334 million a year gets a $1 million tax break.

The ACTING PRESIDENT pro tempore. The Senator has consumed his time.

Mr. WHITEHOUSE. In that case, I yield the floor and thank the Presiding Officer for her courtesy.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

Mr. BARRASSO. Madam President, in response to my colleague from Rhode Island, despite over a $13 trillion existing debt that we cannot pay back, the Democrats are back with another proposal to add another $13 billion to the deficit, add it to the growing deficit. This one is not even a new proposal, it is a proposal that was already rejected by 50 Senators, including 11 Members from across the aisle a number of months ago.

If we are going to attempt to help those seniors, as has been mentioned by my colleague, we need to do it in a fiscally responsible way.

I absolutely support helping the seniors who are having a hard time. I just propose we pay for it. That is why I offered the amendment to the proposal from the Senator from Rhode Island that would, in fact, just pay for it. It is as simple as that. I propose that instead of piling money, debt on top of our massive debt, what I have offered is an amendment that would authorize the Office of Management and Budget to cut an appropriate amount from other programs to help them find money to pay for this one.

Mr. WHITEHOUSE. Will the Senator yield for a question?

Mr. BARRASSO. Yes, Madam President.

Mr. WHITEHOUSE. A question, through the Chair: Would the Senator explain why it is that when it comes to the deficit it is more important to protect our national debt than it is to help our seniors, but it is less important to help our deficit and our debt than it is to give tax breaks to multi-multi-millionaires?

As I said, the 400 highest income earners the IRS has reported earning more than a third of $1 billion each on average, it would strike me that the deficit and the debt is a matter of national concern that should apply equally to millionaires—I mean multi-super-ultra-hyper-millionaires—than it is to seniors struggling to get by on Social Security. I don't understand why the deficit matters so much when it comes to depriving our seniors of a COLA adjustment, but it doesn't appear to matter at all when it comes to providing the very wealthiest Americans—people who have their own jets, have their own yachts, people who have, you know, seven homes—additional tax relief that most billionaires who have come forward in this matter say they don't want or need; that it is unpatriotic, frankly, from their perspective not to be asked to contribute more.

Mr. BARRASSO. Madam President, the way that I propose to pay for this to help those seniors, to help those who have those needs, is a proposal that is very familiar to this body. It is because 21 of my Democratic colleagues voted in favor of this way to pay for something earlier this week when the same pay-for was attached to an amendment from my colleague, Senator JOHANNS from Nebraska, that would have repealed an unfortunate paperwork mandate in the health care law.

I would be happy to list all of the Senators who voted for this. I am sorry my friend across the aisle is not joining me in supporting this fiscally responsible support for our seniors. But, as I say, on the issue of stimulating the economy and giving some certainty in this Nation to those job creators, the Republicans are united: 42 of us say you should not raise taxes on anyone during economic times like these, and the chorus of Democrats who support that continues to grow. It grew this past week from five members of the Democratic conference to seven with the swearing in of Senator COONS of Delaware and Senator MANCHIN of West Virginia.

Senator KENT CONRAD from North Dakota has said:

The general rule of thumb is that you do not raise taxes or cut spending during an economic downturn. That would be counterproductive.

So he says do not raise taxes during an economic downturn.

Senator EVAN BAYH said:

The economy is very weak right now. Raising taxes will lower consumer demand at a time when we want people putting more money into the economy.

Senator JIM WEBB, Democrat from Virginia, said: ''I don't think they ought to be drawing a distinction . . . '' at a certain dollar number.

Senator BEN NELSON from Nebraska said:

I support extending all of the expiring tax cuts until Nebraska's and the nation's economy is in better shape, and perhaps longer, because raising taxes in a weak economy could impair recovery.

Senator JOE LIEBERMAN, Connecticut, said:

I don't think it makes sense to raise any Federal taxes during the uncertain economy we are struggling through.

Then, of course, Senator COONS: ''I would extend them to tax cuts for everyone.''

And Senator MANCHIN, then-Governor of West Virginia, said, ''I wouldn't raise any taxes.''

At a time with 9.6 percent unemployment, at a time when our Nation continues to struggle economically, at a time people are looking for work, wanting to work, looking for jobs, the job-creating sector of this country needs some certainty. With the mandates of the health care law, which are expensive, environmental mandates coming from the Environmental Protection Agency with their rules and regulations impacting on the cost of energy, and then the uncertainty, the significant uncertainty that exists in this country as to what tax rates will be and how that is going to impact all taxpayers with their take-home pay come January 1, it is no surprise that people are concerned and reluctant to make long-term commitments and investments in businesses and in the future.

That is why I stand here to object to my colleague from Rhode Island when he makes a proposal, which there is support for, but it is unpaid for. We need to pay for it. I bring to the Senate floor a responsible way in which to pay for it, and which he has rejected.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Madam President, are we in a period of morning business?

The ACTING PRESIDENT pro tempore. We are still in morning business. However, the time remaining, 10 minutes remaining, is controlled by the minority.

Mr. DORGAN. In that case I would yield to the minority to use the 10 minutes, and I will be seeking recognition following them.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

ETHANOL TAX CREDIT

Mr. GRASSLEY. Madam President, it seems as though every few weeks or so there are a lot of misleading and misinformed accusations launched at our Nation's renewable fuel producers. It is impossible to come to the Senate floor to respond to all of them. But sometimes the claims are so outrageous that they require an informed response. So I am here to give that response with emphasis on the word ''informed.''

Earlier this week, a number of my colleagues in the Senate, including a few of my fellow Republicans, sent a letter to the majority and minority leaders expressing their opposition to extending the tax incentives for homegrown ethanol. Homegrown means we are less dependent upon people such as Dictator Chavez and our oil sheiks.

My colleagues argued that the tax incentive for the production of clean, homegrown ethanol is fiscally irresponsible. They expressed their support for allowing the 45-cent-per-gallon credit for ethanol use to expire. It is important to remember that the incentive exists to help the producers of ethanol compete with the big oil industry. Remember, the big oil industry has been well supported by the Federal Treasury for more than a whole century.

Many of the Republican Senators who signed onto that letter have also been leading the effort to ensure that no American sees their taxes go up on January 1, 2011, which will happen automatically if we do not do something this very month.

The largest tax increase in the history of the country can happen without even a vote of Congress because of the sunsetting law. Of course, in that regard, I support the position of my Republican colleagues. But a repeal of the ethanol tax incentive is a tax increase that will surely be passed on to the American consumer.

I would like to remind my colleagues of a debate that we had earlier this year on an amendment offered by Senator SANDERS. The amendment he offered would have, among other things, repealed the $35 billion in tax subsidies enjoyed by oil and gas. Opponents of the Sanders amendment argued that repealing the oil and gas subsidies would reduce domestic energy production and drive up our dependance on foreign oil.

Opponents of the Sanders amendment argued that it would cost U.S. jobs and increase prices at the pump for consumers. I agreed with the arguments of the opponents. All of my Republican colleagues and more than one-third of the Democrats did as well. Thus, the Sanders amendment was defeated. That majority against the Sanders amendment knew that if we tax something we get less of it. Repealing incentives on ethanol would have the very same result.

Well, guess what. I know removing incentives for oil and gas will have the same impact as removing incentives for ethanol. We will get less domestically produced ethanol and be more dependent upon those oil sheiks. But it will also cost U.S. jobs. It will increase our dependence on foreign oil. It will increase prices at the pump for American consumers. So whether it is jobs or increased dependence or increasing the price of gas, no American would like that to be the result. We are already dependent on foreign sources for more than 60 percent of our oil needs. We spend $730 million a day on imported oil.

That money is leaving America to the Middle East or nutty dictators like Chavez. Why do my colleagues want to increase our foreign energy dependence when we can produce that energy right here at home?

So I would like to ask my colleagues who voted against repealing the oil and gas subsidies but are supporting repealing incentives for renewable fuels, how do you reconcile such inconsistencies? The fact is, it is intellectually inconsistent to say increasing taxes on ethanol is justified, but it is irresponsible to do so on oil and gas production.

If tax incentives lead to more domestic energy production and result in good-paying jobs, why are only incentives for oil and gas important but not for domestically produced renewable fuels? It is even more ridiculous to claim that the 30-year-old ethanol industry is mature and thus no longer needs the support they get, while the century-old big oil industry still receives $35 billion in taxpayer support.

Regardless, I do not believe we should be raising taxes on any type of energy production or on any individual, particularly during a recession. Allowing the ethanol tax incentive to expire will raise taxes on producers, blenders, and ultimately consumers of renewable fuel. A lapse in the ethanol tax incentive is a gas tax increase of over 5 cents a gallon at the pump. I do not see the logic in arguing for a gas tax increase when we have so many Americans unemployed or underemployed and struggling just to get by.

On Tuesday of this week all of my Republican colleagues and I signed a letter to Majority Leader REID stating that preventing a tax increase, meaning mostly income-tax increases, and providing economic certainty should be our top priority in the remaining days of this Congress. I know we all agree we cannot and should not allow job-killing tax hikes during a recession.

Unfortunately, those Members who have called for ending the ethanol incentive have directly contradicted this pledge because a lapse in the credit will raise taxes costing over 100,000 U.S. jobs at a time of near 10 percent unemployment. The taxpayer watchdog group, Americans for Tax Reform, considers the lapse of an existing tax credit for ethanol to be a tax hike.

Now is not the time to impose a gas tax hike on the American people. Now is not the time to send pink slips to more than 100,000 ethanol-related jobs. A year ago at this time I came to the Senate floor to implore the Democratic leadership to take action on extending expiring tax incentives for the biodiesel industry. They failed in their responsibility to extend that incentive and provide support for an important renewable industry.

So while 23,000 American jobs were supported on December 31 last year, nearly all of those jobs have disappeared. An industry with a capacity to produce more than 2 billion gallons of renewable fuel a year is on track to produce less than 20 percent of that capacity this year.

Ethanol currently accounts for 10 percent of our transportation fuel. A

study concluded that the ethanol industry contributed $8.4 billion to the Federal Treasury in 2009, $3.4 billion more than the ethanol incentive. Today, the industry supports 400,000 U.S. jobs. That is why I support a homegrown, renewable fuels industry, as I know the Obama administration does as well.

I would encourage anyone who is unclear on the administration's position to contact Agriculture Secretary Vilsack.

I would like to conclude by asking my colleagues, if we allow the tax incentive to lapse, from where should we import an additional 10 percent of our oil? Should we rely on Middle East oil sheiks or Hugo Chavez? I would prefer we support our renewable fuel producers based right here at home rather than send them a pink slip. I would prefer to decrease our dependence on Hugo Chavez not increase it.

I certainly do not support raising the tax on gasoline during a recession. I would respectfully ask my colleagues to reconsider their support for this job-killing gas tax increase.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Madam President, I support the comments from my colleague from Iowa on the importance of ethanol and the tax incentives and the ability to try to make us less dependent on foreign oil and produce more renewable energy in our country. So I appreciate the statement he has just made.

I want to talk about the START treaty and the importance of it. But I cannot help but respond, at least a bit, to some of the discussion that occurred as I walked on the Senate floor about the so-called tax cuts or the extension of the tax cuts.

You know, what is going to confound a lot of people who look back on history, perhaps historians who, in a rear-view mirror, look back 100 or 50 years—what is going to confound them about this time, this place, and these people, all of us, is what we did that seemed so irrational because, particularly economic models, if you are talking about economic historians, economic models are based on rational expectations. Then they create a model based on what would you do rationally.

Now here is what they are going to see at this moment. They will see a country that is at war halfway around the world. They will see a country with a $13 trillion national debt and a $1.3 trillion annual deficit. And what is the debate? Tax cuts that existed in 2001, through legislation I voted against, tax cuts that were extended and were set to expire this year would cost $4 trillion in the coming 10 years to extend.

With a $13 trillion debt, we have people coming to the floor of the Senate and saying they want to deal with this debt. Then, on the other side of the ledger, they say: And we want to extend all of the tax cuts.

That is another way of saying they want to take the $13 trillion Federal debt to a $17 trillion Federal debt. And, you know, historians are going to say: I thought there was some notion of rational expectations. What is rational about a country up to its neck in debt deciding: We are going to extend tax cuts even to the wealthiest Americans; those who make $1 million a year shall be given a $104,000-a-year tax cut?

Why? Because the minority is insisting upon it. Even though, just that piece of it, above $250,000 a year in income, even though just that one piece will add $1 trillion, that is the cost plus the interest to the Federal debt.

It is unbelievable. And the so-called little guy, the people out there who are working for a living and struggling—some of them lost their jobs, some lost their homes, some have lost hope—they are asking: Well, what about me? Why is it there is such energy to stand up for those who are making millions of dollars?

A guy named Barney Smith from Marion, Indiana stood up at the Democratic National Convention in Denver in 2008 and he asked this question. Barney Smith had lost his job, a job, that he said, is now being performed by someone overseas. Barney Smith said: When are you all going to treat Barney Smith like you treat Smith Barney? That is a pretty decent question. Who is on the floor standing for the interests of the Barney Smiths? I hope, perhaps in the coming days, there will be some rational expectations coming from this deliberative body, and that rational expectation should not include cutting taxes for the wealthiest Americans at a time when America is at war.

This morning, perhaps at 6 a.m., our soldiers were called out of bed halfway around the world, strapped on their ceramic body armor, took up their weapons, and went out on patrol. They will be shot at today halfway around the world. We are told our responsibility is to provide tax cuts for the wealthiest Americans.

I wish to read a comment from Franklin Delano Roosevelt. I don't see a notion in this country about self-sacrifice in order to meet common goals and reach the common purpose of our destiny.

Here is what Franklin Delano Roosevelt said when we were at war then:

> "Not all of us can have the privilege of fighting our enemies in distant parts of the world. Not all of us can have the privilege of working in a munitions factory or a ship yard, or on the farms or in the oil fields or mines, producing the weapons or raw materials that are needed by our armed forces. But there is one front and one battle where everyone in the United States—every man, woman and child—is in action. . . . That front is right here at home, in our daily lives, and in our daily tasks. Here at home everyone will have the privilege of making whatever self-denial is necessary, not only to supply our fighting men, but to keep the economic structure of our country fortified and secure. . . ."

That isn't only for soldiers who sacrifice for country. It is for all of us. It is distressing to me to see that the serious is treated so lightly and the light is treated too seriously in this Chamber. We know better. This country is loaded with debt. It is at war. We owe it to the American people and to the future to do better and try to steer this country toward better times.

START TREATY

Mr. DORGAN. Madam President, I rise to speak about the START treaty. This issue, while on the front pages in the last few days, is not front-page news generally, but it is so unbelievably important.

First, I compliment Senator KERRY, chairman of the committee. I compliment Senator LUGAR and others who have worked on this. I was part of the national security working group. We had many briefings during the negotiations with the Russians. I chair the appropriations subcommittee that funds our nuclear weapons, and I have stood next to nuclear weapons, know a lot about them, know about the horror of these weapons, as do almost all Americans. Let me describe how many nuclear warheads we have in the world.

This data is the Union of Concerned Scientists' that made an estimate in 2010. They said Russia has about 15,000 nuclear weapons; the United States about 9,400; China, 240; France, 300; Britain, 200. We can see Israel at 80. These are the expected number of nuclear weapons on the planet. That is somewhere around 25 to 28,000 nuclear weapons on this planet, the loss of one of which or the explosion of one of which in a major city by a terrorist group will change life on this planet forever.

The question is, What are we doing now to stop the spread of nuclear weapons, prevent terrorists and rogue nations from acquiring nuclear weapons, and then reducing the number of nuclear weapons? What are we doing?

I have told the story of the CIA agent called Dragonfire who, 1 month to the day, October 11, 2001, reported to his superiors there was evidence that a Russian 10 kiloton nuclear weapon had been stolen and smuggled into New York City by a terrorist group. That was exactly 1 month after 9/11 when Dragonfire provided that piece of information to the intelligence community. For a month or 2 months, there was an apoplectic seizure in the intelligence community, with the administration trying to figure out how to deal with this. No one from New York was informed, not even the mayor. It was later discovered this was not a credible piece of intelligence, and everyone breathed easier. But as they did the postmortem, they understood, it would have been possible, perhaps, to have believed a terrorist group could have stolen a low-yield Russian nuclear weapon. It would have been possible for them to have stolen it and to have smuggled it into a major city, New York or Washington, and it would have

been possible for a terrorist group to have detonated it. That is one nuclear weapon. There are 25,000 on this planet.

This morning on the way to work I heard a description on the radio of the nuclear weapons possessed by Pakistan. The question by some people who know a lot about this is whether there is an impossibility of someone from al-Qaida or the Taliban infiltrating the structure by which there is security for the nuclear weapons in Pakistan. That is an open question.

Earlier this year I was in Moscow, about an hour and a half outside Moscow, at a training facility we have helped fund in Russia to train for the security of Russian nuclear weapons. It is in all our interests—it is in the interest of the future of mankind—to understand the urgency to prevent the spread of nuclear weapons and to stop rogue nations and terrorists from acquiring nuclear weapons and, finally, at least to begin substantially reducing the number of nuclear weapons. That is what brings us to the issue of the START treaty.

I don't denigrate anyone or suggest that anyone who raises questions about this is uninformed. That is not the case. All of us want what is best for this country and for the world. We want to have arms reduction treaties and weapons reductions in a way that is verifiable and will strengthen the world's security. There have been a lot of questions asked. A lot of them have been answered. It is my hope that all of us who have been interested in this—and that is both Republicans and Democrats—will find ways to come together and pass this START treaty.

If I might, I will describe the unbelievable success we know occurs from this kind of activity. We don't have to test this. We know it works. Through the Nunn-Lugar program, which has been around for some while, we actually fund the activities to destroy weapons that previously were aimed at the United States. Albania is now chemical weapons free; the Ukraine, Kazakhstan, and Belarus have no nuclear weapons any longer; 7,500 warheads have been deactivated; 32 ballistic missile submarines; 1,400 long-range nuclear missiles; 155 bombers.

I know it is repetitive, but I wish to again say that I have in my desk a piece of wing from a Soviet Backfire bomber. We didn't shoot this down. I ask unanimous consent to show it.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DORGAN. As a result of Nunn-Lugar, we sawed the wings off. How is it that I stand on the floor with a piece of a wing from a bomber that used to carry nuclear weapons threatening to destroy this country? I do that because we know these work.

Ukraine is now nuclear free. This is a hinge from a silo that contained a nuclear-tipped missile aimed at the United States. This piece, from a silo containing an intercontinental ballistic missile aimed at America, is from a missile that no longer exists. The nuclear weapon is gone; the missile is gone. There are now sunflower seeds planted where there was previously a missile. I tell that to say: We understand what works. Arms negotiations, arms treaties with which we have tried to reduce delivery vehicles and nuclear weapons work.

I have just described the Nunn-Lugar program. Let me show a couple photographs of it. This is a Typhoon-class ballistic missile submarine that carried nuclear weapons. I have the copper wiring from this submarine in my desk, reminding all of us, again, that this works. We didn't have to destroy this submarine with a weapon under the sea in hostile action. We negotiated a treaty. It was taken apart.

This shows an SS–18 missile silo in Ukraine. We can see they planted dynamite and blew up the silo. Because we agreed with the Russians that we were going to reduce nuclear weapons, reduce delivery vehicles, that silo is now gone and sunflower seeds are planted where a missile previously had been.

Here is a photograph of a Blackjack bomber that the old Soviet Union and Russia had. We destroyed it, sawed off the wings. We know these kinds of treaties work.

The treaty negotiated is supported by so many people. ADM Mike Mullen, Chairman of the Joint Chiefs of Staff, says:

> I, the Vice Chairman and the Joint Chiefs, as well as our combatant commanders, stand solidly behind this new treaty. This treaty represents our country's best interests, in my judgment.

There are many things to say in support of concluding an arms control agreement with the Russians. There are many questions that have been raised about the treaty and have been answered. When I described earlier the large number of people who say it is in this country's interest to support this treaty, I did not put up several of these, but let me say, Dr. Kissinger, said:

> I recommend ratification of the treaty. It should be noted I come from the hawkish side of this debate so I'm not advocating these measures in the abstract. I try to build them into my perception of the national interest.

This morning George Shultz, James Baker, Lawrence Eagleburger, Colin Powell, and Dr. Kissinger wrote an op-ed piece in the Post making the case.

Those who have raised questions about this are as concerned about our national security as anybody else. They believe, as I do, in the same goals. Let's keep nuclear weapons out of the hands of terrorist organizations and rogue nations. Let's stop the spread of nuclear weapons and, ultimately, let's try to reduce the number of weapons on this planet. I think everybody here who is involved are people of good will. My fervent hope is that in the coming couple weeks, as we conclude this session of the Congress, we will find a way to have on the floor this treaty which is so widely supported and be able to say, all of us of every persuasion, we did something that will have a lasting impact on the future of this country, the security of this country, and the security of the world. We did something that reduces nuclear weapons, the number of nuclear weapons among the two nations that have, by far, the most nuclear weapons. We did something that substantially reduces the number of delivery vehicles for nuclear weapons. This will provide for a much greater measure of security for us and the rest of the world.

Those who have spoken on this issue, giving different views, offering different views, I have great respect for them. Many of them and I were part of the national security working group. Along the line when the treaty was being negotiated, we had meetings in an area that is for top-secret presentations. All along the way we understood what was happening and how it was happening. I think this is a treaty that is mutually beneficial and represents not only the best interests of both countries that are parties to the treaty but especially the best interests of the world.

I started by saying the loss of one nuclear weapon exploded in one city on the planet would change everything about our lives. We have about 25,000 nuclear weapons on the planet. The security of those weapons, the ability to keep them out of the wrong hands, the ability to keep others from acquiring weapons, the ability to reduce weapons, all of that urgent and important. It doesn't always rise to the top in the debate in the Senate, but now we have that discussion around this treaty which is only a first step. I hope, by the end of this month, perhaps all of us could celebrate having a significant achievement for the security of the country and for the world.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. BOND. Madam President, I ask unanimous consent to speak up to 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENERGY

Mr. BOND. Madam President, as America's energy needs continue to grow, so does our need for commonsense approaches to meeting these needs. Unfortunately, the Obama administration's announcement yesterday dealt a death blow to one of our most important ways to expand our domestic energy supplies. My message to the Obama administration is that we need to drill it, not kill it. Yesterday, the administration announced the eastern Gulf of Mexico and the Atlantic coast to be off-limits to any new offshore drilling for the next 5 years. In

other words, the Obama administration decided to deny Americans new domestic energy supplies, deny Americans new jobs, and make America's energy prices rise.

In the wake of the BP oilspill, there is no question we are reminded of the need to preserve our environment as we seek to expand our energy growth by drilling for more oil. As we continue opening up new sources of traditional energy in an environmentally friendly manner, preventing spills must be a top priority. However, arbitrarily—arbitrarily—closing off our own domestic supplies is not the answer.

First, this deathblow to offshore drilling will only make us more dependent on OPEC and Middle Eastern countries and hostile regimes that mean us harm. Also, this moratorium will cost us jobs at a time when America needs job creation more than ever.

The American Petroleum Institute estimates that we will not get 75,000 jobs as a result of the Obama administration's offshore drilling moratorium. Domestic production of energy will be integral for our economic growth. Production of domestic energy sources not only helps us meet growing demand and keeps us secure, but if the Obama administration removes their moratorium it will create jobs, and we need jobs.

Strict and arbitrary environmental regulations in place on coal mining, hydraulic fracturing of natural gas, and of offshore oil drilling just create a de facto moratorium on more production and on more jobs. Limiting production will make the sources we have available only more expensive. It is simply a matter of supply and demand.

As I have already mentioned, since energy demand will go up in the near future, these regulations—by hampering production—will serve as an indirect energy tax on consumers. Guess what. Remember, the $4-a-gallon gasoline we had a couple years ago? Well, we may see that, and even more, as a result of shutting off our domestic supply.

We should not be jumping to constrain domestic energy production without first giving any new regulations a very strict look to make sure we do not punish consumers just trying to power their households, fuel their vehicles, get jobs, and live their lives. We all know we need a new energy policy, one that enables us to find, create, and use domestically produced clean energy.

This is not the first time we have sought to do this, but the difference now is that we have a recession to contend with at the same time. People are struggling with high unemployment. In the Midwest, our manufacturing sector has lost thousands of jobs. In an economy with a stubborn, nearly 10-percent unemployment rate, the million-dollar question—or bigger than that—we all have these days is, How can we create jobs?

So as we approach changing our energy policy, while we all want to protect the environment—and we must—we have to ensure that the policies we choose will not have adverse consequences to economic growth. Unfortunately, too many of my colleagues, and some in the administration, are focusing on jamming through Energy bills that would impose job-killing tax increases on farmers, small businesses, and families. Their ideas have ranged from a cap-and-trade tax bill to others that pick winners by awarding massive taxpayer-funded incentives to some and, in the process, harming others.

I think there is a better way to move our Nation to energy independence. The commonsense approach we have to take would make use of the clean, reliable sources we have here without picking sources and technology winners. We need to develop affordable, homegrown, and clean energy solutions to help push our Nation toward an independent and more environmentally friendly future.

I am by no means an expert on this subject, but I have been around the block a time or two, so I support many strategies to reduce our dependence on fossil fuels and cut pollution. I have to stress that, in fact, we will continue to rely on fossil fuels to meet a large portion of our energy demand. Coal accounts, for example, for 50 percent of our Nation's electricity generation and over 80 percent of Missouri's electricity. So we have to harness our abundant supply of coal in a clean way by helping to advance carbon capture and sequestration, or CCS.

City Utilities of Springfield, MO, and others are conducting a project to assess the feasibility of carbon sequestration in smaller, shallower saline aquifers and individual powerplants. Much of the CCS research to date has focused on deep saline aquifers in large geological basins often far removed from most powerplant sites.

When complete, however, this pilot demonstration being conducted in Springfield may yield new lessons about CCS technologies that can be applied to powerplant sites in specific locations across the Nation.

Nuclear power, such as coal, is also an important source of base-load power, and it must also play a role in our energy future. Nuclear energy generates more than seven times as much zero-carbon electricity as all renewable sources combined.

In 2007, for example, nuclear energy prevented the emission of 693 million metric tons of carbon dioxide—roughly the equivalent of taking all U.S. passenger cars off the road. Of course, generating nuclear power results in waste that must be stored or otherwise dealt with, and we have spent billions of dollars on an improved site to store that waste at Yucca Mountain in Nevada. Unfortunately, political opposition has stalled, perhaps permanently, the operation of that site.

A real solution can be found in nuclear reprocessing, which reuses spent nuclear fuel and can produce the same amount of energy and leaves only 5 percent of the waste. France does it. Why should not we?

We must have policies in place that spur the development of more zero-emission nuclear power so we can harness all of its promise. And we must eliminate the layers and layers of bureaucracy and regulations which do not add to the safety of that power produced.

I agree we need to develop other zero-carbon sources, such as renewable energy sources. Missouri power providers are currently expanding their wind generation, and we have a number of wind turbines. Also, a few families and businesses receive a portion of their power from wind farms in Kansas.

Every day we are making advances in solar power, but this and wind power currently require huge taxpayer subsidies just to set up the operations, and it is followed by a $20-per-megawatt taxpayer subsidy when and if they produce power.

Our State of Missouri, however, is blessed with hydropower sources which could be expanded by installing hydropower generation on existing Mississippi River locks and dams. But it is unlikely these renewable sources can provide more than a fraction of the energy we use, even in Missouri.

So we must avoid national renewable energy standards that arbitrarily set requirements without ensuring that families and workers continue to receive the affordable power they need. Intermittent wind and sunlight mean we must always ensure that a reliable base source of power remains in place to back them up.

Another way to make these sources more viable is through new battery technology that will help stabilize these sources' power flow. As a longtime leader in the battery industry, Missouri is also leading the way in advanced lithium-ion batter development and energy storage.

For example, Dow-Kokam in Kansas City is using lithium-polymer technology to make batteries lighter, longer lasting, smaller, and quicker to charge. Not only would batteries make renewable sources more viable, they would help with peak shaving by storing large amounts of energy produced at offpeak times.

When talking about batteries, of course, we cannot help but think about the promise that electric cars have to transform our transportation system and get us off our dependence of foreign oil.

I am a strong supporter of the increased use of hybrid and electric vehicle technology. Smith Electric Vehicles in Kansas City is building delivery trucks, which are the world's largest electric vehicles with a top speed of 50 miles an hour and a range in excess of 100 miles on a single overnight charge of the truck's battery at a time when there is available electricity on the grid between 10 p.m. and 6 a.m. not otherwise being used.

But even with the promise of electric vehicles, American families, drivers, and workers still will need a plentiful supply of transportation fuels to power their cars. I do agree we eventually need to lessen our dependence on fossil fuels, and that is why I have been a longtime supporter of using renewable biomass for fuel and for energy.

The biofuels industry has created good, often high-paying jobs which are critical to the Midwest where we have lost so many manufacturing jobs to the recession. I have been a longtime supporter of keeping tax incentives in place for the ethanol and biodiesel industry. These tax incentives, plus increased support for infrastructure to deliver these fuels, will be imperative as the industry becomes more competitive with traditional fuels. We must extend the volumetric excise tax credit, which we promised in the Congress to the farmers who set up the cooperatives to develop ethanol and biodiesel sources. In my opinion, one of the most exciting things about this industry is that it drives the development of low-carbon feedstocks.

So I will close by talking about the potential that my home State of Missouri has to be a leader in a large part of our clean energy future by providing some of this homegrown energy, or biomass.

We have made great progress in Missouri in the use of algae and carbon dioxide from fuel. Missouri also has abundant farmlands and forests that can provide diverse biomass feedstocks to generate electricity or produce renewable fuels. For example, a University of Missouri study found that Missouri's 2.5 million acres of corn and 5 million acres of soybeans produce a combined 13 million tons of dry crop residue each year which can be converted into electric energy or, through cellulosic operation, into fuels.

Now, our forests alone can potentially provide 150 million tons of wood residues from scrub timber annually on a renewable basis. Together, that is a lot of biomass feedstock that is homegrown and that is carbon neutral because it takes in energy as it grows, releases that energy when it is burned, and takes it in again as replacements are grown. If we do not harness it, that energy is released when the wood or the biomass degrades.

Missouri entrepreneurs are developing new technology to convert municipal solid waste into clean burning biochar, which can supplement our biomass producers. In addition, Missouri is home to some of the foremost researchers in clean-burning biomass at the University of Missouri-Columbia.

Last but not least, the State of Missouri Department of Agriculture is on the cutting edge in supporting burgeoning biomass technology.

By creating a thriving biomass industry, we would not only help create our clean energy future, we would also create much needed new jobs in Missouri and Midwestern States by providing income to struggling farmers and agroforesters.

We must promote these clean energy strategies in a market-friendly way, and taxing our suffering families' and workers' use of energy is not the way. Produce more, do not tax more. Taxing it does not increase the production of it. Promoting these clean energy strategies is a bipartisan win-win-win, and I hope all of my colleagues will join me in helping this become a reality.

Madam President, I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The ACTING PRESIDENT pro tempore. The Senator from Florida.

Mr. NELSON of Florida. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NASA

Mr. NELSON of Florida. Madam President, we had a hearing in the Commerce Committee yesterday about the future of NASA. We had the President's science officer, the head of the Office of Science and Technology Policy, Dr. Holdren; and the Chief Financial Officer of NASA, Dr. Robinson. We pointblank asked both of them if they intended to follow the new law, the NASA authorization bill, that sets out a visionary course for the future of our manned and unmanned space program. They both indicated they would absolutely follow the direction of policy within the administration; they would follow the law.

Clearly, this has the President's stamp of approval. For once, we passed the bill unanimously in the Senate and by a three-quarters vote in the House of Representatives. The President then signed the bill into law. It is the President's policy. It is a policy that balances a number of things.

We continue the International Space Station at least until the year 2020, a space station, by the way, that is just now being completed after over a decade of construction. It is designated as a national laboratory, but a host of nations are all participants in the International Space Station, and cutting-edge research will be done utilizing the unique property of zero gravity of orbit as the space station orbits the Earth at 17,500 miles an hour.

We will start to develop new rockets that, as we speak, are being developed to carry cargo to and from the International Space Station. Those rockets will be in a competition between commercial companies, a competition conducted by NASA for making those rockets safe enough in order to take crew to and from the International Space Station and, at the same time, realizing that NASA's real vision is to go out and explore the heavens.

The NASA authorization bill starts the development of a heavy-lift rocket that will be able to take components up into low Earth orbit, where they can be assembled, and then ultimately to fulfill the President's goal he has set, which is to go to Mars.

The path by which we go to Mars is yet to be determined. A lot of that will depend upon the development of technology. There is within this NASA bill a robust technology development program for such missions as going to Mars or to an asteroid or whether we go back to the Moon. We were on the Moon 40 years ago. Now it is time to venture on out into the cosmos.

Under conventional technology, it would take 10 months for us to get to Mars, and by the time you got there, the realignments of the planets as they orbit the Sun would cause us to have to stay on the surface of Mars for a year until the planets were realigned where Earth was going to be close enough to Mars for the 10-month return journey. So, naturally, there is development going on by a number of entities, but one in particular headed by the astronaut who has flown more than any other astronaut—seven times—Dr. Franklin Chang-Diaz. He has been developing over the years, even from the time he got his Ph.D. at MIT, a plasma rocket, and that rocket is being now sufficiently developed that they are ready to do the testing stage and carry a small version of the rocket to the International Space Station, where it would be attached. A plasma rocket gives a constant stream of plasma energy that would keep the space station boosted to its height instead of constantly having to boost it every year or so because the orbit degrades. That plasma rocket would take us to Mars, if perfected, in 2 months instead of 10 months. If you go to Mars that fast—and by the way, that is going at 400,000 miles per hour—if you go that fast, then you don't have to stay on the surface of Mars for a year because you can stay there for a first trip for a few days, and the planets are still aligned so they are close enough so that in a 2-month period, you would be able to get back.

These are exciting things for the future of both the human space program and the nonhuman space program. The development of technologies in Earth science, the unmanned portion—we have a fairly significant increase in the NASA budget with regard to the science portion.

There is a huge increase in the budget of NASA for aeronautics. Remember, the first ''A'' in NASA—it is the National Aeronautics and Space Administration. The first ''A'' is aeronautics. There is a huge increase in the research and development for aeronautics. A lot of the airplanes we take for granted today or the cutting-edge advances in our military aircraft, where do we think that originally came in? It came from the research and development through NASA.

So, naturally, the Commerce Committee wanted to make sure the administration, given some of the uncertainties of the actual funding levels, is on point to follow the NASA authorization law. We received those assurances yesterday.

It is our hope that as we now come to decide how we are going to fund the rest of the government for the rest of the fiscal year—we are already into the fiscal year, October and November and going into the third month of the fiscal year; a fiscal year that started October 1—we are hoping that, at the very least, we can take the existing appropriations from last year, the fiscal year 2010, and carry that forward, at the very least, for NASA. What that would mean is instead of having funding at $19 billion for 2011, the funding would be at last year's level of $18.724 billion. That would be $276 million less than the authorized level. NASA can live with that. The exceptional goals that are set in this NASA bill can be achieved with that cut, which is less than 1.6 percent of the total NASA authorized level—clearly, it can be done under these very austere times.

So I am hopeful, on the basis of what we saw yesterday and heard in the Commerce Committee, we will be able to go forth. A third shuttle flight will be added that will fly next summer. As we transition into the new commercial rockets, as we transition into the development of the new heavy-lift rocket, along with its spacecraft known as a capsule, as we transition into the extension of the International Space Station, the modernization of our space facilities, particularly at the Kennedy Space Center—as we transition into all that, we will have less of a disruption of the employment in the space community than otherwise would have been the case with employment dropping precipitously off a cliff because of the shutdown of the space shuttle program.

I am encouraged, I am optimistic, I am grateful, and I was happy to hear the unequivocal statements by the administration yesterday in support of the NASA bill.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. UDALL of Colorado). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HAGAN). Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST—EXECUTIVE CALENDAR

Mr. LEAHY. Madam President, in a letter sent yesterday to Senate leaders, former Deputy Attorneys General of the United States who served in both Republican and Democratic administrations urged the Senate to consider the nomination of James Cole to be the Deputy Attorney General without further delay.

The Deputy Attorney General is the No. 2 position at the Department of Justice. It is a critical national security and Federal law enforcement position. These former officials who served with distinction in that post write that the deputy is ''the chief operating officer of the Department of Justice, supervising its day-to-day operations'' and that ''the deputy is also a key member of the President's national security team, a function that has grown in importance and complexity in the years since the terror attacks of September 11.'' These former Deputy Attorneys General are right. I thank them for speaking out to urge the Senate to complete consideration of this important nomination.

I ask unanimous consent that their letter be printed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LEAHY. Incidentally, the Deputy Attorneys General who served in both Republican and Democratic administrations who signed this letter were Donald Ayer, Carol Dinkins, Mark Filip, Jamie Gorelick, Philip Heymann, Paul McNulty, David Ogden, and Larry Thompson.

Mr. Cole's nomination has been pending on the Executive Calendar for 4½ months, since it was reported favorably by the Judiciary Committee in July. I have a hard time remembering any time, in either a Democratic or Republican administration, that the Deputy Attorney General has been held up like this.

Those Republican Senators who continue to block us from considering this well-qualified nominee should come forward and explain why they feel it is justified to continue to leave America without a crucial resource we need to combat terrorism and to keep the country safe. Instead of doing this anonymously, the Senators ought to step forward and say why we cannot confirm this Deputy Attorney General, the No. 2 law enforcement position for the whole United States of America.

Today, I will seek unanimous consent for a time agreement to debate this nomination and finally have a vote in the full Senate. I have alerted the distinguished ranking member of the Judiciary Committee of this request. Those who oppose the nomination are free to say why and they can vote no, but let's end the stalling.

You have Senators say that they don't want to vote yes and that they don't want to vote no, but that they want to vote maybe. This is what is happening now with the nomination for the No. 2 law enforcement official of the country.

Madam President, we were all elected for 6-year terms, with the responsibility to vote yes or no in the best interests of the United States. Voting maybe does not serve those interests.

President Obama nominated Jim Cole to be Deputy Attorney General on May 24. That was 6½ months ago. I thank the Judiciary Committee ranking member, Senator SESSIONS, for working with me to schedule a hearing on the Cole nomination while the committee was preparing for Justice Kagan's confirmation hearing.

The problem was not with the Senator from Alabama. He helped me move forward with that hearing in the committee, and I wish we could have proceeded in the same spirit in the Senate. As the former Deputy Attorneys General wrote, ''Because of the responsibilities of the position of Deputy Attorney General, votes on nominations to fill this position usually proceed quickly.'' They also note that of the 11 nominations to fill this position over the last 20 years, from both Democratic and Republican Presidents, ''none remained pending for longer than 32 days.'' Indeed, all four of the Deputy Attorneys General who served under President Bush, three of whom signed the letter we received yesterday, were confirmed by the Senate by voice vote an average of 21 days after they were reported by the Judiciary Committee. In fact, we confirmed President Bush's first nominee to be Deputy Attorney General the very same day it was reported by the committee.

We should treat the nomination of Jim Cole with the same urgency and seriousness with which we treated President Bush's nominations of Larry Thompson, James Comey, Paul McNulty, and Mark Filip. We should reject the strategy of some Senate Republicans of elevating their partisan goal to weaken the Obama administration over taking actions to keep us safe.

In November, over 4 months after Mr. Cole responded to written questions following his confirmation hearing, only two Senators sent him additional followup questions on a topic covered extensively during the earlier questioning. Two weeks ago, Mr. Cole promptly answered even these additional questions. There is no reason for Republicans to continue blocking the Senate's consideration of this nomination.

Jim Cole served as a career prosecutor at the Justice Department for a dozen years and has a well-deserved reputation for fairness, integrity, and toughness. He served under both Republican and Democratic Presidents. He clearly demonstrated during his confirmation hearing months ago that he understands the issues of crime and national security that are at the center of the Deputy Attorney General's job.

The nomination received strong endorsement from Republican and Democratic public officials, and from high-ranking veterans of the Justice Department, including the letter to the Senate leaders yesterday from eight former Deputy Attorneys General who served in the administrations of President Reagan, President George H.W.

Bush, President Clinton, President George W. Bush, as well as the current administration. Former Republican Senator Jack Danforth, who worked with Jim Cole for more than 15 years, described Mr. Cole to the committee as someone without an ideological or political agenda.

The months of delay of this nomination have been unnecessary, debilitating and wrong.

EXHIBIT 1

DECEMBER 1, 2010.

Hon. HARRY REID,
Senate Majority Leader,
Washington, DC.
Hon. ADDISON MITCHELL MCCONNELL,
Senate Minority Leader,
Washington, DC.

DEAR LEADERS REID AND MCCONNELL: We are a bipartisan group of former Deputy Attorneys General of the United States. We write to urge the expeditious consideration by the Senate of the nomination of James Cole to be Deputy Attorney General.

The Cole nomination was received by the Senate on May 24, 2010, and reported favorably from the Judiciary Committee on July 20, 2010, so the nomination has been pending before the Senate for more than one hundred and twenty days. Because of the responsibilities of the position of Deputy Attorney General, votes on nominations for this position usually proceed quickly. Over the past twenty years, presidents of both parties nominated eleven individuals to serve as Deputy Attorney General. Their nominations were pending on the Senate calendar for an average of twelve days, and none remained pending for longer than thirty-two days. Nine of the eleven nominees were confirmed by voice vote or unanimous consent.

The position of Deputy Attorney General is an important position in the federal government. The Deputy Attorney General functions as the chief operating officer of the Department of Justice, supervising its day-to-day operations. As such, the Deputy plays a central role in ensuring effective enforcement of federal laws, including laws against mortgage fraud, health care fraud, organized crime and child exploitation. The Deputy is also a key member of the president's national security team, a function that has grown in importance and complexity in the years since the terror attacks of September 11. He or she supervises the work of the Department's National Security Division, and is called upon to make crucial, time sensitive decisions to protect the American people.

There is a capable individual currently serving as Acting Deputy Attorney General, but it is important to the proper functioning of the Department that there be a confirmed official in this position. Only a Deputy appointed by the President may formally and automatically assume all of the duties of the Attorney General when that Cabinet official is unavailable for one reason or another. And there is at least one critical statutory responsibility that an Acting Deputy cannot perform—signing applications to the Foreign Intelligence Surveillance Court.

We strongly urge that the Senate vote on the nomination of James Cole as soon as possible.

Sincerely,

DONALD B. AYER,
CAROL E. DINKINS,
MARK R. FILIP,
JAMIE S. GORELICK,
PHILIP B. HEYMANN,
PAUL J. MCNULTY,
DAVID W. OGDEN,
LARRY D. THOMPSON.

Mr. LEAHY. At this time—and I note that my colleague from Alabama is in the Chamber—I propound the following unanimous-consent request:

I ask unanimous consent, as if in executive session, that at a time to be determined by the majority leader, following consultation with the Republican leader, that the Senate proceed to executive session to consider Calendar No. 1002, the nomination of James Michael Cole to be Deputy Attorney General; that there be 2 hours of debate with respect to the nomination, with the time equally divided and controlled between the chairman and ranking member of the Judiciary Committee; that upon the use or yielding back of such time, the Senate proceed to vote on confirmation of the nomination; that upon confirmation, the motion to reconsider be considered made and laid upon the table; and that the President be immediately notified of the Senate's action, and the Senate then resume legislative session.

The PRESIDING OFFICER. Is there objection?

Mr. SESSIONS. Madam President, reserving the right to object—and I will object—I would first thank my colleague, Senator LEAHY, for the courtesy as he has moved forward with this. He is a relentless chairman pushing for these nominees. I respect his responsibility and his belief that this nominee needs to move forward, and, frankly, it is about time—we need to fish or cut bait on it. I do not think an indefinite delay is good for the country.

This nomination does have controversy. Most of the nominations the President has submitted did clear unanimously in our committee, but this nomination resulted in all the Republicans on the committee voting against it. But I now understand that our two leaders, Senators REID and MCCONNELL, are working at this moment to try to figure which nominees should move before we recess—and hopefully before too many days—and perhaps this nominee will be in that group. But until those talks are complete, I would object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Vermont.

Mr. LEAHY. Madam President, I am disappointed. The Republicans are saying there is a double standard. All of the Deputy Attorneys General nominated by Republican presidents have been confirmed, most by voice vote, within a month. This one has waited on the floor for over 4 months and we still cannot even get a vote. As Senators, we should all at least have the courage to vote yes or to vote no. Eventually, we have to stop voting maybe. It allows everybody to go home and say: I may be here on an issue or I may be there. We are Senators and we must have the courage to vote yes or to vote no. We cannot continue to vote maybe, especially on the No. 2 law enforcement officer of the United States. President Bush's first deputy, was confirmed within 24 hours of being reported from Committee, while James Cole has waited 6 months for a vote. Voting maybe is not a profile in courage in the Senate.

I yield to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. Madam President, I ask unanimous consent that the recess start 2 minutes from now.

The PRESIDING OFFICER. Is there objection?

The Senator from Alabama.

Mr. SESSIONS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. SESSIONS. Did you say recess in 2 minutes?

Mr. CARDIN. I would be glad to make that longer. We have an order, as I understand it, to recess at 12:34. I wanted to make a brief comment. If the Senator would like some time, I have no objection.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. I would ask that the unanimous-consent request allow me to have 5 minutes when the Senator finishes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I certainly have no objection. That is a fair request.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. Madam President, I wanted to follow up for a moment because we are talking about the No. 2 person in the Department of Justice, and one of our responsibilities is to make sure executive agencies perform their function. The Judiciary Committee has the responsibility to make sure the Department of Justice is doing its work. But we, the Judiciary Committee, recommended the confirmation of the Deputy Attorney General 6 months ago. How can we expect the Attorney General to get the work done if we do not give him the help in the confirmation process?

I agree completely with the chairman of the Judiciary Committee—we should have the courage to vote up or down a Deputy Attorney General—but I really took this time because I find it amazing that Jim Cole has not been confirmed. See, I happen to know Jim Cole. I have had experiences of working with Jim Cole in my official capacity as a Member of Congress. He was selected to be our Special Counsel in an extremely complicated and difficult matter in the Ethics Committee in the House of Representatives. He wasn't selected by me. At the time, Porter Goss, a Republican from Florida, was the chairman of our committee, and he worked with six of us in a very difficult investigation, and he brought the six of us together because of the professional manner in which Jim Cole attacks any of the problems with which he is confronted. He is not a partisan; he is a professional. He is a professional who

understands what it is in the Department of Justice and public service. He has worked for both Democratic and Republican administrations. He has been recommended by both Democrats and Republicans. He is not at all a partisan. He is the person whom you would want to have in the Department of Justice. And that is why Porter Goss said he found Jim Cole to be ''a brilliant prosecutor and extraordinarily talented''—quoting from the Republican from Florida, who, along with the Democrats, was very proud of the professional work Jim Cole brought to a very partisan battle in the House of Representatives.

We should confirm this nominee. We should at least vote on this nominee. But to use this somewhat backward approach to deny a vote on the No. 2 person in the Department of Justice is just wrong.

I understand Senator SESSIONS is saying there will hopefully be an agreement before the end of this Congress. But, quite frankly, this nominee came out in July. It is not as if he came out of the committee last week. He came out in July. This is an important position, and I think we have a responsibility to vote up or down this important part of the ability of the Department of Justice to carry out its important mission. So I am disappointed that we had an objection heard on this nominee. I would urge everyone to make sure this nominee is voted on prior to when we leave for this holiday recess.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Madam President, the President and the Attorney General need a Deputy Attorney General who can function, who has the confidence of the Congress and the American people and will do an excellent, first-rate job.

There are questions about this nominee. Every nominee who has been nominated for the Deputy Attorney General or other positions in the Department of Justice by President Bush was not rubber stamped within a day or two. Tim Flanigan, a highly competent nominee, was opposed by Democratic lawmakers aggressively after 9/11. The President withdrew him from consideration and then nominated someone who was promptly confirmed. He did not try to ram it down our throats.

Frankly, we have a problem of confidence in the Department of Justice. The Attorney General himself, perhaps following the lead of the President, has indicated on a number of different occasions a lack of commitment to vigorous action to prosecute terrorists who have attacked the country, and he has taken other steps.

I would have liked to have seen a Deputy Attorney General nominee who was not in that mold but who was more of a career prosecutor who would have helped bring some balance and input from a more traditional view of the role of the Attorney General as someone who prosecutes criminals, protects the United States, defends law-abiding Americans from terrorists and criminals who attack them. That was the approach I took when I was attorney general. I hired people who were proven prosecutors. But Mr. Cole, for example, right after 9/11, indicated his belief that these attacks were not acts of war but instead were criminal acts; he wrote this in an article:

> For all of the rhetoric about war, the September 11th attacks were criminal acts of terrorism against the civilian population.

I do not agree with that. The American people do not agree with that. Why does the President want to appoint somebody who thinks 9/11 was a criminal act and not an act of war? I think it is a big deal, so that is one of the reasons we have raised it. Is he going to bring some balance to Attorney General Holder or are they going to move even further left in their approach to these issues?

I would also note he was given a highly paid position as an independent monitor of AIG. This is the big insurance company whose credit default swaps and insurance dealings really triggered this entire collapse of the economic system. He was in the company at the time as a government monitor, and he did not blow the whistle on what was going on throughout this period of time.

It is argued that he wasn't precisely there to monitor. Sue Reisinger of Corporate Counsel wrote this about his handling of that matter:

> It is as though Cole were spackling cracks in the compliance walls and never noticed that AIG's financial foundation was crumbling beneath his feet.

Mr. LEAHY. Madam President, would the Senator yield?

Mr. SESSIONS. One more point.

Beatrice Edwards of the Government Accountability Project criticized Cole for failing to ''detect an atmosphere of . . . laissez-faire compliance of the company.'' So he has been criticized for a big, important role he had.

Those were just some of the concerns held in committee. And I wish the President had nominated somebody like Larry Thompson, who was Department Attorney General under President Bush, and whom everybody respected and would have been confirmed like a knife through hot butter.

Mr. LEAHY. Madam President, in a way, the Senator is making my point. If he has questions about Mr. Cole, let him argue them, debate them, set a time, and then vote yes or vote no. Particular issues come up in the Senate, such as nominees, and Republicans hold them up so they never come to a vote. Then the Senators can take any position they want to back home.

All I am saying is that we must vote yes or no and not maybe. We have too many issues in the Senate, whether it is tax matters, don't ask, don't tell, or nomination, where we continue to delay a vote.

I know the distinguished Senator from Alabama has never hesitated to vote yes or no in committee, and I commend him on that. Many times we agree, and a number of times we disagree, but he states his position as a yes or no. He and I have voted on this issue in committee and stated a position. I just hope everybody else can as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Madam President, I thank the chairman of our committee. He is doing what I would do if I were in his place, in saying: Let's give this nominee an up-or-down vote and let's have a debate on it. Our leaders are working on that, and perhaps that can be accomplished. But it must be noted that this is a nominee who has some controversy.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 3:30 p.m.

Thereupon, the Senate, at 12:44 p.m., recessed until 3:30 p.m. and reassembled when called to order by the Presiding Officer (Mr. FRANKEN).

The PRESIDING OFFICER. The Senator from Maryland.

EXTENSION OF UNEMPLOYMENT BENEFITS

Mr. CARDIN. Mr. President, the 111th Congress is drawing to a close and families across the Nation are preparing for the holiday season. In the Senate, we still have many items on our agenda, bills we need to complete before we adjourn. Many of these bills represent the priorities of various Senators addressing issues that some have worked on for this entire Congress, some for several Congresses. Other bills are necessary to prevent certain longstanding policies from expiring, such as tax relief for working families, and still others are needed to avert cuts in key programs such as Medicare payments to doctors and protecting rehabilitative services for seniors.

In addition to marking the start of the holiday season, this week also brings a devastating reminder of the economic disaster facing many families. On Monday, action to extend unemployment benefits to millions of people was blocked in the Senate by Republicans. Yesterday, those benefits expired. The Republicans are telling us we cannot consider any legislation until we take up tax breaks for millionaires. On December 1, more than 800,000 Americans were left without benefits and up to 2 million more will soon follow by the end of the year, including 48,000 Marylanders. There are some in this body who may not recognize the peril facing families whose benefits are being cut off. Every day I hear from Marylanders who are asking

Congress for help. They want to work but can't find employment. Many have been looking for a long time, over a year, sending hundreds of resumes, pounding the pavements, attending job fairs and numerous interviews, all to no avail. They want us to take the steps necessary to help the economy create jobs, and they need some assistance in the meantime to help them stay afloat.

Maryland's unemployment rate stands at 7.4 percent statewide. Although that is lower than the national average, in some counties the situation is more dire. In Baltimore City, the rate is 11 percent. In Dorchester County, it stands at 9.8 percent. In Somerset County, it is 9.9 percent, and in Washington County, it is almost 10 percent. Earlier this week several building trade workers visited my office. For them this is not a recovery, this is not a recession, this is a depression. That is because in the construction industry, unemployment rates range from 30 to 50 percent, depending on location. Among one local union in Baltimore the unemployment rate is 27 percent; more than one out of every four members has no job.

In fact, Labor Department statistics tell us that for every job opening there are five individuals actively seeking employment. The odds are not very good for someone trying to find employment today. That is why we have had long-term unemployment and why we need to extend benefits to those who are in need today. Nearly 15 million of my fellow Americans cannot find work. Of that total, the number of long-term unemployed, defined as those who have been jobless for 27 weeks or more, is about 6.2 million. As of last month, two-fifths of unemployed persons have been out of work for at least 27 weeks. Behind the aggregate numbers, there is a deeper sense of despair in many communities. Teenage unemployment is over 27 percent, Black unemployment is over 15 percent, and Latino unemployment is over 12 percent.

In addition to the number of people out of work and seeking work, the Department of Labor also calculates data that includes people who want to work but are discouraged from looking and people who are working part-time because they can't find full-time employment. In October 2010, the rate stood at 17 percent in that category.

During the course of this national debate over unemployment compensation, a number of issues are in contention: those who say the jobs are there and people should continue looking; whether this should be paid for or considered emergency spending; whether we should focus on growing the economy rather than on benefits; whether it is time to end benefits because the economy is recovering; that the unemployed do not deserve extended benefits and more.

Let me address some of these issues. For those who say the jobs are there but people just aren't looking, in September 2010, almost 15 million workers were unemployed, but there were only 3 million job openings or five unemployed workers for every available job. In other words, if every available job were filled by unemployed individuals, four out of the five unemployed workers would still be looking for work. Last night we heard in this Chamber that the objection to extending unemployment benefits is because it is not paid for. It is right to extend tax breaks for millionaires and not pay for it because that somehow is an emergency situation, but extending unemployment benefits to those who are in dire need doesn't qualify as emergency spending. Historically, unemployment compensation extensions have been treated as emergency spending by Congresses and administrations going back to the Reagan administration. Families across Maryland and the Nation will tell us that when you have a mortgage that is due, when your heat is about to be cut off, when you cannot buy groceries for the family, that is an emergency situation. Their situations constitute emergencies, and we should treat them as such.

For those of my colleagues insisting extending benefits is not as important as getting the economy back on solid footing, I point out that numerous economists have pointed out the value of unemployment insurance benefits. These are dollars going back into the market, raising consumption, and creating jobs.

Let me compare it to what my Republican colleagues are saying about tax breaks for millionaires. Where is that going to benefit the economy? That money isn't going to go right back. We know unemployment benefits do go right back into the economy. The nonpartisan Congressional Budget Office has estimated that for every $1 we spend in unemployment compensation, we generate more than $1.90 back into the economy. In other words, it is a stimulus. The nonpartisan CBO has analyzed 11 different measures for their effectiveness in growing the economy, and it rates extending unemployment benefits as the single most effective tool. This helps job growth. When people receive unemployment benefits, they spend it immediately. That helps retail establishments, grocery stores, including many small businesses, and the overall economy. It is the definition of stimulus spending, and it is immediate.

With no extension, unemployed workers and their families will have less money to spend and will cut back on their purchase of goods and services, resulting in weaker sales, hurting businesses, and costing jobs.

Another sentiment I have heard expressed is, we are giving a handout to unemployed Americans. Unemployment insurance is not a handout. It is not government largesse. Unemployment insurance is just that. It is an insurance program. It is an insurance program employees and employers contribute to so during difficult times, there is money available when a person loses their job. People receiving benefits had jobs, and the time they worked is reflected in the weeks of benefits they receive. This is an insurance program. It is countercyclical. It is supposed to be available during tough economic times. That is why unemployment insurance is paid. These funds should now be available to help people who need them.

Finally, I wish to address a misconception about the amount of unemployment benefits. These are not extravagant payments. The average benefit amounts to $302 per week.

The reason we are told we can't bring this up is because we have to bring up the tax bill first. We can't get the tax bill up because Republicans are insisting we have to deal with the millionaires. The tax breaks for the millionaires are far more money than the $302 per week for someone who is on unemployment compensation. What these families receive is not a lot of money, but it is a lifeline. It keeps food on the table, heat through the winter months, and gas in the car while they are continuing to look for jobs. The extension only gives those who are eligible for unemployment benefits the same number of maximum weeks we provide others during these economic times. It does not lengthen the total number of eligible weeks of benefits.

The highest unemployment rate at which any previous Federal emergency unemployment program ended was 7.2 percent in March of 1985, during the second Reagan administration, much lower than where we are today. So where do we stand? We have passed several short-term extensions, and we need to act again. Here we are today, as 800,000 Americans across the Nation have no benefits whatsoever. Yet our Republican colleagues object. They object to a short-term extension. They object to any extension. They say: First, let's bring up the tax bill that provides breaks for millionaires, and we can't bring up the middle-income tax relief until we take care of the millionaires.

Nearly every Member of the Senate has risen to talk about the need for job creation. I believe all of us are sincere. Each of us is committed to acting on legislation that will create more job opportunities for Americans. We have passed the Recovery Act and a Small Business Jobs Act and will soon consider tax extenders that will further help businesses invest more in jobs. Rather than abruptly cutting off those still in difficult times because of the economy, we should pass at least a 1-year extension of unemployment compensation benefits. On behalf of the millions of American families who will be affected by what we do or fail to do this week, I call upon my colleagues, at the start of the holiday season, to recognize the needs of families struggling to make ends meet and agree to an extension of this essential program.

I yield the floor.

The PRESIDING OFFICER. The Senator from California.

UNANIMOUS-CONSENT REQUEST—S. 3981

Mrs. BOXER. Mr. President, the American people deserve to know why we are not legislating. We are all here, and we are not passing any bills, bills that are important to the American people; for example, a bill to keep the government operating. We are getting to the point where we are running out of time. We are not doing that today. A bill to authorize the Defense Department, here we are in the middle of two wars, we are not doing that bill. A bill to help victims of 9/11, the brave first responders who are suffering because they worked, some of them almost 24/7, in the debris that was so toxic to them, and I remember then EPA Administrator Whitman saying it was all fine, it was all safe, the air was OK. We need to help them. We are not doing that. A bill to help our firefighters, a bill to help firefighters have the dignity to be able to negotiate for their wages, a bill called the DREAM Act to help many productive young people join the military and go to college and help our country, we are not doing those either. We are doing nothing. We are not doing a bill to promote manufacturing that was offered by one of my colleagues. We are not doing a bill to give tax breaks to companies that hire unemployed workers. We are not doing a bill to end tax breaks for companies that ship jobs overseas. We are not doing the START treaty, a treaty that is endorsed by international experts from America on both sides of the aisle, including George Shultz, and people who worked for Ronald Reagan and George Bush. We are not doing that.

All these bills, including the unemployment insurance extension, which is so critical, all that is being held hostage by my Republican friends who all wrote a letter and put their names on it. I am not making this up. It is in writing. They said they would do nothing until they won tax break bonuses for those who earn over $1 million, the millionaires and the billionaires. They are holding up all this important work. To me, it is shocking. I have heard of having an objection to a bill and having a strong moral objection to a bill and holding things up. They are holding up every single thing, as my friend, Senator STABENOW, has talked about for days now.

Here is the point: Democrats have agreed to give every working American a tax break on their first $250,000 of income, every working American, up to the sky, a tax break on the first $250,000 of income. We even offered to go up to the first $1 million because some of our friends said: Oh, 250 isn't high enough. There are some small businesses in there. We investigated that, and 97 percent of small businesses would be protected with the $250,000 level. But if we go up to 1 million, all the small businesses are taken care of. We have expressed interest in going up to $1 million. Guess what. This is not enough for the Republicans in the Senate. They are fighting for those earning over $1 million, over $1 billion. It doesn't matter. They are holding everything hostage.

Let's be clear. They are fighting, they are united, they are strong, they are adamant on behalf of the billionaires of this country, by the way, many of whom said: Please, we don't need any more tax breaks. We are doing great.

So if ever people wanted to know which party fights for whom, this is it, folks. This is the clearest example I have ever seen in my life.

Do you know that under the Republican plan a family earning $10 million a year—listen, $10 million a year—will get back, under their plan, $460,000 every single year? They are fighting for that.

They say they care about the deficit. I do not see that because their position on tax cuts for millionaires and billionaires will add hundreds of billions of dollars to our deficit. But when you ask them whether they would be willing to help us to extend unemployment benefits to the workers who are caught in this deep, dark recession, they say: Oh, we can't afford it.

So listen, they will not pay for the tax cuts to their millionaire, billionaire friends, but they insist on cutting the Federal budget to pay for extending unemployment insurance, which, as far as I know, has never been done before. It is an emergency funding, and it is, by the way, $50 billion compared to $400 billion.

So I hope the American people—I know they have a lot of things to do, getting ready for the holidays and caring about families; unfortunately, many of them are worried this holiday; more than 400,000 workers in California will lose their unemployment benefits by the end of December—I hope they see who is fighting for them versus who is fighting for the millionaires and the billionaires. It is right out there.

I could not believe that one of my colleagues from the other side of the aisle, from Massachusetts, was outraged that we tried to extend unemployment benefits. Why is he outraged? He should be outraged that more than 2 million workers nationwide will lose their benefits by the end of December. We just got a report that 7 million unemployed workers could be denied access to benefits by the end of next year, while my Republican friends are fighting to get $460,000 a year for someone who earns $10 million. They would allow 7 million unemployed workers in our country to go without benefits.

Their proposal is: Well, let's cut a program. Well, ask any economist about that. That is harmful to an economic recovery. We know that for every $1 of unemployment insurance that gets spent, it has an impact of $1.61 to the economy because folks on unemployment are not like the $10 million-a-year family that is going to stick it in their trust fund; they are going to spend it in the corner grocery store, and that has a ripple effect throughout the economy.

I wish to read to you a statement by Laura from Long Beach, one of my constituents.

> Today my parents' unemployment benefits expired. Today, I don't know how they're going to make it. I don't know what I'm going to do.
>
> This morning I woke up to hear that the Republicans in the Senate have signed a letter pledging not to allow anything to pass until Bush tax cuts are reinstated. These are the same tax cuts that only help people who are employed, excessively wealthy, and people who will never hire my dad, who is a hard worker—but nearing 60.
>
> He experienced losing his job when a lot of Americans did. Since then, he's been working low paying jobs at local businesses—businesses that little by little have had to cut back. Unfortunately, this usually means that they fire their newer employees—employees like my dad.
>
> Since losing his job, his 10 year old car has quit working, leaving him bereft of transportation and making it even more difficult to find a job. My mom isn't as healthy as she used to be and can't work because she needs to provide childcare for my sister, who works hectic hours in the healthcare industry.
>
> I'm currently in graduate school—the first of my family to graduate from college. My husband and I are debating whether or not I need to drop out so that I can help provide for my parents, who currently live out of state.
>
> Suffice it to say, when I read the news this morning, I broke down in tears.

Let me divert. She heard about the letter from the Republicans saying they would do nothing until these tax cuts went in, and she broke down in tears. She said:

> My family has lived a hard life, and this just made it harder. But really, I'm crying because I can't believe that this is what my country has come to—or more importantly, this is what my father's country has come to.
>
> . . . . He was raised believing that this country was the best country in the world—that it would always look out for the best interest of its people. He served in the military, bought American cars, and worked at the same job for over 20 years. So as much as I am writing this letter because I'm upset about my own familial circumstances, I'm equally interested in writing you to remind you of the middle class—and those of us who are slipping out of it.

I have a number of other letters, but I know other colleagues are here. But no one could be more eloquent than Laura and I want to thank her and everybody else who wrote to me and I

will come back again during the time we are in session to put these letters in the RECORD.

But in summing up, it is very clear where we are. My Republican friends, to a person, have all signed on to a strategy, and that strategy is to keep us from passing very important legislation, including an unemployment insurance extension, including the Defense bill, including the START treaty—everything I put in the RECORD—until they get their tax cuts for millionaires and billionaires. That, to me, is a shame. They have a right to do it. I support their right to do it. But I also think the American people ought to know what is going on.

With that, Mr. President, I ask unanimous consent that the Finance Committee be discharged from further consideration of S. 3981, a bill to provide for a temporary extension of unemployment insurance provisions; that the Senate proceed to its immediate consideration, the bill be read a third time and passed, and the motion to reconsider be laid upon the table with no intervening action or debate, and any statements related to the bill be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

The Senator from Wyoming.

Mr. BARRASSO. Mr. President, reserving the right to object, there are a couple ways we can help people who are currently looking for work. One is by extending unemployment benefits for those who have been out of work now 99 weeks. This is what the extension is about: for those who have already——

Mrs. BOXER. Is there an objection?

Mr. BARRASSO. Mr. President, reserving the right to object, as I have just heard from my colleague, would the Senator agree to include an amendment that has been proposed by Senator BROWN that would offset the cost of the bill with unspent Federal funds, the text of which is at the desk? Would the Senator include that amendment that has been proposed?

Mrs. BOXER. Absolutely, I would not agree to that modification. It goes to the very point I was making. They want to give tax breaks to millionaires and not pay for it, but they are forcing cuts in other jobs programs here. It would only make a worse recession and I object and I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. BARRASSO. Thank you, Mr. President. So I do object to the motion by the distinguished Senator from California.

As I was saying, there are two ways to help those who are looking for work and one of which is to improve the economy. We can do that by giving some certainty—certainty—to people who provide jobs, who build businesses, who create opportunities, the job-creating sector of this country. We can do that by giving them certainty regarding what their tax rates will be come January 1. Right now there is an incredible amount of uncertainty.

The second way is to deal with the unemployment benefits for those who have been out of work now 99 weeks because that is what this is about. These are people who have been collecting unemployment benefits for 99 weeks. I will tell you, there are people across the Nation having a tough time due to this poor economy. I wish to see the economy improve.

The national unemployment rate in October was 9.6 percent. Today's front page of USA Today says: ''Jobless data could break '80s record''—a record from the 1980s. ''November was likely 19th month above 9 percent.''

Mrs. BOXER. Will the Senator yield for a question—please, a very quick one?

Mr. BARRASSO. Yes, Mr. President.

Mrs. BOXER. I thank the Senator so much, and he is my friend.

I just want the Senator to understand this extension is not for anything beyond 99 weeks. Believe me. It is up to 99 weeks. We do not have any extension beyond 99 weeks. I just wanted my friend to know that.

Mr. BARRASSO. Thank you, Mr. President. I appreciate the comments of the Senator from California. Senator BROWN, who occupies the desk next to mine, was on the floor talking about this just 2 nights ago and does want to work to extend unemployment benefits and to do it in a way that is paid for. That is why I came to offer the amendment to the Senator from California to say: Well, let's do it but do it by paying for it using unspent Federal funds, the text of which is at the desk.

We need to pay to extend this. But what we need to do is stimulate the economy because of what we see on the front page of USA Today about ''Jobless data could break '80s record'' and ''November was likely 19th month above 9 percent.'' We need to give certainty to business.

My colleague from California made comments about a letter signed by 42 Republican Senators. In fact, I did sign that. All the Republican Members of the Senate signed it. In the first paragraph it says:

> President Obama in his first speech after the November election said ''we owe'' it to the American people to ''focus on those issues that affect their jobs.'' He went on to say that Americans ''want jobs to come back faster.''

That is why 42 of us signed the letter. Let's focus on that. Let us get that done. Let us provide that certainty. If after that is done the majority party wants to go and address the issues of don't ask, don't tell, wants to talk about the DREAM Act, talking about incentives for illegal immigrants with college education, if they want to talk about issues of firefighters joining unions, fine. But let's get to the fundamentals of what the American people want to have dealt with. That is why I was happy to offer an amendment to my colleague from California to say pay for it, and then we can move on. Because businesses need that sort of certainty.

I heard her many comments about taxes, and I believe you should not raise taxes on anyone in the middle of economic times such as these. My colleagues on this side of the aisle all agree and there is actually bipartisan agreement that you should not raise taxes on anyone in the middle of economic times such as these.

The newest Members of the Senate—and since the election there are now three new Members who have been sworn in; two on that side of the aisle, one on my side of the aisle—are unanimous in saying one should not raise taxes on anyone during these economic times.

Senator MANCHIN from West Virginia said: ''I wouldn't raise any taxes.''

Senator COONS from Delaware said: ''I would extend them [the tax cuts] for everyone.''

So when I look at this and also see statements by JOE LIEBERMAN from Connecticut, Senator BEN NELSON from Nebraska, Senator JIM WEBB from Virginia, Senator EVAN BAYH from Indiana, Senator CONRAD from North Dakota, it is a growing chorus of Democrats saying: One should not raise taxes on anyone during these economic times.

We need to give certainty to the job-creating segment of this Nation. We need to do it in a timely manner. With it only being 4 weeks until the end of the year and people wanting to know what is going to happen with their taxes, I think the best thing this body could do is to provide that certainty.

So with that, I notice a number of colleagues who are waiting to speak and I yield the floor.

The PRESIDING OFFICER (Mrs. SHAHEEN). The Senator from Michigan.

Ms. STABENOW. Madam President, I agree with my friend from Wyoming. We need certainty in the marketplace, and we are happy to do that. We are happy to create certainty right now that middle-class taxpayers and small businesses will be able to receive tax cuts permanently into the future, that we will be able to extend those tax cuts.

We also believe it is important to give certainty to people who are out of work through no fault of their own, who yesterday began to lose unemployment benefits. Now, I personally believe, as long as the economy is as sluggish, as slow, as challenged as it is, we ought to extend benefits beyond 99 weeks. But the bill in front of us is not that. It is the bill Senator BOXER talked about, which is just the basic program. The program basically says, if you lose your job today you have the same opportunity to receive some temporary help as the person who lost their job on Monday or Tuesday because, right now, the Republicans have been blocking us from even extending the basic program for anyone who is newly unemployed, newly out of work.

So I think people who are out of work at this holiday season would like some certainty.

I was interested in a story in the paper today—I believe it was today—quoting the Michigan Retailers Association concerned about Christmas and the inability to have unemployment benefits extended would directly relate to the ability of families to have any kind of opportunity to have Christmas, and it would affect retailers and small businesses. They would like to see some certainty. I would also like to see a more robust effort and certainty as it relates to jobs.

When we look at the way to stimulate the economy, the way to create jobs, the budget folks tell us the No. 1 way right now to keep the economy going is to help those who have no choice but to spend the dollars in their pockets. That is somebody who is out of work. That is the No. 1 way to stimulate the economy, to try to keep things moving, and certainly we have heard that from our retailers. On a long list, the least effective was to give another bonus tax cut to millionaires and billionaires. That was the least effective.

So I agree we want economic certainty. What I would love to see is to take those dollars that have been ineffective for 10 years—and we know that simply because it hasn't created jobs. I have lost over 800,000 jobs in Michigan, 10 years of tax cuts for millionaires and billionaires. I have one question: Where are the jobs? If my colleagues can answer that, I am happy to support that policy.

What I would suggest as an alternative is that now, just a little under 2 years ago, we invested in the recovery to, for the first time in many, many, many years, invest in American manufacturing: battery manufacturing, new clean energy manufacturing, making things in America, making things at home. And we are beginning to see every month now manufacturing slowly coming up. The investment in the American automobile industry has paid off for us in turning things around, in keeping manufacturing jobs here. We are moving from 2 percent of the manufacturing of advanced battery technologies in America to 40 percent of the world's manufacturing in 5 years because of a strategic investment.

I am happy to talk about those kinds of investments, but what we have heard from Republican colleagues is that they are willing to risk everything. They will risk everything to get another tax cut, a bonus tax cut on top of the one everybody is going to get if we extend tax cuts for the first $250,000 in income per couple. They want a bonus tax cut, and they are willing to risk everything and stop everything if they can't get it. So it is very clear what their priorities are.

I can speak from Michigan that these are not our priorities. When I look at our manufacturers, our suppliers; when I look at small businesses; when I look at families who are struggling to keep their homes to stay in the middle class—maybe trying to get into the middle class—working families, their priority is not to give somebody making $1 million a year another $100,000 bonus on top of the regular tax cut.

So what are we talking about? We are talking about everything being risked for tax cuts for millionaires and billionaires. What are some of the things we are risking? Another $700 billion on the national debt. If we want to deal with the debt—and I don't know about my colleagues, but I heard an awful lot about the debt, concern about the deficit in this last election and through this last year. There were concerns when we were investing in manufacturing, investing in other things to create jobs, helping small businesses; the tax cuts for small businesses, lending for small businesses. We heard an awful lot from the other side of the aisle about the fact that we shouldn't be doing these things because of the deficit. The most important thing was the deficit.

I am not willing to be lectured about the deficit. I voted to balance the budget when I was in the House under President Clinton. We handed President Bush a balanced budget, the largest surplus in the history of the country. So I am not willing to accept that. I have great concern about the deficit, but that concern means I don't want to see $700 billion put on the national debt for a bonus tax cut for millionaires and billionaires.

So they are willing to risk the national deficit. They are willing to risk jobs. Again, the least stimulative way to create jobs is to put another bonus round of tax cuts in the hands of millionaires and billionaires who, if they invest it—we don't know whether it will be overseas, taking jobs overseas or where it will be—but we know it hasn't trickled down to the people I represent, certainly, in Michigan.

The sense I get from the other side of the aisle is that they think we just haven't waited long enough; we haven't waited long enough for it to trickle down. Well, we are tired of waiting. We are tired of waiting, and we are tired of an economic policy of tax cuts geared to those up here when it doesn't work and we are losing jobs. Under that policy of trickle-down economics, Michigan lost over 800,000 jobs in the last 10 years. I am tired of that. I want to see a policy that is going to work. That one hasn't worked. I don't see why in the world we are willing to extend it.

They are willing to hold up the tax cuts for middle-class families and small businesses. Again, I am not willing to be lectured about small business when we have seen 16 different small business tax cuts filibustered in the last 2 years on the other side of the aisle; eight tax cuts in the small business jobs bill that only two colleagues from the other side of the aisle courageously stepped over to support. So we understand the importance of small business.

Social Security and Medicare: We have a debt commission that has a number of proposals that are very difficult on Social Security and Medicare, and that is based on the deficit we have now not another $700 billion. I wonder if my colleagues are willing to support cuts in Social Security and Medicare, additional cuts to pay for their tax cuts for millionaires and billionaires. I don't know. Is that what they are suggesting? It certainly is something that could happen if we add another $700 billion.

Then there is the one we have been talking about that is not an economic issue but a moral issue for us as a country: Are we going to help folks who have gotten caught up in this country and who find themselves in a situation that is unprecedented through no fault of their own? They didn't cause the recklessness on Wall Street. They were not the ones who made the decision not to enforce trade laws in a fair way or tax policy that allows jobs to go overseas.

The people in my State were not the ones who made any of the decisions that caused the situation they are in. Yet Wall Street did pretty well. A lot of folks did pretty well. A lot of folks now are back doing very well.

The folks left holding the bag are working families, folks who have been in the middle class and are now mortified because they have to go ask for help at a food bank for the first time in their lives. That is not an unusual situation in my State; people who have always worked, who want to work but find themselves in a situation, because of the economy, they did not create; where they now have to ask that our country be willing to support them at this time for their families until we can turn this economy around. Who are we if we are not willing to do that as a country?

Frankly, I am embarrassed we are having a debate on the floor of the Senate about whether to extend help for somebody who has lost their job, the bread winner who no longer can bring home the bread versus a $100,000 bonus tax cut for a millionaire next year, and whatever it is for billionaires. I find that embarrassing, and I find it more than that, actually. If ever we are going to talk about our values and priorities and get them right in terms of what affects the majority of Americans, it ought to be when we are looking at these choices.

People in my State want to work. They want us to focus on jobs. They want us to partner with business. They want us to do those things; when it is necessary, stand back, get out of the way; stand up and partner, do all of the things that will allow us in a global economy to compete, to be able to make things in America and, of course, I prefer they be made in Michigan. But they want jobs. They want the economy to turn around.

Nobody is out there asking for a handout. They do want us to understand what they are going through and to be willing to have the same sense of

urgency about the average family in this country as we did for the Wall Street banks. That is ultimately what we are talking about on this floor, is what the priorities are going to be.

Our colleagues have sent a letter, with everybody signing it, saying they are not willing to do anything else. They are not willing to extend unemployment benefits. Two million people started losing their benefits yesterday—temporary help, by the way—$250 to $300 a week, which just barely kind of maybe keeps the heat on, because it is getting cold in Michigan, and a roof over their heads while they are desperately sending resumes out all over the country.

I get on planes now with people who are flying all over the country because they want to work. They are flying all over the place and coming home on the weekends, trying to find work. Our colleagues say: Well, you know what. Forget them. They need to wait because the most important thing is extending the tax cuts for the wealthiest people in our country.

I happen to—as we all do—know a lot of people in that category who say to me: I am willing to do my share. I am not asking you for this. I am willing to do my share. I have done well. I understand we have a national deficit. I understand we have a country that has a lot of challenges right now, and I am willing to step up and do my part. So this is not trying to beat up on people or demagogue against people who have worked hard, in many cases, and done well for themselves. But it is about having a set of priorities about what is important. In the few days we have left between now and the end of the year, what is the most important thing we could be doing?

I know other colleagues wish to speak. Let me just say, in my judgment, we can create certainty. It certainly doesn't have to be extending tax cuts for millionaires and billionaires. It certainly can be extending tax cuts for the middle class and small businesses, creating certainty with the R&D tax credit for those who want to innovate and invest. There are other kinds of certainty we can create for businesses in our Tax Code. We need to do that before the end of the year.

We need to remember that there are a whole lot of families right now who are trying to create some certainty in their lives about whether they can put up a Christmas tree because they are still going to have their house. That is not rhetoric; that is happening to people. We as Democrats are not willing to risk all this. The Republicans may be willing to risk everything to give a bonus tax cut to millionaires and billionaires, but we are fighting for everybody else.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Madam President, are we in morning business?

The PRESIDING OFFICER. We are.

Mr. DORGAN. I ask unanimous consent to speak for 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNRESOLVED ISSUES

Mr. DORGAN. Madam President, I wanted to take some time today to talk about some issues that have been around for a number of years and remain unresolved in a way that I believe is very detrimental to our country and our citizens.

There is a lot of discussion these days about deficits and debt at the Federal level. We have a $13 trillion Federal debt and a $1.3 trillion deficit this year. We have a fiscal policy that is in great difficulty. The discussion these days is about extending tax cuts—by the way, none of which is anticipated in the budget numbers that are already unsustainable, showing large debts for the long term. Extending all of the tax cuts that were scheduled to expire this year will add $4 trillion to the $13 trillion debt that already exists. The reason I mention the fiscal policy issue is, when we talk about debt and deficits, most people talk about the need to cut spending. We also need some additional revenue from those who are not paying their share. But we do need to cut spending.

I believe I have held 21 hearings as chairman of the Democratic Policy Committee over recent years—21 separate hearings on the subject of waste, fraud, and abuse in contracting in the wars in Iraq and Afghanistan. Much of it still goes on in terms of the work with the Pentagon on this contracting issue.

I have just received a letter from the inspector general at the Pentagon, who is looking into one of the issues of the last hearings—the issue of soldiers and contractors who were exposed to sodium dichromate, a chemical that was the subject of the movie ''Erin Brockovich,'' soldiers who were exposed and not told they were exposed to that deadly carcinogen and some of whom have already died. They were both National Guard and Regular Army soldiers.

In the context of doing a lot of these hearings, I have discovered and I believe that throughout the last decade, we have seen the greatest waste and fraud and abuse in the history of this country. It has contributed immeasurably to this overspending and deficits and debt. I wanted to talk about that work we did, myself and my colleagues, over 21 separate hearings.

At one of the hearings we held, we had testimony from a man who, in Iraq, was responsible for rooting out corruption in the Iraqi Government. His name was Judge al-Radhi. I have a photograph of Judge al-Radhi. He testified in this country. He testified that in his work as head of the anticorruption unit in Iraq, he found that $18 billion was missing, most of it American money, most of it coming from the American taxpayer.

Just missing. Now, why was he here in the country testifying at a hearing I held? Because he got booted out of Iraq, and he got no support from the U.S. Government as he was booted out of Iraq, and he ended up in this country. But he is the person who was supposed to be rooting out and investigating and prosecuting waste and fraud and abuse.

His investigations and the investigations of his staff—some of whom were assassinated, some of whose families were killed—show there was $18 billion—$18 billion—missing, and most of it was American money. Well, that is the story about Judge al-Radhi.

We had a hearing early on in this process and talked about the issue of contractors and contracting. As you know, in the early part of the war in Iraq and in Afghanistan, money was just shoved out the back door of the Pentagon, hiring contractors, very large contracts, in most cases no-bid, sole-source contracts.

A very courageous woman came to testify before our committee. Her name was Bunnatine Greenhouse. She was the highest civilian official at the Army Corps of Engineers, the highest civilian official in the Pentagon in charge of contracting. Here is what she said. She objected to the way the Pentagon was doing these contracts, massive contracts, sole-source, a massive amount of money, and she watched as the normal processes were avoided and ignored. She testified in public:

> I can unequivocally state that the abuse related to contracts awarded to Kellogg, Brown & Root represents the most blatant and improper contract abuse I have witnessed during the course of my professional career.

This is an extraordinary woman, the highest civilian person in the Army Corps of Engineers. She was in charge of contracting. Two master's degrees, came from a family in Louisiana. All three kids have advanced degrees. Her brother, by the way, was one of the 50 top professional basketball players in the last century, Elvin Hayes. Bunnatine Greenhouse. Remember that name. A very courageous woman, she saw abuses, spoke about it publicly, and for that she lost her career. She gave up her career. She was told: Resign or be fired.

Let me talk about what she meant when she said the most unbelievable abuses she had seen in contracting. I want to do it starting small because then I am going to talk about billions of dollars.

But at one of our hearings, we had a man who kind of looked like a bookkeeper at a John Deere dealership in a

small town. He was kind of a good old guy with glasses, and he had been in charge of purchasing for Kellogg, Brown & Root or Halliburton over in Kuwait, purchasing the things our troops needed in Iraq. He came and testified, and he said: You know, as I was purchasing things, I was told by my employer, Halliburton: Don't worry what the cost is, the taxpayer pays for this. This is cost-plus.

So he told us a number of examples, big examples, but he brought a small one that I thought reflected the entire attitude.

This is a towel. I ask unanimous consent to show the towel on the floor of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. This is a towel. Halliburton was to purchase towels for the troops, hand towels. You know, they were purchasing hand towels to be awarded to the troops. So he ordered some white hand towels for the troops, and his boss said: Well, you can't order those white hand towels. You have to order the hand towels that have the logo of our company, ''Kellogg, Brown & Root,'' on the hand towel.

Mr. Bunting said: Yes, but that would quadruple the cost.

His boss said: That doesn't matter. This is a cost-plus contract. Order the towels. Put our company name on them.

I mean, this is such a small but important symbol of the behavior that went on for most of the decade that fleeced the American taxpayers.

We had a hearing in which we were told by a food service supervisor of Kellogg, Brown & Root that Kellogg, Brown & Root charged the Federal Government for serving 42,000 meals a day to American soldiers but they were only serving 14,000 meals. They were charging the taxpayer for 42,000 meals—according to this supervisor who was on the ground and then left the company in disgust—they were charging the taxpayers, the American Government, for 42,000 meals a day for soldiers and serving only 14,000 meals a day.

We had testimony about brand new $85,000 trucks being left on the side of the road to be torched because they had a flat tire or a plugged fuel pump. Why? Cost-plus. A new truck. Taxpayers will buy another one.

There was a company called Custer Battles to which the previous administration and the Pentagon awarded over $100 million in security contracts. We had a man named Frank Willis who came to testify at a hearing I held. Frank Willis was a classic example of a guy who went to Iraq to see if he could do some good and wanted to be helpful to our government's effort in Iraq. He showed us a photograph, which I thought I had—I think we probably do not—a photograph of $2 million which was in the basement of the building in which he worked. They had cash, only cash, and their message to contractors in Iraq was, you bring a bag, we pay cash. And he showed me a photograph of $2 million, hundred-dollar bills wrapped in Saran Wrap that he said they occasionally threw around the office as a football—$2 million sitting on the table, American taxpayers' money. By the way, much of that was loaded on pallets and flown over to Iraq in C–130s. There were even stories about people dispensing hundred-dollar bills out of the back of pickup trucks. So it was.

Custer Battles went on to be charged with defrauding the Pentagon, of massive over billing. We had a witness named Robert Isakson who said that Custer Battles had handed in $10 million in fake invoices for about $3 million of work. In one example, the company was charged with taking forklifts that they found—they were to provide security for the Baghdad Airport. They took forklifts they found in a building at the Baghdad Airport—they received the forklifts for free because they took over the security. They got the forklifts, took them someplace, painted them blue, and then sold them back to the U.S. Government.

The case against Custer Battles was thrown out of court on procedural grounds, and a new case is now pending, as I understand it, before the Fourth Circuit.

We had testimony before this committee about something called The Whale. It is a prison in Khan Bani Saad. I want to show what we have in Iraq. Our country—that is, the coalition provisional government, which was us; we set it up in Iraq and we ran it—said: We are going to build a prison in Iraq, Kahn Bani Saad prison.

The Iraqis said: We don't want a prison there.

We said: We are going to build a prison anyway.

So we spent $40 million of American money on this. Two contractors ended up getting $50 million total, and here is what it looks like right now in Iraq. It has never been used, never will be used. The Iraqis didn't want it. But our country dumped nearly $50 million into this project.

You know, the question is, Who is accountable for that? Who is going to answer to it? And I have watched now, holding 21 hearings over a decade and finding that very few are held accountable for this kind of thing. This prison was built of a scale to house 3,600 inmates. It will never be finished. As you see, you have just a shell of some cinder blocks, and the American taxpayers are out about $50 million.

We heard from witnesses about the Parsons Corporation, which got a $243 million contract to build or repair 150 health clinics in Iraq. Two years later, the money was all gone, and there weren't 150 health clinics, there were 20.

I had a doctor, a very brave, courageous physician, come to this country to testify to what he saw of the ones that were completed. Unbelievable. So what happened to the money? The American taxpayers lost the money. Did this improve the health of the Iraqis?

The physician who came to testify said he went to the Minister of Health in Iraq and said to the Minister of Health: Where are those clinics, because I am told the Americans have spent $243 million to build health clinics. Where are the clinics?

The Iraqi Health Minister said: Well, most of them are imaginary clinics.

Yes, but the money was not imaginary. The American taxpayers' money is gone.

We had several hearings on the issue of Kellogg, Brown & Root. And I mention them because they got the biggest contract, sole-source contract. That is why they are the ones that are mentioned the most. They were providing water treatment to the military facilities in Iraq. So our solders are in military camps in Iraq, and KBR gets the water treatment contract. It turns out that the nonpotable water they were providing to soldiers in the camps that we had a hearing on was more contaminated than raw water from the Euphrates River.

We actually had, from a whistleblower, the internal memorandum from Kellogg, Brown & Root, by the guy who was in charge of the water contract in Iraq, and in his memorandum, he said this was a near miss. It could have caused mass sickness or death. But publicly, they said it didn't happen. The Defense Department said it did not happen. But it did happen, and I asked the inspector general to investigate it. He did. He did a report and said that both the Defense Department and Kellogg, Brown & Root were wrong. It did happen, in fact. That kind of contaminated water was being served to the troops because the contract was a contract that was not provided for appropriately by the company. The company was taking the money and not doing what it was supposed to do with the water.

By the way, in the middle of these hearings, while the Department of Defense, Department of the Army, as well as Kellogg, Brown & Root were denying it all, I got an e-mail here in the Senate from an Army doctor, a captain, and she wrote to me and said: I am a physician in the camp. I had my lieutenant follow the water line to find out what was happening because I had patients here who showed that they were suffering diseases and suffering problems as a result of contaminated water.

So that came from the physician who was in Iraq on the ground.

So despite all of the denials, the inspector general finally issued a report saying: No, no, the Defense Department was wrong, as was Kellogg, Brown & Root. A contract to provide water to these soldiers across Iraq at the Army camps was not being appropriately handled, and very contaminated water was going to those camps.

The list is almost endless. I know there is a photograph I have shown on

the floor previously because it is another contract to provide electrical capabilities to the Army camps. When you put up an Army camp, you have the need to provide electricity. And I held two hearings on this subject.

This is a photograph of SGT Ryan Maseth—quite a remarkable young man, a Green Beret from Pennsylvania. He is shown there with his mother, who is a very courageous woman as well. He was killed in Iraq, but Sergeant Maseth wasn't killed by a bullet from an enemy gun; Sergeant Maseth was killed taking a shower. He was electrocuted in a shower. And it wasn't just Sergeant Maseth; others lost their lives as well—electrocuted in a shower, power-washing a Jeep.

The fact is, what we discovered when we held the hearings was that the work that was done to provide electricity and to wire these camps was done in some cases by people who didn't have the foggiest idea what they were doing. Third-country nationals who couldn't speak English and didn't know the first thing about electricity were working on these issues.

The Army originally told Mrs. Maseth that her son died, they thought, because he took an electrical appliance into the shower. No, he didn't. He was killed because shoddy electrical work was done that ended up killing this soldier.

Now, Kellogg, Brown & Root denied that, as did the Defense Department. The inspector general did the report and said: Oh, yeah. Yeah, that sure did happen.

In fact, let me show you what the inspector general has said.

This is from Jim Childs, master electrician hired by the Army Corps of Engineers, to inspect this electrical work for which the American taxpayer paid a bundle. Jim Childs, master electrician, went in after I held the hearings. He said:

> [T]he electrical work performed by KBR in Iraq was some of the most hazardous, worst quality work I have ever inspected.

Let me show what Kellogg, Brown & Root said:

> The assertion that KBR has a track record of shoddy electrical work is simply unfounded.

The inspector general did the inspection. We had to redo much of the work in Iraq and Afghanistan, inspect it all and redo much of it. In the meantime, people died. We have demonstrated that there is evidence of shoddy work in a range of areas. Yet the contractors continue to be given additional contracts. For the shoddy electrical work for which some soldiers gave their lives, this contractor was not only given the money from the contract but bonus awards for excellent work. I have tried very hard to get the Pentagon to take back those bonuses, unsuccessfully. But the reason I am going through this is to point out that we have for a decade now been shoveling money out the door at a time when we are deep in debt, spending a great deal of money on the defense of this country, on the Defense Department, on the war effort, and so on. A substantial portion of that which goes out the back of the Pentagon in the form of contracts has represented the most egregious waste in the history of the country.

One of my great regrets is that we did not—and we should have; I tried very hard—ever get constituted a Truman-type committee which existed in the 1940s to investigate this sort of spending and to try to shut down spending that is not only injuring our troops and disserving them but injuring taxpayers.

I started by talking about the issue of sodium dichromate. We think about 1,000 soldiers were at risk at a place in Iraq that is called Qarmat Ali. Some have died. Those soldiers who were at Qarmat Ali told of seeing something like sand blowing all over the place. It was red, however. That was the sodium diechromate, a deadly carcinogen. It is the subject over which a movie was made called ''Erin Brockovich.''

We have tried for a long time to get the Pentagon to be as active and involved as they should be with respect to the health and safety of those 1,000 soldiers who were potentially exposed. Like most of these issues, they have been very slow to respond.

My point is twofold. One is about supporting America's fighting men and women, doing what is right for them. There have been a number of people in the Pentagon—one of whom testified before the Armed Services Committee in the Senate and who I strongly believe knew he was not telling the truth. He was a general, as a matter of fact. There have been a number who have denied virtually all of these circumstances. Yet inspectors general have investigated and said they are wrong.

Obviously, the contractor denies these things. The contractors have gotten wealthy doing this. We have had whistleblowers come in. A woman came in and told us she was working at a recreational facility in the war theater, and that is at the base. There is a facility where you can play pool and ping-pong and do various things. It was a facility with many different rooms. She worked for Kellogg, Brown & Root and she was to keep track of how many people came in because they got paid based on how many people came in.

She said: What they told me to do was to keep track of how many people came in to each room, and that is what we billed the government for. If somebody came in and went through three rooms, the government was billed for three visits. I went to the people in charge and said: This is fraud. We can't do this. We are defrauding the government. They immediately put me in detention in a room under guard and sent me out of the country the next day.

It is the story of virtually all the hearings we have held.

The point is twofold. One is to protect America's soldiers and do right by the men and women who have gone to war because this country asked them to. Secondly, on behalf of the American taxpayer, to decide if we are choking on debt and deficit, to continue doing what we know is wrong, shoveling these contracts out the door without adequate accountability is something we have to pay attention to.

Secretary Gates has tried more than others. When I began these hearings, which stretched into 21 hearings, the then-Secretary of Defense had virtually no time for these issues. I have had an opportunity to talk to Secretary Gates. I know he has tried very hard to make changes. Moving the Pentagon on these issues is very difficult. There is a relationship always between the Pentagon and the largest suppliers and largest companies and contractors with whom they do business. My experience has been we can have the goods and have them red-handed. We can have internal memorandum from the company itself that says they screwed up, could have caused mass sickness and death, but publicly they will say none of this happened. It is about deception, about lying, about cheating taxpayers, and about not standing up the way we should stand up for America's fighting men and women. This Congress needs to do much more. Congress needs much stronger oversight, much more attentive oversight on this kind of spending.

I went back and read the Truman committee work. Harry Truman was a Senator. At a time when a President of his own party was in the White House, he insisted that they establish the Truman Commission, of which he became chairman. He insisted on getting a committee to investigate waste in the Pentagon. They eventually created the committee, and they made him chairman. They held 60 hearings a year for 7 years. The committee was started with $16,000. In today's dollars, it saved $16 billion. Think of that. There is way too little oversight going on on these issues. I have just scratched the surface in the 21 hearings I chaired. Many of my colleagues were in those hearings. This country deserves better.

One of the significant responsibilities of Congress is not just to appropriate money and evaluate what money needs to be appropriated for but to do oversight. When we send money out the door, this Congress needs to do better oversight. What I have discovered and decided is that oversight is sadly lacking at the Pentagon. There are too many men and women, including Bunnatine Greenhouse, who gave up their careers and lost their jobs because they had the courage to speak out and say: This is wrong, this is fraud, this is cheating, this undermines our soldiers. There are too many men and women who gave up their careers because they had the courage to do that. We have whistleblower protections, but in many cases it doesn't work the way it should. There is much for us to do.

I will not be chairing additional hearings because my 30 years in the Congress will be done at the end of this month. It has been a great privilege to be here. But as one can tell, I believe passionately in this issue, about our Federal deficits, about spending, about accountability, but most especially about doing things that support the soldiers we ask to go to war.

This has been an abysmal record. In this decade, the amount of money spent on contractors—in many cases with no-bid, sole-source contracts that were negotiated under the most abusive conditions and in violation, in many cases, of rules, according to the highest civilian official in charge of contracting—has been a disgrace. This country needs to do much better.

The work I and a number of my colleagues did holding these hearings has in many ways held up a spotlight and tried to shine it on the same spot. We have cajoled, embarrassed, and pushed, and I think we have made some progress. But so much more needs to be done and can be done. My hope is this work will continue.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. COLLINS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENDING TAX CUTS

Ms. COLLINS. Madam President, unless Congress acts, this new year will begin with the imposition of an onerous new tax burden for American families. They will face an automatic tax increase of nearly $2.7 trillion—one of the largest tax increases in history—when the 2001 and 2003 tax laws expire.

This tax increase will hit all American earners regardless of their income level and regardless of whether they are married or single, retired or working or salaried or hourly employees.

It is my judgment that the 2001 and 2003 tax relief laws should be extended for all Americans. With the economy still weak, and with unemployment persisting at nearly 10 percent, now is not the time to be raising taxes on anyone.

Some argue that Americans in the higher tax brackets should not be protected from this tax increase. But that argument for higher taxes come January 1 ignores the fact that a tax increase on top earners is a tax increase on small businesses and, thus, a tax on jobs at a time when we should be doing everything possible to stimulate the creation of more jobs.

As you are aware, most small businesses are passthrough entities. They are sole proprietorships, partnerships or S corporations that must report their earnings on their owners' individual tax returns. According to the Joint Committee on Taxation, there are some 750,000 passthrough small businesses in the top two tax brackets. Higher taxes hurt these small companies by taking away capital they need to grow and to add jobs.

In Maine, there are numerous small businesses that would be hurt by this tax increase. One is D&G Machine Products, a precision design machining and fabrication operation located in Westbrook, ME. Founded in 1967, this company now has more than 130 highly skilled and dedicated employees. When I visited this company in August, the owner, Duane Gushee, expressed to me his concerns about the impact higher taxes would have on his growing business. He explained that D&G competes with companies all over the world for markets and customers. Without constant innovation and investment in cutting-edge technology, D&G would lose its customers and the jobs of its employees would be in jeopardy. The tax increase that would go into effect unless we act would hit D&G on January 1 and would take money out of its bottom line—money that is needed to upgrade its equipment and stay ahead of foreign competition.

Another business that would be hit hard is Pottle's Transportation, a trucking company headquartered in Hermon, ME. This company was founded in 1972 and now has more than 200 employees with 150 trucks.

Barry Pottle, who runs this business, tells me that Pottle's needs to purchase 25 to 30 trucks every year just to maintain its fleet. New trucks used to cost the company about $100,000. But in the past few years, the cost has escalated by another $25,000. The tax increase scheduled for January 1 would make it difficult, if not impossible, for Barry to make these investments.

Other Maine businesses have come forward to highlight the impact a tax increase would have on their ability to grow their businesses and to add much needed jobs.

One of these is Allagash Brewing Company, a craft brewery located in Portland, ME. Founded in 1994, Allagash has grown to 28 employees and has established a reputation for uncompromising quality as one of the finest producers of Belgian-style beers in North America.

Similar to most small businesses, Allagash relies on its retained earnings to finance investment and growth. As Rob Tod, the co-owner of Allagash puts it:

> There's plenty of demand for our product, but we can't fill demand without equipment, and we can't buy equipment without money.

When small businesses cannot invest and grow, they cannot add jobs, and that is what our focus needs to be on: the creation of policies that will help the private sector to create jobs.

Rob estimates that every 1 percent increase in Allagash's tax rate means one fewer worker for 5 full years. Stated another way, the tax increase slated to occur on January 1 would wipe out jobs for five workers for 5 years just at this one brewery. If that is the impact at one small business in Portland, ME, imagine what the impact would be on jobs lost nationwide.

Other small businesses in my home State have expressed their frustration at the uncertainty Washington is creating by leaving these tax hikes hanging over their heads. As one small business starkly put it to me:

> The increases in personal taxes reduce the amount of money I have available for investments of all kinds. I am not investing in my business. I am not hiring workers. I am not considering starting anything new. I am waiting. There is no way to know what Washington is about to do to me, but I expect it will be nasty and brutally unfair. In response, I am holding my ground and preparing for the worst.

That is an exact quote from an entrepreneur in my State. As if the testimony of these small businesses were not enough, there is a second reason to support extending the 2001 and 2003 tax relief for all Americans: A tax increase at this time on top earners would reduce consumer spending dramatically, cutting demand, and costing jobs at a time when our fragile economy can least afford it.

We have only to look at Peter Orszag's column in the New York Times—he was President Obama's former Budget Director—to underscore this point. He wrote that failing to extend the existing tax relief would ''make an already stagnating job market worse.'' He then went on to say:

> Higher taxes now would crimp consumer spending, further depressing the already inadequate demand for what firms are capable of producing at full tilt.

Mr. Orszag is not alone in this view. Economist Mark Zandi has estimated that raising taxes on top earners would cost us 770,000 jobs and four-tenths of 1 percent of our GDP over the next 2 years. He cautions that earners in the top brackets are responsible for ''one fourth of all [U.S.] Personal outlays,'' and that a pullback in spending by these taxpayers could ''derail the recovery.''

In light of this risk, Mr. Zandi has called the President's plan to raise taxes an ''unnecessary gamble.'' Mr. Zandi suggests that a middle ground where no one's taxes are increased until the recovery is firmly in place is where we should go.

That is essentially what I recommended to this body in September. I urged the Senate to take up legislation to extend the 2001 and 2003 tax relief for 2 more years. That is a middle ground. Surely, we ought to be able to come together and embrace that compromise. That will get us through the recession. It will send a strong signal to the business community to invest and create jobs. It would remove the uncertainty.

Here is my suggestion for what we should do during that 2-year period, since I see my colleague, Senator WYDEN, on the floor. During that time we could undertake comprehensive tax

reform to make our system fairer, simpler, and more progrowth. I know that has been a passion of Senator WYDEN's for some time. That is what we could use those 2 years to work on.

So I am once again going to ask my colleagues on both sides of the aisle—there are some on this side who want to make all the relief from the 2001, 2003 laws permanent; there are some on the other side of the aisle who want to increase taxes for the top two rates and just extend the tax relief for those making up to $250,000—let's instead extend the tax relief for everyone right now for 2 more years, remove the uncertainty, encourage businesses to create new jobs, stop penalizing small businesses, do not put a damper on consumer spending at the worst possible time, and then let's use those 2 years productively to rewrite the Tax Code, to make it simpler, fairer, and more progrowth.

I think that is a reasonable plan. Let's abandon any approach of raising taxes at this critical time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

TAX REFORM

Mr. WYDEN. Madam President, before she leaves the floor, let me say to the Senator from Maine that I very much appreciate her thoughtful views. She continually talks about the desire to get folks to come together. I think there are a variety of ways to do it. That is essentially what I was going to outline this afternoon. I just want to assure my good friend from Maine that I am very much looking forward to working with her on this issue and thank her again for her kind remarks.

Madam President and colleagues, I think we have a choice.

We can continue to have this debate at the margins about how to extend a thoroughly discredited, insanely complicated, job-killing system that we have today or we can find a way, as Democrats and President Reagan did back in the 1980s, to come together and put in place a reform system that will create, in my view, millions of good-paying, new jobs, the way Democrats and Republicans in the 1980s came together and created more than 16 million new jobs.

To pick up on this discussion, I think there is a message for Democrats and Republicans together on this issue.

This question of extending the 2001 and 2003 tax legislation has almost become a tax version of ''The Emperor Has No Clothes.'' We all know this story and have read it to our kids. It's about two swindlers spinning a tall tail about magical, invisible cloth. The emperor and his ministers and all of his subjects get so caught up in the story of the magical and invisible cloth that it takes a child to point out what everybody should have seen was obvious: The emperor has no clothes.

The fact is, when we look at extending the 2001–2003 tax laws, what we will see at the end of the day is from the standpoint of creating good-paying jobs and the opportunity to grow the economy, the emperor really doesn't have any clothes. The numbers don't add up.

When tax policy was partisan between 2001 and 2008, there was only 2.3 percent payroll expansion, 3 million new jobs, and real median income fell by 5 percent. Yet that is what we are hearing on the floor of the Senate ought to be extended.

I say to my good friend from Pennsylvania, his State, as has mine, has been pounded by this economy. How can we explain to our constituents that we are extending a policy that based on the facts, not on political rhetoric, produced such anemic payroll expansion, such a modest number of new jobs, and a loss of real median income. I don't think we can explain it to folks in Pennsylvania and Oregon.

What I do think we can explain that gets us away from this ''Emperor Has No Clothes'' situation is what happened in the 1980s when a big group of Democrats and Republicans came together and changed the discussion about taxes. Instead of Democrats and Republicans beating up on each other, it became the people against the special interests and, in effect, leading Democrats such as Dick Gephardt and Dan Rostenkowski and others joined with the President to point out the inequities. And we had Democrats then talking about the desire to make sure companies—companies that hire people at good wages—would be in a position to benefit because they would be paying rates that would be competitive in tough global markets.

There are opportunities—because I have been talking to folks in labor and folks in business—to do this. Why don't we take away the tax breaks for shipping jobs overseas and use that money to lower rates for folks who manufacture in the United States, who create good-paying jobs in hard-hit parts of Pennsylvania and Oregon. I would like to see our companies have a new incentive for green manufacturing which many of the companies in Oregon want to do. To do it, why not take away some of those tax breaks you get from what is called tax deferral and foreign tax credits and use that money to create more employment at home? We are not going to be able to do that if we just reup for this discredited, broken, insanely complicated tax system.

Now, I have said to colleagues—and Senator CASEY and a number of us have talked about it—that if it takes some very short-term extension of current law in order to make sure we don't hurt middle-class people and we don't hamper economic growth, I would be willing to look at it. I would be willing to look at that if we use the opportunity to then aggressively pursue bipartisan tax reform; tax reform, for example, that would do something about a Tax Code that nobody likes.

This isn't like the health care issue. I think the Presiding Officer and my friend from Pennsylvania understand that part of what happened in the health care issue is a lot of folks said: I want to fix health care, I want to contain costs, but I sort of like the health care I have. There isn't anybody on the planet I can find who makes an argument that they like the current Tax Code.

We spend 7.6 billion hours a year to comply with tax law. It costs us almost $200 billion to comply with our tax laws annually. That is the equivalent of 3.8 million people working full-time just to comply with the Tax Code. At one point in the tax reform discussions, after I got on the Finance Committee, I brought just a portion of the books that contain the provisions of the Tax Code. And there are thousands of pages. In fact, we add thousands of pages every few years. I am 6 feet 4 inches and just a portion of the books are taller than me. The complexity of the code increases exponentially, as Nina Olson, who is the Taxpayer Advocate at the Internal Revenue Service, has pointed out.

So I offer this up—and I know my colleague is waiting to speak—only to say if we are asking the country to choose—and that is why I use this ''Emperor Has No Clothes'' analogy—between something we know hasn't worked—I would note, for example, that the Wall Street Journal, not exactly hostile to conservatives, pointed out that George W. Bush had ''the worst track record on record for job creation.''

How do you make the case to the American people, whether you are in Pennsylvania or Oregon or anywhere else, that you want to anchor them to the same discredited tax system that has failed to create jobs for the entire period in which it was in effect?

So I hope as we get into this debate we look at the fact that perhaps we are having the wrong conversation. Perhaps we are having the wrong conversation in just debating extending the 2001–2003 tax provisions—maybe we will extend them for some people and we will not extend them for other people. What we ought to be saying is, look at history. Look at what happened in the 1980s when Democrats and Republicans came together. In fact, back then there was almost a mirror image of what we have now.

Back in the 1980s we had a Republican President and a Republican Senate, and Democrats in the House. So we have today almost a mirror image of that, and we know when they got together in the 1980s that it created millions of new jobs, millions of good-paying jobs. I think we can do that again.

I want to spend 2011 working with my colleagues—the Senator from Pennsylvania, the Senator from New Hampshire, and Senator COLLINS, who gave a very eloquent statement on the advantages of real tax reform—I want to spend the next year working with colleagues on something that shows vastly more promise for creating more

good-paying jobs and economic opportunity than these choices we are talking about on the floor of the Senate that, in my view, literally yoke us to a system that we know is not going to produce jobs.

It would be one thing if the debate was in question; that maybe the numbers from the 1980s were a little ambiguous, and when tax policy was partisan between 2001 and 2008 the numbers were more encouraging. That is not the picture. The picture is crystal clear. When we went at tax reform in a bipartisan way in the 1980s with a Democratic effort in the Congress and a Republican President, big win: 16 million new jobs. When we got partisan with taxes in 2001 and 2008, we just went downhill to truly anemic economic growth. The country deserves better.

I would finally say I think this is exactly the kind of bipartisan work that the country was calling for at this last election. Why not give it to them rather than serve up yet more that is seen as polarizing and divisive when our country is undergoing such economic anguish.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. CASEY. Madam President, thank you very much. First of all, I wish to commend the remarks our colleague from Oregon made. He has great insight into our Tax Code. I think he has reminded us yet again we have a lot of work to do, and we are grateful for his comments today and his charge to us—that we have a good deal of work in 2011 and even as we wrap up 2010.

EXTENDING UNEMPLOYMENT INSURANCE

Mr. CASEY. Madam President, I rise today to talk about unemployment insurance, and I will be brief. At the end of my remarks I will be offering a unanimous consent request.

First of all, I wish to cite a study just released today by the Council of Economic Advisers.

I commend to my colleagues this report entitled ''The Economic Impact of Recent Temporary Unemployment Insurance Extensions'' dated December 2, a report by the Executive Office of the President and the Council of Economic Advisers.

I ask unanimous consent that the Executive Summary of the report be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CASEY. This report released today had a number of findings: First of all, that the emergency expansion of unemployment insurance programs in 2007 has benefited 40 million people in the United States of America who have either received or lived with a recipient of these programs. This figure includes 10.5 million children.

In line with other studies that have been released, this report by the Council of Economic Advisers states that there are 800,000 more jobs and GDP is 0.8 percent higher because of the expansion of unemployment insurance programs. Without reauthorization through 2011, the one we are debating today in the Senate, at this time next year, in December of 2011, there will be 600,000 less jobs and GDP will be 0.6 percent lower. So there are real consequences to the denial of this reauthorization going forward.

To give my colleagues a sense of what that means in a State such as Pennsylvania, without reauthorization of these programs, 353,989 people will lose unemployment insurance coverage by November of 2011. The Pennsylvania economy will be severely impacted without reauthorization. According to the Council of Economic Advisers, there will be 31,228 less jobs in the Commonwealth of Pennsylvania if we do not reauthorize unemployment insurance.

Just to put that in perspective, in the first three quarters of this year, in the midst of a recovery—slow recovery but a recovery nonetheless—our State has gone from losing jobs in 2009 to gaining jobs. In the first three quarters of the year, we have gained roughly 48,000 jobs. Without unemployment insurance, we stand to lose, as I said, more than 31,000 of those jobs.

We know the unemployment rate of 9.6 percent nationally means nearly 15 million people are out of work. If you are opposed to this reauthorization, you have to come up with another answer. You can't just say to 15 million people: Well, we couldn't get it done, or things interfered in Washington.

In our State, fortunately, we are lower than 9.6. We are 8.8, percent. But 8.8 percent in Pennsylvania means that 560,000 people are out of work. It ballooned up to over 590,000 this summer, but fortunately that has been coming down over the last couple of months and, of course, we want to keep it moving in that direction.

Let me just conclude with this thought: For the past six decades, Congress has provided federally funded unemployment insurance benefits. During every recession, the Congress has done that, and thank goodness they did. Finally, without this reauthorization in our State of Pennsylvania, 83,000 Pennsylvanians will exhaust their benefits this month. Of course, across the country, it is some 2 million.

EXHIBIT 1

THE ECONOMIC IMPACT OF RECENT TEMPORARY UNEMPLOYMENT INSURANCE EXTENSIONS

EXECUTIVE SUMMARY

Unemployment insurance (UI) provides a safety net for workers who have lost a job through no fault of their own, as long as they continue to search for new employment. During normal economic conditions, firms pay into state insurance systems that replace roughly half of the average individual's lost earnings, up to 26 weeks. However, the federal government historically funds additional weeks of benefits in response to an economic downturn. The benefits allow recipients to continue to support their families while searching for their next job.

In response to the recession that began in December 2007, Congress expanded UI benefits by creating Emergency Unemployment Compensation (EUC) and 100 percent federal funding of Extended Benefits (EB). These programs provide UI benefits after a worker exhausts state benefits, helping when it takes longer to find a job, such as in this severe downturn. These extensions began to expire on November 30, 2010. In this report, the Council of Economic Advisers (CEA) examines the effects of the extensions thus far and the potential impact on the economy if Congress fails to act soon to continue these emergency measures.

As a result of these emergency expansions to UI:

EUC and EB have helped 14 million unemployed workers as of October 2010. As of that date, there were almost 5 million unemployed workers benefiting from these programs each week.

In total, these programs have benefited about 40 million people who have received, or lived with a recipient of, EUC or EB. This total includes 10.5 million children.

If these measures are not extended, the maximum eligibility for benefits in most states will revert to the pre-recessionary level of 26 weeks. The Department of Labor estimates that, relative to a month-long extension, 2 million unemployed workers will lose coverage in December 2010. And, relative to a year-long extension, nearly 7 million unemployed workers in total will lose coverage by November 2011.

Further, EUC and EB make up a substantial portion of household income. Without EUC and EB, the typical household receiving these benefits will see their income fall by a third. In the 42 percent of households where the EUC or EB recipient is the sole wage-earner, 90 percent of income will be lost.

This important income replacement allows individuals that have suffered from job loss to avoid a dramatic drop in their spending levels. Research studies have documented that UI is an extremely effective form of support for the economy relative to other government programs, both in terms of bang-for-the-buck and timeliness. EUC and EB recipients spend their benefit checks, rather than saving them, and a drop in this income will translate into a sizeable drop in aggregate spending.

Specifically, CEA estimates that:

Employment was about 800,000 higher, and the level of GDP 0.8 percent higher, in September 2010 than would have been the case without EUC and EB.

Without an extension, employment would be about 600,000 lower, and GDP 0.6 percent lower, in December 2011 than if a year-long extension were passed.

Previously, Congress continued federal expansions of UI until the economy was much further along the road to recovery. With 10 consecutive months of private sector job growth and half a percentage point drop in the unemployment rate since its peak, the economy is beginning to recover. However, the unemployment rate remains at 9.6 percent and there are still 5 job seekers for every job opening. For the last half-century, Congress has consistently extended UI benefits when economic circumstances substantially increased the difficulty of finding a job. Given the current labor market conditions, failing to continue UI extensions now would be unprecedented.

I. INTRODUCTION

As a form of insurance against job loss, employers pay taxes into state government unemployment systems at rates based, in part, on past usage of the system. State governments then provide weekly payments of $300, on average, to workers who have lost a

job through no fault of their own, replacing roughly half of an individual's lost earnings. Typically, unemployed workers can receive up to 26 weeks of benefits, as long as they continue to search for work. In an economy with normal labor demand, one would expect most unemployed workers to find a job within this time frame. However, in December 2007 the United States began to slide into a deep recession. By October 2009, the unemployment rate was 10.1 percent, and there were more than 6 jobs seekers for every job opening, compared to just 1.5 prior to the recession.

Recognizing that unemployed workers would have a significantly harder time finding jobs, Congress created Emergency Unemployment Compensation 2008 (EUC) in June of that year. This swift action put unemployment benefits in place much earlier than has been done in previous recessions—almost one year before GDP stopped declining. These early efforts by Congress resulted in UI playing a greater role in stabilizing the economy, as suggested in a recent Department of Labor report.

As the labor market worsened, Congress further extended and expanded the program, particularly for unemployed workers in the hardest-hit states. As part of the American Recovery and Reinvestment Act, Congress provided for 100 percent federal funding of Extended Benefits (EB), a program usually funded jointly by the state and federal governments. Individuals are eligible for EB once they exhaust their EUC benefits if their state meets certain unemployment-based triggers. All told, an unemployed worker could receive up to 99 weeks of coverage in those states with the highest rates of unemployment. (See the Appendix for more detail on these programs.)

Importantly, the current tiered structure of EUC and EB allows for a natural phasing down of coverage as economic conditions improve. Many of the eligible weeks of benefits are determined at the state level by thresholds based on states' unemployment rates; the maximum length of coverage provided by these federal programs is shorter in states with better economies. Beyond this natural phase down, however, the legislation authorizing these programs began to expire on November 30, 2010 and the millions of Americans receiving coverage through these programs have already begun losing benefits.

UNANIMOUS-CONSENT REQUEST—S. 3981

Mr. CASEY. So with that, I ask unanimous consent that the Finance Committee be discharged from further consideration of S. 3981, a bill to provide for a temporary extension of unemployment insurance provisions; that the Senate proceed to its immediate consideration; that the bill be read a third time and passed; and that the motion to reconsider be laid upon the table, with no intervening action or debate; and any statements related to the bill be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

Mr. ENSIGN. Madam President, reserving the right to object, because the Republicans want to extend unemployment benefits without increasing the deficits, would the Senator agree to include an amendment proposed by Senator BROWN that would offset the cost of the bill with unspent Federal funds, the text of which is at the desk?

Mr. CASEY. I would not. I object to that for the simple reason that the construction of that amendment involves dollars already allocated to Federal programs across the board. Although the money has not been spent yet, it has been allocated. If there is a concern, as there seems to be—and I would categorize it as an alleged concern—about the deficit, there doesn't seem to be the same concern about running up the deficit not by billions but by hundreds of billions to extend tax cuts to Americans above the $250,000 income tax bracket. So if there is that concern about the deficits, I wish that logic and concern was applied to the tax cut debate.

Mr. ENSIGN. Further reserving the right to object, first of all, I would love to offset the tax cuts with spending reductions in areas across the board because I think the deficit is a problem. Because the Senator from Pennsylvania just wants to increase the deficit with unemployment benefits, without offsetting it, without spending cuts, I am forced to object.

The PRESIDING OFFICER. Objection is heard.

Mr. CASEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

(The remarks of Mr. ENSIGN pertaining to the introduction of S. 4004 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Iowa.

REVISIONIST FISCAL HISTORY

Mr. GRASSLEY. Madam President, since yesterday, we have witnessed in this Chamber the resumption of a set of tired and worn out taking points that the Democratic side drags out whenever they are forced to finally get around to discussing tax policy.

Well, once again beating the same dead horse, the other side has attempted to go back in time again and talk about fiscal history. Earlier this week, there has been a lot of revision or perhaps editing of recent budget history. I expect more of it in the future days.

The revisionist history basically boils down to two conclusions. First, that all of the ''good'' fiscal history of the 1990s was derived from a partisan tax increase bill in 1993, and, two, that all the bad fiscal history of this decade to date is attributable to bipartisan tax relief plans.

Not surprisingly, nearly all of the revisionists who spoke generally oppose tax relief and support spending increases. The same crew generally supports spending increases and opposes spending cuts.

For this debate, it is important to be aware of some key facts. The stimulus bill passed by the Senate, with interest included, increased the deficit by over $1 trillion. The stimulus bill was a heavy stew of spending increases and refundable tax credits seasoned with small pieces of tax relief.

The bill passed by the Senate had new temporary spending that, if made permanent, will burden future budget deficits by over $2.5 trillion. Now, that is not this Senate Republican speaking; it is the official congressional scorekeeper, the Congressional Budget Office. In fact, the deficit effects of the stimulus bill passed within a short time after the Democrats assumed full control of the Federal Government roughly exceeded the deficit impact of 8 years of bipartisan tax relief. You can see that very clearly right here.

The tax relief over here, and the stimulus bill here—all of this occurred in an environment where the automatic economic stabilizers, thankfully, kicked in to help the most unfortunate in America with unemployment insurance, increased amounts of food stamps, and other benefits.

That antirecessionary spending, together with lower tax receipts and the bailout activities, set a fiscal table of a deficit of $1.4 trillion. That was the highest deficit as a percentage of the economy in post-World War II history. You can see that right here.

From the perspective of those on the Republican side, this debate seems to be a strategy to divert, through a twisted blame game, from the facts before us. How is the history a history of revision? I would like to take each conclusion one by one.

The first conclusion is that all of the good fiscal history was derived from the 1993 tax increases. To test that assertion, all you have to do is take a look at data from the Clinton administration. The much ballyhooed 1993 partisan tax increase accounts for 13 percent of the deficit reduction in the 1990s, 13 percent. That 13-percent figure was calculated by the Clinton administration Office of Management and Budget.

The biggest source of deficit reduction, 35 percent, came from a reduction in defense spending. Of course, that fiscal benefit originated from President Reagan's stare-down of the Communist regime in Russia. The same folks on that side who opposed President Reagan's defense build-up somehow seem to take credit for the fiscal benefit of the peace dividend.

The next biggest source of the deficit reduction, 32 percent, came from other revenue. Basically this was the fiscal benefit from the pro-growth policies such as the bipartisan capital gains tax cuts of 1997 and the free trade agreements that President Clinton, with Republican votes, got passed.

The savings from the policies I pointed out translated to interest savings. Interest savings account for 15 percent of the deficit reduction. Now, for all of the chest thumping about the 1990s, the chest thumpers who pushed for big social spending, did not bring much to the deficit reduction tables in the 1990s. Their contribution was this, 5 percent.

What is more, the fiscal revision historians in this body tend to forget who the players were. They are correct that there was a Democratic President in

the White House, but they conveniently forget that Republicans controlled the Congress for the period where the deficit came down and eventually turned into a surplus.

They tend to forget they fought the principle of a balanced budget that was the centerpiece of Republican fiscal policy.

Remember, the government shutdowns of late 1995? Remember what that was all about? It was about a plan to balance the budget.

We are consistently reminded of the political price paid by the other side for the record tax increases they put into law in 1993. Republicans played a political price for forcing the balanced budget issue in 1996. But as we found out in 1997, President Clinton agreed. Recall as well all through the 1990s what the year-end battles were about.

On one side, congressional Democrats and the Clinton administration pushed for more spending. On the other side, congressional Republicans were pushing for tax relief. In the end, both sides compromised. That is the real fiscal history of the 1990s.

Now, let's turn to the other conclusion of the revision by fiscal historians. That conclusion is that in this decade all fiscal problems are attributable to the widespread tax relief enacted in the years 2001, 2003, 2004, and 2006.

In 2001, President Bush came into office. He inherited an economy that was careening downhill. Investments started to go flat in 2000. The tech-fueled stock market bubble was bursting. After that came the economic shocks of the 9/11 terrorist attacks. Add in the corporate scandals to that economic environment, and it is true that in the fiscal year 2001, as it came to a close, the projected surpluses turned to a deficit.

But it is wrong to attribute the entire deficit occurring during this period to the bipartisan tax relief. Because, according to the CBO, the bipartisan tax relief is responsible for only 25 percent of the deficit change, while 44 percent is attributable to higher spending and 31 percent to economic and technical changes.

In just the right time, the 2001 tax relief plan kicked in. As the tax relief hits its full force in 2003, the deficits grew smaller. This pattern continued for 4 more years through 2007. If my comments were meant to be partisan shots, I could say this favorable fiscal path from 2003 to 2007 was the only period, aside from 6 months in 2001, where Republicans controlled the White House and the Congress.

But unlike the fiscal history revisionists, I am not trying to make a partisan point; I am just trying to point out a few fiscal facts. There is also data that compares the tax receipts for 4 years after the much ballyhooed 1993 tax increase and the 4-year period after the 2003 tax cuts.

I have a chart here that will track those trends. In 1993, the Clinton tax increases, the blue line, brought in more revenue as compared to the 2003 tax cuts. That trend reversed as both policies moved along in years. Over the first few years, the extra revenue went up over time relative to the flat line of the 1993 tax increases.

So let's get the fiscal history right. The pro-growth tax and trade policies of the 1990s, along with the peace dividend, had a lot more to do with the deficit reduction in the 1990s than the 1993 tax increases.

In this decade, deficits went down after the tax relief plans were put in full effect. No economist I am aware of would link the technical bursting of the housing bubble with the bipartisan tax relief plans of 2001 and 2003. Likewise, I know of no economic research that concludes that the bipartisan tax relief of 2001 and 2003 caused the financial meltdown of September and October 2008.

I have another chart that shows what the President inherited from the Democratic Congress and a Republican President. As I said, from the period 2003 through 2007, after the bipartisan tax relief program was in full effect, the general pattern was this: revenues went up, deficits went down.

One major point that needs to be said right here is to state where the government gets the money it spends. Basically I am asking, from where do taxes come? I would have thought this would have been perfectly obvious to most people, but I may have been wrong. Taxes come from taxpayers. I say this because we have heard tax relief for certain individuals referred to as the word ''bonus.'' A search of the CONGRESSIONAL RECORD for the Senate on December 1, 2010, shows that the word ''bonus'' was said nearly 50 times, the implication being that by extending tax relief for all Americans we are giving some people a bonus that other people are paying for.

Let me try to simplify this for my colleagues who are having trouble understanding. There is no proposal to cut taxes for anyone before this body. The question is, Instead, are we going to allow taxes to go up or are we going to prevent a tax increase? If we prevent taxes for everyone from going up, we are letting taxpayers keep more of their own money that they have earned and worked hard for. No one is proposing a bonus or a gift to anyone. The question is, Do we want taxpayers to have more or less of their own money?

My colleagues on the other side have been especially incensed by what they consistently refer to as ''tax cuts for the rich'' and seem to believe tax relief for everyone is responsible for our disastrous budget situation. However, I think nearly everyone serving in the Chamber and certainly the President and House and Senate leadership support extending around 80 percent of that tax relief. If those on the other side are serious in their pleas that taxes must be increased in the name of fiscal responsibility, how can they claim 80 percent of the tax relief is absolutely necessary and that 20 percent of the tax relief is absolutely wrong? This chart, drawn up from Congressional Budget Office data, should give more insight into the two groups the other side is talking about. The orange line measures the effective tax rate paid by the top 5 percent of taxpayers. By the way, this is where the small business owners' tax hit occurs. This group represents those tax-paying families with incomes over $250,000. Under the Democratic leadership's preferred tax policy, this line will go back up to where it was in the year 2000. Republicans would prefer to prevent this tax increase, and we have shown it falls primarily on the backs of small business.

The main point this chart shows, though, is that tax relief undertaken during the last administration benefited all taxpayers, and characterizing it as tax cuts for the rich is simply not accurate. Of course, I wish to put our country on a path to fiscal responsibility, but I do not believe higher taxes will lead us to that path. Rather, we need to carefully examine how we spend the money we already collect.

This debate is about one fundamental question. Who does the money you, the taxpayer, have worked hard to get belong to? Does it belong to the citizens who earn it or does it belong to the government? Is whatever the taxpayer is left with an allowance, with the balance to be spent by a government that knows best? I think most people would answer my last two questions with a strong resounding no. As we continue to discuss pressing tax matters in Congress, we need to keep these fundamental and simple truths in mind. We need to stop taxes from increasing for all Americans. It is fundamental, after all the years I have served in the Senate, that increasing taxes $1 does not go to the bottom line and bring the deficit down.

Through three or four different occasions during the years I have served in the Senate, we have had propositions, some of them even bipartisan, that we increase taxes by $1 and somehow we will decrease expenditures by $3 and, in the process, we are all going to win and the deficit is going to go down. But what we forget is how the mechanics of legislative bodies work. You increase taxes for a long period of time, but each year expenditures are reviewed, and somehow that 3-for-1 rule does not seem to hold on the expenditure side. They don't go down. They creep up, creep up, and creep up. So in the final analysis, it is kind of averaged out that for every $1 we bring in in increased taxes, it is a license to spend $1.15.

Some studies would say it is even much higher than that and not just one proposition like that but several propositions like that. That is how it has ended up. I don't like to increase taxes, but if there was ever a time I could increase taxes and knew that went to the bottom line and brought the deficit down $1, it might be a proposition I

could buy into. But the practice of legislative bodies, particularly the Congress of the United States, increasing taxes $1 is a license to spend more. It is a ratchet effect. I am very suspicious of those propositions. I think my colleagues see that raising taxes has not done anything to bring the budget deficit down.

I ask our colleagues, in these last few weeks of this Congress, to keep those historical facts in mind so we don't get hoodwinked into doing things that don't end up reducing the deficit. Even at a time when it sounds like it will reduce the deficit and makes sense, the common sense we ought to remind each other of is it doesn't work.

I yield the floor.

The PRESIDING OFFICER (Mr. MANCHIN). The Senator from New York.

Mr. SCHUMER. Mr. President, I rise to speak on the upcoming amendments and debate we will have on the tax issue. Let me say a few things. First, we are in a very tough economic situation. We have a large number of unemployed people, and even people who have been employed over the last decade, for the middle class, their incomes have not gone up. Their buying power has not gone up. This is the first decade that middle-class incomes have not increased.

Second, the economy, if we look at statistics from 2000 to 2010, even with the recession, has done pretty well. But almost all the income and all the wealth has agglomerated to the top 1 percent and top 10 percent. That means the people at the highest end did very well, while everybody else did not. I have nothing against them. In fact, I think they are great. They are part of the American dream. To say they have gotten most of the wealth, some of my colleagues bring up the false issue of class warfare. It is not class warfare. It is a fact we have to deal with, just like saying middle-class incomes have not gone up enough. That is not class warfare either. Those are just facts.

Then there is the third issue; that when we began the decade in 2001 there was a surplus of $300 billion left by Bill Clinton. Now, of course, we have a huge deficit. We did when Barack Obama took office, and because of the stimulus it is greater. But the No. 1 reason was the tax cuts, mainly agglomerated to the wealthy, passed by President George Bush and a Senate and House led by Republicans.

Issue 4, when the tax rates were higher—Bill Clinton had raised them—we all know job growth in the 1990s far exceeded job growth in this decade.

So put all that together, and it makes a pretty strong point that the middle class needs relief, No. 1; that the country must overcome the deficit problems we face, No. 2; and No. 3, that the highest income people are doing great.

So what would be the proper solution to that when we have a tax bill coming before us? It is pretty logical. It is pretty obvious. We should actually make sure the middle class keeps their taxes low. They are the ones whose incomes have suffered. They are the ones who spend it when they get a check because they don't have much money. They are the ones who need the relief both for themselves and in their personal and family situations and for the economy. But to give huge amounts of tax breaks to the very wealthy doesn't make any sense. Why? Because, first, they are doing great. God bless them; second, because they don't spend it. They are not going to go out to the supermarket or the department store Christmas shopping because they know they are getting a little bit of a tax break; they have plenty of money. And third, because even most of them would probably admit they did fine when the rate was a little higher on them. It is not going to affect their business and spending decisions very much, if at all.

The logical solution is to give the middle class the tax break and say to the upper income: Your money should go to deficit reduction. That is what we will vote on in the next few days on the floor. Some would prefer that the level be 250, that the tax cuts should go to all those below 250. I know my colleague from Iowa feels that way. He will speak after me. I have been willing to have the rates go up to 1 million. I think having a rate for the very highest income people, which we always used to have, restoring that makes a great deal of sense because that is where the wealth is agglomerating. It is no longer people in the top 10 percent who do the best. It is people in the top 1 percent who do the best, far and away. On that vote, we will see where people stand.

Our colleagues on the other side of the aisle like to make it seem as if a tax cut for someone making $50,000 is the same as a tax cut for someone making $5 million. They say: Tax cuts for everybody. Don't raise taxes on anybody. But it is not the truth. What we are here to do is actually pull away the veil. It seems the No. 1 motivation of too many of my colleagues on the other side of the aisle is to give a tax break to the wealthiest among us, which may make political sense. I don't know. It may for them. It sure doesn't make economic sense. It doesn't make fairness sense. It doesn't make sense from the point of view of getting the economy going.

I want the American public, over the next few days, as we debate taxes, to listen. Ask yourself: Do you think someone making $10 million should get a huge tax break? Do you think Warren Buffett or Bill Gates should get a tax break that is more than the income of thousands and thousands and thousands of middle-class people? If you believe no, tell your Senator.

Do you believe the deficit is a serious problem and giving $300 billion to $400 billion to people who make over $1 million instead of putting that money into the deficit makes sense? If you do not, call your Senator and tell him no. Do you think it is at all fair to say that to extend unemployment benefits for hard-working people who are looking every day for jobs, that that has to be paid for but tax breaks to the wealthiest among us do not have to be? If you think that does not make any sense, tell your Senator, tell him or her no.

I know we have a very powerful media group on the hard right, and they are going to try to get on the radio and get on the television and convince the average middle-class person that Democrats want to take away their tax cut and Republicans want to give it to them. But nothing could be further from the truth. We have been the ones focused on the middle class, and they have been the ones focused on the wealthy.

We are not willing to hold middle-class tax cuts hostage until there is a tax cut for the wealthiest among us. It is time for some clarity. If all my colleagues on the other side of the aisle vote for a tax break for those whose annual income is above $1 million, unpaid for, I do not want to hear about deficit reduction when it comes to programs for transportation or education or health or the military from them ever again.

They may believe lowering taxes on everybody is a good thing. That is an ideology I do not agree with at this point in time. But they cannot claim deficit reduction is a goal when they will increase the deficit by hundreds of billions of dollars without it being paid for to give tax breaks to the very few wealthy families here in America.

As for the argument that those tax breaks are important to create jobs, no economist believes that. We are talking about the personal income tax rate, not the corporate rate. We are talking about people who, when they had a higher rate, did very well. We are talking about job growth in the last decade among the slowest we have had in a very long time under those low tax rates, whether they were times of economic growth or economic decline. There is virtually no good argument to give huge tax breaks to the very wealthy at a time when our deficit is as large as it is. There is a very good argument to give those same tax breaks, on a percentage basis, of course, to the middle class.

So to the American people, please watch the floor tonight, tomorrow, over the next several days. Figure out who is on your side. Figure out who is being fiscally responsible. Figure out who wants to help the average middle-class person and at the same time get a hold on our deficit.

Again, I repeat, I respect and salute those who have made a lot of money on their own and are very wealthy. God bless them. They are part of the American dream. But the American dream does not say that at a time of need, at a time when deficits are severe, that because you have made all that money you should get a more huge tax break than everybody else.

So this debate is going to be an interesting one. I think it is going to set the tone for what we do over the next 2 years. Believe me, we will be talking about the millionaires' tax break—who voted for it and who voted against it—not just today and not just tomorrow but over the next 2 years. It is a very important issue and one we cannot let rest for the good of the middle class, for the good of deficit reduction, for the good of the country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I listened with great attention to the speech just given by my friend from New York. Senator SCHUMER is right on target when he is talking about: Whom are we fighting for? What are we in the Senate for? What are we here to do? Whom are we fighting for?

I have often said the one thing about the very wealthy in our country, they are pretty good at taking care of themselves. Obviously, they would not be rich if they were not. But what about the people who do not have much? Who is fighting for them? This is what I wish to spend some time talking about; that is, the unemployed in this country.

Last week we went home for Thanksgiving. I hope everyone had a good time with their families. Now we are looking at the upcoming holidays with anticipation, as we do every year, to be with our families, go out and buy some presents and exchange presents—kids, grandkids, a festive time.

But what about all those people who are out of work and have no money, who right now are being cut off from the only lifeline they have, unemployment insurance benefits—losing them day after day because they ended 2 days ago. By the time Christmas rolls around, somewhere close to 2 million Americans not only will be out of a job but will have no source of income whatsoever, facing another winter season celebrating the holidays with nothing.

I had a newspaper headline I showed the other day that said: ''Luxury spending is back in fashion''—about how much money was being spent on jewels and fancy wristwatches and high-end types of things. Then, right under, in small print, it said: However, for millions of Americans they are not shopping anywhere because they are out of work.

The two faces of America—is that what we want this country to be, a few who can spend on lavish, jewel-encrusted watches, buying $2,500 cashmere scarves, as I just read about the other day, and everybody else sort of getting in the soup line? We are a better country than that.

That is what I wanted to talk about: reauthorizing the emergency unemployment insurance program. But I, first of all, listened to my friend and colleague from Iowa, Senator GRASSLEY, talk about taxes. I did not hear the whole speech, but I heard him say raising taxes never reduces the deficit or reduces the debt. I do not know which he said—either the debt or the deficit.

Well, I hate to disagree with my friend, but in 1993, when we enacted the Clinton economic proposal, it included increasing taxes in 1993. Oh, I remember the Senator from Texas, Mr. Phil Gramm, an economist, got up and said: Oh, this is going to cause a depression. This will be the worst thing that ever happened to this country. We are going to rue the day we ever did this. Well, we passed it. Of course, it did not get one Republican vote, and we did raise some taxes in 1993.

What happened, then, for the next 7, 8 years? We had unprecedented growth in this country. Quite frankly, we did balance the budget by 2000. Not only did we balance it, we had a surplus, and we had a surplus going into 2001. That is when George Bush came to the Presidency and said: Oh, we have this big surplus. Alan Greenspan was warning us we had too much of a surplus and it might not be wise to pay down the debt. We were on course to pay down the national debt. Then the Bush administration pushed through some tax cuts, for which they said: Oh, we are just going to do it temporarily, you see, just until 2010. We will keep them until 2010, and then we will have to revisit it or we will go back to what we had before in 2001.

They made that deal. I did not vote for it. I did not think we should cut taxes that time. I thought we should pay off the national debt. That would have strengthened our economy more than anything. But, no, the Bush administration, the Republicans who controlled the House and the Senate, said they wanted to cut the taxes. Most of the taxes that were cut, as my friend from New York said, were for the very wealthy.

What happened? Did we have a lot of job growth? Not a bit. Not a bit. Not only did we not get job growth, the deficit skyrocketed. So I do not want to hear any exhortations from that side of the aisle about how raising taxes has never reduced the deficit or the debt. We did under Bill Clinton. The proof is there. We had a surplus. But they wanted the tax breaks to give to the wealthy.

Lastly, my friend from New York talked about being held hostage. There has been a lot of talk about middle-income Americans getting a tax break. But I ask—and I keep asking—who are middle-income Americans? Who are they? Well, I keep hearing it is those earning $250,000 a year or below. Mr. President, $250,000 a year? My friends, if you are making $250,000 a year, you are in the top 5 percent of the income earners in America. That is right. If you make $250,000 a year, 95 percent of the American people make less than you do. So is that middle class? I do not think so.

To me, in the middle class are people who are making $30,000, $40,000, $50,000, $60,000, $70,000, $80,000, $90,000 a year. That is the broad middle class of America. A lot of people in America are living on $40,000 a year. It might be hard for some people to think about that, but that is true. They do not take fancy trips. They do not have fancy cars. They do not go to fancy restaurants. They do not wear suits and ties every day. But they are working, and a lot of them are working at jobs that are important to our society.

They may be nurses aides. They may be taking care of our elderly in a nursing home or in assisted living. They may be our childcare workers taking care of our children. They could be working in fast food places. They are making $35,000, $40,000, $50,000 a year, and that is it. That is the middle class of America. What are we doing for them? What are we doing for that middle class?

So every time I hear about that $250,000 is the middle class, I am thinking: Wait a second. You are talking about the top 5 percent in America. If you want to talk about the broad middle class, you have to start talking about people making less than $100,000 a year. What are we doing for them?

Well, it seems to me, if we are going to have some tax breaks and stuff, we have to think about this group. In that group—in that group—of the broad middle class is the army of the unemployed. That is where the unemployed are. The unemployed are not on Wall Street. They got their bailouts. They are getting million-dollar bonuses this year, and my friends on the Republican side want to extend the tax breaks so not only do they get their million-dollar bonuses, they will not have to pay their fair share of taxes on them either, not to mention, for some of them, the way they are getting their money, they are being charged at the least possible tax rate—not as regular income but as capital gains. But I am not going to get into that right now.

So what are the Republicans doing? They are saying we cannot extend the unemployment benefits for the millions of Americans who are unemployed until and unless we have tax breaks for the wealthiest Americans. For those making over $250,000, $500,000, over $1 million—they do not care; no matter what, no matter who you are, how much money you make—we have to give them tax breaks or we cannot extend unemployment benefits to the unemployed. You want to talk about hostages? The Republicans in this Congress are holding hostage the unemployed workers in America because they want to get the tax breaks for the wealthiest. That is what is happening here. I don't know that many of the American people know about that. Oh, they see us debate this stuff and back and forth about who is going to get these tax breaks, but right now unemployment benefits have run out. We have asked I think three or four times, if I am not mistaken, on the Senate floor for unanimous consent to extend

the unemployment benefits, and the Republicans have objected every single time. Why?

They wrote a letter. Yesterday, the Republican leader had a letter signed by every single Republican in the Senate that said they will not allow any bill to pass the Senate unless and until we pass a bill giving tax breaks to the wealthiest Americans. It almost begs credulity. You wonder, is this real? Do they really mean that? Well, they signed their names to it. That means we can't extend unemployment benefits until we give in, until we give in to the Republicans and give tax breaks to the wealthiest Americans. What a deal. What a deal—holding people who are at the end of their ropes—the most vulnerable in our society—holding them hostage for their Wall Street friends.

I have heard this said by some on the other side: Well, unemployment benefits make people lazy. If you give them unemployment benefits, they won't look for work.

Well, let me talk for a minute about what the labor market looks like right now, and we will see if these people are really lazy. Right now, there are 15 million people who want a job and can't find one but 9 million people forced to work part time because they can't get a full-time job. There are a number of other people who have looked for a job, and they have given up. They have been out of work for 2 years. As the Presiding Officer knows, after 99 weeks, you don't get any unemployment benefits whatsoever, and a lot of people have been out of work for over 99 weeks. They have nothing. That means our unemployment rate is not around 9 percent; it is actually about 17 to 18 percent. And these unemployed workers are looking for work.

What people have to understand is that before you can get unemployment benefits, you have to be actively looking for work. It is a requirement in order to get it. But what is happening out there? Workers can't find jobs because there aren't any. There is one job for every five workers. Well, it says here: 14.8 million workers unemployed. That is not really true. It is actually about 26 million. That is 14.8 million unemployed, but when you include those who have given up because they have gone beyond 99 weeks, when you take into account those who work part time because they were working full time but now they can only get a part-time job, it adds up to almost 26 million.

Let's just take the Bureau of Labor Statistics as they are: 14.8 million workers, 2.9 million jobs, 1 for about every 5. Actually, it is fewer than that. If you really look at the overall picture, it is really more like 1 in 8 to 1 in 10. So, in other words, for about every 8 to 10 workers, there is 1 job out there someplace. So most workers will lose on this kind of game of musical chairs. When you run around and the music stops, one person gets a job and six or seven people don't have one. So I challenge my Republican friends: How can six or seven or eight people find a job when there is only one available? That is why we have so many people facing long-term unemployment.

Over 6 million people have been out of work for more than half a year. I saw a lot of them who were here in Washington yesterday. Four in 10 workers, what we call the long-term unemployed, have been unemployed and looking for a job for at least 6 months. This is higher than during any previous recession.

There are extensions going back to 1950. In terms of the share of the total unemployed—you can see the graph here—in terms of who has been unemployed for more than 6 months—and as we can see, as we go from the 1950s to here, look at where this line now goes in 2010: more than we have ever had going clear back to the 1950s. Long-term unemployed, higher than any previous recession. It is the highest in 60 years. They are being held hostage by the Republicans.

Long-term unemployment is especially common among older workers over aged 50. These are people who have worked all their lives, they have saved for retirement, they have lost their jobs, and they are having a very difficult time finding new work. A year, year and a half, 2 years—I have met people out of work for well over 2 years. Again, they can't find work because it is not there, through no fault of their own.

So, as I said, our economy needs at least 11 million jobs—at least. To say that people who are unemployed are lazy and shouldn't get benefits—if you say that, you are obviously out of touch. You are out of touch with the real world and what is happening out there and the difficult circumstances that face our hard-working American families.

I get a lot of letters—and I am sure the occupant of the chair does too from his home State—from people who are just at their wit's end, and they just tear your heart out.

A 50-year-old woman from Altoona has been unemployed since November 2009, a year and a month. She wrote me: ''I can't even get a job at McDonald's right now, and believe me, I have tried everywhere.'' Unemployment insurance is helping her get by, but she is worried about running out of benefits, which just happened 2 days ago. I got this letter before 2 days ago. Her unemployment benefits are out.

An unemployed schoolteacher from Estherville wrote me. She said:

> I have not felt so humiliated in 20 years. I have been a productive and hard-working woman since I was 13, but now I feel insignificant.

She wrote me that this summer. This month, she wrote me again. She said:

> I have tried to find employment in other States, all over Iowa, in every form of employment you can imagine: convenience stores, fast food, factories. I am a high school math teacher with three college degrees and I can't find a job. If it weren't for unemployment, I would be on food stamps.

But without unemployment insurance, she doesn't know what she is going to do. She just lost hers a couple of days ago too.

These are just two examples, but there are millions. In this holiday season, from now until the new year, 2 million people will be cut off if we don't continue these programs. In Iowa, my home State, more than 10,000 people will be cut off from their benefits during this holiday season. And if we don't do anything, we will face 6 million by April left without any source of income, hanging by a thread. Their savings are exhausted. Their unemployment benefits are the thin lifeline keeping them afloat.

Congress has never cut back emergency unemployment benefits when the unemployment rate was as high as it is now, and this is no time to start. Here it is again. Going back to 1959, when we had high rates of unemployment, every single time, Congress passed emergency funding to keep unemployment benefits going—that is, until now.

Republicans have said, oh, they will extend it, but they want to pay for it. It is about $56 billion to extend it for 1 year. They have to pay for it, and how they want to pay for it is to take money out of the Recovery Act. There is still some unexpended money there that is going out for things such as roads and bridges and infrastructure projects that put people to work. So they want to take money from that, which is giving people some jobs and helping build our infrastructure, to put into unemployment benefits, when, going back to 1959, through Republican and Democratic administrations, we have always said this is an emergency, and that is the way we fund it.

Well, the Republicans say, we have a huge deficit. We can't do that anymore. Then why are they so intent on passing a tax cut bill, extending a tax cut for the wealthiest Americans and they don't pay for it? They put it on the deficit—not for $56 billion but for $700 billion. Oh, they are willing to do that. They are willing to do that for the wealthiest but not for people at the end of their rope, the unemployed.

So I guess we have entered a new era in this country. We don't help the unemployed: we just help the wealthy. That is all we do. That is why we are here, I guess. Look at that. We ought to be ashamed of ourselves. I ask, have my Republican friends lost all sense of fairness? Have my Republican friends on the other side of the aisle lost all sense of justice? Have they lost all sense of what is right and what is wrong? Where is the moral outrage? Where is the moral outrage that we are going to let people stand in the soup lines for Christmas but we are going to give tax breaks to the wealthiest? We are going to give million-dollar bonuses to the people on Wall Street who, by the way, caused a lot of these problems, and we won't even make them

pay their fair share of taxes. Where is the outrage? Well, I will tell you. It is out there. The American people are seeing this. They are saying: Wait a minute, Congress wants to pass this big tax break and they won't help the unemployed? They get it. They get it.

I can't believe Congress is doing this. I can't believe my friends on the other side of the aisle are so hard-hearted that they would hold hostage—that they would not let us move a bill to extend the unemployment benefits until we pass their bill to extend the tax breaks to the wealthiest Americans. Where is our sense of moral outrage at this?

Just one other thing. Unemployment benefits that we give out to people is not money that is thrown down a rathole. Quite frankly, one of the best economic stimuli we have is unemployment benefits, believe it or not. Why is that? Well, because people who get unemployment benefits—and right now, in my State it averages about $300 a week. That is about a national average. It is right about there. It is about $300 a week. That is about $15,000 a year. That is lower than the poverty wage, by the way. If you think unemployment benefits are some big deal, it is lower than the poverty wage. So when they get that money, what do they do? They go out and they buy groceries. They buy some clothes for the kids. They buy the necessities of life. And that money acts as a multiplier to our economy.

This is Mark Zandi, Moody's economy.com, about how the GDP increase is generated by $1 of stimulus going to these various things. Food stamps is the best. For every dollar we put into food stamps, we get an increase in GDP of $1.74, again because people spend that money to buy food, most of which is grown, produced, processed, packaged, shipped, and bought in America. Unemployment benefits are right next to food stamps—$1.61 increase in GDP for every dollar we put out, again for the same reason. People using unemployment benefits are not using them to buy a Mercedes. They are not using the benefits to buy a new, high-definition, 3D flat screen TV made in Japan. They are not using the benefits to buy a gold-encrusted, diamond-studded Rolex watch made in Switzerland. They are using these benefits to buy the necessities of life, most of which are made here in America. Extending the Bush tax cuts—for every dollar we put in, we get back 32 cents in GDP growth.

That is what the Republicans want. Why, when trying to stimulate the economy, would we put $1 into something that returns us only 32 cents, when we can put $1 in and get back $1.61? How about infrastructure investments. We get back $1.57 for every $1. It is very close to unemployment benefits. Yet Republicans want to take money out of this and put it here. Why don't we take money out of here—the tax cuts—and put it here? That is a better deal for our economy. It creates jobs, and we get an increase in economic activity in our country.

As I said earlier, here it is. The average UI benefit is about $15,600 and the poverty level is $21,756 for a family of four. It is a powerful benefit that provides food, clothes, housing, utilities—all of the things needed just to keep life going. That is what these unemployment benefits are spent on.

With the holidays coming, our economy needs the money and people need the benefits. Cutting off that revenue would be counterproductive for jobs. It is counterproductive for the people who need these benefits. It makes no sense economically to cut off unemployment benefits. But more importantly, it makes no sense morally. There is such a thing as right and wrong. There is such a thing as fair and unfair and just and unjust. It is not just, it is not fair, and it is not right that, through no fault of their own, we are saying to these people, the unemployed in America, the millions—whether it is 14.9 million or closer to 26 million or anywhere in between—it is just not right to say: Well, maybe we will extend your unemployment benefits after we extend the Bush tax cuts for the wealthiest in our society. That is totally irresponsible. But that is where we find ourselves.

I say to the President of the United States: Mr. President, you made a lot of promises when you were campaigning in my State of Iowa, and one of the most important you made was that you were going to hold the line—and you said this time and time again—at $250,000. You would extend the tax breaks to middle-income people below $250,000. You ought to hold to that, Mr. President. You ought to hold to that.

We will see if the Republicans want to shut down the government. Do they want to shut the government down? That is what they are saying. We are going to have to have a resolution on the Senate floor—because it will run out—to keep the government going. They are saying they will not pass that unless and until we extend the Bush tax cuts for the wealthy.

I dare the Republicans to shut the government down just because they want to give tax breaks to the wealthy. I say if that is what they want to do, let the American people see the extent to which the Republicans will go in order to help their wealthy friends.

Mr. President, hold to your guns, hold to your guns on $250,000 and below. Don't give in. Don't give up. The American people are behind you on this one, Mr. President. Tell them you want unemployment benefits extended, you want middle-class tax breaks extended, and we want to fund the government. We don't want to go into default. We want that first. Don't give up, Mr. President. The American people will be behind you, and this Congress will be behind you too.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, today the House passed legislation that would extend the tax cuts for those middle-class taxpayers who make under $200,000 a year. That is a good thing, and I support that. But why on Earth would we extend the tax cuts for a certain segment of the population and not extend the tax cuts for everyone? Why would we do that? Who are the job creators in our country? What is the problem our country has right now? It is jobs. We have an unemployment rate that is hovering around 10 percent. So what should we be doing in Congress to try to alleviate that situation? We should be doing everything in our power to create jobs in the private sector. The private sector is where jobs will be a created, where it will be something that will support a family.

Of course, we are going to support tax cuts for everyone in this country because we are in an economic recession. The idea of increasing taxes on the people who would create jobs is something that could only come out of Washington. All of us have been home for the last few weeks. Last week was Thanksgiving, and we were in grocery stores talking to our constituents. Time and time again I heard people in the real world, people who are creating jobs, saying: Why don't you all address the issues of this country? Don't you know what is happening?

Well, do you know something? They have a point. They have a point because, of course, many of us have been saying this for a long time. But here we are in December, the last month of the year. The IRS can't even print the tax forms because they don't know what the tax rates are going to be because Congress left in September and didn't finish its job. Now here we are in December and we are going to have a train wreck.

That is why those on our side signed a letter saying that we are not going to address any issue until we settle the tax issue and the issue of funding government. After that, there are many things that could be on the agenda. But those are two things that are essential. So knowing the way things work around here, and knowing that we could end up talking for 2 more weeks before we do anything, we are going to set the priority to say that it is tax cuts and it is funding the government, and if we can do other things, fine, but if we can't, then we go home.

I think the START Treaty is very important, and we are all looking at that. But we have to make sure the small businesspeople of our country know what to expect. And if they can hire people on even in this holiday season, it will make a difference.

President Reagan and President Kennedy and President Bush 43 all did something that had the same effect on our revenue in this country; they cut taxes and revenue increased. Cutting taxes is what increases and spurs the

economy, and it works every time. So now we are talking about deciding who is going to get their tax cuts and who isn't.

We should be saying clearly and simply to the American people—and especially the small businesspeople who are waiting to see what their budgets are going to be next year—we are not going to raise taxes on anybody because we want you to hire; we want you to give jobs to the people of this country. If we can extend unemployment for those who have been out of work and can't find something, and they are really trying, and we can do it in a responsible way and pay for it, hopefully—I believe if we cut taxes, that will spur the economy and pay for it.

Tomorrow, apparently, in the Senate we are going to get the House bill that passed today that cuts taxes for some but not all. So what will happen if we do what the House has suggested? Households will lose, on average, $20,000 in total disposable personal income between 2011 and 2020. Total individual income taxes will increase by $37 million between 2011 and 2020. Jobs will be lost and small businesses are not going to hire. I can tell you that anecdotally because I have been talking to the small business owners in my State. I was a small business owner, and I know what it takes to increase employment.

Without action by us, the death tax will return with a vengeance. A lot of people think: Oh, a death tax, that is just going to affect the heirs of rich people. I think we have to remember that estates over $1 million will be taxed at the 55-percent rate. So many small businesses in this country are either farms or ranches, where the valuation at death on the property is going to be so much higher than the productivity on that land, and the heirs are going to be faced with selling the property to pay the taxes, which means it will no longer have any capacity for hiring people or productivity.

The same is true for small manufacturing companies. I was a small manufacturer. I can tell you my equipment was worth a whole lot more than the productivity of that equipment. You can pay for it over time, so you own the equipment. But then if you die and your heirs have to pay a huge estate tax on the value of equipment, then they are going to have to sell the equipment and, therefore, you have lost the business.

The statistics in this country of family businesses that are passed to the second generation and the third generation are abysmal. It is about 50 percent that goes to the second generation. To the third generation, it is 20 to 30 percent. Who does that hurt? Of course, it hurts the families. It also hurts the employees of those family-owned businesses. They are the ones who will be put out of work. So the estate tax going to 55 percent over $1 million is not good public policy. It would be outrageous for us to leave this year and go into that kind of estate tax, which is confiscatory.

I have to tell you, I think it walks away from the American dream. The American dream is that you can start from nothing in this country and you can build something and you can give the fruits of your labor to your children. That is the American dream. That is what people come here and work for 7 days a week in restaurants, to try to build something to give to their children. Who are we to take that away? That is the American dream. But it will be gone at the end of this year if we don't address that issue in Congress.

Capital gains and dividends: How many of our seniors are living on capital gains and dividends? I guarantee you, anybody who has a bank account knows you are not earning anything from that. You are not earning from cash because the interest rates are so low that many of our seniors are struggling. If they have a nest egg of stocks that is paying some dividends, then that is what many of them are living on. So we are going to raise the tax on dividends from 15 percent to 20 percent at a time when so many seniors are struggling. That is what is going to happen if we don't address the tax cuts by the end of this year.

The marriage penalty: That is my bill. I introduced relief from the marriage penalty. Why should two people working get married and go into a higher tax bracket in this country? We addressed that issue. For most people, we have eliminated the marriage penalty, but not at the end of this year, if we don't act, the marriage penalty comes back. So a policeman and a schoolteacher who marry are going to have to pay about $1,400 more in taxes just because they want to get married—a schoolteacher and a policeman. It is an absolute fact. Is that what we want in this country?

Small business owners pay at the individual rates—a subchapter S small business. Many small businesses are created to be able to pay at the individual tax rate. Over 50 percent of the small businesses in our country pay at the individual tax rate. So now we are going to say individuals' tax rates are going to go up if they make over $250,000, which is many of the small businesses in our country, so they are going to be paying at the higher rate. These are the things that are going to happen if we don't act.

The House passed legislation that is going to be devastating for the people who are unemployed in this country. How could we even think of doing something so drastic? I hope tomorrow when the Senate takes up the House bill that we send it back to the House and say: This is not going to go.

I will say to the President of the United States: I thought, Mr. President, that you said you were open to working on extending the taxes for everyone, and yet here we are, with the leadership of the House who just talked to the President this week, and we have the same thing they have been talking about for all these months—no give, nothing has changed.

So here we are, it is December, and the people of America expect the leaders of Congress to address the issues that are on people's minds. We are 3 weeks from Christmas, we are 4 weeks from the end of the year. How could we leave without taking responsible action to let everyone in this country who is paying taxes know how to plan for—I would hope for 2 or 3 or 4 or 5 years?

Lastly, Mr. President, I want to say the one thing that seems to be missing in the Halls of Congress is the importance—to a family, but also to a small business especially that is thinking of expanding and hiring people—of stability and predictability. You can't say we are going to extend the tax cuts for 1 year or 2 years and do the right thing for the economy of our country. We ought to do it permanently, to be honest. But if you are not going to do it permanently, at least do it for 5 years, or, at a minimum, 2 or 3 years.

It is not going to cost the government to give these tax cuts. We are keeping it the way it is now. We are trying to spur jobs being created in our country. So when people talk about this is going to cost the government X billion dollars to let people keep the money they have earned, they are going right over the heads of the American people.

So predictability is the most important thing we can do for small businesses so they can plan, so they can say we are going to expand our product line, we are going to expand our service area. These are the things they can do if they know what their tax commitments are going to be, and if they know what their health care costs are going to be. That is what is freezing the economy right now because people don't know what to expect.

So I hope the President is listening. I hope the leadership of the Senate is listening. Most certainly, I hope the House of Representatives will come to the table and see we can do better than this, and we ought to do it before we leave this week or next week so people know what to expect; so small businesses can sit down at the end of the year and plan their businesses and create jobs in this country. That is the Christmas present people would like. They want jobs. They want to work to support their families. They do not want to live on unemployment. They do not want to live on food stamps. That is not a life. It is not a future. It is not hope. That is what they want—a future and hope for their families.

So I hope, myself, that we, the leaders of America, will give the American people what they deserve and what clearly is in the long-term best interests of their families.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEMIEUX. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO CONGRESSMAN LINCOLN DIAZ-BALART

Mr. LEMIEUX. Mr. President, I come to the floor, as many of us have done in recent weeks, to pay tribute to a Member of Congress who is retiring—to a great Floridian and a great American, a man I am proud to call a colleague and a friend, Congressman LINCOLN DIAZ-BALART. Congressman LINCOLN DIAZ-BALART is retiring after 18 years of service in the U.S. House of Representatives.

Born in Havana, Cuba, LINCOLN came to the United States in 1959, at the age of 4 years old. His father, Rafael Lincoln Diaz-Balart, had just been elected a senator in Cuba, but he could not take office or remain in Cuba because of the rise of the dictator Fidel Castro.

LINCOLN DIAZ-BALART rose in the House of Representatives to become a senior member of the Rules Committee, the ranking member of the Subcommittee on Legislative and Budget Process, and is now the co-chairman of our congressional delegation. He is also the chairman of the Congressional Hispanic Leadership Institute.

LINCOLN grew up in south Florida. He attended public schools there and high school, but he also attended school in Madrid, Spain. He received a degree in international relations from New College in Sarasota and obtained a diploma in British politics in Cambridge, England. He received his law degree from Case Western Reserve University in Cleveland.

LINCOLN started the practice of law in Miami. He worked for Legal Services of Greater Miami, providing free legal services to the poor. He was subsequently an assistant state's attorney, prosecuting those who committed crimes, and a partner in the prestigious Fowler, White law firm.

LINCOLN was first elected into politics in the Florida Legislature back in 1986, but quickly—just 3 years later—ran for the U.S. Congress. In 1992, he served his first term as a Representative of Florida's 21st Congressional District and served as a member of the House Foreign Affairs Committee.

In 1994, LINCOLN became the first Hispanic in history to be named to the powerful Rules Committee. In 1996, he drafted much of the legislation that strengthened the embargo against Cuba and its dictatorship.

In 1997, he showed his penchant for helping those in need by successfully carrying out efforts to restore the supplemental security income and food assistance to legal immigrants who were denied aid by the welfare reform law of the previous year.

As a member of the House Rules Committee, on September 14, 2001, Congressman DIAZ-BALART took to the floor of the House the joint resolution authorizing the use of force in Afghanistan after the September 11 attacks.

Congressman DIAZ-BALART lives in Miami with his wife Cristina and their two sons Lincoln and Daniel. When he retires, Florida will lose one of its strongest voices, as will this country and all those who care about freedom around the world.

He has fought for Florida's families with integrity and effectiveness. From his time in the State senate to his service in Congress, he has served with passion, drive, and a steadfast determination to do what is right. Most of all, and what I appreciate him most for, he has been a champion of freedom and democracy, not only in Cuba but throughout Latin America and the world.

No one in Congress is more passionate about ending the oppression that Cubans suffer under the current regime. His efforts are known not only here but throughout the world. He is a voice of change, and he is a passionate believer in the rights of people everywhere to be free. He speaks for political prisoners held in the regime's prisons, he speaks for those who suffer beatings for speaking out against their captors, and he speaks for everyday Cubans who hunger for the freedom they have never felt.

I have heard LINCOLN speak many times about the plight of the Cuban people. I have seen his desire to see the people of Cuba enjoy the prize of liberty that has been denied them for more than 50 years. When he speaks about these issues, you feel his passion. His voice has been a great voice for a life of liberty throughout Florida, this country, and the world.

To know LINCOLN is to know one of his heroes—his father Rafael Diaz-Balart, a well-respected public servant. When he had to leave Cuba in 1959, he arrived in the United States and established the White Rose, the first anti-Castro civic organization. When LINCOLN returns to Florida, he will lead a nonprofit inspired by the White Rose. I know his father is looking down from Heaven and will continue to be proud of his son.

The House of Representatives will not be the same without his talents, but Florida will continue to benefit by having him back at home full time. As an article in his hometown paper—the Miami Herald—noted, even though LINCOLN has announced his retirement, the pulpit will change but the passion will not. To me, LINCOLN will always be a steadfast ally in the cause for freedom 90 miles away from our shores in Florida. He knows that freedom is not negotiable, and its cause is the most noble cause in the world. Our country and our world is better off because of my friend LINCOLN DIAZ-BALART.

I will always be grateful to him because when I came here to the Senate with him and his brother MARIO DIAZ-BALART, another great champion for freedom, I was mentored in the issues that affect my State and so many of the people in my State who come from Cuba and other countries in Latin America. Through their mentoring and through their passion and through the education they provided to me, I was better able to understand his plight, a plight that I don't think most of my colleagues can know as well as we can in Florida—that just 90 miles from our shore is an evil dictator who oppresses his people.

When I am in Florida talking with folks, oftentimes I will make the remark, if I am, say, in Orlando, FL: Can they imagine that just 90 miles away, say, in West Palm Beach, FL, that it would be illegal to speak out against the government, illegal to practice your religion, illegal to gather together in association to express your political views—all of the freedoms we sometimes take for granted? Just 90 miles from our shore, people are jailed, are killed for trying to exercise those freedoms.

It was brought home to me most when I was visited recently by a man by the name of Ariel Sigler. Ariel was a political prisoner in Cuba for 7 years. He has recently been released, and he was in Miami receiving medical care. Ariel is a man who was a professional boxer, a large, strapping man. But he didn't just fight with his hands; he also raised his voice for freedom in his native Cuba. When he did so, he was thrown in jail, and now he is a man who is about 100 pounds less in weight, whose once towering frame is relegated to a wheelchair because for 7 years he was imprisoned just for wanting to criticize his government. He was put in a small cell with several other prisoners. He was fed maggot-infested food, and he had to wash in a pipe and drink from a pipe sitting outside his cell, as did all the other prisoners. It made him sick, desperately sick. This happens just 90 miles from the shore of this country. It is intolerable.

But I know of this, and my heart bleeds for the Cuban people because of the great work of Congressman LINCOLN DIAZ-BALART. So we will miss him. His voice has fought for freedom in this body, in the U.S. Congress, for 18 years. But as the Miami Herald said: The pulpit will change but the passion will not.

We know he will continue to hold that lamp of freedom and be an advocate for free people and people who yearn to be free throughout the world.

I yield the floor.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. LEMIEUX. Mr. President, I ask unanimous consent that the Senate now stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 7:19 p.m., recessed until 9:38 p.m. and

reassembled when called to order by the Presiding Officer (Mr. UDALL of Colorado).

The PRESIDING OFFICER. The majority leader.

MAKING FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 2011

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to H.J. Res. 101, which is the 2-week continuing resolution; that the joint resolution be read three times, passed; the motion to reconsider be laid on the table; and any statements relating to this matter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (H.J. Res. 101) was ordered to be read a third time, was read the third time, and passed.

FEDERAL AVIATION ADMINISTRATION EXTENSION ACT OF 2010

Mr. REID. Mr. President, I ask the Chair to lay before the Senate a message from the House with respect to H.R. 4853.

The Presiding Officer laid before the Senate a message from the House as follows:

H.R. 4853

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 4853) entitled ''An Act to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes.'', with a house amendment to the Senate amendment.

MOTION TO CONCUR WITH AMENDMENT NO. 4727

Mr. REID. Mr. President, I move to concur in the House amendment to the Senate amendment to H.R. 4853 with an amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] moves to concur in the House amendment to the Senate amendment with an amendment numbered 4727.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. REID. On that I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

CLOTURE MOTION

Mr. REID. I have a cloture motion which is at the desk.

The PRESIDING OFFICER. Pursuant to rule XXII, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to concur in the House amendment to H.R. 4853, the Airport and Airway Extension Act of 2010, with an amendment No. 4727.

Harry Reid, Charles E. Schumer, Benjamin L. Cardin, Barbara Boxer, Al Franken, Jeanne Shaheen, Mark R. Warner, Debbie Stabenow, Sheldon Whitehouse, Mark Udall, Tom Udall, Byron L. Dorgan, Patty Murray, Robert P. Casey, Jr., Patrick J. Leahy, Tom Harkin, Jeff Merkley.

AMENDMENT NO. 4728 TO AMENDMENT NO. 4727

Mr. REID. I have a second degree amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. SCHUMER, Ms. STABENOW, and Mr. MENENDEZ, proposes an amendment numbered 4728 to amendment No. 4727.

Mr. REID. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

CLOTURE MOTION

Mr. REID. I have a cloture motion at the desk.

The PRESIDING OFFICER. Pursuant to rule XXII, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the second-degree amendment No. 4728.

Harry Reid, Charles E. Schumer, Benjamin L. Cardin, Barbara Boxer, Al Franken, Jeanne Shaheen, Mark R. Warner, Debbie Stabenow, Sheldon Whitehouse, Mark Udall, Tom Udall, Robert P. Casey, Jr., Frank R. Lautenberg, Dianne Feinstein, Mark L. Pryor, Richard J. Durbin.

Mr. REID. I ask unanimous consent that the mandatory quorums required under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTION TO REFER WITH AMENDMENT NO. 4729

Mr. REID. Mr. President, I have a motion to refer with instructions at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] moves to refer the House message to the Senate Committee on Finance with instructions to report back forthwith, with the following amendment:

At the end, add the following:

The Senate Finance Committee is requested to study the impact of any delay in extending tax cuts to middle income Americans with incomes up to $250,000.

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4730 TO AMENDMENT NO. 4729

Mr. REID. I have an amendment to my instructions at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4730 to amendment No. 4729.

Mr. REID. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end, insert the following:

''including specific information on the impact of the delay in extending the tax cuts.''

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4731 TO AMENDMENT NO. 4730

Mr. REID. Mr. President, there is a second-degree amendment at the desk that I ask be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4731 to amendment No. 4730.

Mr. REID. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end, insert the following:

''and include statistics which reflect regional differences''

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, we have worked hard today trying to be at a point where we could be further down the road than we are. I know the Republican leader has worked hard to try to get to a point where we could have the four amendments that people are talking about all around this city.

We were not able to do that because of at least one Republican who held that up. Senator MCCONNELL has given this a valiant try and I have been in the position he is in and I understand that. I certainly do not criticize him.

I would hope everyone understands we are going to have to have some votes Saturday. We are going to wind up having, right now, two cloture votes. We may not have any more. We

may not be able to work out anything with the minority. But everyone should be aware that could happen. We are satisfied, if the minority does not want those other two amendments, then we will just go ahead as we are scheduled now under the rules of the Senate.

We are going to have to be here on Saturday. We have so many things to do, as everyone knows, and we have been trying to work through some of that this week and have not gotten through nearly as much as we wanted.

I am, however, disappointed we have not been able to do more. I received a letter from all the Republicans yesterday saying: We are not going to allow you to do anything legislative until we get the tax cuts resolved and funding the government.

Well, we are not only not getting legislative things done now, now they are not letting us do the tax cuts and funding the government. So we are going to try to work our way through this. We have a lot to do. We have to work together, and I intend to be as cooperative as I can. My caucus, even though we have very strong feelings, recognized we are trying to do what is good for this country, but we cannot do them alone. I apologize for not having more definition early on, but we did the best we could.

So tomorrow we are going to be in session and there will be time for people to give some speeches and do the things they need to do. Be prepared for Saturday. As to what time Saturday, we do not know. Under the rule, it is 1 hour after we come in. If we can work out something different than that, we will do it.

The PRESIDING OFFICER. The assistant majority leader is recognized.

MORNING BUSINESS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

OUR NATION'S COINAGE

Mr. DODD. Mr. President, I would like to briefly describe two pieces of legislation which were before the Committee on Banking, Housing, and Urban Affairs, and recently secured full approval of the Senate.

The first piece of legislation is H.R. 6162, the Coin Modernization, Oversight, and Continuity Act of 2010. This bill principally addresses the issue of how to approach the costs of metals used to make our Nation's circulating coinage. In recent years, market prices for various metals—including those used for our Nation's coinage, such as nickel, copper, and zinc—have risen to such a point that it costs the U.S. Mint more than a penny to make a penny, and more than a nickel to make a nickel. By giving the Treasury Secretary the authority to conduct research and development on metallic materials for all circulating coinage, as appropriate, and mandating a biennial report on the status of current coin production costs and an analysis of alternative content, this legislation will equip the U.S. Mint with the tools necessary to present detailed legislative recommendations to Congress. Should the Congress decide to act on any such prospective recommendations for lower cost metallic materials and combinations, there could be considerable savings to the taxpayer over time. In addition, this bill gives the Secretary flexibility in determining the quality and quantity of gold and silver bullion coins produced. The Mint has recently taken drastic but prudent measures to meet the extraordinary demand for silver and gold bullion coins and has suspended production of its proof and uncirculated versions, which are of great intrinsic value to collectors and coin enthusiasts. Going forward, the Mint will be able to simultaneously offer these higher-quality versions directly to the public while continuing to satisfy demand for bullion coins.

The second piece of legislation is H.R. 6166, the American Eagle Palladium Bullion Coin Act of 2010, which authorizes the Secretary to mint and issue a $25 palladium bullion coin, subject to the submission of a report to Congress demonstrating sufficient public demand for such coins and no resultant net cost to taxpayers. Palladium is a sought-after investment-grade precious metal whose market price is often reliably above silver and below that of gold and platinum. Other governments have issued palladium bullion coins before as investment vehicles and collector's items, and this bill lays the groundwork for the U.S. Mint to carry out a unique palladium coin program that would benefit investors and numismatists, and cost nothing to the taxpayer.

The Coin Modernization, Oversight, and Continuity Act of 2010 and the American Eagle Palladium Bullion Coin Act of 2010 have both passed the House, and will now await the signature of the President. I am pleased that these two bills were approved by this body, as they reflect sound and measured policy towards improving the state of our Nation's coinage, and thank my colleagues for their help in getting these measures adopted.

NEW START TREATY

Mrs. GILLIBRAND. Mr. President, as a member of the Senate Foreign Relations Committee, I was proud to vote for the passage of the resolution of advice and consent to the New START Treaty between Russia and the United States in the Senate Foreign Relations Committee last September. It was the right thing to do for our national security.

The most dangerous threat to America and to the world is for a terrorist organization or network to obtain a nuclear weapon. Nuclear disarmament is among the most critical steps we must take to keep our Nation and future generations safe. Ratification of the New START Treaty would reduce the number of nuclear weapons in the American and Russian arsenals, bolstering our national security by reducing the risk of loose nuclear weapons and materials falling into the hands of hostile nations or terrorist groups seeking to attack America or her allies.

Only recently, documents have revealed to the world the continuing significant risk that Pakistan's nuclear weapons could fall into the hands of terrorists. There are a number of ways for us to address and minimize this risk in Pakistan and other countries. An agreement between two nuclear leaders to reduce their stockpiles of nuclear weapons and to improve transparency and oversight is a critical factor to keeping nuclear weapons out of the hands of terrorists. By reducing the numbers of unneeded nuclear weapons in Russia, improving verification of Russian nuclear reductions, controlling and securing Russian nuclear warheads, and eliminating retired Russian delivery systems and vulnerable weapons-grade material new START would reduce the possibility that a nuclear weapon could be launched due to a terrorist attack, a misunderstanding, or a miscalculation, killing hundreds of thousands of Americans.

This continuation of a landmark agreement between our nations would be an important step in the President's efforts to convince other countries to get rid of their nuclear weapons. Countries like Ukraine have made this commitment in part due to the confidence that new START provides.

The treaty signed by President Obama and President Medvedev is sensible and it is right for our Nation's security; this is evidenced by the endorsements of several former Secretaries of Defense and State from both sides of the political aisle. I urge my colleagues in the Senate to ratify this treaty, ensuring a safer world for our children.

NOTICE OF INTENT TO OBJECT

Mr. GRASSLEY. Mr. President, I, Senator CHUCK GRASSLEY, intend to object to proceeding to H.R. 5717, the Smithsonian Conservation Biology Institute Enhancement Act, for the following reasons. The Smithsonian has had well documented problems keeping up with the maintenance needs of current structures and facilities. Additionally, I have investigated Smithsonian officials in the past few years regarding inappropriate use of taxpayer funds. I would like to examine whether the Smithsonian is able to meet its current operational requirements before legislation allowing for the construction of a new facility moves through the Senate without debate or even committee consideration.

REMEMBERING IVY JOHNSON

Ms. COLLINS. Mr. President, today I wish to honor the spirit, determination, and life of Ivy Johnson. Ivy lost her long battle with cancer on Friday, November 19. Our thoughts and prayers remain with her parents, her brothers, and the rest of her family and friends.

While Ivy's many academic achievements and personal adventures will be chronicled by others, I want to focus on the Ivy we knew—the public servant—and I offer these thoughts on her life and her service to the Homeland Security and Governmental Affairs Committee.

From the start, I appreciated and respected Ivy's strong work ethic, and my trust in her judgment grew each passing day.

Ivy had a wonderful capacity to combine her knowledge of the law and understanding of policy with the practical political realities that form the foundation of the legislative process. Ivy believed in the law and that it worked to advance notable and worthy goals.

She worked with Representative ISSA's staff on the House Oversight and Government Reform Committee to identify financial support provided by the Federal Government to the Association of Community Organizations for Reform Now, or ACORN, after allegations emerged of inappropriate activity by that organization.

She provided insightful analysis on everything from judicial nominations to homegrown terrorism.

She played a critical role in the investigative work of my staff regarding the November 2009 terrorist attack at Fort Hood. She skillfully conducted investigative reviews of the government's policies relating to the reading of Miranda rights to terrorists captured in the United States.

Ivy understood that the security of our Nation and the privacy and civil liberties of Americans are not mutually exclusive. Her guidance on law enforcement and intelligence tools and techniques reflected a mature appreciation of the Constitution and laws of the United States, an understanding of the threat terrorists pose to our Nation, and a deep respect for the rights of Americans.

Her accomplishments were noteworthy in and of themselves, but they are remarkable considering the personal struggle that Ivy was waging throughout her tenure on the committee.

Shortly before joining my staff, her doctors found a tumor in her jaw. She endured multiple surgeries, numerous rounds of chemotherapy and radiation, and other difficult treatments that sapped her strength and energy.

But neither the cancer nor the treatments could destroy Ivy's determination or spirit. Ivy insisted on carrying a full workload. She was always concerned that her treatments might place additional burdens on her colleagues, and she never complained about the hand she had been dealt.

On more than one occasion, we tried to tell Ivy to stop e-mailing from her BlackBerry while she was waiting for treatments. When a particularly grueling round of treatments or an extensive surgery was on the horizon, and with everything she was undergoing at the time, Ivy thought of others and let us know she would be watching her BlackBerry if we needed her for anything.

And we often did. The trust Ivy had earned from me and my senior staff was such that we regularly sought her guidance on matters across the board. Ivy was ''a lawyer's lawyer''—even the most skilled lawyers on my staff regularly sought her thoughts on issues because her knowledge of the law and her reasoned approach to problem solving was indispensable when complex problems required careful analysis.

In her professional life, and her pain, Ivy was intensely private. Few knew how ill Ivy actually was because while she suffered, her work never did.

There are times in our lives, whether professional or personal, when we know the right person has come into our lives, and that was the case for us with Ivy. It brought a heartfelt smile to my face when Ivy's mother told me that Ivy had called her time with us her ''dream job.''

Ivy's courage and determination will continue to serve as an inspiration for all of us.

ADDITIONAL STATEMENTS

TRIBUTE TO AGNES WELCH

• Mr. CARDIN. Mr. President, today I pay special tribute to Agnes Welch, a member of the Baltimore City Council and a dedicated public servant. Councilwoman Welch, who was first elected to the Baltimore City Council in 1983, is retiring after serving her community and her city in the council for almost three decades.

Councilwoman Welch has always been attuned to the needs of her west Baltimore community and loyal to her faith. She has been a trailblazer for women, African Americans, and her constituents. Her committee work in the city council helped shape the renaissance of Baltimore's downtown and the redevelopment of its neighborhoods. Her work with not-for-profit organizations and city agencies has created new opportunities for child care, family health care, better schools, and senior housing. Councilwoman Welch's work with the Catholic Archdiocese has improved the Church's outreach to and accommodation for people of color and it has improved services for the neighborhoods and communities surrounding the churches. As a result of her outstanding service and dedication to the church, she received the Papal Medal ''pro ecclesia et pontifice'' from Pope John Paul II.

Legislatively, Councilwoman Welch has demonstrated her concern for the welfare of her constituents, particularly those people living in poverty. She sponsored legislation which created the framework for addressing homelessness. Another legislative proposal funded a study into the increase in teenage homicides. Most recently, she introduced legislation to establish a Task Force on Childhood Obesity.

Councilwoman Agnes Welch has been an outstanding public servant, working selflessly, tirelessly, and effectively on behalf of others. I ask my colleagues to join me today in thanking Councilwoman Welch for her dedication to her community and constituents, and in wishing her well in her retirement.•

TRIBUTE TO TOM MONAHAN

• Mr. LIEBERMAN. Mr. President, today, I would like to celebrate the extraordinary career of newsman Tom Monahan, who, after 40 years of political reporting for NBC Connecticut, is semi-retiring. I first came to know Tom in the early seventies when he covered me in the Connecticut General Assembly, and I have greatly admired his work and personality ever since.

Tom is a native of Bristol, CT, who began his career in broadcast radio. He started reporting sports when he first joined NBC CT, and then graduated through the ranks to eventually become the station's chief political reporter and one of Connecticut's very finest.

Much can be said about Tom's skill as a journalist, but his integrity immediately comes to mind. Edward R. Murrow, the great television broadcaster, once said ''we cannot make good news out of bad practice,'' and Tom's career surely embodied that principle. At a time when journalism is increasingly defined by attacks and negativity, Tom represents something of the ''old guard'' fact-driven reporting meant to inform and educate. He was always interested in getting the story out, but not interested in ''getting'' the public official who was part of the story. For so many years, the people of Connecticut who watched him came to rely on him for his truthfulness, and in the end many of us who were privileged to be in public life during his career wanted to help him get the story because we had such respect for and confidence in him.

I have so many memories from over the years with Tom, but one stands out above the others. I remember the morning in August 2000 when Vice President Gore announced that he had selected me to be his Vice Presidential running mate. I was in my house in New Haven, CT, and the number of satellite and TV trucks outside began to grow, in effect barricading me in. The Gore campaign team flew in from Nashville and my new press secretary said to me in my kitchen, ''Sir, the initial reaction to Vice President Gore's selecting you as his running mate has been tremendous and, if you speak to the press outside, you can only detract

from the positive coverage we're getting.'' As we walk out the side door to head to the airport, who, of course, was standing right there but Tom Monahan. Needless to say, I went over and spoke to Tom—how was I not to?

As I reflect on Tom's career, I cannot help but think how much he will be missed, and how grateful Connecticut should be for the invaluable service he provided us. We are undoubtedly better off for having had Tom Monahan as a reporter. I wish him and his wonderful family my very best as he moves on to an exciting new chapter in his life.●

REMEMBERING ROBBINS BARSTOW

● Mr. LIEBERMAN. Mr. President, I wish to honor the life and work of Robbins Barstow of Hartford, CT, a great filmmaker, conservationist, and dedicated member of the community.

Robbins Barstow has come to hold a special place in the hearts and minds of thousands of families across the country through the tender and illuminating documentary films he produced over the years. Mr. Barstow captured the lives and aspirations of ordinary people in mid-century America, most famously in his film ''Disneyland Dream'' which the Library of Congress included in its National Film Registry for its cultural and artistic significance, calling it a ''priceless and authentic record of time and place.''

Mr. Barstow brought a similar sensitivity and talent to his professional work with the Connecticut Education Association, where he worked tirelessly on behalf of teachers and public schools across our state. Mr. Barstow believed deeply in the power of education to transform our country and the world, and he dedicated so much of his life to ensuring that our teachers got the respect and acknowledgement that they so greatly deserve.

I also admired Mr. Barstow deeply for his extraordinary efforts as a conservationist. He held a special interest in whales and brought his interest and passion for the environment and natural world to founding Cetacean Society International, a conservation, education, and research organization with ties to over 25 nations. Mr. Barstow made a number of films about endangered species that will continue to inform us of the importance of conservation and inspire future conservationists for years to come.

The State of Connecticut and our Nation more broadly are blessed to have leaders like Robbins Barstow in our communities. He will be deeply missed and his important contributions and unforgettable spirit will never fade from our memory. My thoughts and prayers are with the entire Barstow family: his wife Margaret, his children David, Dan, and Cedar, his grandchildren, and great-grandchild.●

TRIBUTE TO DR. MILO SHULT

● Mr. PRYOR. Mr. President, today I honor an Arkansan for his contribution to Arkansas and our Nation. Dr. Milo Shult served as vice president of the University of Arkansas's Division of Agriculture for the past 18 years, improving living conditions for many Arkansans and Americans. After so many years of service, he has decided to step down from his position and move to the next chapter of his life. He leaves behind a positive, lasting legacy. While he is stepping down from his current position with the university, he will undoubtedly continue to play an active role in promoting agriculture and enhancing the lives of Americans.

The Division of Agriculture at the University of Arkansas, which was headed by Dr. Shult, plays an integral role in improving the lives of individuals all over the State and Nation through its work on campus and in the field. The mission of the division is to enrich the lives of neighbors by drawing on what is learned from research and using outreach skills. They meet this mission by maintaining a strong presence throughout Arkansas, which is critical given the importance of agriculture to our economy and way of life. Agriculture contributes 12 percent of Arkansas's gross State product and is responsible for more than one in every six jobs in the State. We are proud to be ranked in the top 25 among States in the production of 24 agricultural commodities, and we rank in the top 5 for rice, broilers, upland cotton, cottonseed, catfish, turkeys, and sweet potatoes.

Becoming such a successful and diverse agriculture State requires an active research and extension service that is innovative and resourceful. Dr. Shult developed a solid division system that currently employs cooperative extension faculty in all 75 counties; agricultural experiment station scientists and extension specialists on 5 university campuses and at 5 research and extension centers; and support personnel at 8 research stations. These employees provide Arkansans with informational resources related to agriculture production and processing; environment, energy and climate; family and youth programs; access to safe and nutritious foods; and community development. These resources serve as tools to positively impact lives and communities in Arkansas and make our Nation and world better.

While vice president of the Division of Agriculture, Dr. Shult exhibited excellent leadership ability moving the division forward. Dr. Shult possessed exemplary skill in working with stakeholders and building relationships while executing the division's programs consistent with its mission. The division grew and prospered under his leadership, and it stands poised to meet the many challenges and needs of the 21st century. During his tenure, Dr. Shult oversaw the development of over $72 million in new construction and facility upgrades, including new construction or improvements to every Research Station and Research and Extension Center across the State. Today these facilities are state of the art and the envy of other States and nations. With Dr. Shult at the helm, the division kept with the times and always planned for the future by turning challenges into opportunity. He leaves behind an improved division and an improved State with a vision of where it needs to go to meet future challenges.

While I and others will certainly miss Dr. Shult's work at the division, I am excited to know he will remain active in agriculture research, extension and education. Dr. Shult was recently appointed to the National Agricultural Research, Extension, Education and Economics Advisory Board. In this position, Dr. Shult will advise the Secretary of the U.S. Department of Agriculture and land-grant colleges and universities on top national priorities and policies for food and agricultural research, education, extension, and economics. This is a huge compliment to Dr. Shult and is a result of his efforts at the University of Arkansas. He will provide outstanding leadership on the board, and I am sure he will bring a unique perspective that is needed and desired.

Dr. Milo Shult is an inspiration and a proven leader of people and organizations. He is a family man with many friends and associates. I have enjoyed working with him in my capacity as U.S. Senator, and I know the entire Arkansas congressional delegation is appreciative of his kindness and genuine efforts. His passion, leadership, and influence greatly increased the readiness and effectiveness of the University of Arkansas's Division of Agriculture. I appreciate his service to the people of Arkansas, and I wish him well in his continued service to our country.●

RECOGNIZING STERLING ROPE COMPANY

● Ms. SNOWE. Mr. President, American manufacturers have faced a variety of persistent challenges over the past several decades, including competition from foreign markets and rising structural costs. Nonetheless, the manufacturing industry remains resilient in the United States. The sector still supports roughly 18.6 million jobs in the United States, or approximately one-sixth of all private sector jobs, and American manufacturing produces $1.6 trillion of value every year equaling 11 percent of U.S. gross domestic product. And just yesterday, we got word from the Institute for Supply Management, or ISM, that November marked the 16th straight month of positive growth for American manufacturing. And so, today I recognize one of Maine's remarkable small manufacturing companies, Sterling Rope Company, which has been producing high quality rope for more than a decade and a half.

Sterling Rope got its beginnings in 1993, when president and founder Carolyn Brodsky opened her business in Massachusetts. By 1997, Ms. Brodsky

decided to relocate her firm to Maine for a number of reasons, including our State's high-skilled workforce and quality of life. Over the past 13 years, Sterling Rope has grown in size, moving from its original Maine location in Scarborough to a larger facility in Saco, before settling at its present location in the Biddeford Industrial Park.

The company manufactures rope for a plethora of activities an uses, including climbing, rope rescue, and industrial safety. In particular, Sterling Rope prides itself as a leader in the advancement and production of life safety rope and cord. One of the company's products, the FireTech 32, is the direct result of its partnership with New York City's Fire Department, which provided Sterling with feedback on how to best construct the rope. The FireTech 32 is now FDNY's official escape rope. Indeed, the firm is noted for its exceptionally creative and collaborative product development. The company has created a Sterling Athletes Team, which is a collection of expert climbers from around the world that test Sterling's products and provided critical feedback for the company.

Additionally, Sterling helps promote and support a variety of climbing events and philanthropic efforts on its multifaceted Web site. One inspiring event that Sterling has publicized is the Climb for Cancer Cure, a mountain-climbing fundraiser held each summer since 2006 to raise both funds and awareness for people suffering because of cancer. All of the money raised from the climbs goes to help comfort cancer patients at the Marshall L. and Susan Gibson Pavilion at Maine Medical Center in Portland, by donating amenities like CD and DVD players. Climb for Cancer Cure also provides family members with baskets containing gift cards to help them defray the costs associated with visiting their loved ones, such as for lodging and gas. I thank Sterling Rope for recognizing this tremendous initiative.

Sterling Rope is a prime example of a leading manufacturing company in my home State that is dedicated to making quality products and providing responsiveness to its customers. I am proud that Carolyn Brodsky moved her company to Maine nearly a decade and a half ago, and I hope she continues to expand her extraordinary operations. I thank her and everyone at Sterling Rope Company for their hard work, and wish them continued success.●

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

The President pro tempore (Mr. INOUYE) reported that he had signed the following enrolled bills, which were previously signed by the Speaker of the House:

H.R. 6162. An act to provide research and development authority for alternative coinage materials to the Secretary of the Treasury, increase congressional oversight over coin production, and ensure the continuity of certain numismatic items.

H.R. 6166. An act to authorize the production of palladium bullion coins to provide affordable opportunities for investments in precious metals, and for other purposes.

At 3:28 p.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6473. An act to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend the airport improvement program, and for other purposes.

At 4:45 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks announced that the House has passed the following bill, without amendment:

S. 3307. An act to reauthorize child nutrition programs, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6469. An act to amend section 17 of the Richard B. Russell National School Lunch Act to include a condition of receipt of funds under the child and adult care food program.

The message further announced that the House has agreed to the amendment of the Senate to the bill (H.R. 4853) to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes, with an amendment.

ENROLLED BILLS SIGNED

At 6:21 p.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks announced that the Speaker has signed the following enrolled bills:

S. 1338. An act to require the accreditation of English language training programs, and for other purposes.

S. 1421. An act to amend section 42 of title 18, United States Code, to prohibit the importation and shipment of certain species of carp.

S. 3250. An act to provide for the training of Federal building personnel, and for other purposes.

H.R. 4387. An act to designate the Federal building located at 100 North Palafox Street in Pensacola, Florida, as the ''Winston E. Arnow Federal Building''.

H.R. 5283. An act to provide for adjustment of status for certain Haitian orphans paroled into the United States after the earthquake of January 12, 2010.

H.R. 5651. An act to designate the Federal building and United States courthouse located at 515 9th Street in Rapid City, South Dakota, as the ''Andrew W. Bogue Federal Building and United States Courthouse''.

H.R. 5706. An act to designate the building occupied by the Government Printing Office located at 31451 East United Avenue in Pueblo, Colorado, as the ''Frank Evans Government Printing Office Building''.

H.R. 5773. An act to designate the Federal building located at 6401 Security Boulevard in Baltimore, Maryland, commonly known as the Social Security Administration Operations Building, as the ''Robert M. Ball Federal Building''.

The enrolled bills were subsequently signed by the President pro tempore (Mr. INOUYE).

ENROLLED BILL SIGNED

At 8:51 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks announced that the Speaker has signed the following enrolled bill:

H.R. 4783. This Act may be cited as ''The Claims Resettlement Act of 2010''.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 6469. An act to amend section 17 of the Richard B. Russell National School Lunch Act to include a condition of receipt of funds under the child and adult care food program; to the Committee on Agriculture, Nutrition, and Forestry.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–8295. A communication from the Under Secretary of Defense (Comptroller), transmitting, pursuant to law, a report relative to a violation of the Antideficiency Act that occurred within the Department of the Air Force and was assigned case number 09–03; to the Committee on Appropriations.

EC–8296. A communication from the Deputy to the Chairman, Federal Deposit Insurance Corporation, transmitting, pursuant to law, the report of a rule entitled ''Deposit Insurance Regulations; Unlimited Coverage for Noninterest-Bearing Transaction Accounts'' (RIN3064–AD65) received in the Office of the President of the Senate on November 30, 2010; to the Committee on Banking, Housing, and Urban Affairs.

EC–8297. A communication from the Associate Director, Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Belarus Sanctions Regulations'' (31 CFR Part 548) received in the Office of the President of the Senate on November 30, 2010; to the Committee on Banking, Housing, and Urban Affairs.

EC–8298. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report entitled ''Audit of the Exchange Stabilization Fund's Fiscal Years 2009 and 2008 Financial Statements; to the Committee on Banking, Housing, and Urban Affairs.

EC–8299. A communication from the Assistant Secretary of Land and Minerals Management, Bureau of Ocean Energy Management, Regulation, and Enforcement, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Renewable Energy Alternate Uses of Existing Facilities on the Outer Continental Shelf—Acquire a Lease Noncompetitively'' (RIN1010–AD71) received in the Office of the President of the Senate on November 30, 2010; to the Committee on Energy and Natural Resources.

EC–8300. A communication from the Chief, Listing Branch, Fish and Wildlife Services, Department of the Interior, transmitting,

pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Revised Critical Habitat for Santa Ana Sucker'' (RIN1018–AW23) received in the Office of the President of the Senate on December 1, 2010; to the Committee on Energy and Natural Resources.

EC–8301. A communication from the Chief, Listing Branch, Fish and Wildlife Services, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for the Vermilion Darter'' (RIN1018–AW52) received in the Office of the President of the Senate on December 1, 2010; to the Committee on Environment and Public Works.

EC–8302. A communication from the Chief, Listing Branch, Fish and Wildlife Services, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for the Polar Bear (Ursus maritimus)'' (RIN1018–AW56) received in the Office of the President of the Senate on December 1, 2010; to the Committee on Environment and Public Works.

EC–8303. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Salvage Discount Factors for 2010'' (Rev. Proc. 2010–50) received in the Office of the President of the Senate on December 1, 2010; to the Committee on Finance.

EC–8304. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Unpaid Loss Discount Factors for 2010'' (Rev. Proc. 2010–49) received in the Office of the President of the Senate on December 1, 2010; to the Committee on Finance.

EC–8305. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Guidance on In-Plan Roth Rollovers'' (Notice 2010–84) received in the Office of the President of the Senate on December 1, 2010; to the Committee on Finance.

EC–8306. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Funding Relief for Multiemployer Defined Benefit Plans Under Pension Relief Act 2010'' (Notice 2010–83) received in the Office of the President of the Senate on December 1, 2010; to the Committee on Finance.

EC–8307. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Branded Prescription Drug Sales'' (Notice 2010–71) received in the Office of the President of the Senate on December 1, 2010; to the Committee on Finance.

EC–8308. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''2010 National Pool'' (Notice 2010–74) received in the Office of the President of the Senate on November 30, 2010; to the Committee on Finance.

EC–8309. A communication from the Program Manager, Center for Medicaid, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medicaid Program; Cost Limit for Providers Operated by Units of Government and Provisions to Ensure the Integrity of Federal-State Financial Partnership'' (RIN0938–AQ40) received in the Office of the President of the Senate on December 1, 2010; to the Committee on Finance.

EC–8310. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, an annual report on the Child Support Enforcement Program for fiscal year 2008; to the Committee on Finance.

EC–8311. A communication from the Principal Deputy Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed technical assistance agreement for the export of defense articles, to include technical data, and defense services to Canada related to design, manufacture, and delivery of the Anik G1 Commercial Communication Satellite in the amount of $100,000,000 or more; to the Committee on Foreign Relations.

EC–8312. A communication from the Deputy Director of Regulations and Policy Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medical Devices; General and Plastic Surgery Devices; Classification of Tissue Adhesive with Adjunct Wound Closure Device Intended for Topical Approximation of Skin'' (Docket No. FDA–2010–N–0512) received in the Office of the President of the Senate on November 30, 2010; to the Committee on Health, Education, Labor, and Pensions.

EC–8313. A communication from the Deputy Director for Operations, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled ''Debt Collection'' (RIN1212–AB21) received in the Office of the President of the Senate on November 29, 2010; to the Committee on Health, Education, Labor, and Pensions.

EC–8314. A communication from the Deputy Director for Operations, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled ''Benefits Payable in Terminated Single-Employer Plans; Interest Assumptions for Paying Benefits'' (29 CFR Part 4022) received in the Office of the President of the Senate on November 29, 2010; to the Committee on Health, Education, Labor, and Pensions.

EC–8315. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 18–595 ''Pre-k Acceleration and Clarification Amendment Act of 2010''; to the Committee on Homeland Security and Governmental Affairs.

EC–8316. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 18–596 ''University of the District of Columbia Board of Trustees Quorum and Contracting Reform Amendment Act of 2010''; to the Committee on Homeland Security and Governmental Affairs.

EC–8317. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 18–160 ''Attorney General for the District of Columbia Clarification and Elected Term Amendment Act of 2010''; to the Committee on Homeland Security and Governmental Affairs.

EC–8318. A communication from the General Counsel, Federal Retirement Thrift Investment Board, transmitting, pursuant to law, the report of a rule entitled ''Correction of Administrative Errors'' (5 CFR Part 1605) received in the Office of the President of the Senate on November 30, 2010; to the Committee on Homeland Security and Governmental Affairs.

EC–8319. A communication from the Director, National Science Foundation, transmitting, pursuant to law, the Uniform Resource Locator (URL) for the Agency's Financial Report; to the Committee on Homeland Security and Governmental Affairs.

EC–8320. A communication from the Chairman, Federal Communications Commission, transmitting, pursuant to law, the Commission's Fiscal Year 2010 Agency Financial Report; to the Committee on Homeland Security and Governmental Affairs.

EC–8321. A communication from the Secretary of the Department of Veterans Affairs, transmitting, pursuant to law, the Semi-Annual Report of the Inspector General for the period from April 1, 2010 through September 30, 2010; to the Committee on Homeland Security and Governmental Affairs.

EC–8322. A communication from the Secretary of Labor, transmitting, pursuant to law, the Semiannual Report of the Office of Inspector General of the Department of Labor for the period from April 1, 2010 through September 30, 2010; to the Committee on Homeland Security and Governmental Affairs.

EC–8323. A communication from the Chief Executive Officer, Corporation for National and Community Service, transmitting, pursuant to law, the Semi-Annual Report of the Inspector General for the period from April 1, 2010 through September 30, 2010; to the Committee on Homeland Security and Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DORGAN, from the Committee on Indian Affairs:

Report to accompany S. 2802, a bill to settle land claims within the Fort Hall Reservation (Rept. No. 111–356).

By Mr. HARKIN, from the Committee on Health, Education, Labor, and Pensions, with amendments:

S. 3817. A bill to amend the Child Abuse Prevention and Treatment Act, the Family Violence Prevention and Services Act, the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and the Abandoned Infants Assistance Act of 1988 to reauthorize the Acts, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Ms. COLLINS:

S. 4000. A bill to provide for improvements to the United States Postal Service, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

By Mr. WEBB (for himself and Mr. THUNE):

S. 4001. A bill to require the Secretary of the Treasury to mint coins in commemoration of the Centennial of Marine Corps Aviation, and to support construction of the Marine Corps Heritage Center; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BUNNING:

S. 4002. A bill to require the Secretary of Agriculture to issue expeditiously special use permits regarding the use of houseboats on Laurel Lake in the Daniel Boone National Forest in the State of Kentucky, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DEMINT (for himself and Mrs. MCCASKILL):

S. 4003. A bill to authorize the International Trade Commission to develop and recommend legislation for temporarily suspending duties and for other purposes; to the Committee on Finance.

By Mr. ENSIGN (for himself, Mr. LIEBERMAN, and Mr. BROWN of Massachusetts):

S. 4004. A bill to amend section 798 of title 18, United States Code, to provide penalties for disclosure of classified information related to certain intelligence activities and for other purposes; to the Committee on the Judiciary.

By Mr. WHITEHOUSE (for himself and Mr. CORNYN):

S. 4005. A bill to amend title 28, United States Code, to prevent the proceeds or instrumentalities of foreign crime located in the United States from being shielded from foreign forfeiture proceedings; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. BOXER (for herself and Mrs. FEINSTEIN):

S. Res. 692. A resolution congratulating the San Francisco Giants on winning the 2010 World Series Championship; to the Committee on Commerce, Science, and Transportation.

By Mr. WEBB (for himself, Mr. MCCAIN, Mr. BOND, Mr. INHOFE, Mr. BROWN of Massachusetts, Mr. BEGICH, Mr. LIEBERMAN, Mr. RISCH, Mr. SCHUMER, Mr. MENENDEZ, Mr. LUGAR, Mr. NELSON of Florida, Mr. VOINOVICH, Mr. WICKER, Mr. AKAKA, Mr. INOUYE, Mr. WARNER, Mr. KYL, Mr. GREGG, Mr. LEMIEUX, Mr. ISAKSON, Mr. CASEY, Mrs. SHAHEEN, Mrs. FEINSTEIN, Mrs. MCCASKILL, Mr. TESTER, and Mr. DURBIN):

S. Res. 693. A resolution condemning the attack by the Democratic People's Republic of Korea against the Republic of Korea, and affirming support for the United States-Republic of Korea alliance; considered and agreed to.

ADDITIONAL COSPONSORS

S. 3237

At the request of Mr. HARKIN, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 3237, a bill to award a Congressional Gold Medal to the World War II members of the Civil Air Patrol.

S. 3255

At the request of Mrs. LINCOLN, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 3255, a bill to amend title XVIII of the Social Security Act to provide coverage for custom fabricated breast prostheses following a mastectomy.

S. 3756

At the request of Mr. ROCKEFELLER, the name of the Senator from Minnesota (Ms. KLOBUCHAR) was added as a cosponsor of S. 3756, a bill to amend the Communications Act of 1934 to provide public safety providers an additional 10 megahertz of spectrum to support a national, interoperable wireless broadband network and authorize the Federal Communications Commission to hold incentive auctions to provide funding to support such a network, and for other purposes.

S. 3773

At the request of Mr. MCCONNELL, the name of the Senator from Florida (Mr. LEMIEUX) was added as a cosponsor of S. 3773, a bill to permanently extend the 2001 and 2003 tax relief provisions and to provide permanent AMT relief and estate tax relief, and for other purposes.

S. 3853

At the request of Mr. CARPER, the name of the Senator from Montana (Mr. TESTER) was added as a cosponsor of S. 3853, a bill to modernize and refine the requirements of the Government Performance and Results Act of 1993, to require quarterly performance reviews of Federal policy and management priorities, to establish Chief Operating Officers, Performance Improvement Officers, and the Performance Improvement Council, and for other purposes.

S. 3925

At the request of Mr. BINGAMAN, the names of the Senator from New Hampshire (Mrs. SHAHEEN) and the Senator from Colorado (Mr. UDALL) were added as cosponsors of S. 3925, a bill to amend the Energy Policy and Conservation Act to improve the energy efficiency of, and standards applicable to, certain appliances and equipment, and for other purposes.

S. 3950

At the request of Mr. KERRY, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 3950, a bill to amend title XVIII of the Social Security Act to provide for the application of a consistent Medicare part B premium for all Medicare beneficiaries for 2011.

S. 3984

At the request of Mr. REED, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 3984, a bill to amend and extend the Museum and Library Services Act, and for other purposes.

S. 3990

At the request of Mr. BROWN of Massachusetts, the names of the Senator from Florida (Mr. LEMIEUX), the Senator from Maine (Ms. SNOWE), and the Senator from Georgia (Mr. CHAMBLISS) were added as cosponsors of S. 3990, a bill to extend emergency unemployment benefits without adding to the Federal budget deficit, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. COLLINS:

S. 4000. A bill to provide for improvements to the United States Postal Service, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Ms. COLLINS. Mr. President, I rise today to introduce The U.S. Postal Service Improvements Act of 2010. This bill would help the U.S. Postal Service regain its financial footing as it adapts to the era of increasingly digital communications.

The storied history of the Postal Service predates our Constitution. In 1775, the Second Continental Congress appointed Benjamin Franklin as the first Postmaster General and directed the creation of a line of postsfrom Falmouth in New England to Savannah in Georgia. The Constitution also gives Congress the power to establish post offices and post roads.

Today, the Postal Service is the linchpin of a $1 trillion mailing industry that employs approximately 7.5 million Americans in fields as diverse as direct mail, printing, catalog companies, paper manufacturing, and financial services.

Postal Service employees deliver mail 6 days a week to hundreds of millions of households and businesses. From our largest cities to our smallest towns, from the Hawaiian Islands to Alaskan reservations, the Postal Service is a vital part of our national communications network and an icon of American culture.

But the financial state of the Postal Service is abysmal. The numbers are grim: the Postal Service recently announced that it lost $8.5 billion in fiscal year 2010. The Great Recession, high operating costs, and the continuing diversion of mail to electronic alternatives have challenged the Postal Services ability to remain financially viable.

Faced with this much red ink, the Postal Service must reinvent itself. It must increase revenues by increasing its value to its customers and by becoming more cost effective.

Unfortunately, many of the solutions the Postal Service has proposed would only aggravate its problems. Filing for enormous rate increases, pursuing significant service reductions including elimination of Saturday mail delivery and seeking relief from funding its liabilities are not viable long-term solutions to the challenges confronting the Postal Service. These changes will drive more customers to less expensive, digital alternatives. That downturn in customers will further erode mail volume and accelerate a death spiral for the Postal Service.

The Postal Service must chart a new course in this digital age. It must adopt a customer-focused culture. It must see the changing communications landscape as an opportunity.

The Postal Accountability and Enhancement Act of 2006, which I authored, provides the foundation for these long-term changes, but the Postal Service has been slow to take advantage of some of the flexibilities afforded by that law. And, to be fair, the Postal Service has encountered problems not of its making, such as a severe recession.

The legislation that I introduce today would help the Postal Service achieve financial stability and light the way to future cost savings without undermining customer service.

One area the legislation would help address is the more than $50 billion that the Postal Regulatory Commission estimates the Postal Service has overpaid into the Civil Service Retirement System, CSRS, and the nearly $3 billion it has overpaid into the Federal Employees Retirement System pension fund. It is simply unfair both to the Postal Service and its customers not to refund these overpayments.

To address these inequities, the bill would allow the Postal Service to access amounts that it has overpaid into these pension funds. The Postal Service must be permitted to use these funds to address other financial obligations, like its payments for future retiree health benefits and unfunded workers compensation liabilities and for repaying its existing debt.

I have pressed the Office of Personnel Management, OPM, to change its calculation method for Postal Service payments into the CSRS fund consistent with the 2006 Postal Reform law. OPM officials, however, stubbornly refuse to change this methodology or even to admit that the 2006 postal law permits them to do so. This has created a bureaucratic standoff that is unfair to the Postal Service. The OPM holds the life preserver it could help rescue the Postal Service, but it simply refuses to throw it.

This legislation would direct the OPM to exercise its existing authority under the 2006 postal reform law and to revise its methodology for calculating the Postal Services obligations to the CSRS pension fund. Once OPM exercises this authority, my legislation would allow the Postal Service to use any resulting overpayments to cover its annual payments into the Retiree Health Benefits Fund, rather than having to wait until after September 30, 2015, to access the CSRS overpayment.

Additionally, the legislation would allow the Postal Service to access the nearly $3 billion it has overpaid into the Federal Employees Retirement System, FERS, pension fund. The legislation would grant OPM this authority by adopting language, similar to section 802(c) of the 2006 postal reform law, that allows OPM to recalculate the methodology governing Postal Service payments into the FERS pension fund.

As with the CSRS overpayment, the Postal Service would be permitted to use the FERS overpayment to meet its statutory obligations to the Retiree Health Benefits Fund. These fund transfers would greatly improve the Postal Services financial condition.

If the CSRS and FERS overpayment amounts are sufficient to fully fund the Postal Services obligations to the Retiree Health Benefits Fund, this legislation would allow the Postal Service to pay its workers compensation liabilities, which top $1 billion annually. The Postal Service may also choose to use these funds to pay down its existing debt, which currently is $12 billion.

Second, the legislation would improve the Postal Services contracting practices and help prevent the kind of ethical violations recently uncovered by the Postal Service inspector general.

Several months ago, I asked the Postal Service inspector general to review the Postal Services contracting policies. The findings of these inspector general audits were shocking. The IG found stunning evidence of costly contract mismanagement, ethical lapses, and financial waste.

In its review of the Postal Services contracting policies, the IG discovered no-bid contracts and examples of apparent cronyism. The Postal Services contract management did not protect it from waste, fraud, and abuse. Indeed, it left the door wide open.

As a result, the Postal Service could not even identify how many contracts were awarded without competition. Of the no-bid contracts the IG reviewed, 35 percent lacked justification.

In one of the more egregious examples of waste and abuse, the IG discovered that more than 2,700 contracts had been awarded to former employees since 1991. Looking at the past 3 years, the IG found that 359 were awarded as no-bid contracts. And 17 of those noncompetitive contracts went to career executives within 1 year of their separation from the Postal Service.

Additionally, some former executives were brought back at nearly twice their former pay to advise newly hired executives—an outrageous practice that the IG said raised serious ethical questions, hurt employee morale, and tarnished the Postal Services public image. In one example, an executive received a $260,000 no-bid contract in July 2009, just 2 months after retiring. The purpose: to train his successor.

My legislation would help remedy many of the contracting issues the IG identified. Specifically, the bill would direct the Postmaster General to establish a competition advocate, responsible for reviewing and approving justifications for noncompetitive purchases and for tracking the level of agency competition. The competition advocate also would be required to submit an annual report on Postal Service procurement to the Postmaster General, the Board of Governors, the Postal Regulatory Commission, and the Congress.

To improve transparency and accountability, the bill also would require the Postal Service to publish justifications of noncompetitive contracts greater than $150,000 on its Web Site. This transparency would improve the Postal Services contracting practices and promote competition.

To resolve the ethical issues documented by the IG, the bill would limit procurement officials from contracting with closely associated entities. It also would require the Postal Services ethics official to review any ethics concerns that the contracting office identifies prior to awarding a contract.

Third, the legislation includes several provisions that would enhance efficiency and reduce costs. The Postal Service has made efforts to reduce costs over the past several years. But more must be done.

One area where improvements can be made is in the consolidation of area and district offices. The IG found that the Postal Services regional structure—eight area offices and 74 district offices costing approximately $1.5 billion in fiscal year 2009—has significant room for consolidation. My bill would require the Postal Service to create a comprehensive strategic plan to guide consolidation efforts—a road map for future savings.

The bill would also require the Postal Service to develop a plan to increase its presence in retail facilities, or co-locate, to better serve customers. Before co-location decisions could be made, however, the bill would direct the Postal Service to weigh the impact of any decision on small communities and rural areas. Moreover, the Postal Service would be required to solicit community input before making decisions about co-location and to ensure that co-location does not diminish the quality of service.

Fourth, the bill includes a provision that would require the arbitrator to consider the Postal Services financial condition when rendering decisions about collective bargaining agreements. This logical provision would allow critical financial information to be weighed as a factor in contract negotiations.

Finally, the bill would reduce workforce-related costs government-wide by converting retirement eligible postal and federal employees on workers compensation to retirement when they reach retirement age. This is a commonsense change that would significantly reduce expenses that both the Postal Service and the Federal Government cannot afford to sustain.

In fiscal year 2010, the Department of Labor paid approximately $2.7 billion to employees on workers compensation. This includes approximately $1 billion in workers compensation benefits to postal employees. More than 8,600 of postal employees covered by workers compensation are over the age of 55. The Department of Labor indicates that Federal employees across the government are receiving workers compensation benefits into their 80s, 90s, and even 100s. At the Postal Service alone, more than 1,000 employees currently receiving workers compensation benefits are 80 years or older. Incredibly, 132 of these individuals are 90 years of age and older and there are three who are 98.

The Postal Service is at a crossroads; it must choose the correct path. It must take steps toward a bright future.

It must reject the path of severe service reductions and huge rate hikes, which will only alienate customers.

The Postal Service must reinvent itself. It must embrace changes to revitalize its business model, enabling it to attract and keep customers. The U.S. Postal Service Improvements Act of 2010 will help spark new life into this institution, helping it evolve and maintain its vital role in American society.

By Mr. ENSIGN (for himself, Mr. LIEBERMAN, and Mr. BROWN of Massachusetts):

S. 4004. A bill to amend section 798 of title 18, United States Code, to provide penalties for disclosure of classified information related to certain intelligence activities and for other purposes; to the Committee on the Judiciary.

Mr. ENSIGN. Mr. President, I rise today to address a new and very serious threat to our national security.

In July of this year, the organization known as WikiLeaks, led by an Australian citizen named Julian Assange, published 90,000 classified intelligence documents related to our efforts in the ongoing war against the Taliban insurgents and al-Qaida in Afghanistan.

In October, WikiLeaks dumped 400,000 classified documents that revolved around the efforts of our Nation and our coalition partners to bring democracy, peace, and stability to the people of Iraq.

Now, just a few days ago, WikiLeaks has dumped another 250,000 documents that reveal private, often personal, communications between diplomats and heads of state—communication that is necessary for the critical discourse that occurs between governments on the many relevant and challenging international issues of our day.

In light of the damage that has already been done and the continuing threat posed by WikiLeaks, I am here to introduce a bill that will help defend our national interests, protect our troops, and provide assurance to our friends and allies that what they say to us in private will stay with us, and that there will be consequences for the reckless actions taken by WikiLeaks, or others, who may attempt to do what they have done—consequences that are consistent with our values and with our first amendment.

Let me spend a few moments examining the nature of this threat and some of the serious implications.

After WikiLeaks dumped 400,000 classified documents concerning our efforts to promote democracy in Iraq, Pentagon spokesman Geoffrey Morrell stated the Department of Defense had to scramble to notify 300 Iraqis because we were immediately concerned about their safety. He went on to say that as many as 60,000 Iraqis could possibly be identified in these leaked documents.

Let us consider the plight of those Iraqis just for a moment. These individuals came forward to us with information that they felt would help their government deal with the insurgency and terrorist presence that has been an impediment to peace and stability within their nation. Yet this despicable character, Julian Assange, has rewarded their bravery by naming them to their enemies. This puts their very lives and the lives of their families in jeopardy. This discourages other Iraqis from coming forward and standing up for freedom.

This, in turn, jeopardizes the lives of our American troops and harms our efforts to provide stability in Iraq to the point where we can withdraw our troops.

Unfortunately, if Iraqis become afraid to speak out against the terrorists in their midst for fear of being named by Julian Assange, succeeding becomes that much more difficult.

Let's turn to Afghanistan. Back in July, I read in the Times of London a very interesting assessment about the implication of Mr. Assange's actions. Let me quote:

> Hundreds of Afghans' lives have been put at risk by the leaking of 90,000 intelligence documents because the files identify informants working with NATO forces.

Let me quote again from the Times:

> In just two hours of searching the WikiLeaks archive, the Times found the names of dozens of Afghans credited with providing detailed intelligence to U.S. forces. Their villages are given for identification and also, in many cases, their fathers' names.

To the credit of the Times, they cited examples to back up their claims. But as any responsible media organization should, they at least, in their report, took the steps of hiding the names of the villagers who came forward with information to assist their government and NATO.

Madam President, just as WikiLeaks recklessly dumped the leaked intelligence on Afghanistan, a Taliban spokesperson gave an interview in which he said:

> We are studying the report. . . .We will investigate through our own secret service whether the people mentioned are really spies working for the U.S. If they are U.S. spies, then we know how to punish them.

I don't think I need to elaborate on how the Taliban punishes their enemies.

Now we have this latest dump of classified State Department cables and information. I applaud our former colleague, Secretary Clinton, for the excellent remarks she has made on this issue. She pointed out that the leaks have put people's lives in danger, threatened our national security, and undermined our efforts to work with other countries to solve shared problems.

An essential dialog takes place between nations—a dialog that has existed since nations first began. With that dialog, diplomats need to be able to express their views candidly and, yes, privately. This is how a lot of problems are solved.

Our Nation is working toward international solutions to some very complex problems. The Government of Yemen is fighting terrorists that reside within their own borders. The proliferation of nuclear weapons technology and the threat of long-range missiles in North Korea are problems that require multilateral international engagement.

Secretary Clinton made another point I will focus on for a moment. Assange didn't just leak classified details about meetings between diplomats. Our diplomats overseas meet with local human rights workers, journalists, religious leaders, and others—people with unique insight into a wider range of issues.

Unfortunately, we live in a dangerous world where revealing the identity of someone fighting for social issues, such as women's rights or children's rights or the identity of an advocate for religious freedom could have serious repercussions that include imprisonment, torture, or even death.

I wonder if WikiLeaks understands if Afghan villagers or activists fighting for human rights under oppressive regimes are killed as a result of being named in these leaks, the blood of these good people is on their hands.

Before I proceed with an examination of the bill that I have crafted to address this threat, let's be clear about some things. No one should do Julian Assange any credit by referring to him as a journalist or as part of the news media. He is a computer hacker and an anarchist.

True to his hacker roots, he has devised a portal through which he hopes members of our government will anonymously and surreptitiously provide him unfettered access to our closest secrets.

Make no mistake, these actions have harmed our friends and helped our enemies in a manner prejudicial to the safety and national interest of the United States.

So with this threat in mind, a threat that the Founders could have never seen coming, we have crafted a bill that amends the Espionage Act, specifically Title 18, Section 798.

Under current law, it is a criminal act for someone who knowingly and willfully communicates, furnishes, transmits, publishes, or otherwise makes available to any unauthorized person any classified information concerning the communication intelligence activities of our United States of America.

My bill, which we are introducing today, extends this protection currently afforded to the communications intelligence to human intelligence, known as HUMINT. This bill protects human intelligence sources and methods. I want to be very clear. It is my opinion that we can go after Julian Assange under the current statute. But what our legislation does is updates this decades-old statute to address this evolving threat prospectively.

I have no doubt that Assange is going to put out another document dump on

his Web site and another one after that. Once he does, this bill would give the administration increased flexibility to deal with him and potentially other copycat organizations that aspire to his likeness.

There are a couple of concerns I want to address. First, one might wonder how this bill stands with our first amendment. While I hope we can all agree that Julian Assange is no journalist, some might wonder if the amended law that would result from this bill could be applied to the news media. It is pretty frustrating for the intelligence community when communications intelligence sources and methods are blown.

When this happens, sources of vital intelligence dry up or become inaccessible, and potentially millions of defense dollars go down the drain. However, despite the serious consequences associated with losing a communications intelligence source or method, and the damage that does to our national security, no Presidential administration has ever prosecuted a member of the news media under the existing statute, which has been on the books since 1951.

Let's face it, leaks do happen. As Secretary Gates stated just a few days ago, regrettably, our government leaks classified information like a sieve. This bill does not stop anybody from publishing leaks, but it does provide legal incentive to Julian Assange to do what Amnesty International has repeatedly asked him to do: be more responsible about how classified leaks are handled by not revealing the identity of these classified human intelligence sources.

Let me be clear. This bill doesn't target journalists. Instead, it provides flexibility for the Attorney General with a targeted solution and increased flexibility to deal with WikiLeaks.

Some might be wondering whether Julian Assange, who is a foreign citizen, can be prosecuted under the Espionage Act. In fact, the courts long ago established that he can be prosecuted under these statutes.

I am not a lawyer, but if you study the United States v. Zehe from 1986, it becomes immediately clear that Assange can be prosecuted under the Espionage Act.

That said, my concern is that our existing laws may have some loopholes through which he can escape. In fact, just a few days ago in the Washington Post, I read where Attorney General Holder said:

> To the extent that there are gaps in our laws . . . we will move to close those gaps.

Well, I submit that the bill I am introducing today, with a couple of others, will do just that. It closes a gap in our laws and it moves to protect vital human intelligence sources and methods consistent with the manner in which current law communications intelligence is already protected.

I thank Senators LIEBERMAN and BROWN of Massachusetts for joining me in this important legislation and for the input Senators LIEBERMAN and BROWN of Massachusetts have given me on this important legislation.

I hope we can take up this bill, consider it, work with the administration, work with the House, and pass this important legislation so the next time, and we know there will be a next time, that Julian Assange and his associates leak classified intelligence that puts people's lives in danger, we can actually have another tool in the arsenal so our Department of Justice can go after these despicable people.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 692—CONGRATULATING THE SAN FRANCISCO GIANTS ON WINNING THE 2010 WORLD SERIES CHAMPIONSHIP

Mrs. BOXER (for herself and Mrs. FEINSTEIN) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation.

S. RES. 692

Whereas on November 1, 2010, the San Francisco Giants defeated the Texas Rangers by a score of 3-1 in game 5 to win the 2010 World Series and become champions of Major League Baseball;

Whereas this is the first championship the San Francisco Giants have won since the Giants came to San Francisco from New York in 1958;

Whereas this is the sixth World Series title in the history of the Giants franchise;

Whereas the 2010 Giants acted with determination and teamwork as they emerged victorious from the fiercely contested National League Western Division;

Whereas during the National League playoffs, the Giants unleashed their arsenal of overpowering starting pitching, unflappable relief pitching, steady defense, and timely hitting to defeat the Atlanta Braves and the two-time defending National League champions, the Philadelphia Phillies, en route to capturing their first pennant since 2002;

Whereas, although there is no one superstar on the roster, the Giants are a group of self-described ''castoffs and misfits'' that truly exemplify what it means to be a team;

Whereas all 25 players on the playoff roster should be congratulated, including World Series Most Valuable Player Edgar Renteria, as well as, Jeremy Affeldt, Madison Bumgarner, Matt Cain, Santiago Casilla, Tim Lincecum, Javier Lopez, Guillermo Mota, Ramon Ramirez, Sergio Romo, Jonathan Sanchez, Brian Wilson, Buster Posey, Eli Whiteside, Mike Fontenot, Aubrey Huff, Travis Ishikawa, Freddy Sanchez, Pablo Sandoval, Juan Uribe, Pat Burrell, Cody Ross, Aaron Rowand, Nate Schierholtz, and Andres Torres;

Whereas Managing General Partner Bill Neukom, General Manager Brian Sabean and Manager Bruce Bochy did a tremendous job putting together the 2010 San Francisco Giants team and guiding them to the 2010 World Series;

Whereas San Francisco is a city with a rich baseball tradition where players such as Willie Mays, Willie McCovey, Orlando Cepeda, Juan Marichal, Gaylord Perry, and Joe DiMaggio have displayed the prodigious skills that would eventually take them to the National Baseball Hall of Fame in Cooperstown, New York; and

Whereas Giants fans who have been ever loyal, supporting the team from China Basin to Coogan's Bluff, can once again call their baseball team world champions: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the San Francisco Giants on winning the 2010 World Series Championship; and

(2) commends the fans in California, across the country, and around the world for their unremitting support of the Giants.

SENATE RESOLUTION 693—CONDEMNING THE ATTACK BY THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AGAINST THE REPUBLIC OF KOREA, AND AFFIRMING SUPPORT FOR THE UNITED STATES-REPUBLIC OF KOREA ALLIANCE

Mr. WEBB (for himself, Mr. MCCAIN, Mr. BOND, Mr. INHOFE, Mr. BROWN of Massachusetts, Mr. BEGICH, Mr. LIEBERMAN, Mr. SCHUMER, Mr. MENENDEZ, Mr. LUGAR, Mr. NELSON of Florida, Mr. VOINOVICH, Mr. WICKER, Mr. AKAKA, Mr. INOUYE, Mr. WARNER, Mr. KYL, Mr. GREGG, Mr. LEMIEUX, Mr. ISAKSON, Mr. CASEY, Mrs. SHAHEEN, Mrs. FEINSTEIN, Mrs. MCCASKILL, Mr. TESTER, and Mr. DURBIN) submitted the following resolution; which was considered and agreed to:

S. RES. 693

Whereas Yeonpyeong Island is located in the Yellow Sea (West Sea) about 50 miles west of the city of Incheon and is inhabited by more than 1,000 citizens and military personnel from the Republic of Korea;

Whereas the United Nations Command established the Northern Limit Line in 1953, marking the line of military control between the Democratic People's Republic of Korea and the Republic of Korea;

Whereas, on November 23, 2010, the Republic of Korea military conducted military exercises in the Yellow Sea (West Sea) on the southern side of the Northern Limit Line;

Whereas, on that day, North Korea military forces fired approximately 170 artillery shells at Yeonpyeong Island, resulting in military and civilian casualties, including the death of 2 marines and 2 civilians from the Republic of Korea;

Whereas North Korea's shelling caused widespread damage to military installations and civilian property;

Whereas North Korea's attack against South Korea infringes upon the commitments made in the Korean War Armistice Agreement of 1953 that oblige military commanders to ''order and enforce a complete cessation of all hostilities in Korea by all armed forces under their control'';

Whereas this attack also violates United Nations Security Council Resolution 1695 (2006), which emphasizes the need for North Korea ''to show restraint and refrain from any action that might aggravate tension, and to continue to work on the resolution of non-proliferation concerns through political and diplomatic efforts'';

Whereas this brazen attack is one in a series of actions by the Government of North Korea that undermine regional peace and security, especially on the Korean peninsula;

Whereas this attack follows the March 26, 2010, torpedo attack by the Government of North Korea against the Republic of Korea ship CHEONAN, which resulted in the death of 46 sailors from the Republic of Korea Navy;

Whereas this attack also follows the revelation that the Government of North Korea has constructed a uranium enrichment facility at the Yongbyon nuclear site in clear violation of United Nations Security Council Resolutions 1718 (2006) and 1874 (2009);

Whereas this attack and the trend of continued provocation by the Government of North Korea reinforces the importance of the alliance between the United States and the Republic of Korea and the need for the United States to maintain a strong military presence in East Asia; and

Whereas this attack also signifies the importance of maintaining a strong bilateral economic, security, and cultural relationship with the Republic of Korea: Now, therefore, be it

Resolved, That the Senate—

(1) condemns the attack by the Government of North Korea against the Republic of Korea in violation of the 1953 Korean War Armistice Agreement;

(2) expresses its deep condolences to the government and people of the Republic of Korea, especially the families on Yeonpyeong Island who suffered from this attack and lost their loved ones;

(3) recognizes that maintaining peace on the Korean peninsula requires constant vigilance, and continues to stand with the people and the Government of the Republic of Korea in this time of crisis;

(4) calls on the international community, especially North Korea's ally, China, to condemn this attack and enjoin the Government of North Korea to halt all nuclear activities in accord with United Nations Security Council resolutions 1718 (2006) and 1874 (2009) and refrain from any further actions that may destabilize the Korean Peninsula;

(5) calls on the President to work with the Government of the Republic of Korea to take all necessary steps to deter further aggression by the Government of North Korea, in keeping with the security alliance between the United States and the Republic of Korea;

(6) urges the Administration to continue a bilateral economic relationship with the Republic of Korea; and

(7) reaffirms the commitment of the United States to its alliance with the Republic of Korea for the preservation of peace and stability on the Korean Peninsula and throughout the region.

AMENDMENTS SUBMITTED AND PROPOSED

SA 4726. Mr. DURBIN (for Mr. SESSIONS (for himself and Mr. LEAHY)) submitted an amendment intended to be proposed by Mr. DURBIN to the bill H.R. 1107, to enact certain laws relating to public contracts as title 41, United States Code, ''Public Contracts''.

SA 4727. Mr. BAUCUS (for Mr. REID (for himself, Mr. ROCKEFELLER, Mr. KERRY, Mr. CARPER, Ms. STABENOW, Mr. SCHUMER, and Mr. MENENDEZ)) proposed an amendment to the bill H.R. 4853, to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes.

SA 4728. Mr. REID (for Mr. SCHUMER (for himself, Ms. STABENOW, and Mr. MENENDEZ)) proposed an amendment to amendment SA 4727 proposed by Mr. BAUCUS (for Mr. REID (for himself, Mr. ROCKEFELLER, Mr. KERRY, Mr. CARPER, Ms. STABENOW, Mr. SCHUMER, and Mr. MENENDEZ)) to the bill H.R. 4853, supra.

SA 4729. Mr. REID proposed an amendment to the bill H.R. 4853, supra.

SA 4730. Mr. REID proposed an amendment to amendment SA 4729 proposed by Mr. REID to the bill H.R. 4853, supra.

SA 4731. Mr. REID proposed an amendment to amendment SA 4730 proposed by Mr. REID to the amendment SA 4729 proposed by Mr. REID to the bill H.R. 4853, supra.

TEXT OF AMENDMENTS

SA 4726. Mr. DURBIN (for Mr. SESSIONS (for himself and Mr. LEAHY)) submitted an amendment intended to be proposed by Mr. DURBIN to the bill H.R. 1107, to enact certain laws relating to public contracts as title 41, United States Code, ''Public Contracts''; as follows:

On page 2, in the item related to chapter 35 in the subtitle analysis, strike

"and"

and insert

"or"

On page 7, strike lines 14 through 20 and insert ''In this subtitle, the term 'supplies' has the same meaning as the terms 'item' and 'item of supply' ''.

On page 9, line 20, strike ''**suppport**'' and insert ''**support**''.

On page 25, lines 11 and 12, strike ''under section 5376 of title 5'' and insert ''for level IV of the Executive Schedule''.

On page 48, line 34, strike ''employee from State or local governments'' and insert ''individual''.

On page 55, line 36, strike ''$2,500'' and insert ''$3,000''.

On page 56, line 15, strike ''$2,500'' and insert ''$3,000''.

On page 56, line 19, strike ''$2,500'' and insert ''$3,000''.

On page 77, line 1, strike ''his representatives'' and insert ''representatives of the Comptroller General''.

On page 93, lines 18 and 19, strike ''under section 5376 of title 5'' and insert ''for level IV of the Executive Schedule''.

On page 110, line 21, strike ''**AND**'' and insert ''**OR**''.

Beginning on page 131, strike line 8 and all that follows through page 132, line 19, and insert the following:

(c) CONTRACT PERIOD.—The period of a task order contract entered into under this section, including all periods of extensions of the contract under options, modifications, or otherwise, may not exceed 5 years unless a longer period is specifically authorized in a law that is applicable to the contract.

On page 185, line 39, strike ''AMOUNT'' and insert ''AMOUNTS''.

On page 185, line 40, strike ''amount'' and insert ''amounts''.

On page 186, line 1, strike ''amount'' and insert ''amounts''.

On page 201, line 13, strike ''under section 5376 of title 5'' and insert ''for level IV of the Executive Schedule''.

On page 204, between lines 10 and 11, insert the following:

(3) PERSON.—The term ''person'' means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

On page 204, line 11, strike ''(3)'' and insert ''(4)''.

On page 204, line 14, strike ''(4)'' and insert ''(5)''.

On page 204, line 17, strike ''(5)'' and insert ''(6)''.

On page 204, line 20, strike ''(6)'' and insert ''(7)''.

On page 204, line 24, strike ''(7)'' and insert ''(8)''.

On page 204, line 31, strike ''(8)'' and insert ''(9)''.

On page 208, line 6, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 209, line 3, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 213, line 36, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 213, line 39, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 8, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 13, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 16, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 19, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 24, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 27, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 39, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 3, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 6, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 10, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 13, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 16, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 19, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 217, line 28, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 219, line 30, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 219, line 33, strike ''(except section 3302)'' and insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)''.

On page 219, line 38, insert ''**(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)**'' after ''**division C**''.

On page 220, line 5, insert ''(EXCEPT SECTIONS 1704 AND 2303)'' after ''DIVISION B''.

On page 220, line 8, insert ''(except sections 1704 and 2303)'' after ''division B''.

On page 220, line 13, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 220, line 16, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 220, line 18, insert ''(except sections 1704 and 2303)'' after ''division B''.

On page 220, line 36, insert ''(except sections 1704 and 2303)'' after ''division B''.

On page 221, line 5, insert ''(except sections 1704 and 2303)'' after ''division B''.

On page 221, line 13, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 221, line 16, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 221, line 26, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 221, line 29, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 222, line 18, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 222, line 22, insert ''**(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)**'' after ''**division C**''.

On page 222, line 37, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 223, line 25, insert ''(EXCEPT SECTIONS 1704 AND 2303)'' after ''DIVISION B''.

On page 236, strike ''2006'' in the column relating to ''Date''.

On page 236, strike the item related to Public Law 109–364.

SA 4727. Mr. BAUCUS (for Mr. REID (for himself, Mr. ROCKEFELLER, Mr. KERRY, Mr. CARPER, Ms. STABENOW, Mr. SCHUMER, and Mr. MENENDEZ)) proposed an amendment to the bill H.R. 4853, to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, by the House amendment insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Middle Class Tax Cut Act of 2010''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act 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.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—PERMANENT MIDDLE CLASS TAX RELIEF

Sec. 101. Repeal of sunset on certain individual income tax rate relief.
Sec. 102. Reduced rates on capital gains and dividends made permanent.
Sec. 103. Repeal of sunset on expansion of child tax credit.
Sec. 104. Repeal of sunset on marriage penalty relief.
Sec. 105. Repeal of sunset on expansion of dependent care credit.
Sec. 106. Repeal of sunset on expansion of adoption credit and adoption assistance programs.
Sec. 107. Repeal of sunset on employer-provided child care credit.
Sec. 108. Repeal of sunset on expansion of earned income tax credit.

TITLE II—PERMANENT EDUCATION TAX RELIEF

Sec. 201. Repeal of sunset on education individual retirement accounts.
Sec. 202. Repeal of sunset on employer-provided educational assistance.
Sec. 203. Repeal of sunset on student loan interest deduction.
Sec. 204. Repeal of sunset on exclusion of certain scholarships.
Sec. 205. Repeal of sunset on arbitrage rebate exception for governmental bonds.
Sec. 206. Repeal of sunset on treatment of qualified public educational facility bonds.
Sec. 207. Repeal of sunset on American Opportunity Tax Credit.
Sec. 208. Repeal of sunset on allowance of computer technology and equipment as a qualified higher education expense for section 529 accounts.

TITLE III—PERMANENT ESTATE TAX RELIEF

Sec. 301. Repeal of EGTRRA sunset.
Sec. 302. Reinstatement of estate tax; repeal of carryover basis.
Sec. 303. Modifications to estate, gift, and generation-skipping transfer taxes.
Sec. 304. Applicable exclusion amount increased by unused exclusion amount of deceased spouse.
Sec. 305. Exclusion from gross estate of certain farmland so long as farmland use by family continues.
Sec. 306. Increase in limitations on the amount excluded from the gross estate with respect to land subject to a qualified conservation easement.
Sec. 307. Modification of rules for value of certain farm, etc., real property.
Sec. 308. Required minimum 10-year term, etc., for grantor retained annuity trusts.
Sec. 309. Consistent basis reporting between estate and person acquiring property from decedent.

TITLE IV—PERMANENT SMALL BUSINESS TAX RELIEF

Sec. 401. Repeal of sunset on increased limitations on small business expensing.

TITLE V—ALTERNATIVE MINIMUM TAX RELIEF

Sec. 501. Extension of increased alternative minimum tax exemption amount.
Sec. 502. Extension of alternative minimum tax relief for nonrefundable personal credits.

TITLE VI—TEMPORARY EXTENSION OF CERTAIN PROVISIONS EXPIRING IN 2009

Subtitle A—Infrastructure Incentives

Sec. 601. Extension of Build America Bonds.
Sec. 602. Exempt-facility bonds for sewage and water supply facilities.
Sec. 603. Extension of exemption from alternative minimum tax treatment for certain tax-exempt bonds.
Sec. 604. Extension and additional allocations of recovery zone bond authority.
Sec. 605. Allowance of new markets tax credit against alternative minimum tax.
Sec. 606. Extension of tax-exempt eligibility for loans guaranteed by Federal home loan banks.
Sec. 607. Extension of temporary small issuer rules for allocation of tax-exempt interest expense by financial institutions.

Subtitle B—Energy

Sec. 611. Alternative motor vehicle credit for new qualified hybrid motor vehicles other than passenger automobiles and light trucks.
Sec. 612. Incentives for biodiesel and renewable diesel.
Sec. 613. Credit for electricity produced at certain open-loop biomass facilities.
Sec. 614. Credit for steel industry fuel.
Sec. 615. Credit for producing fuel from coke or coke gas.
Sec. 616. New energy efficient home credit.
Sec. 617. Excise tax credits and outlay payments for alternative fuel and alternative fuel mixtures.
Sec. 618. Special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.
Sec. 619. Suspension of limitation on percentage depletion for oil and gas from marginal wells.
Sec. 620. Credit for nonbusiness energy property.

Subtitle C—Individual Tax Relief

PART I—MISCELLANEOUS PROVISIONS

Sec. 631. Deduction for certain expenses of elementary and secondary school teachers.
Sec. 632. Additional standard deduction for State and local real property taxes.
Sec. 633. Deduction of State and local sales taxes.
Sec. 634. Contributions of capital gain real property made for conservation purposes.
Sec. 635. Above-the-line deduction for qualified tuition and related expenses.
Sec. 636. Tax-free distributions from individual retirement plans for charitable purposes.
Sec. 637. Look-thru of certain regulated investment company stock in determining gross estate of nonresidents.

PART II—LOW-INCOME HOUSING CREDITS

Sec. 641. Election for direct payment of low-income housing credit for 2010.
Sec. 642. Low-income housing grant election.

Subtitle D—Business Tax Relief

Sec. 651. Research credit.
Sec. 652. Indian employment tax credit.
Sec. 653. New markets tax credit.
Sec. 654. Railroad track maintenance credit.
Sec. 655. Mine rescue team training credit.
Sec. 656. Employer wage credit for employees who are active duty members of the uniformed services.
Sec. 657. 5-year depreciation for farming business machinery and equipment.
Sec. 658. 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements.
Sec. 659. 7-year recovery period for motorsports entertainment complexes.
Sec. 660. Accelerated depreciation for business property on an Indian reservation.
Sec. 661. Enhanced charitable deduction for contributions of food inventory.
Sec. 662. Enhanced charitable deduction for contributions of book inventories to public schools.
Sec. 663. Enhanced charitable deduction for corporate contributions of computer inventory for educational purposes.
Sec. 664. Election to expense mine safety equipment.
Sec. 665. Special expensing rules for certain film and television productions.
Sec. 666. Expensing of environmental remediation costs.
Sec. 667. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
Sec. 668. Modification of tax treatment of certain payments to controlling exempt organizations.
Sec. 669. Exclusion of gain or loss on sale or exchange of certain brownfield sites from unrelated business income.

Sec. 670. Timber REIT modernization.
Sec. 671. Treatment of certain dividends of regulated investment companies.
Sec. 672. RIC qualified investment entity treatment under FIRPTA.
Sec. 673. Exceptions for active financing income.
Sec. 674. Look-thru treatment of payments between related controlled foreign corporations under foreign personal holding company rules.
Sec. 675. Basis adjustment to stock of S corps making charitable contributions of property.
Sec. 676. Empowerment zone tax incentives.
Sec. 677. Tax incentives for investment in the District of Columbia.
Sec. 678. Renewal community tax incentives.
Sec. 679. Temporary increase in limit on cover over of rum excise taxes to Puerto Rico and the Virgin Islands.
Sec. 680. American Samoa economic development credit.
Sec. 681. Election to temporarily utilize unused AMT credits determined by domestic investment.
Sec. 682. Reduction in corporate rate for qualified timber gain.
Sec. 683. Study of extended tax expenditures.

Subtitle E—Temporary Disaster Relief Provisions

PART I—NATIONAL DISASTER RELIEF

Sec. 691. Waiver of certain mortgage revenue bond requirements.
Sec. 692. Losses attributable to federally declared disasters.
Sec. 693. Special depreciation allowance for qualified disaster property.
Sec. 694. Net operating losses attributable to federally declared disasters.
Sec. 695. Expensing of qualified disaster expenses.

PART II—REGIONAL PROVISIONS

SUBPART A—NEW YORK LIBERTY ZONE

Sec. 696. Special depreciation allowance for nonresidential and residential real property.
Sec. 697. Tax-exempt bond financing.

SUBPART B—GO ZONE

Sec. 698. Increase in rehabilitation credit.
Sec. 699. Work opportunity tax credit with respect to certain individuals affected by Hurricane Katrina for employers inside disaster areas.
Sec. 700. Extension of low-income housing credit rules for buildings in GO zones.

TITLE VII—TECHNICAL CORRECTIONS TO PENSION FUNDING LEGISLATION

Sec. 701. Definition of eligible plan year.
Sec. 702. Eligible charity plans.
Sec. 703. Suspension of certain funding level limitations.
Sec. 704. Optional use of 30-year amortization periods.

TITLE VIII—TEMPORARY EXTENSION OF CERTAIN PROVISIONS ENDING IN 2010 OR 2011

Subtitle A—Unemployment Benefits

Sec. 801. Extension of unemployment insurance provisions.
Sec. 802. Temporary modification of indicators under the extended benefit program.

Subtitle B—Small Business

Sec. 811. Temporary exclusion of 100 percent of gain on certain small business stock.
Sec. 812. General business credits of eligible small businesses carried back 5 years.
Sec. 813. General business credits of eligible small businesses not subject to alternative minimum tax.
Sec. 814. Extension of increase in amount allowed as deduction for start-up expenditures.
Sec. 815. Extension of deduction for health insurance costs in computing self-employment taxes.

Subtitle C—Energy

Sec. 821. Alternative fuel vehicle refueling property.
Sec. 822. Elective payment for specified energy property.
Sec. 823. Qualifying advanced energy project credit.
Sec. 824. New clean renewable energy bonds.
Sec. 825. Alternative motor vehicle credit for new qualified alternative fuel vehicles.
Sec. 826. Extension of provisions related to alcohol used as fuel.
Sec. 827. Energy efficient appliance credit.
Sec. 828. Reduced depreciation period for natural gas distribution facilities.

Subtitle D—Education

Sec. 831. Qualified school construction bonds.

Subtitle E—Other Employee and Housing Relief

Sec. 841. Making work pay credit.
Sec. 842. Work opportunity credit.
Sec. 843. Exclusion from income for benefits provided to volunteer firefighters and emergency medical responders.
Sec. 844. Parity for exclusion from income for employer-provided mass transit and parking benefits.
Sec. 845. Qualified mortgage bonds for refinancing of subprime loans.

TITLE IX—OTHER PROVISIONS

Sec. 901. Repeal of expansion of information reporting requirements.
Sec. 902. Repeal of sunset on tax treatment of Alaska Native Settlement Trusts.
Sec. 903. Repeal of sunset on expansion of authority to postpone certain tax-related deadlines.
Sec. 904. Refunds disregarded in the administration of Federal programs and federally assisted programs.
Sec. 905. Treatment of securities of a controlled corporation exchanged for assets in certain reorganizations.

TITLE X—BUDGETARY PROVISIONS

Sec. 1001. Determination of budgetary effects.
Sec. 1002. Emergency designations.

TITLE I—PERMANENT MIDDLE CLASS TAX RELIEF

SEC. 101. REPEAL OF SUNSET ON CERTAIN INDIVIDUAL INCOME TAX RATE RELIEF.

(a) INDIVIDUAL INCOME TAX RATES.—

(1) REPEAL OF SUNSET.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to the amendments made by section 101 of such Act.

(2) 25- AND 28- PERCENT RATE BRACKETS MADE PERMANENT.—Paragraph (2) of section 1(i) is amended to read as follows:

''(2) 25- AND 28- PERCENT RATE BRACKETS.—The tables under subsections (a), (b), (c), (d), and (e) shall be applied—

''(A) by substituting '25%' for '28%' each place it appears (before the application of subparagraph (B)), and

''(B) by substituting '28%' for '31%' each place it appears.''.

(3) 33-PERCENT RATE BRACKET.—Subsection (i) of section 1 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) 33-PERCENT RATE BRACKET.—

''(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2010—

''(i) the rate of tax under subsections (a), (b), (c), and (d) on a taxpayer's taxable income in the fourth rate bracket shall be 33 percent to the extent such income does not exceed an amount equal to the excess of—

''(I) the applicable amount, over

''(II) the dollar amount at which such bracket begins, and

''(ii) the 36 percent rate of tax under such subsections shall apply only to the taxpayer's taxable income in such bracket in excess of the amount to which clause (i) applies.

''(B) APPLICABLE AMOUNT.—For purposes of this paragraph, the term 'applicable amount' means the excess of—

''(i) the applicable threshold, over

''(ii) the sum of the following amounts in effect for the taxable year:

''(I) the basic standard deduction (within the meaning of section 63(c)(2)), and

''(II) the exemption amount (within the meaning of section 151(d)(1) (or, in the case of subsection (a), 2 such exemption amounts).

''(C) APPLICABLE THRESHOLD.—For purposes of this paragraph, the term 'applicable threshold' means—

''(i) $250,000 in the case of subsection (a),

''(ii) $200,000 in the case of subsections (b) and (c), and

''(iii) ½ the amount applicable under clause (i) (after adjustment, if any, under subparagraph (E)) in the case of subsection (d).

''(D) FOURTH RATE BRACKET.—For purposes of this paragraph, the term 'fourth rate bracket' means the bracket which would (determined without regard to this paragraph) be the 36-percent rate bracket.

''(E) INFLATION ADJUSTMENT.—For purposes of this paragraph, a rule similar to the rule of paragraph (1)(C) shall apply with respect to taxable years beginning in calendar years after 2010, applied by substituting '2008' for '1992' in subsection (f)(3)(B).''.

(b) PHASEOUT OF PERSONAL EXEMPTIONS AND ITEMIZED DEDUCTIONS.—

(1) OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.—Section 68 is amended—

(A) by striking ''the applicable amount'' the first place it appears in subsection (a) and inserting ''the applicable threshold in effect under section 1(i)(3)'',

(B) by striking ''the applicable amount'' in subsection (a)(1) and inserting ''such applicable threshold'',

(C) by striking subsection (b) and redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively, and

(D) by striking subsections (f) and (g).

(2) PHASEOUT OF DEDUCTIONS FOR PERSONAL EXEMPTIONS.—

(A) IN GENERAL.—Paragraph (3) of section 151(d) is amended—

(i) by striking ''the threshold amount'' in subparagraphs (A) and (B) and inserting ''the applicable threshold in effect under section 1(i)(3)'',

(ii) by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C), and

(iii) by striking subparagraphs (E) and (F).

(B) CONFORMING AMENDMENTS.—Paragraph (4) of section 151(d) is amended—

(i) by striking subparagraph (B),

(ii) by redesignating clauses (i) and (ii) of subparagraph (A) as subparagraphs (A) and

(B), respectively, and by indenting such subparagraphs (as so redesignated) accordingly, and

(iii) by striking all that precedes ''in a calendar year after 1989,'' and inserting the following:

''(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning''.

(3) NONAPPLICATION OF EGTRRA SUNSET.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to any amendment made by section 102 or 103 of such Act.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 102. REDUCED RATES ON CAPITAL GAINS AND DIVIDENDS MADE PERMANENT.

(a) IN GENERAL.—Section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (relating to sunset of title) is hereby repealed.

(b) 20-PERCENT CAPITAL GAINS RATE FOR CERTAIN HIGH INCOME INDIVIDUALS.—

(1) IN GENERAL.—Paragraph (1) of section 1(h) is amended by striking subparagraph (C), by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F) and by inserting after subparagraph (B) the following new subparagraphs:

''(C) 15 percent of the lesser of—

''(i) so much of the adjusted net capital gain (or, if less, taxable income) as exceeds the amount on which a tax is determined under subparagraph (B), or

''(ii) the excess (if any) of—

''(I) the amount of taxable income which would (without regard to this paragraph) be taxed at a rate below 36 percent, over

''(II) the sum of the amounts on which a tax is determined under subparagraphs (A) and (B),

''(D) 20 percent of the adjusted net capital gain (or, if less, taxable income) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C),''.

(2) MINIMUM TAX.—Paragraph (3) of section 55(b) is amended by striking subparagraph (C), by redesignating subparagraph (D) as subparagraph (E), and by inserting after subparagraph (B) the following new subparagraphs:

''(C) 15 percent of the lesser of—

''(i) so much of the adjusted net capital gain (or, if less, taxable excess) as exceeds the amount on which tax is determined under subparagraph (B), or

''(ii) the excess described in section 1(h)(1)(C)(ii), plus

''(D) 20 percent of the adjusted net capital gain (or, if less, taxable excess) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C), plus''.

(c) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking ''15 percent'' and inserting ''20 percent'':

(A) Section 531.

(B) Section 541.

(C) Section 1445(e)(1).

(D) The second sentence of section 7518(g)(6)(A).

(E) Section 53511(f)(2) of title 46, United States Code.

(2) Sections 1(h)(1)(B) and 55(b)(3)(B) are each amended by striking ''5 percent (0 percent in the case of taxable years beginning after 2007)'' and inserting ''0 percent''.

(3) Section 1445(e)(6) is amended by striking ''15 percent (20 percent in the case of taxable years beginning after December 31, 2010)'' and inserting ''20 percent''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (b) and (c) shall apply to taxable years beginning after December 31, 2010.

(2) WITHHOLDING.—The amendments made by paragraphs (1)(C) and (3) of subsection (c) shall apply to amounts paid on or after January 1, 2011.

SEC. 103. REPEAL OF SUNSET ON EXPANSION OF CHILD TAX CREDIT.

(a) REPEAL OF SUNSET ON MODIFICATIONS TO CREDIT.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to sections 201 (relating to modifications to child tax credit) and 203 (relating to refunds disregarded in the administration of Federal programs and federally assisted programs) of such Act.

(b) PERMANENT INCREASE IN REFUNDABLE PORTION OF CREDIT.—

(1) IN GENERAL.—Clause (i) of section 24(d)(1)(B) is amended by striking ''$10,000'' and inserting ''$3,000''.

(2) CONFORMING AMENDMENT.—Subsection (d) of section 24 is amended by striking paragraph (4).

(3) ELIMINATION OF INFLATION ADJUSTMENT.—Subsection (d) of section 24 is amended by striking paragraph (3).

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2010.

SEC. 104. REPEAL OF SUNSET ON MARRIAGE PENALTY RELIEF.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to sections 301, 302, and 303(a) of such Act (relating to marriage penalty relief).

SEC. 105. REPEAL OF SUNSET ON EXPANSION OF DEPENDENT CARE CREDIT.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 204 of such Act (relating to dependent care credit).

SEC. 106. REPEAL OF SUNSET ON EXPANSION OF ADOPTION CREDIT AND ADOPTION ASSISTANCE PROGRAMS.

(a) REPEAL OF EGTRRA SUNSET.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 202 of such Act (relating to expansion of adoption credit and adoption assistance programs).

(b) TECHNICAL AMENDMENTS RELATING TO EXPANSION UNDER PPACA.—

(1) REPEAL OF SUNSET.—Notwithstanding section 10909(c) of the Patient Protection and Affordable Care Act, title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to the amendments made by section 10909 of the Patient Protection and Affordable Care Act.

(2) CODIFICATION OF SUNSET.—

(A) REFUNDABLE CREDIT.—Section 36C is amended by adding at the end the following new subsection:

''(j) TERMINATION.—This section shall not apply to expenses paid in taxable years beginning after December 31, 2011.''.

(B) ADOPTION ASSISTANCE PROGRAMS.—

(i) IN GENERAL.—Section 137(b) is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULE FOR 2010 AND 2011.—In the case of any taxable year beginning in 2010 or 2011, paragraph (1) and subsection (a)(2) shall each be applied by substituting '$13,170' for '$10,000'.''.

(ii) INFLATION ADJUSTMENT FOR YEARS TO WHICH SPECIAL RULE APPLIES.—Paragraph (1) of section 137(f) is amended—

(I) by inserting ''FOR 2011'' after ''LIMITATIONS'' in the heading, and

(II) by striking ''after December 31, 2010, each of the dollar amounts in subsections (a)(2) and (b)(1)'' inserting ''after December 31, 2010, and before January 1, 2012, the $13,170 dollar amount in subsection (b)(4)''.

(iii) INFLATION ADJUSTMENT FOR OTHER YEARS.—Paragraph (2) of section 137(f) is amended—

(I) by inserting ''AND DOLLAR LIMITATIONS FOR OTHER YEARS'' after ''LIMITATION'' in the heading,

(II) by striking ''the dollar amount in subsection (b)(2)(A)'' and inserting ''each of the dollar amounts in subsection (a)(2) and paragraphs (1) and (2)(A) of subsection (b)'', and

(III) by adding at the end the following new sentence: ''This paragraph shall not apply to the dollar amounts in subsections (a)(2) and (b)(1) for any taxable year to which paragraph (1) applies.''.

(iv) CONFORMING AMENDMENTS.—Subsections (a)(2) and (b)(1) of section 137 are each amended by striking ''$13,170'' each place it appears in the text and in the heading and inserting ''$10,000''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect as if included in section 10909 of the Patient Protection and Affordable Care Act.

(3) NON-REFUNDABLE ADOPTION CREDIT ALLOWED FOR YEARS TO WHICH REFUNDABLE CREDIT NOT APPLICABLE.—

(A) IN GENERAL.—Part IV of subchapter A of chapter 1 is amended by inserting after section 22 the following new section:

''SEC. 23. ADOPTION EXPENSES.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter the amount of the qualified adoption expenses paid or incurred by the taxpayer.

''(2) YEAR CREDIT ALLOWED.—The credit under paragraph (1) with respect to any expense shall be allowed—

''(A) in the case of any expense paid or incurred before the taxable year in which such adoption becomes final, for the taxable year following the taxable year during which such expense is paid or incurred, and

''(B) in the case of an expense paid or incurred during or after the taxable year in which such adoption becomes final, for the taxable year in which such expense is paid or incurred.

''(3) $10,000 CREDIT FOR ADOPTION OF CHILD WITH SPECIAL NEEDS REGARDLESS OF EXPENSES.—In the case of an adoption of a child with special needs which becomes final during a taxable year, the taxpayer shall be treated as having paid during such year qualified adoption expenses with respect to such adoption in an amount equal to the excess (if any) of $10,000 over the aggregate qualified adoption expenses actually paid or incurred by the taxpayer with respect to such adoption during such taxable year and all prior taxable years.

''(b) LIMITATIONS.—

''(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) for all taxable years with respect to the adoption of a child by the taxpayer shall not exceed $10,000.

''(2) INCOME LIMITATION.—

''(A) IN GENERAL.—The amount allowable as a credit under subsection (a) for any taxable year (determined without regard to subsection (c)) shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

''(i) the amount (if any) by which the taxpayer's adjusted gross income exceeds $150,000, bears to

''(ii) $40,000.

''(B) DETERMINATION OF ADJUSTED GROSS INCOME.—For purposes of subparagraph (A), adjusted gross income shall be determined without regard to sections 911, 931, and 933.

''(3) DENIAL OF DOUBLE BENEFIT.—

''(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowed under any other provision of this chapter.

''(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

''(4) LIMITATION BASED ON AMOUNT OF TAX.—In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this subpart (other than this section and section 25D) and section 27 for the taxable year.

''(c) CARRYFORWARD OF UNUSED CREDIT.—

''(1) RULE FOR YEARS IN WHICH ALL PERSONAL CREDITS ALLOWED AGAINST REGULAR AND ALTERNATIVE MINIMUM TAX.—In the case of a taxable year to which section 26(a)(2) applies, if the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a)(2) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section and sections 25D and 1400C), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(2) RULE FOR OTHER YEARS.—In the case of a taxable year to which section 26(a)(2) does not apply, if the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by subsection (b)(4) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(3) LIMITATION.—No credit may be carried forward under this subsection to a taxable year following the fifth taxable year after the taxable year in which the credit arose. For purposes of the preceding sentence, credits shall be treated as used on a first-in first-out basis.

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

''(1) QUALIFIED ADOPTION EXPENSES.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

''(A) which are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child by the taxpayer,

''(B) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement,

''(C) which are not expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse, and

''(D) which are not reimbursed under an employer program or otherwise.

''(2) ELIGIBLE CHILD.—The term 'eligible child' means any individual who—

''(A) has not attained age 18, or

''(B) is physically or mentally incapable of caring for himself.

''(3) CHILD WITH SPECIAL NEEDS.—The term 'child with special needs' means any child if—

''(A) a State has determined that the child cannot or should not be returned to the home of his parents,

''(B) such State has determined that there exists with respect to the child a specific factor or condition (such as his ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps) because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance, and

''(C) such child is a citizen or resident of the United States (as defined in section 217(h)(3)).

''(e) SPECIAL RULES FOR FOREIGN ADOPTIONS.—In the case of an adoption of a child who is not a citizen or resident of the United States (as defined in section 217(h)(3))—

''(1) subsection (a) shall not apply to any qualified adoption expense with respect to such adoption unless such adoption becomes final, and

''(2) any such expense which is paid or incurred before the taxable year in which such adoption becomes final shall be taken into account under this section as if such expense were paid or incurred during such year.

''(f) FILING REQUIREMENTS.—

''(1) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.

''(2) TAXPAYER MUST INCLUDE TIN.—

''(A) IN GENERAL.—No credit shall be allowed under this section with respect to any eligible child unless the taxpayer includes (if known) the name, age, and TIN of such child on the return of tax for the taxable year.

''(B) OTHER METHODS.—The Secretary may, in lieu of the information referred to in subparagraph (A), require other information meeting the purposes of subparagraph (A), including identification of an agent assisting with the adoption.

''(g) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(h) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsections (a)(3) and paragraphs (1) and (2)(A)(i) of subsection (b) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as increased under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section and section 137, including regulations which treat unmarried individuals who pay or incur qualified adoption expenses with respect to the same child as 1 taxpayer for purposes of applying the dollar amounts in subsections (a)(3) and (b)(1) of this section and in section 137(b)(1).

''(j) APPLICABILITY.—No credit shall be allowed under subsection (a) for any taxable year in which a credit is allowed under subpart C with respect to qualified adoption expenses.''.

(B) CONFORMING AMENDMENTS.—

(i) Section 24(b)(3)(B) is amended by inserting ''23,'' before ''25A(i),''.

(ii) Section 25(e)(1)(C) is amended—

(I) by inserting ''23,'' before ''25D'' in clause (i), and

(II) by inserting ''23,'' before ''24'' in clause (ii).

(iii) Section 25A(i)(5)(B) is amended by striking ''25D'' and inserting ''23, 25D,''.

(iv) Section 25B(g)(2) is amended by inserting ''23,'' before ''25A(i)''.

(v) Section 26(a)(1) is amended by inserting ''23,'' before ''24''.

(vi) Section 30(c)(2)(B)(ii) is amended by striking ''25D'' and inserting ''23, 25D,''.

(vii) Section 30B(g)(2)(B)(ii) is amended by inserting ''23,'' before ''25D''.

(viii) Section 30D(c)(2)(B)(ii) is amended by striking ''sections 25D and'' and inserting ''sections 23 and 25D''.

(ix) Section 137 is amended by adding at the end the following new subsection:

''(g) TREATMENT OF REFERENCES TO SECTION 36C.—For purposes of this section, in the case of any taxable year with respect to which no credit is allowable under subpart C with respect to qualified adoption expenses, any reference to section 36C shall be treated as a reference to section 23.''.

(x) Section 904(i) is amended by inserting ''23,'' before ''24''.

(xi) Section 1016(a)(26) is amended by striking ''36C(g)'' and inserting ''23(g), 36C(g),''.

(xii) Section 1400C(d)(2) is amended by inserting ''23,'' before ''24''.

(xiii) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 22 the following new item:

''Sec. 23. Adoption expenses.''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the date of the enactment of this Act.

SEC. 107. REPEAL OF SUNSET ON EMPLOYER-PROVIDED CHILD CARE CREDIT.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 205 of such Act (relating to allowance of credit for employer expenses for child care assistance).

SEC. 108. REPEAL OF SUNSET ON EXPANSION OF EARNED INCOME TAX CREDIT.

(a) REPEAL OF EGTRRA SUNSET.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to subsections (b) through (h) of section 303 of such Act (relating to earned income tax credit).

(b) INCREASE IN CREDIT PERCENTAGE FOR FAMILIES WITH 3 OR MORE CHILDREN.—Paragraph (1) of section 32(b) is amended by striking subparagraphs (B) and (C) and inserting the following new subparagraph:

''(B) INCREASED CREDIT PERCENTAGE FOR FAMILIES WITH 3 OR MORE QUALIFYING CHILDREN.—In the case of an eligible individual with 3 or more qualifying children, the table in subparagraph (A) shall be applied by substituting '45' for '40' in the second column thereof.''.

(c) JOINT RETURNS.—

(1) IN GENERAL.—Subparagraph (B) of section 32(b)(2) is amended by striking ''increased by'' and all that follows and inserting ''increased by $5,000.''

(2) INFLATION ADJUSTMENTS.—Clause (ii) of section 32(j)(1)(B) is amended—

(A) by striking ''$3,000'' and inserting ''$5,000'', and

(B) by striking ''calendar year 2007'' and inserting ''calendar year 2008''.

(d) CONFORMING AMENDMENT.—Section 32(b) is amended by striking paragraph (3).

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

TITLE II—PERMANENT EDUCATION TAX RELIEF

SEC. 201. REPEAL OF SUNSET ON EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 401 of such Act (relating to modifications to education individual retirement accounts).

SEC. 202. REPEAL OF SUNSET ON EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 411 of such Act (relating to extension of exclusion for employer-provided educational assistance).

SEC. 203. REPEAL OF SUNSET ON STUDENT LOAN INTEREST DEDUCTION.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 412 of such Act (relating to elimination of 60-month limit and increase in income limitation on student loan interest deduction).

SEC. 204. REPEAL OF SUNSET ON EXCLUSION OF CERTAIN SCHOLARSHIPS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 413 of such Act (relating to exclusion of certain amounts received under the National Health Service Corps Scholarship Program and the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program).

SEC. 205. REPEAL OF SUNSET ON ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 421 of such Act (relating to additional increase in arbitrage rebate exception for governmental bonds used to finance educational facilities).

SEC. 206. REPEAL OF SUNSET ON TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 422 of such Act (relating to treatment of qualified public educational facility bonds as exempt facility bonds.

SEC. 207. REPEAL OF SUNSET ON AMERICAN OPPORTUNITY TAX CREDIT.

(a) PERMANENT EXTENSION OF CREDIT.—Section 25A is amended—

(1) by striking ''$1,000'' each place it appears in subsection (b)(1) and inserting ''$2,000'',

(2) by striking ''50 percent'' in subsection (b)(1)(B) and inserting ''25 percent'',

(3) by striking ''2 TAXABLE YEARS'' in the heading of subparagraph (A) of subsection (b)(2) and inserting ''4 TAXABLE YEARS'',

(4) by striking ''2 prior taxable years'' in subsection (b)(2)(A) and inserting ''4 prior taxable years'',

(5) by striking ''2 YEARS'' in the heading of subparagraph (C) of subsection (b)(2) and inserting ''4 YEARS'',

(6) by striking ''first 2 years'' in subsection (b)(2)(C) and inserting ''first 4 years'',

(7) by striking ''tuition and fees'' in subparagraph (A) of subsection (f)(1) and inserting ''tuition, fees, and course materials'',

(8) by striking paragraphs (1) and (2) of subsection (d) and inserting the following new paragraphs:

''(1) AMERICAN OPPORTUNITY CREDIT.—The amount which would (but for this paragraph) be taken into account under paragraph (1) of subsection (a) for the taxable year shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so taken into account as—

''(A) the excess of—

''(i) the taxpayer's modified adjusted gross income for such taxable year, over

''(ii) $80,000 ($160,000 in the case of a joint return), bears to

''(B) $10,000 ($20,000 in the case of a joint return).

''(2) LIFETIME LEARNING CREDIT.—The amount which would (but for this paragraph) be taken into account under paragraph (2) of subsection (a) for the taxable year shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so taken into account as—

''(A) the excess of—

''(i) the taxpayer's modified adjusted gross income for such taxable year, over

''(ii) $40,000 ($80,000 in the case of a joint return), bears to

''(B) $10,000 ($20,000 in the case of a joint return).'',

(9) by striking ''DOLLAR LIMITATION ON AMOUNT OF CREDIT'' in the heading of paragraph (1) of subsection (h) and inserting ''AMERICAN OPPORTUNITY CREDIT'',

(10) by striking ''2001'' in subsection (h)(1)(A) and inserting ''2011'',

(11) by striking ''the $1,000 amounts under subsection (b)(1)'' in subsection (h)(1)(A) and inserting ''the dollar amounts under subsections (b)(1) and (d)(1)'',

(12) by striking ''calendar year 2000'' in subsection (h)(1)(A)(ii) and inserting ''calendar year 2010'',

(13) by striking ''If any amount'' and all that follows in subparagraph (B) of subsection (h)(1) and inserting ''If any amount under subsection (b)(1) as adjusted under subparagraph (A) is not a multiple of $100, such amount shall be rounded to the next lowest multiple of $100. If any amount under subsection (d)(1) as adjusted under subparagraph (A) is not a multiple of $1,000, such amount shall be rounded to the next lowest multiple of $1,000.'',

(14) by inserting ''OF LIFETIME LEARNING CREDIT'' after ''INCOME LIMITS'' in the heading of paragraph (2) of subsection (h),

(15) by adding at the end of subsection (b) the following new paragraphs:

''(4) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—In the case of a taxable year to which section 26(a)(2) does not apply, so much of the credit allowed under subsection (a) as is attributable to the American Opportunity Credit shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this subpart (other than this subsection and sections 25D, 30, 30B, and 30D) and section 27 for the taxable year.

Any reference in this section or section 24, 25, 25B, 26, 904, or 1400C to a credit allowable under this subsection shall be treated as a reference to so much of the credit allowable under subsection (a) as is attributable to the American Opportunity Credit.

''(5) PORTION OF CREDIT MADE REFUNDABLE.—40 percent of so much of the credit allowed under subsection (a) as is attributable to the American Opportunity Credit (determined after the application of subsection (d)(1) and without regard to this paragraph and section 26(a)(2) or paragraph (4), as the case may be) shall be treated as a credit allowable under subpart C (and not allowed under subsection (a)). The preceding sentence shall not apply to any taxpayer for any taxable year if such taxpayer is a child to whom subsection (g) of section 1 applies for such taxable year.'', and

(16) by striking subsection (i) and redesignating subsection (j) as subsection (i).

(b) HOPE SCHOLARSHIP CREDIT RENAMED AMERICAN OPPORTUNITY CREDIT.—

(1) IN GENERAL.—Section 25A, as amended by subsection (a), is amended by striking ''Hope Scholarship'' each place it appears in the text and in the headings and inserting ''American Opportunity''.

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 25A is amendment by striking ''**HOPE**'' and inserting ''**AMERICAN OPPORTUNITY**''.

(B) The heading for clause (v) of section 529(c)(3)(B) is amended by striking ''HOPE'' and inserting ''AMERICAN OPPORTUNITY''.

(C) The heading for subparagraph (C) of section 530(d)(2) is amended by striking ''HOPE'' and inserting ''AMERICAN OPPORTUNITY''.

(D) The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking ''Hope'' and inserting ''American Opportunity''.

(c) CONFORMING AMENDMENTS.—

(1) Section 24(b)(3)(B) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(2) Section 25(e)(1)(C)(ii) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(3) Section 26(a)(1) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(4) Section 25B(g)(2) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(5) Section 904(i) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(6) Section 1400C(d)(2) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(7) Section 6211(b)(4)(A) is amended by striking ''25A by reason of subsection (i)(6) thereof'' and inserting ''25A by reason of subsection (b)(5) thereof''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

(e) TREATMENT OF POSSESSIONS.—Section 1004(c)(1) of the American Recovery and Reinvestment Tax Act of 2009 is amended by striking ''in 2009 and 2010'' each place it appears and inserting ''after 2008''.

SEC. 208. REPEAL OF SUNSET ON ALLOWANCE OF COMPUTER TECHNOLOGY AND EQUIPMENT AS A QUALIFIED HIGHER EDUCATION EXPENSE FOR SECTION 529 ACCOUNTS.

(a) IN GENERAL.—Clause (iii) of section 529(e)(3)(A) is amended by striking ''in 2009 or 2010''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenses paid or incurred after December 31, 2010.

TITLE III—PERMANENT ESTATE TAX RELIEF

SEC. 301. REPEAL OF EGTRRA SUNSET.

Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to title V of such Act.

SEC. 302. REINSTATEMENT OF ESTATE TAX; REPEAL OF CARRYOVER BASIS.

(a) IN GENERAL.—Each provision of law amended by subtitle A or E of title V of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended to read as such provision would read if such subtitle had never been enacted.

(b) CONFORMING AMENDMENT.—On and after the date of the introduction of this Act, paragraph (1) of section 2505(a) of the Internal Revenue Code of 1986 is amended to read as if such paragraph would read if section 521(b)(2) of the Economic Growth and Tax Relief Reconciliation Act of 2001 had never been enacted.

(c) SPECIAL ELECTION WITH RESPECT TO ESTATES OF DECEDENTS DYING BEFORE DATE OF ENACTMENT.—Notwithstanding subsection (a), in the case of an estate of a decedent

dying after December 31, 2009, and before the date of the enactment of this Act, the executor (within the meaning of section 2203 of the Internal Revenue Code of 1986) may elect to apply such Code as though the amendments made by this section do not apply with respect to such estate and with respect to property acquired or passing from such decedent (within the meaning of section 1014(b) of such Code). Such election shall be made at such time and in such manner as the Secretary of the Treasury or the Secretary's delegate shall provide. Such an election once made shall be revocable only with the consent of the Secretary of the Treasury or the Secretary's delegate.

(d) EXTENSION OF TIME FOR PERFORMING CERTAIN ACTS.—

(1) ESTATE TAX.—In the case of the estate of a decedent dying after December 31, 2009, and before the date of the enactment of this Act, the due date for—

(A) filing any return under section 6018 of the Internal Revenue Code of 1986 (including any election required to be made on such a return) as such section is in effect after the date of the enactment of this Act without regard to any election under subsection (c),

(B) making any payment of tax under chapter 11 of such Code, and

(C) receiving any disclaimer described in section 2518(b) of such Code,

shall not be earlier than the date which is 4 months after the date of the enactment of this Act.

(2) GENERATION-SKIPPING TAX.—In the case of any generation-skipping tax made after December 31, 2009, and before the date of the enactment of this Act, the due date for filing any return under section 2662 of the Internal Revenue Code of 1986 (including any election required to be made on such a return) shall not be earlier than the date which is 4 months after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall apply to estates of decedents dying, and transfers, after December 31, 2009.

SEC. 303. MODIFICATIONS TO ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAXES.

(a) MODIFICATIONS TO ESTATE TAX.—

(1) $3,500,000 APPLICABLE EXCLUSION AMOUNT.—Subsection (c) of section 2010 is amended to read as follows:

''(c) APPLICABLE CREDIT AMOUNT.—

''(1) IN GENERAL.—For purposes of this section, the applicable credit amount is the amount of the tentative tax which would be determined under section 2001(c) if the amount with respect to which such tentative tax is to be computed were equal to the applicable exclusion amount.

''(2) APPLICABLE EXCLUSION AMOUNT.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable exclusion amount is $3,500,000.

''(B) INFLATION ADJUSTMENT.—In the case of any decedent dying in a calendar year after 2010, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2009' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''.

(2) MAXIMUM ESTATE TAX RATE EQUAL TO 45 PERCENT.—Subsection (c) of section 2001 is amended—

(A) by striking ''but not over $2,000,000'' in the table contained in paragraph (1),

(B) by striking the last 2 items in such table,

(C) by striking ''(1) IN GENERAL.—'', and

(D) by striking paragraph (2).

(b) MODIFICATIONS TO GIFT TAX.—

(1) INFLATION ADJUSTMENT FOR APPLICABLE EXCLUSION AMOUNT FOR GIFT TAX.—Section 2505 is amended by adding at the end the following new subsection:

''(d) INFLATION ADJUSTMENT.—In the case of any calendar year after 2010, the dollar amount in subsection (a)(1) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2009' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''.

(2) MODIFICATION OF GIFT TAX RATE.—On and after the date of the introduction of this Act, subsection (a) of section 2502 of the Internal Revenue Code of 1986 is amended to read as such subsection would read if section 511(d) of the Economic Growth and Tax Relief Reconciliation Act of 2001 had never been enacted.

(3) CONFORMING AMENDMENT.—Section 2511 of the Internal Revenue Code of 1986 is amended by striking subsection (c).

(4) PERIOD OF REPEAL TREATED AS SEPARATE CALENDAR YEAR.—

(A) IN GENERAL.—For purposes of applying sections 1015, 2502, and 2505 of the Internal Revenue Code of 1986, calendar year 2010 shall be treated as 2 separate calendar years one of which ends on the day before the date of the introduction of this Act and the other of which begins on such date of introduction.

(B) APPLICATION OF SECTION 2504(b).—For purposes of applying section 2504(b) of the Internal Revenue Code of 1986, calendar year 2010 shall be treated as one preceding calendar period.

(c) MODIFICATION OF GENERATION-SKIPPING TRANSFER TAX.—In the case of any generation-skipping transfer made after December 31, 2009, and before the date of the introduction of this Act, the applicable rate determined under section 2641(a) of the Internal Revenue Code of 1986 shall be zero.

(d) MODIFICATIONS OF ESTATE AND GIFT TAXES TO REFLECT DIFFERENCES IN CREDIT RESULTING FROM DIFFERENT TAX RATES.—

(1) ESTATE TAX.—

(A) IN GENERAL.—Section 2001(b)(2) is amended by striking ''if the provisions of subsection (c) (as in effect at the decedent's death)'' and inserting ''if the modifications described in subsection (g)''.

(B) MODIFICATIONS.—Section 2001 is amended by adding at the end the following new subsection:

''(g) MODIFICATIONS TO GIFT TAX PAYABLE TO REFLECT DIFFERENT TAX RATES.—For purposes of applying subsection (b)(2) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the decedent's death shall, in lieu of the rates of tax in effect at the time of such gifts, be used both to compute—

''(1) the tax imposed by chapter 12 with respect to such gifts, and

''(2) the credit allowed against such tax under section 2505, including in computing—

''(A) the applicable credit amount under section 2505(a)(1), and

''(B) the sum of the amounts allowed as a credit for all preceding periods under section 2505(a)(2).''.

(2) GIFT TAX.—Section 2505(a) is amended by adding at the end the following new flush sentence:

''For purposes of applying paragraph (2) for any calendar year, the rates of tax in effect under section 2502(a)(2) for such calendar year shall, in lieu of the rates of tax in effect for preceding calendar periods, be used in determining the amounts allowable as a credit under this section for all preceding calendar periods.''.

(e) EFFECTIVE DATE.—Except as otherwise provided, the amendments made by this section shall apply to estates of decedents dying, generation-skipping transfers, and gifts made, after December 31, 2009.

SEC. 304. APPLICABLE EXCLUSION AMOUNT INCREASED BY UNUSED EXCLUSION AMOUNT OF DECEASED SPOUSE.

(a) IN GENERAL.—Section 2010(c), as amended by section 303(a), is amended by striking paragraph (2) and inserting the following new paragraphs:

''(2) APPLICABLE EXCLUSION AMOUNT.—For purposes of this subsection, the applicable exclusion amount is the sum of—

''(A) the basic exclusion amount, and

''(B) in the case of a surviving spouse, the deceased spousal unused exclusion amount.

''(3) BASIC EXCLUSION AMOUNT.—

''(A) IN GENERAL.—For purposes of this subsection, the basic exclusion amount is $3,500,000.

''(B) INFLATION ADJUSTMENT.—In the case of any decedent dying in a calendar year after 2010, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2009' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.

''(4) DECEASED SPOUSAL UNUSED EXCLUSION AMOUNT.—For purposes of this subsection, with respect to a surviving spouse of a deceased spouse dying on or after the date of the enactment of theMiddle Class Tax Cut Act of 2010, the term 'deceased spousal unused exclusion amount' means the lesser of—

''(A) the basic exclusion amount, or

''(B) the excess of—

''(i) the basic exclusion amount of the last such deceased spouse of such surviving spouse, over

''(ii) the amount with respect to which the tentative tax is determined under section 2001(b)(1) on the estate of such deceased spouse.

''(5) SPECIAL RULES.—

''(A) ELECTION REQUIRED.—A deceased spousal unused exclusion amount may not be taken into account by a surviving spouse under paragraph (2) unless the executor of the estate of the deceased spouse files an estate tax return on which such amount is computed and makes an election on such return that such amount may be so taken into account. Such election, once made, shall be irrevocable. No election may be made under this subparagraph if such return is filed after the time prescribed by law (including extensions) for filing such return.

''(B) EXAMINATION OF PRIOR RETURNS AFTER EXPIRATION OF PERIOD OF LIMITATIONS WITH RESPECT TO DECEASED SPOUSAL UNUSED EXCLUSION AMOUNT.—Notwithstanding any period of limitation in section 6501, after the time has expired under section 6501 within which a tax may be assessed under chapter 11 or 12 with respect to a deceased spousal unused exclusion amount, the Secretary may

examine a return of the deceased spouse to make determinations with respect to such amount for purposes of carrying out this subsection.

''(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 2505(a) is amended to read as follows:

''(1) the applicable credit amount in effect under section 2010(c) (determined as if the applicable exclusion amount were $1,000,000) which would apply if the donor died as of the end of the calendar year, reduced by''.

(2) Section 2631(c) is amended by striking ''the applicable exclusion amount'' and inserting ''the basic exclusion amount''.

(3) Section 6018(a)(1) is amended by striking ''applicable exclusion amount'' and inserting ''basic exclusion amount''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, generation-skipping transfers, and gifts made, on and after the date of the enactment of this Act.

SEC. 305. EXCLUSION FROM GROSS ESTATE OF CERTAIN FARMLAND SO LONG AS FARMLAND USE BY FAMILY CONTINUES.

(a) IN GENERAL.—Part III of subchapter A of chapter 11 is amended by inserting after section 2033 the following new section:

''SEC. 2033A. EXCLUSION OF CERTAIN FARMLAND SO LONG AS FARMLAND USE BY FAMILY CONTINUES.

''(a) IN GENERAL.—In the case of an estate of a decedent to which this section applies, the value of the gross estate shall not include the adjusted value of qualified farmland included in the estate.

''(b) ESTATES TO WHICH SECTION APPLIES.—This section shall apply to an estate if—

''(1) the executor—

''(A) elects the application of this section,

''(B) files an agreement referred to in section 2032A(d)(2), and

''(C) obtains a qualified appraisal (as defined in section 170(f)(11)(E)(i)) of the qualified farmland to which the election applies and attaches such appraisal to the return of the tax imposed by section 2001,

''(2) the decedent was (at the date of the decedent's death) a citizen or resident of the United States,

''(3) the decedent for the 3-taxable-year period (10-taxable-year period in the case of any qualified farmland which is qualified woodland described in section 2032A(c)(2)(F)(i)) preceding the date of the decedent's death had an average modified adjusted gross income (as defined in section 86(b)(2)) not exceeding $750,000,

''(4) 60 percent or more of the adjusted value of the gross estate at the date of the decedent's death consists of the adjusted value of real or personal property which is used as a farm for farming purposes (within the meaning of section 2032A(e)),

''(5) 50 percent or more of the adjusted value of the gross estate consists of the adjusted value of qualified farmland which is real property, and

''(6) during the 10-year period ending on the date of the decedent's death—

''(A) the qualified farmland which is such real property was owned by the decedent or a member of the decedent's family, and

''(B) there was material participation (within the meaning of section 469(h)) by the decedent or a member of the decedent's family in the operation of such farmland.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED FARMLAND.—The term 'qualified farmland' means any real property—

''(A) which is located in the United States,

''(B) which is used as a farm for farming purposes (within the meaning of section 2032A(e)),

''(C) such use of which is not an activity not engaged in for profit (within the meaning of section 183),

''(D) which was acquired from or passed from the decedent to a qualified heir of the decedent and which, on the date of the decedent's death, was being so used by the decedent or a member of the decedent's family, and

''(E) which is property designated in the agreement filed under subsection (b)(1).

''(2) ADJUSTED VALUE.—The term 'adjusted value' means the value of farmland for purposes of this chapter (determined without regard to this section), reduced by any amounts allowable as a deduction in respect to such farmland under paragraph (3) or (4) of section 2053(a).

''(3) OTHER TERMS.—Any other term used in this section which is also used in section 2032A shall have the same meaning given such term by section 2032A.

''(d) ANNUAL INFORMATION RETURN TO THE SECRETARY.—

''(1) IN GENERAL.—The qualified heir of any qualified farmland shall file an information return (at such time and in such form and manner as the Secretary prescribes) for each calendar year.

''(2) CONTENTS OF RETURN.—The information return required under paragraph (1) shall set forth any disposition of any interest in such farmland or any cessation of use of such farmland as a farm for farming purposes and such other information as the Secretary may require.

''(e) IMPOSITION OF RECAPTURE TAX.—

''(1) IN GENERAL.—If—

''(A) at any time after the decedent's death and before the death of the qualified heir—

''(i) the qualified heir disposes of any interest in qualified farmland (other than by a disposition to a member of the qualified heir's family),

''(ii) the qualified heir or member ceases to use the qualified farmland as a farm for farming purposes,

''(iii) the qualified heir or member incurs a nonrecourse indebtedness secured in whole or in part by a portion of the qualified farmland, or

''(iv) the qualified heir or member fails to file the information return with respect to the qualified farmland required under subsection (d) for 3 successive calendar years, or

''(B) upon the death of the qualified heir or member, the executor of the estate of such heir or member does not elect the application of this section with respect to the qualified farmland,

then, there is hereby imposed a recapture tax with respect to such qualified farmland or such interest in or portion of such qualified farmland.

''(2) APPLICATION OF RECAPTURE TAX TO EARLIER GENERATIONS.—Upon the imposition of a recapture tax under paragraph (1) with respect to such qualified farmland or such interest in or portion of such qualified farmland, there is also imposed an aggregate amount of any recapture tax which would have been determined under this subsection with respect to such farmland, interest, or portion if the such tax had been imposed and paid on the date of death of the decedent and on the date of death of any qualified heir (or member) of such farmland, interest, or portion in any intervening generation.

''(3) AMOUNT OF RECAPTURE TAX, ETC.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), rules similar to the rules of section 2032A(c) (other than paragraphs (1) and (2)(E) thereof) with respect to the additional estate tax shall apply for purposes of this subsection with respect to each recapture tax.

''(B) ADJUSTMENTS TO RECAPTURE TAX.—

''(i) ADJUSTMENT TO REFLECT INCREASE IN VALUE OF INTEREST.—Subject to clause (ii), the amount of the recapture tax otherwise determined under rules described in subparagraph (A) shall be increased by the percentage (if any) by which the value of the interest in the qualified farmland at the time of the imposition of such tax is greater than the adjusted value of such farmland at the time such farmland would have been included in the estate if no election under this section had been made.

''(ii) ADJUSTMENTS TO VALUE OF INTEREST AT TIME OF TAX IMPOSITION.—For purposes of determining the value of the interest in the qualified farmland at the time of the imposition of such tax, such value shall be reduced (under rules prescribed by the Secretary) by—

''(I) the basis of any substantial improvements made with respect to such interest by the qualified heir or member, and

''(II) the aggregate amount of any recapture tax imposed under paragraph (2).

''(f) APPLICATION OF OTHER RULES.—Rules similar to the rules of subsections (d), (e) (other than paragraphs (6) and (13) thereof), (f), (g), (h), and (i) of section 2032A shall apply for purposes of this section.

''(g) REGULATIONS.—The Secretary may issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including the application of this section in the case of multiple interests in qualified farmland, and to prevent fraud and abuse under this section.''.

(b) BASIS OF QUALIFIED FARMLAND FOR PURPOSES OF DEPRECIATION OR DEPLETION BY QUALIFIED HEIR.—Section 1014 is amended by adding at the end the following new subsection:

''(f) BASIS OF QUALIFIED FARMLAND FOR PURPOSES OF DEPRECIATION OR DEPLETION BY QUALIFIED HEIR.—For purposes of the allowance to any qualified heir of any depreciation or depletion deduction with respect to any interest in property acquired from a decedent and subject to an election under section 2033A, the basis of such property in the hands of such qualified heir (or member of the qualified heir's family after a disposition described in section 2033A(e)(1)(A)(i)) shall be the adjusted basis of such property in the hands of the decedent immediately before the death of such decedent.''.

(c) PENALTY FOR FAILURE TO FILE ANNUAL INFORMATION RETURN.—Section 6652 is amended by redesignating subsection (m) as subsection (n) and by adding at the end the following new subsection:

''(m) FAILURE TO FILE ANNUAL INFORMATION RETURN.—In the case of each failure to provide an information return as required under section 2033A(d) at the time prescribed therefor, unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid, on notice and demand of the Secretary and in the same manner as tax, by the person failing to provide such return, an amount equal to $250 for each such failure.''.

(d) WOODLANDS SUBJECT TO MANAGEMENT PLAN.—Paragraph (2) of section 2032A(c) is amended by adding at the end the following new subparagraph:

''(F) EXCEPTION FOR WOODLANDS SUBJECT TO FOREST STEWARDSHIP PLAN.—

''(i) IN GENERAL.—Subparagraph (E) shall not apply to any disposition or severance of standing timber on a qualified woodland that is made pursuant to a forest stewardship plan developed under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a)

or an equivalent plan approved by the State Forester.

''(ii) COMPLIANCE WITH FOREST STEWARDSHIP PLAN.—Clause (i) shall not apply if, during the 10-year period under paragraph (1), the qualified heir fails to comply with such forest stewardship plan or equivalent plan.''.

(e) CERTAIN CONSERVATION TRANSACTIONS NOT TREATED AS DISPOSITIONS.—Paragraph (8) of section 2032A(c) is amended to read as follows:

''(8) CERTAIN CONSERVATION TRANSACTIONS NOT TREATED AS DISPOSITIONS.—

''(A) QUALIFIED CONSERVATION CONTRIBUTIONS.—A qualified conservation contribution by gift or otherwise shall not be deemed a disposition under subsection (c)(1)(A).

''(B) QUALIFIED CONSERVATION EASEMENT SOLD TO QUALIFIED ORGANIZATION.—A sale of a qualified conservation easement to a qualified organization shall not be deemed a disposition under subsection (c)(1)(A).

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) the terms 'qualified conservation contribution' and 'qualified organization' have the meanings given such terms by section 170(h), and

''(ii) the term 'qualified conservation easement' has the meaning given such term by section 2031(c)(8).''.

(f) CLERICAL AMENDMENT.—The table of sections for part III of subchapter A of chapter 11 is amended by inserting after the item relating to section 2033 the following new item:

''Sec. 2033A. Exclusion of certain farmland so long as use as farmland continues.''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after the date of the enactment of this Act.

SEC. 306. INCREASE IN LIMITATIONS ON THE AMOUNT EXCLUDED FROM THE GROSS ESTATE WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.

(a) INCREASE IN DOLLAR LIMITATION ON EXCLUSION.—Paragraph (3) of section 2031(c) is amended by striking ''the exclusion limitation is'' and all that follows and inserting ''the exclusion limitation is $5,000,000.''.

(b) INCREASE IN PERCENTAGE OF VALUE OF LAND WHICH IS EXCLUDABLE.—Paragraph (2) of section 2031(c) is amended—

(1) by striking ''40 percent'' and inserting ''50 percent'', and

(2) by striking ''2 percentage points'' and inserting ''2.5 percentage points''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after the date of the enactment of this Act.

SEC. 307. MODIFICATION OF RULES FOR VALUE OF CERTAIN FARM, ETC., REAL PROPERTY.

(a) IN GENERAL.—Paragraph (2) of section 2032A(a) is amended by striking ''$750,000'' and inserting ''$3,500,000''.

(b) INFLATION ADJUSTMENT.—Paragraph (3) of section 2032A(a) is amended—

(1) by striking ''1998'' and inserting ''2010'',

(2) by striking ''$750,000'' and inserting ''$3,500,000'' in subparagraph (A), and

(3) by striking ''calendar year 1997'' and inserting ''calendar year 2009'' in subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2009.

SEC. 308. REQUIRED MINIMUM 10-YEAR TERM, ETC., FOR GRANTOR RETAINED ANNUITY TRUSTS.

(a) IN GENERAL.—Subsection (b) of section 2702 is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively, and by moving such subparagraphs (as so redesignated) 2 ems to the right;

(2) by striking ''For purposes of'' and inserting the following:

''(1) IN GENERAL.—For purposes of'';

(3) by striking ''paragraph (1) or (2)'' in paragraph (1)(C) (as so redesignated) and inserting ''subparagraph (A) or (B)''; and

(4) by adding at the end the following new paragraph:

''(2) ADDITIONAL REQUIREMENTS WITH RESPECT TO GRANTOR RETAINED ANNUITIES.—For purposes of subsection (a), in the case of an interest described in paragraph (1)(A) (determined without regard to this paragraph) which is retained by the transferor, such interest shall be treated as described in such paragraph only if—

''(A) the right to receive the fixed amounts referred to in such paragraph is for a term of not less than 10 years,

''(B) such fixed amounts, when determined on an annual basis, do not decrease relative to any prior year during the first 10 years of the term referred to in subparagraph (A), and

''(C) the remainder interest has a value greater than zero determined as of the time of the transfer.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers made after the date of the enactment of this Act.

SEC. 309. CONSISTENT BASIS REPORTING BETWEEN ESTATE AND PERSON ACQUIRING PROPERTY FROM DECEDENT.

(a) CONSISTENT USE OF BASIS.—

(1) PROPERTY ACQUIRED FROM A DECEDENT.—Section 1014 is amended by adding at the end the following new subsection:

''(f) BASIS MUST BE CONSISTENT WITH ESTATE TAX VALUE.—

''(1) IN GENERAL.—For purposes of this section, the value used to determine the basis of any interest in property in the hands of the person acquiring such property shall not exceed the value of such interest as finally determined for purposes of chapter 11.

''(2) SPECIAL RULE WHERE NO FINAL DETERMINATION.—In any case in which the value of property has not been finally determined under chapter 11 and there has been a statement furnished under section 6035(a), the value used to determine the basis of any interest in property in the hands of the person acquiring such property shall not exceed the amount reported on the statement furnished under section 6035(a).

''(3) REGULATIONS.—The Secretary may by regulations provide exceptions to the application of this subsection.''.

(2) PROPERTY ACQUIRED BY GIFTS AND TRANSFERS IN TRUST.—Section 1015 is amended by adding at the end the following new subsection:

''(f) BASIS MUST BE CONSISTENT WITH GIFT TAX VALUE.—

''(1) IN GENERAL.—For purposes of this section, the fair market value of any interest in property at the time of the gift of that interest shall not exceed the value of such interest as finally determined for purposes of chapter 12.

''(2) SPECIAL RULE WHERE NO FINAL DETERMINATION.—In any case in which the value of property has not been finally determined under chapter 12 and there has been a statement furnished under section 6035(b), the fair market value of any interest in property at the time of the gift of that interest shall not exceed the amount reported on the statement furnished under section 6035(b).

''(3) REGULATIONS.—The Secretary may by regulations provide exceptions to the application of this subsection.''.

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6034A the following new section:

''SEC. 6035. BASIS INFORMATION TO PERSONS ACQUIRING PROPERTY FROM DECEDENT OR BY GIFT.

''(a) INFORMATION WITH RESPECT TO PROPERTY ACQUIRED FROM DECEDENTS.—

''(1) IN GENERAL.—The executor of any estate required to file a return under section 6018(a) shall furnish to the Secretary and to each person acquiring any interest in property included in the decedent's gross estate for Federal estate tax purposes a statement identifying the value of each interest in such property as reported on such return and such other information with respect to such interest as the Secretary may prescribe.

''(2) STATEMENTS BY BENEFICIARIES.—Each person required to file a return under section 6018(b) shall furnish to the Secretary and to each other person who holds a legal or beneficial interest in the property to which such return relates a statement identifying the information described in paragraph (1).

''(3) TIME FOR FURNISHING STATEMENT.—

''(A) IN GENERAL.—Each statement required to be furnished under paragraph (1) or (2) shall be furnished at such time as the Secretary may prescribe, but in no case at a time later than the earlier of—

''(i) the date which is 30 days after the date on which the return under section 6018 was required to be filed (including extensions, if any), or

''(ii) the date which is 30 days after the date such return is filed.

''(B) ADJUSTMENTS.—In any case in which there is an adjustment to the information required to be included on a statement filed under paragraph (1) or (2) after such statement has been filed, a supplemental statement under such paragraph shall be filed not later than the date which is 30 days after such adjustment is made.

''(b) INFORMATION WITH RESPECT TO PROPERTY ACQUIRED BY GIFT.—

''(1) IN GENERAL.—Each person making a transfer by gift who is required to file a return under section 6019 with respect to such transfer shall furnish to the Secretary and to each person acquiring any interest in property by reason of such transfer a statement identifying the fair market value of each interest in such property as reported on such return and such other information with respect to such interest as the Secretary may prescribe.

''(2) TIME FOR FURNISHING STATEMENT.—

''(A) IN GENERAL.—Each statement required to be furnished under paragraph (1) shall be furnished at such time as the Secretary may prescribe, but in no case at a time later than the earlier of—

''(i) the date which is 30 days after the date on which the return under section 6019 was required to be filed (including extensions, if any), or

''(ii) the date which is 30 days after the date such return is filed.

''(B) ADJUSTMENTS.—In any case in which there is an adjustment to the information required to be included on a statement filed under paragraph (1) after such statement has been filed, a supplemental statement under such paragraph shall be filed not later than the date which is 30 days after such adjustment is made.

''(c) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to carry out this section, including regulations relating to—

''(1) applying this section to property with regard to which no estate or gift tax return is required to be filed, and

''(2) situations in which the surviving joint tenant or other recipient may have better information than the executor regarding the basis or fair market value of the property.''.

(2) PENALTY FOR FAILURE TO FILE.—

(A) RETURN.—Section 6724(d)(1) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) any statement required to be filed with the Secretary under section 6035.''.

(B) STATEMENT.—Section 6724(d)(2) is amended by striking ''or'' at the end of subparagraph (GG), by striking the period at the end of subparagraph (HH) and inserting '', or'', and by adding at the end the following new subparagraph:

''(II) section 6035 (other than a statement described in paragraph (1)(D)).''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6034A the following new item:

''Sec. 6035. Basis information to persons acquiring property from decedent or by gift.''.

(c) PENALTY FOR INCONSISTENT REPORTING.—

(1) IN GENERAL.—Subsection (b) of section 6662 is amended by inserting after paragraph (7) the following new paragraph:

''(8) Any inconsistent estate or gift basis.''.

(2) INCONSISTENT BASIS REPORTING.—Section 6662 is amended by adding at the end the following new subsection:

''(k) INCONSISTENT ESTATE OR GIFT BASIS REPORTING.—For purposes of this section, the term 'inconsistent estate or gift basis' means—

''(1) in the case of property acquired from a decedent, a basis determination with respect to such property which is not consistent with the requirements of section 1014(f), and

''(2) in the case of property acquired by gift, a basis determination with respect to such property which is not consistent with the requirements of section 1015(f).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers for which returns are filed after the date of the enactment of this Act.

TITLE IV—PERMANENT SMALL BUSINESS TAX RELIEF

SEC. 401. REPEAL OF SUNSET ON INCREASED LIMITATIONS ON SMALL BUSINESS EXPENSING.

(a) IN GENERAL.—Subsection (b) of section 179, as amended by the Small Business Jobs Act of 2010, is amended—

(1) by striking ''$25,000'' in paragraph (1)(C) and inserting ''$125,000.'', and

(2) by striking ''$200,000'' in paragraph (2)(C) and inserting ''$500,000.''.

(b) INFLATION ADJUSTMENT.—Section 179(b) is amended by adding at the end the following new paragraph:

''(6) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning after 2011, the $125,000 amount in paragraph (1)(C) and the $500,000 amount in paragraph (2)(C) shall each be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2006' for 'calendar year 1992' in subparagraph (B) thereof.

''(B) ROUNDING.—

''(i) DOLLAR LIMITATION.—If the amount in paragraph (1) as increased under subparagraph (A) is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.

''(ii) PHASEOUT AMOUNT.—If the amount in paragraph (2) as increased under subparagraph (A) is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''.

(c) PERMANENT EXPENSING OF COMPUTER SOFTWARE.—Section 179(d)(1)(A)(ii), as amended by the Small Business Jobs Act of 2010, is amended by striking ''and before 2012''.

(d) REVOCATION OF ELECTION MADE PERMANENT.—Section 179(c)(2), as amended by the Small Business Jobs Act of 2010, is amended to read as follows:

''(2) REVOCATION OF ELECTION.—Any election made under this section, and any specification contained in any such election, may be revoked by the taxpayer with respect to any property, and such revocation, once made, shall be irrevocable.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

TITLE V—ALTERNATIVE MINIMUM TAX RELIEF

SEC. 501. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) is amended—

(1) by striking ''$70,950'' and all that follows through ''2009'' in subparagraph (A) and inserting ''$72,450 in the case of taxable years beginning in 2010 and $74,450 in the case of taxable years beginning in 2011'', and

(2) by striking ''$46,700'' and all that follows through ''2009'' in subparagraph (B) and inserting ''$47,450 in the case of taxable years beginning in 2010 and $48,450 in the case of taxable years beginning in 2011''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 502. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''or 2009'' and inserting ''2009, 2010, or 2011'', and

(2) by striking ''2009'' in the heading thereof and inserting ''2011''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

TITLE VI—TEMPORARY EXTENSION OF CERTAIN PROVISIONS EXPIRING IN 2009

Subtitle A—Infrastructure Incentives

SEC. 601. EXTENSION OF BUILD AMERICA BONDS.

(a) IN GENERAL.—Subparagraph (B) of section 54AA(d)(1) is amended by striking ''January 1, 2011'' and inserting ''January 1, 2012''.

(b) EXTENSION OF PAYMENTS TO ISSUERS.—

(1) IN GENERAL.—Section 6431 is amended—

(A) by striking ''January 1, 2011'' in subsection (a) and inserting ''January 1, 2012''; and

(B) by striking ''January 1, 2011'' in subsection (f)(1)(B) and inserting ''a particular date''.

(2) CONFORMING AMENDMENTS.—Subsection (g) of section 54AA is amended—

(A) by striking ''January 1, 2011'' and inserting ''January 1, 2012''; and

(B) by striking ''QUALIFIED BONDS ISSUED BEFORE 2011'' in the heading and inserting ''CERTAIN QUALIFIED BONDS''.

(c) REDUCTION IN PERCENTAGE OF PAYMENTS TO ISSUERS.—Subsection (b) of section 6431 is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'';

(2) by striking ''35 percent'' and inserting ''the applicable percentage''; and

(3) by adding at the end the following new paragraph:

''(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means the percentage determined in accordance with the following table:

''In the case of a qualified bond issued during calendar year:	The applicable percentage is:
2009 or 2010	35 percent
2011	32 percent.''.

(d) CURRENT REFUNDINGS PERMITTED.—Subsection (g) of section 54AA is amended by adding at the end the following new paragraph:

''(3) TREATMENT OF CURRENT REFUNDING BONDS.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualified bond' includes any bond (or series of bonds) issued to refund a qualified bond if—

''(i) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

''(ii) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

''(iii) the refunded bond is redeemed not later than 90 days after the date of the issuance of the refunding bond.

''(B) APPLICABLE PERCENTAGE.—In the case of a refunding bond referred to in subparagraph (A), the applicable percentage with respect to such bond under section 6431(b) shall be the lowest percentage specified in paragraph (2) of such section.

''(C) DETERMINATION OF AVERAGE MATURITY.—For purposes of subparagraph (A)(i), average maturity shall be determined in accordance with section 147(b)(2)(A).''.

SEC. 602. EXEMPT-FACILITY BONDS FOR SEWAGE AND WATER SUPPLY FACILITIES.

(a) BONDS FOR WATER AND SEWAGE FACILITIES EXEMPT FROM VOLUME CAP ON PRIVATE ACTIVITY BONDS.—

(1) IN GENERAL.—Paragraph (3) of section 146(g) is amended by inserting ''(4), (5),'' after ''(2),''.

(2) CONFORMING AMENDMENT.—Paragraphs (2) and (3)(B) of section 146(k) are both amended by striking ''(4), (5), (6),'' and inserting ''(6)''.

(b) TAX-EXEMPT ISSUANCE BY INDIAN TRIBAL GOVERNMENTS.—

(1) IN GENERAL.—Subsection (c) of section 7871 is amended by adding at the end the following new paragraph:

''(4) EXCEPTION FOR BONDS FOR WATER AND SEWAGE FACILITIES.—Paragraph (2) shall not apply to an exempt facility bond 95 percent or more of the net proceeds (as defined in section 150(a)(3)) of which are to be used to provide facilities described in paragraph (4) or (5) of section 142(a).''.

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 7871(c) is amended by striking ''paragraph (3)'' and inserting ''paragraphs (3) and (4)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 603. EXTENSION OF EXEMPTION FROM ALTERNATIVE MINIMUM TAX TREATMENT FOR CERTAIN TAX-EXEMPT BONDS.

(a) IN GENERAL.—Clause (vi) of section 57(a)(5)(C) is amended—

(1) by striking ''January 1, 2011'' in subclause (I) and inserting ''January 1, 2012''; and

(2) by striking ''AND 2010'' in the heading and inserting '', 2010, AND 2011''.

(b) ADJUSTED CURRENT EARNINGS.—Clause (iv) of section 56(g)(4)(B) is amended—

(1) by striking ''January 1, 2011'' in subclause (I) and inserting ''January 1, 2012''; and

(2) by striking ''AND 2010'' in the heading and inserting '', 2010, AND 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2010.

SEC. 604. EXTENSION AND ADDITIONAL ALLOCATIONS OF RECOVERY ZONE BOND AUTHORITY.

(a) EXTENSION OF RECOVERY ZONE BOND AUTHORITY.—Section 1400U–2(b)(1) and section 1400U–3(b)(1)(B) are each amended by striking ''January 1, 2011'' and inserting ''January 1, 2012''.

(b) ADDITIONAL ALLOCATIONS OF RECOVERY ZONE BOND AUTHORITY BASED ON UNEMPLOYMENT.—Section 1400U–1 is amended by adding at the end the following new subsection:

''(c) ALLOCATION OF 2010 RECOVERY ZONE BOND LIMITATIONS BASED ON UNEMPLOYMENT.—

''(1) IN GENERAL.—The Secretary shall allocate the 2010 national recovery zone economic development bond limitation and the 2010 national recovery zone facility bond limitation among the States in the proportion that each such State's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all of the States.

''(2) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under paragraph (1) for each State to the extent necessary to ensure that no State (prior to any reduction under paragraph (3)) receives less than 0.9 percent of the 2010 national recovery zone economic development bond limitation and 0.9 percent of the 2010 national recovery zone facility bond limitation.

''(3) ALLOCATIONS BY STATES.—

''(A) IN GENERAL.—Each State with respect to which an allocation is made under paragraph (1) shall reallocate such allocation among the counties and large municipalities (as defined in subsection (a)(3)(B)) in such State in the proportion that each such county's or municipality's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all the counties and large municipalities (as so defined) in such State.

''(B) 2010 ALLOCATION REDUCED BY AMOUNT OF PREVIOUS ALLOCATION.—Each State shall reduce (but not below zero)—

''(i) the amount of the 2010 national recovery zone economic development bond limitation allocated to each county or large municipality (as so defined) in such State by the amount of the national recovery zone economic development bond limitation allocated to such county or large municipality under subsection (a)(3)(A) (determined without regard to any waiver thereof), and

''(ii) the amount of the 2010 national recovery zone facility bond limitation allocated to each county or large municipality (as so defined) in such State by the amount of the national recovery zone facility bond limitation allocated to such county or large municipality under subsection (a)(3)(A) (determined without regard to any waiver thereof).

''(C) WAIVER OF SUBALLOCATIONS.—A county or municipality may waive any portion of an allocation made under this paragraph. A county or municipality shall be treated as having waived any portion of an allocation made under this paragraph which has not been allocated to a bond issued before May 1, 2011. Any allocation waived (or treated as waived) under this subparagraph may be used or reallocated by the State.

''(D) SPECIAL RULE FOR A MUNICIPALITY IN A COUNTY.—In the case of any large municipality any portion of which is in a county, such portion shall be treated as part of such municipality and not part of such county.

''(4) 2009 UNEMPLOYMENT NUMBER.—For purposes of this subsection, the term '2009 unemployment number' means, with respect to any State, county or municipality, the number of individuals in such State, county, or municipality who were determined to be unemployed by the Bureau of Labor Statistics for December 2009.

''(5) 2010 NATIONAL LIMITATIONS.—

''(A) RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS.—The 2010 national recovery zone economic development bond limitation is $10,000,000,000. Any allocation of such limitation under this subsection shall be treated for purposes of section 1400U–2 in the same manner as an allocation of national recovery zone economic development bond limitation.

''(B) RECOVERY ZONE FACILITY BONDS.—The 2010 national recovery zone facility bond limitation is $15,000,000,000. Any allocation of such limitation under this subsection shall be treated for purposes of section 1400U–3 in the same manner as an allocation of national recovery zone facility bond limitation.''.

(c) AUTHORITY OF STATE TO WAIVE CERTAIN 2009 ALLOCATIONS.—Subparagraph (A) of section 1400U–1(a)(3) is amended by adding at the end the following: ''A county or municipality shall be treated as having waived any portion of an allocation made under this subparagraph which has not been allocated to a bond issued before May 1, 2011. Any allocation waived (or treated as waived) under this subparagraph may be used or reallocated by the State.''.

SEC. 605. ALLOWANCE OF NEW MARKETS TAX CREDIT AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subparagraph (B) of section 38(c)(4), as amended by the Patient Protection and Affordable Care Act, is amended by redesignating clauses (v) through (ix) as clauses (vi) through (x), respectively, and by inserting after clause (iv) the following new clause:

''(v) the credit determined under section 45D, but only with respect to credits determined with respect to qualified equity investments (as defined in section 45D(b)) initially made before January 1, 2013,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to credits determined with respect to qualified equity investments (as defined in section 45D(b) of the Internal Revenue Code of 1986) initially made after March 15, 2010.

SEC. 606. EXTENSION OF TAX-EXEMPT ELIGIBILITY FOR LOANS GUARANTEED BY FEDERAL HOME LOAN BANKS.

Clause (iv) of section 149(b)(3)(A) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

SEC. 607. EXTENSION OF TEMPORARY SMALL ISSUER RULES FOR ALLOCATION OF TAX-EXEMPT INTEREST EXPENSE BY FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Clauses (i), (ii), and (iii) of section 265(b)(3)(G) are each amended by striking ''or 2010'' and inserting '', 2010, or 2011''.

(b) CONFORMING AMENDMENT.—Subparagraph (G) of section 265(b)(3) is amended by striking ''AND 2010'' in the heading and inserting '', 2010, AND 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2010.

Subtitle B—Energy

SEC. 611. ALTERNATIVE MOTOR VEHICLE CREDIT FOR NEW QUALIFIED HYBRID MOTOR VEHICLES OTHER THAN PASSENGER AUTOMOBILES AND LIGHT TRUCKS.

(a) IN GENERAL.—Paragraph (3) of section 30B(k) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property purchased after December 31, 2009.

SEC. 612. INCENTIVES FOR BIODIESEL AND RENEWABLE DIESEL.

(a) CREDITS FOR BIODIESEL AND RENEWABLE DIESEL USED AS FUEL.—Subsection (g) of section 40A is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EXCISE TAX CREDITS AND OUTLAY PAYMENTS FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIXTURES.—

(1) Paragraph (6) of section 6426(c) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(2) Subparagraph (B) of section 6427(e)(6) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2009.

SEC. 613. CREDIT FOR ELECTRICITY PRODUCED AT CERTAIN OPEN-LOOP BIOMASS FACILITIES.

(a) IN GENERAL.—Clause (ii) of section 45(b)(4)(B) is amended—

(1) by striking ''5-year period'' and inserting ''7-year period''; and

(2) by adding at the end the following: ''In the case of the next-to-last year of the 7-year period described in the preceding sentence, the credit determined under subsection (a) with respect to electricity produced during such year shall not exceed 80 percent of such credit determined without regard to this sentence. In the case of the last year of such 7-year period, the credit determined under subsection (a) with respect to electricity produced during such year shall not exceed 60 percent of such credit determined without regard to this sentence.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to electricity produced and sold after December 31, 2009.

SEC. 614. CREDIT FOR STEEL INDUSTRY FUEL.

(a) CREDIT PERIOD.—

(1) IN GENERAL.—Subclause (II) of section 45(e)(8)(D)(ii) is amended to read as follows:

''(II) CREDIT PERIOD.—In lieu of the 10-year period referred to in clauses (i) and (ii)(II) of subparagraph (A), the credit period shall be the period beginning on the date that the facility first produces steel industry fuel that is sold to an unrelated person after September 30, 2008, and ending 3 years after such date.''.

(2) CONFORMING AMENDMENT.—Section 45(e)(8)(D) is amended by striking clause (iii) and by redesignating clause (iv) as clause (iii).

(b) EXTENSION OF PLACED-IN-SERVICE DATE.—Subparagraph (A) of section 45(d)(8) is amended—

(1) by striking ''(or any modification to a facility)''; and

(2) by striking ''2010'' and inserting ''2012''.

(c) CLARIFICATIONS.—

(1) STEEL INDUSTRY FUEL.—Subclause (I) of section 45(c)(7)(C)(i) is amended by inserting '', a blend of coal and petroleum coke, or other coke feedstock'' after ''on coal''.

(2) OWNERSHIP INTEREST.—Section 45(d)(8) is amended by adding at the end the following new flush sentence:

''With respect to a facility producing steel industry fuel, no person (including a ground lessor, customer, supplier, or technology licensor) shall be treated as having an ownership interest in the facility or as otherwise entitled to the credit allowable under subsection (a) with respect to such facility if such person's rent, license fee, or other entitlement to net payments from the owner of such facility is measured by a fixed dollar amount or a fixed amount per ton, or otherwise determined without regard to the profit or loss of such facility.''.

(3) PRODUCTION AND SALE.—Subparagraph (D) of section 45(e)(8), as amended by subsection (a)(2), is amended by redesignating clause (iii) as clause (iv) and by inserting after clause (ii) the following new clause:

''(iii) PRODUCTION AND SALE.—The owner of a facility producing steel industry fuel shall

be treated as producing and selling steel industry fuel where that owner manufactures such steel industry fuel from coal, a blend of coal and petroleum coke, or other coke feedstock to which it has title. The sale of such steel industry fuel by the owner of the facility to a person who is not the owner of the facility shall not fail to qualify as a sale to an unrelated person solely because such purchaser may also be a ground lessor, supplier, or customer.''.

(d) SPECIFIED CREDIT FOR PURPOSES OF ALTERNATIVE MINIMUM TAX EXCLUSION.—Subclause (II) of section 38(c)(4)(B)(iii) is amended by inserting ''(in the case of a refined coal production facility producing steel industry fuel, during the credit period set forth in section 45(e)(8)(D)(ii)(II))'' after ''service''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), and (d) shall apply to fuel produced and sold after September 30, 2008.

(2) CLARIFICATIONS.—The amendments made by subsection (c) shall take effect as if included in the amendments made by the Energy Improvement and Extension Act of 2008.

SEC. 615. CREDIT FOR PRODUCING FUEL FROM COKE OR COKE GAS.

(a) IN GENERAL.—Paragraph (1) of section 45K(g) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to facilities placed in service after December 31, 2009.

SEC. 616. NEW ENERGY EFFICIENT HOME CREDIT.

(a) IN GENERAL.—Subsection (g) of section 45L is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to homes acquired after December 31, 2009.

SEC. 617. EXCISE TAX CREDITS AND OUTLAY PAYMENTS FOR ALTERNATIVE FUEL AND ALTERNATIVE FUEL MIXTURES.

(a) ALTERNATIVE FUEL CREDIT.—Paragraph (5) of section 6426(d) is amended by striking ''after December 31, 2009'' and all that follows and inserting ''after—

''(A) September 30, 2014, in the case of liquefied hydrogen,

''(B) December 31, 2011, in the case of fuels described in subparagraph (A), (C), (F), or (G) of paragraph (2), and

''(C) December 31, 2009, in any other case.''.

(b) ALTERNATIVE FUEL MIXTURE CREDIT.—Paragraph (3) of section 6426(e) is amended by striking ''after December 31, 2009'' and all that follows and inserting ''after—

''(A) September 30, 2014, in the case of liquefied hydrogen,

''(B) December 31, 2011, in the case of fuels described in subparagraph (A), (C), (F), or (G) of subsection (d)(2), and

''(C) December 31, 2009, in any other case.''.

(c) PAYMENT AUTHORITY.—

(1) IN GENERAL.—Paragraph (6) of section 6427(e) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(E) any alternative fuel or alternative fuel mixture (as so defined) involving fuel described in subparagraph (A), (C), (F), or (G) of section 6426(d)(2) sold or used after December 31, 2011.''.

(2) CONFORMING AMENDMENT.—Subparagraph (C) of section 6427(e)(6) is amended by inserting ''or (E)'' after ''subparagraph (D)''.

(d) EXCLUSION OF BLACK LIQUOR FROM CREDIT ELIGIBILITY.—The last sentence of section 6426(d)(2) is amended by striking ''or biodiesel'' and inserting ''biodiesel, or any fuel (including lignin, wood residues, or spent pulping liquors) derived from the production of paper or pulp''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2009.

SEC. 618. SPECIAL RULE FOR SALES OR DISPOSITIONS TO IMPLEMENT FERC OR STATE ELECTRIC RESTRUCTURING POLICY FOR QUALIFIED ELECTRIC UTILITIES.

(a) IN GENERAL.—Paragraph (3) of section 451(i) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) MODIFICATION OF DEFINITION OF INDEPENDENT TRANSMISSION COMPANY.—

(1) IN GENERAL.—Clause (i) of section 451(i)(4)(B) is amended to read as follows:

''(i) who the Federal Energy Regulatory Commission determines in its authorization of the transaction under section 203 of the Federal Power Act (16 U.S.C. 824b) or by declaratory order—

''(I) is not itself a market participant as determined by the Commission, and also is not controlled by any such market participant, or

''(II) to be independent from market participants or to be an independent transmission company within the meaning of such Commission's rules applicable to independent transmission providers, and''.

(2) RELATED PERSONS.—Paragraph (4) of section 451(i) is amended by adding at the end the following flush sentence:

''For purposes of subparagraph (B)(i)(I), a person shall be treated as controlled by another person if such persons would be treated as a single employer under section 52.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to dispositions after December 31, 2009.

(2) MODIFICATIONS.—The amendments made by subsection (b) shall apply to dispositions after the date of the enactment of this Act.

SEC. 619. SUSPENSION OF LIMITATION ON PERCENTAGE DEPLETION FOR OIL AND GAS FROM MARGINAL WELLS.

(a) IN GENERAL.—Clause (ii) of section 613A(c)(6)(H) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 620. CREDIT FOR NONBUSINESS ENERGY PROPERTY.

(a) EXTENSION.—

(1) IN GENERAL.—Section 25C(g)(2) is amended by striking ''2010'' and inserting ''2011''.

(2) LIMITATION.—Section 25C(b) is amended by striking ''and 2010'' and inserting '', 2010, and 2011''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after December 31, 2010.

(b) MODIFICATION OF STANDARDS FOR WINDOWS, DOORS, AND SKYLIGHTS.—

(1) IN GENERAL.—Paragraph (4) of section 25C(c) is amended by striking ''unless'' and all that follows and inserting ''unless—

''(A) such component meets the criteria for such components established by the 2010 Energy Star Program Requirements for Residential Windows, Doors, and Skylights, Version 5.0 (or any subsequent version of such requirements which is in effect after January 4, 2010), and

''(B) in the case of any component which is a garage door, such component is equal to or below a U factor of 0.30 and SHGC of 0.30.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after December 31, 2010.

Subtitle C—Individual Tax Relief

PART I—MISCELLANEOUS PROVISIONS

SEC. 631. DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) is amended by striking ''or 2009'' and inserting ''2009, 2010, or 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 632. ADDITIONAL STANDARD DEDUCTION FOR STATE AND LOCAL REAL PROPERTY TAXES.

(a) IN GENERAL.—Subparagraph (C) of section 63(c)(1) is amended by striking ''or 2009'' and inserting ''2009, 2010, or 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 633. DEDUCTION OF STATE AND LOCAL SALES TAXES.

(a) IN GENERAL.—Subparagraph (I) of section 164(b)(5) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 634. CONTRIBUTIONS OF CAPITAL GAIN REAL PROPERTY MADE FOR CONSERVATION PURPOSES.

(a) IN GENERAL.—Clause (vi) of section 170(b)(1)(E) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) CONTRIBUTIONS BY CERTAIN CORPORATE FARMERS AND RANCHERS.—Clause (iii) of section 170(b)(2)(B) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2009.

SEC. 635. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.

(a) IN GENERAL.—Subsection (e) of section 222 is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) APPLICATION AND EXTENSION OF EGTRRA SUNSET.—Notwithstanding section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001, such section shall apply to the amendments made by this section and the amendments made by section 431 of such Act by substituting ''December 31, 2011'' for ''December 31, 2010'' in subsection (a)(1) thereof.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

(d) TEMPORARY COORDINATION WITH SECTION 25A.—In the case of any taxpayer for any taxable year beginning in 2010 or 2011, no deduction shall be allowed under section 222 of the Internal Revenue Code of 1986 if—

(1) the taxpayer's net Federal income tax reduction which would be attributable to such deduction for such taxable year, is less than

(2) the credit which would be allowed to the taxpayer for such taxable year under section 25A of such Code (determined without regard to sections 25A(e) and 26 of such Code).

SEC. 636. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subparagraph (F) of section 408(d)(8) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2009.

(2) SPECIAL RULE.—For purposes of qualified charitable distributions under section 408(d)(8) of the Internal Revenue Code of 1986 with respect to taxable years beginning in 2010, a taxpayer shall be deemed to have made such a distribution on the last day of such taxable year if the distribution is made not later than January 31, 2011.

SEC. 637. LOOK-THRU OF CERTAIN REGULATED INVESTMENT COMPANY STOCK IN DETERMINING GROSS ESTATE OF NONRESIDENTS.

(a) IN GENERAL.—Paragraph (3) of section 2105(d) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying after December 31, 2009.

PART II—LOW-INCOME HOUSING CREDITS

SEC. 641. ELECTION FOR DIRECT PAYMENT OF LOW-INCOME HOUSING CREDIT FOR 2010.

(a) IN GENERAL.—Section 42 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) ELECTION FOR DIRECT PAYMENT OF CREDIT.—

''(1) IN GENERAL.—The housing credit agency of each State shall be allowed a credit in an amount equal to such State's low-income housing refundable credit election amount for the applicable calendar year, which shall be payable by the Secretary as provided in paragraph (5).

''(2) LOW-INCOME HOUSING GRANT ELECTION AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'low-income housing grant election amount' means, with respect to any State for any applicable calendar year, such amount as the State may elect which does not exceed 85 percent of the product of—

''(i) the sum of—

''(I) 100 percent of the State housing credit ceiling for such applicable calendar year which is attributable to amounts described in clauses (i) and (iii) of subsection (h)(3)(C), plus any increase for such applicable calendar year attributable to section 1400N(c) (including credits made available under such section as applied by reason of sections 702(d)(2) and 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008), and

''(II) 40 percent of the State housing credit ceiling for such applicable calendar year which is attributable to amounts described in clauses (ii) and (iv) of such subsection, plus any credits for the calendar year preceding such applicable calendar year attributable to the application of such section 702(d)(2) and 704(b), multiplied by

''(ii) 10.

For purposes of subparagraph (A)(ii), in the case of any area to which section 702(d)(2) or 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 applies, section 1400N(c)(1)(A) of such Code shall be applied without regard to clause (i).

''(B) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means calendar years 2010 and 2011.

''(3) COORDINATION WITH NON-REFUNDABLE CREDIT.—For purposes of this section, the amounts described in clauses (i) through (iv) of subsection (h)(3)(C) with respect to any State for 2010 shall each be reduced by so much of such amount as is taken into account in determining the amount of the credit allowed with respect to such State under paragraph (1).

''(4) SPECIAL RULE FOR BASIS.—Basis of a qualified low-income building shall not be reduced by the amount of any payment made under this subsection.

''(5) PAYMENT OF CREDIT; USE TO FINANCE LOW-INCOME BUILDINGS.—The Secretary shall pay to the housing credit agency of each State an amount equal to the credit allowed under paragraph (1). Rules similar to the rules of subsections (c) and (d) of section 1602 of the American Recovery and Reinvestment Tax Act of 2009 shall apply with respect to any payment made under this paragraph, except that such subsection (d) shall be applied by substituting 'January 1 of the second calendar year after the applicable calendar year' for 'January 1, 2011'.''.

(b) CONFORMING AMENDMENT.—Section 1324(b)(2) of title 31, United States Code, is amended by inserting ''42(n),'' after ''36C,''.

SEC. 642. LOW-INCOME HOUSING GRANT ELECTION.

(a) CLARIFICATION OF ELIGIBILITY OF LOW-INCOME HOUSING CREDITS FOR LOW-INCOME HOUSING GRANT ELECTION.—Paragraph (1) of section 1602(b) of the American Recovery and Reinvestment Tax Act of 2009 is amended—

(1) by inserting '', plus any increase for 2009 or 2010 attributable to section 1400N(c) of such Code (including credits made available under such section as applied by reason of sections 702(d)(2) and 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008)'' after ''1986'' in subparagraph (A), and

(2) by inserting '', plus any credits for 2009 attributable to the application of such section 702(d)(2) and 704(b)'' after ''such section'' in subparagraph (B).

(b) APPLICATION OF ADDITIONAL HOUSING CREDIT AMOUNT FOR PURPOSES OF 2009 GRANT ELECTION.—Subsection (b) of section 1602 of the American Recovery and Reinvestment Tax Act of 2009, as amended by subsection (a), is amended by adding at the end the following flush sentence:

''For purposes of paragraph (1)(B), in the case of any area to which section 702(d)(2) or 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 applies, section 1400N(c)(1)(A) of such Code shall be applied without regard to clause (i).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply as if included in the enactment of section 1602 of the American Recovery and Reinvestment Tax Act of 2009.

Subtitle D—Business Tax Relief

SEC. 651. RESEARCH CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 41(h)(1) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) CONFORMING AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2009.

SEC. 652. INDIAN EMPLOYMENT TAX CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45A is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 653. NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Subparagraph (F) of section 45D(f)(1) is amended by inserting '', 2010, and 2011'' after ''2009''.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 45D(f) is amended by striking ''2014'' and inserting ''2016''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after 2009.

SEC. 654. RAILROAD TRACK MAINTENANCE CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45G is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2009.

SEC. 655. MINE RESCUE TEAM TRAINING CREDIT.

(a) IN GENERAL.—Subsection (e) of section 45N is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) CREDIT ALLOWABLE AGAINST AMT.—Subparagraph (B) of section 38(c)(4), as amended by section 105, is amended—

(1) by redesignating clauses (vii) through (x) as clauses (viii) through (xi), respectively; and

(2) by inserting after clause (vi) the following new clause:

''(vii) the credit determined under section 45N,''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2009.

(2) ALLOWANCE AGAINST AMT.—The amendments made by subsection (b) shall apply to credits determined for taxable years beginning after December 31, 2009, and to carrybacks of such credits.

SEC. 656. EMPLOYER WAGE CREDIT FOR EMPLOYEES WHO ARE ACTIVE DUTY MEMBERS OF THE UNIFORMED SERVICES.

(a) IN GENERAL.—Subsection (f) of section 45P is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2009.

SEC. 657. 5-YEAR DEPRECIATION FOR FARMING BUSINESS MACHINERY AND EQUIPMENT.

(a) IN GENERAL.—Clause (vii) of section 168(e)(3)(B) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 658. 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS, QUALIFIED RESTAURANT BUILDINGS AND IMPROVEMENTS, AND QUALIFIED RETAIL IMPROVEMENTS.

(a) IN GENERAL.—Clauses (iv), (v), and (ix) of section 168(e)(3)(E) are each amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) CONFORMING AMENDMENTS.—

(1) Clause (i) of section 168(e)(7)(A) is amended by striking ''if such building is placed in service after December 31, 2008, and before January 1, 2010,''.

(2) Paragraph (8) of section 168(e) is amended by striking subparagraph (E).

(3) Section 179(f)(2) is amended—

(A) by striking ''(without regard to the dates specified in subparagraph (A)(i) thereof)'' in subparagraph (B), and

(B) by striking ''(without regard to subparagraph (E) thereof)'' in subparagraph (C).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2009.

SEC. 659. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS ENTERTAINMENT COMPLEXES.

(a) IN GENERAL.—Subparagraph (D) of section 168(i)(15) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 660. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON AN INDIAN RESERVATION.

(a) IN GENERAL.—Paragraph (8) of section 168(j) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 661. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(C) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2009.

SEC. 662. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORIES TO PUBLIC SCHOOLS.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(D) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2009.

SEC. 663. ENHANCED CHARITABLE DEDUCTION FOR CORPORATE CONTRIBUTIONS OF COMPUTER INVENTORY FOR EDUCATIONAL PURPOSES.

(a) IN GENERAL.—Subparagraph (G) of section 170(e)(6) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2009.

SEC. 664. ELECTION TO EXPENSE MINE SAFETY EQUIPMENT.

(a) IN GENERAL.—Subsection (g) of section 179E is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 665. SPECIAL EXPENSING RULES FOR CERTAIN FILM AND TELEVISION PRODUCTIONS.

(a) IN GENERAL.—Subsection (f) of section 181 is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to productions commencing after December 31, 2009.

SEC. 666. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) IN GENERAL.—Subsection (h) of section 198 is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 2009.

SEC. 667. DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.

(a) IN GENERAL.—Subparagraph (C) of section 199(d)(8) is amended—

(1) by striking ''first 4 taxable years'' and inserting ''first 6 taxable years''; and

(2) by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 668. MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Clause (iv) of section 512(b)(13)(E) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments received or accrued after December 31, 2009.

SEC. 669. EXCLUSION OF GAIN OR LOSS ON SALE OR EXCHANGE OF CERTAIN BROWNFIELD SITES FROM UNRELATED BUSINESS INCOME.

(a) IN GENERAL.—Subparagraph (K) of section 512(b)(19) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property acquired after December 31, 2009.

SEC. 670. TIMBER REIT MODERNIZATION.

(a) IN GENERAL.—Paragraph (8) of section 856(c) is amended by striking ''means'' and all that follows and inserting ''means December 31, 2011.''.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (I) of section 856(c)(2) is amended by striking ''the first taxable year beginning after the date of the enactment of this subparagraph'' and inserting ''a taxable year beginning on or before the termination date''.

(2) Clause (iii) of section 856(c)(5)(H) is amended by inserting ''in taxable years beginning'' after ''dispositions''.

(3) Clause (v) of section 857(b)(6)(D) is amended by inserting ''in a taxable year beginning'' after ''sale''.

(4) Subparagraph (G) of section 857(b)(6) is amended by inserting ''in a taxable year beginning'' after ''In the case of a sale''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after May 22, 2009.

SEC. 671. TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.

(a) IN GENERAL.—Paragraphs (1)(C) and (2)(C) of section 871(k) are each amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 672. RIC QUALIFIED INVESTMENT ENTITY TREATMENT UNDER FIRPTA.

(a) IN GENERAL.—Clause (ii) of section 897(h)(4)(A) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on January 1, 2010. Notwithstanding the preceding sentence, such amendment shall not apply with respect to the withholding requirement under section 1445 of the Internal Revenue Code of 1986 for any payment made before the date of the enactment of this Act.

(2) AMOUNTS WITHHELD ON OR BEFORE DATE OF ENACTMENT.—In the case of a regulated investment company—

(A) which makes a distribution after December 31, 2009, and before the date of the enactment of this Act; and

(B) which would (but for the second sentence of paragraph (1)) have been required to withhold with respect to such distribution under section 1445 of such Code,

such investment company shall not be liable to any person to whom such distribution was made for any amount so withheld and paid over to the Secretary of the Treasury.

SEC. 673. EXCEPTIONS FOR ACTIVE FINANCING INCOME.

(a) IN GENERAL.—Sections 953(e)(10) and 954(h)(9) are each amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) CONFORMING AMENDMENT.—Section 953(e)(10) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2009, and to taxable years of United States shareholders with or within which any such taxable year of such foreign corporation ends.

SEC. 674. LOOK-THRU TREATMENT OF PAYMENTS BETWEEN RELATED CONTROLLED FOREIGN CORPORATIONS UNDER FOREIGN PERSONAL HOLDING COMPANY RULES.

(a) IN GENERAL.—Subparagraph (C) of section 954(c)(6) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2009, and to taxable years of United States shareholders with or within which any such taxable year of such foreign corporation ends.

SEC. 675. BASIS ADJUSTMENT TO STOCK OF S CORPS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) IN GENERAL.—Paragraph (2) of section 1367(a) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2009.

SEC. 676. EMPOWERMENT ZONE TAX INCENTIVES.

(a) IN GENERAL.—Section 1391 is amended—

(1) by striking ''December 31, 2009'' in subsection (d)(1)(A)(i) and inserting ''December 31, 2011''; and

(2) by striking the last sentence of subsection (h)(2).

(b) INCREASED EXCLUSION OF GAIN ON STOCK OF EMPOWERMENT ZONE BUSINESSES.—Subparagraph (C) of section 1202(a)(2) is amended—

(1) by striking ''December 31, 2014'' and inserting ''December 31, 2016''; and

(2) by striking ''2014'' in the heading and inserting ''2016''.

(c) TREATMENT OF CERTAIN TERMINATION DATES SPECIFIED IN NOMINATIONS.—In the case of a designation of an empowerment zone the nomination for which included a termination date which is contemporaneous with the date specified in subparagraph (A)(i) of section 1391(d)(1) of the Internal Revenue Code of 1986 (as in effect before the enactment of this Act), subparagraph (B) of such section shall not apply with respect to such designation unless, after the date of the enactment of this section, the entity which made such nomination reconfirms such termination date, or amends the nomination to provide for a new termination date, in such manner as the Secretary of the Treasury (or the Secretary's designee) may provide.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2009.

SEC. 677. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) IN GENERAL.—Subsection (f) of section 1400 is amended by striking ''December 31, 2009'' each place it appears and inserting ''December 31, 2011''.

(b) TAX-EXEMPT DC EMPOWERMENT ZONE BONDS.—Subsection (b) of section 1400A is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) ZERO-PERCENT CAPITAL GAINS RATE.—

(1) ACQUISITION DATE.—Paragraphs (2)(A)(i), (3)(A), (4)(A)(i), and (4)(B)(i)(I) of section 1400B(b) are each amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(2) LIMITATION ON PERIOD OF GAINS.—

(A) IN GENERAL.—Paragraph (2) of section 1400B(e) is amended—

(i) by striking ''December 31, 2014'' and inserting ''December 31, 2016''; and

(ii) by striking ''2014'' in the heading and inserting ''2016''.

(B) PARTNERSHIPS AND S-CORPS.—Paragraph (2) of section 1400B(g) is amended by striking ''December 31, 2014'' and inserting ''December 31, 2016''.

(d) FIRST-TIME HOMEBUYER CREDIT.—Subsection (i) of section 1400C is amended by

striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to periods after December 31, 2009.

(2) TAX-EXEMPT DC EMPOWERMENT ZONE BONDS.—The amendment made by subsection (b) shall apply to bonds issued after December 31, 2009.

(3) ACQUISITION DATES FOR ZERO-PERCENT CAPITAL GAINS RATE.—The amendments made by subsection (c) shall apply to property acquired or substantially improved after December 31, 2009.

(4) HOMEBUYER CREDIT.—The amendment made by subsection (d) shall apply to homes purchased after December 31, 2009.

SEC. 678. RENEWAL COMMUNITY TAX INCENTIVES.

(a) IN GENERAL.—Subsection (b) of section 1400E is amended—

(1) by striking ''December 31, 2009'' in paragraphs (1)(A) and (3) and inserting ''December 31, 2011''; and

(2) by striking ''January 1, 2010'' in paragraph (3) and inserting ''January 1, 2012''.

(b) ZERO-PERCENT CAPITAL GAINS RATE.—

(1) ACQUISITION DATE.—Paragraphs (2)(A)(i), (3)(A), (4)(A)(i), and (4)(B)(i) of section 1400F(b) are each amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(2) LIMITATION ON PERIOD OF GAINS.—Paragraph (2) of section 1400F(c) is amended—

(A) by striking ''December 31, 2014'' and inserting ''December 31, 2016''; and

(B) by striking ''2014'' in the heading and inserting ''2016''.

(3) CLERICAL AMENDMENT.—Subsection (d) of section 1400F is amended by striking ''and 'December 31, 2014' for 'December 31, 2014' ''.

(c) COMMERCIAL REVITALIZATION DEDUCTION.—

(1) IN GENERAL.—Subsection (g) of section 1400I is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 1400I(d)(2) is amended by striking ''after 2001 and before 2010'' and inserting ''which begins after 2001 and before the date referred to in subsection (g)''.

(d) INCREASED EXPENSING UNDER SECTION 179.—Subparagraph (A) of section 1400J(b)(1) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(e) TREATMENT OF CERTAIN TERMINATION DATES SPECIFIED IN NOMINATIONS.—In the case of a designation of a renewal community the nomination for which included a termination date which is contemporaneous with the date specified in subparagraph (A) of section 1400E(b)(1) of the Internal Revenue Code of 1986 (as in effect before the enactment of this Act), subparagraph (B) of such section shall not apply with respect to such designation unless, after the date of the enactment of this section, the entity which made such nomination reconfirms such termination date, or amends the nomination to provide for a new termination date, in such manner as the Secretary of the Treasury (or the Secretary's designee) may provide.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to periods after December 31, 2009.

(2) ACQUISITIONS.—The amendments made by subsections (b)(1) and (d) shall apply to acquisitions after December 31, 2009.

(3) COMMERCIAL REVITALIZATION DEDUCTION.—

(A) IN GENERAL.—The amendment made by subsection (c)(1) shall apply to buildings placed in service after December 31, 2009.

(B) CONFORMING AMENDMENT.—The amendment made by subsection (c)(2) shall apply to calendar years beginning after December 31, 2009.

SEC. 679. TEMPORARY INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAXES TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2009.

SEC. 680. AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) IN GENERAL.—Subsection (d) of section 119 of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking ''first 4 taxable years'' and inserting ''first 6 taxable years'', and

(2) by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 681. ELECTION TO TEMPORARILY UTILIZE UNUSED AMT CREDITS DETERMINED BY DOMESTIC INVESTMENT.

(a) IN GENERAL.—Section 53 is amended by adding at the end the following new subsection:

''(g) ELECTION FOR CORPORATIONS WITH NEW DOMESTIC INVESTMENTS.—

''(1) IN GENERAL.—If a corporation elects to have this subsection apply for its first taxable year beginning after December 31, 2009, the limitation imposed by subsection (c) for such taxable year shall be increased by the AMT credit adjustment amount.

''(2) AMT CREDIT ADJUSTMENT AMOUNT.—For purposes of paragraph (1), the term 'AMT credit adjustment amount' means, the lesser of—

''(A) 50 percent of a corporation's minimum tax credit for its first taxable year beginning after December 31, 2009, determined under subsection (b), or

''(B) 10 percent of new domestic investments made during such taxable year.

''(3) NEW DOMESTIC INVESTMENTS.—For purposes of this subsection, the term 'new domestic investments' means the cost of qualified property (as defined in section 168(k)(2)(A)(i))—

''(A) the original use of which commences with the taxpayer during the taxable year, and

''(B) which is placed in service in the United States by the taxpayer during such taxable year.

''(4) CREDIT REFUNDABLE.—For purposes of subsection (b) of section 6401, the aggregate increase in the credits allowable under this part for any taxable year resulting from the application of this subsection shall be treated as allowed under subpart C (and not under any other subpart). For purposes of section 6425, any amount treated as so allowed shall be treated as a payment of estimated income tax for the taxable year.

''(5) ELECTION.—An election under this subsection shall be made at such time and in such manner as prescribed by the Secretary, and once made, may be revoked only with the consent of the Secretary. Not later than 90 days after the date of the enactment of this subsection, the Secretary shall issue guidance specifying such time and manner.

''(6) TREATMENT OF CERTAIN PARTNERSHIP INVESTMENTS.—For purposes of this subsection, a corporation shall take into account its allocable share of any new domestic investments by a partnership for any taxable year if, and only if, more than 90 percent of the capital and profits interests in such partnership are owned by such corporation (directly or indirectly) at all times during such taxable year.

''(7) NO DOUBLE BENEFIT.—

''(A) IN GENERAL.—A corporation making an election under this subsection may not make an election under subparagraph (H) of section 172(b)(1).

''(B) SPECIAL RULES WITH RESPECT TO TAXPAYERS PREVIOUSLY ELECTING APPLICABLE NET OPERATING LOSSES.—In the case of a corporation which made an election under subparagraph (H) of section 172(b)(1) and elects the application of this subsection—

''(i) ELECTION OF APPLICABLE NET OPERATING LOSS TREATED AS REVOKED.—The election under such subparagraph (H) shall (notwithstanding clause (iii)(II) of such subparagraph) be treated as having been revoked by the taxpayer.

''(ii) COORDINATION WITH PROVISION FOR EXPEDITED REFUND.—The amount otherwise treated as a payment of estimated income tax under the last sentence of paragraph (4) shall be reduced (but not below zero) by the aggregate increase in unpaid tax liability determined under this chapter by reason of the revocation of the election under clause (i).

''(iii) APPLICATION OF STATUTE OF LIMITATIONS.—With respect to the revocation of an election under clause (i)—

''(I) the statutory period for the assessment of any deficiency attributable to such revocation shall not expire before the end of the 3-year period beginning on the date of the election to have this subsection apply, and

''(II) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.

''(C) EXCEPTION FOR ELIGIBLE SMALL BUSINESSES.—Subparagraphs (A) and (B) shall not apply to an eligible small business as defined in section 172(b)(1)(H)(v)(II).

''(8) REGULATIONS.—The Secretary may issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this subsection, including to prevent fraud and abuse under this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A) is amended by inserting ''53(g),'' after ''53(e),''.

(2) Section 1324(b)(2) of title 31, United States Code, is amended by inserting ''53(g),'' after ''53(e),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 682. REDUCTION IN CORPORATE RATE FOR QUALIFIED TIMBER GAIN.

(a) IN GENERAL.—Paragraph (1) of section 1201(b) is amended by striking '' 'ending' '' and all that follows through '' 'such date' ''.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 1201(b) is amended to read as follows:

''(3) APPLICATION OF SUBSECTION.—The qualified timber gain for any taxable year shall not exceed the qualified timber gain which would be determined by not taking into account any portion of such taxable year after December 31, 2011.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after May 22, 2009.

SEC. 683. STUDY OF EXTENDED TAX EXPENDITURES.

(a) FINDINGS.—Congress finds the following:

(1) Currently, the aggregate cost of Federal tax expenditures rivals, or even exceeds, the amount of total Federal discretionary spending.

(2) Given the escalating public debt, a critical examination of this use of taxpayer dollars is essential.

(3) Additionally, tax expenditures can complicate the Internal Revenue Code of 1986 for

taxpayers and complicate tax administration for the Internal Revenue Service.

(4) To facilitate a better understanding of tax expenditures in the future, it is constructive for legislation extending these provisions to include a study of such provisions.

(b) REQUIREMENT TO REPORT.—Not later than December 15, 2011, the Chief of Staff of the Joint Committee on Taxation, in consultation with the Comptroller General of the United States, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on each tax expenditure (as defined in section 3(3) of the Congressional Budget Impoundment Control Act of 1974 (2 U.S.C. 622(3)) extended by this title.

(c) ROLLING SUBMISSION OF REPORTS.—The Chief of Staff of the Joint Committee on Taxation shall initially submit the reports for each such tax expenditure enacted in this subtitle (relating to business tax relief) and subtitle A (relating to energy) in order of the tax expenditure incurring the least aggregate cost to the greatest aggregate cost (determined by reference to the cost estimate of this Act by the Joint Committee on Taxation). Thereafter, such reports may be submitted in such order as the Chief of Staff determines appropriate.

(d) CONTENTS OF REPORT.—Such reports shall contain the following:

(1) An explanation of the tax expenditure and any relevant economic, social, or other context under which it was first enacted.

(2) A description of the intended purpose of the tax expenditure.

(3) An analysis of the overall success of the tax expenditure in achieving such purpose, and evidence supporting such analysis.

(4) An analysis of the extent to which further extending the tax expenditure, or making it permanent, would contribute to achieving such purpose.

(5) A description of the direct and indirect beneficiaries of the tax expenditure, including identifying any unintended beneficiaries.

(6) An analysis of whether the tax expenditure is the most cost-effective method for achieving the purpose for which it was intended, and a description of any more cost-effective methods through which such purpose could be accomplished.

(7) A description of any unintended effects of the tax expenditure that are useful in understanding the tax expenditure's overall value.

(8) An analysis of how the tax expenditure could be modified to better achieve its original purpose.

(9) A brief description of any interactions (actual or potential) with other tax expenditures or direct spending programs in the same or related budget function worthy of further study.

(10) A description of any unavailable information the staff of the Joint Committee on Taxation may need to complete a more thorough examination and analysis of the tax expenditure, and what must be done to make such information available.

(e) MINIMUM ANALYSIS BY DEADLINE.—In the event the Chief of Staff of the Joint Committee on Taxation concludes it will not be feasible to complete all reports by the date specified in subsection (a), at a minimum, the reports for each tax expenditure enacted in this subtitle (relating to business tax relief) and subtitle A (relating to energy) shall be completed by such date.

Subtitle E—Temporary Disaster Relief Provisions

PART I—NATIONAL DISASTER RELIEF

SEC. 691. WAIVER OF CERTAIN MORTGAGE REVENUE BOND REQUIREMENTS.

(a) IN GENERAL.—Paragraph (11) of section 143(k) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) SPECIAL RULE FOR RESIDENCES DESTROYED IN FEDERALLY DECLARED DISASTERS.—Paragraph (13) of section 143(k), as redesignated by subsection (c), is amended by striking ''January 1, 2010'' in subparagraphs (A)(i) and (B)(i) and inserting ''January 1, 2012''.

(c) TECHNICAL AMENDMENT.—Subsection (k) of section 143 is amended by redesignating the second paragraph (12) (relating to special rules for residences destroyed in federally declared disasters) as paragraph (13).

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendment made by this section shall apply to bonds issued after December 31, 2009.

(2) RESIDENCES DESTROYED IN FEDERALLY DECLARED DISASTERS.—The amendments made by subsection (b) shall apply with respect to disasters occurring after December 31, 2009.

(3) TECHNICAL AMENDMENT.—The amendment made by subsection (c) shall take effect as if included in section 709 of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008.

SEC. 692. LOSSES ATTRIBUTABLE TO FEDERALLY DECLARED DISASTERS.

(a) IN GENERAL.—Subclause (I) of section 165(h)(3)(B)(i) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) $500 LIMITATION.—Paragraph (1) of section 165(h) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to federally declared disasters occurring after December 31, 2009.

(2) $500 LIMITATION.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2009.

SEC. 693. SPECIAL DEPRECIATION ALLOWANCE FOR QUALIFIED DISASTER PROPERTY.

(a) IN GENERAL.—Subclause (I) of section 168(n)(2)(A)(ii) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disasters occurring after December 31, 2009.

SEC. 694. NET OPERATING LOSSES ATTRIBUTABLE TO FEDERALLY DECLARED DISASTERS.

(a) IN GENERAL.—Subclause (I) of section 172(j)(1)(A)(i) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to losses attributable to disasters occurring after December 31, 2009.

SEC. 695. EXPENSING OF QUALIFIED DISASTER EXPENSES.

(a) IN GENERAL.—Subparagraph (A) of section 198A(b)(2) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures on account of disasters occurring after December 31, 2009.

PART II—REGIONAL PROVISIONS

Subpart A—New York Liberty Zone

SEC. 696. SPECIAL DEPRECIATION ALLOWANCE FOR NONRESIDENTIAL AND RESIDENTIAL REAL PROPERTY.

(a) IN GENERAL.—Subparagraph (A) of section 1400L(b)(2) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 697. TAX-EXEMPT BOND FINANCING.

(a) IN GENERAL.—Subparagraph (D) of section 1400L(d)(2) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2009.

Subpart B—GO Zone

SEC. 698. INCREASE IN REHABILITATION CREDIT.

(a) IN GENERAL.—Subsection (h) of section 1400N is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2009.

SEC. 699. WORK OPPORTUNITY TAX CREDIT WITH RESPECT TO CERTAIN INDIVIDUALS AFFECTED BY HURRICANE KATRINA FOR EMPLOYERS INSIDE DISASTER AREAS.

(a) IN GENERAL.—Paragraph (1) of section 201(b) of the Katrina Emergency Tax Relief Act of 2005 is amended by striking ''4-year'' and inserting ''5-year''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals hired after August 27, 2009.

SEC. 700. EXTENSION OF LOW-INCOME HOUSING CREDIT RULES FOR BUILDINGS IN GO ZONES.

Section 1400N(c)(5) is amended by striking ''January 1, 2011'' and inserting ''January 1, 2013''.

TITLE VII—TECHNICAL CORRECTIONS TO PENSION FUNDING LEGISLATION

SEC. 701. DEFINITION OF ELIGIBLE PLAN YEAR.

(a) AMENDMENT TO ERISA.—Clause (v) of section 303(c)(2)(D) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(c)(2)(D)), as added by section 201(a)(1) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended—

(1) by striking ''on or after the date of the enactment of this subparagraph'' and inserting ''on or after June 25, 2010 (March 10, 2010, in the case of an eligible plan)'', and

(2) by adding at the end the following new sentence: ''For purposes of the preceding sentence, a plan shall be treated as an eligible plan only if, as of the date of the election with respect to the plan under clause (i)—

''(A) the plan sponsor is not a debtor in a case under title 11, United States Code, or similar Federal or State law,

''(B) there are no unpaid minimum required contributions with respect to the plan for purposes of section 4971 of the Internal Revenue Code of 1986 (imposing an excise tax when minimum required contributions are not paid by the due date for the plan year),

''(C) there are no outstanding liens in favor of the plan under subsection (k), and

''(D) the plan sponsor has not initiated a distress termination of the plan under section 4041.''.

(b) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Clause (v) of section 430(c)(2)(D) of the Internal Revenue Code of 1986, as added by section 201(b)(1) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended—

(1) by striking ''on or after the date of the enactment of this subparagraph'' and inserting ''on or after June 25, 2010 (March 10, 2010, in the case of an eligible plan)'', and

(2) by adding at the end the following new sentence: ''For purposes of the preceding sentence, a plan shall be treated as an eligible plan only if, as of the date of the election with respect to the plan under clause (i)—

''(A) the plan sponsor is not a debtor in a case under title 11, United States Code, or similar Federal or State law,

''(B) there are no unpaid minimum required contributions with respect to the plan for purposes of section 4971 (imposing an excise tax when minimum required contributions are not paid by the due date for the plan year),

''(C) there are no outstanding liens in favor of the plan under subsection (k), and

''(D) the plan sponsor has not initiated a distress termination of the plan under section 4041 of the Employee Retirement Income Security Act of 1974.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by the provisions of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 to which the amendments relate.

SEC. 702. ELIGIBLE CHARITY PLANS.

(a) DEFINITION OF ELIGIBLE CHARITY PLANS.—

(1) IN GENERAL.—Section 104(d) of the Pension Protection Act of 2006, as added by section 202(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended to read as follows:

''(d) ELIGIBLE CHARITY PLAN DEFINED.—For purposes of this section, a plan shall be treated as an eligible charity plan for a plan year if—

''(1) the plan is maintained by one or more employers employing employees who are accruing benefits based on service for the plan year,

''(2) such employees are employed in at least 20 States,

''(3) more than 98 percent of such employees are employed by an employer described in section 501(c)(3) of such Code and the primary exempt purpose of each such employer is to provide services with respect to children, and

''(4) the plan sponsor elects (at such time and in such form and manner as shall be prescribed by the Secretary of the Treasury) to be so treated.

Any election under this subsection may be revoked only with the consent of the Secretary of the Treasury.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the amendment made by the provision of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 to which the amendment relates (determined after application of the amendment made by subsection (c)), except that a plan sponsor may elect to apply such amendment to plan years beginning on or after January 1, 2011.

(b) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations as may be necessary to carry out the purposes of the amendments made by section 202(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 and the amendment made by subsection (a).

(c) APPLICATION OF NEW RULES TO ELIGIBLE CHARITY PLANS.—

(1) IN GENERAL.—Paragraph (2) of section 202(c) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 is amended to read as follows:

''(2) ELIGIBLE CHARITY PLANS.—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2010, except that a plan sponsor may elect to apply such amendments to plan years beginning after an earlier date.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the amendment made by the provision of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 to which the amendment relates.

SEC. 703. SUSPENSION OF CERTAIN FUNDING LEVEL LIMITATIONS.

(a) LIMITATIONS ON BENEFIT ACCRUALS.—Section 203 of the Worker, Retiree, and Employer Recovery Act of 2008 (Public Law 110–458; 122 Stat. 5118) is amended—

(1) by striking ''the first plan year beginning during the period beginning on October 1, 2008, and ending on September 30, 2009'' and inserting ''any plan year beginning during the period beginning on October 1, 2008, and ending on December 31, 2011'';

(2) by striking ''substituting'' and all that follows through ''for such plan year'' and inserting ''substituting for such percentage the plan's adjusted funding target attainment percentage for the last plan year ending before September 30, 2009,''; and

(3) by striking ''for the preceding plan year is greater'' and inserting ''for such last plan year is greater''.

(b) SOCIAL SECURITY LEVEL-INCOME OPTIONS.—

(1) ERISA AMENDMENT.—Section 206(g)(3)(E) of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new sentence: ''For purposes of applying clause (i) in the case of payments the annuity starting date for which occurs on or before December 31, 2011, payments under a social security leveling option shall be treated as not in excess of the monthly amount paid under a single life annuity (plus an amount not in excess of a social security supplement described in the last sentence of section 204(b)(1)(G)).''.

(2) IRC AMENDMENT.—Section 436(d)(5) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: ''For purposes of applying subparagraph (A) in the case of payments the annuity starting date for which occurs on or before December 31, 2011, payments under a social security leveling option shall be treated as not in excess of the monthly amount paid under a single life annuity (plus an amount not in excess of a social security supplement described in the last sentence of section 411(a)(9)).''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this subsection shall apply to annuity payments the annuity starting date for which occurs on or after January 1, 2011.

(B) PERMITTED APPLICATION.—A plan shall not be treated as failing to meet the requirements of sections 206(g) of the Employee Retirement Income Security Act of 1974 (as amended by this subsection) and section 436(d) of the Internal Revenue Code of 1986 (as so amended) if the plan sponsor elects to apply the amendments made by this subsection to payments the annuity starting date for which occurs before January 1, 2011.

(c) REPEAL OF RELATED PROVISIONS.—The provisions of, and the amendments made by, section 203 of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 are repealed and the Employee Retirement Income Security Act of 1974, the Internal Revenue Code of 1986, and the Worker, Retiree, and Employer Recovery Act of 2008 (Public Law 110–458; 122 Stat. 5118) shall be applied as if such section had never been enacted.

SEC. 704. OPTIONAL USE OF 30-YEAR AMORTIZATION PERIODS.

(a) AMENDMENT TO ERISA.—Paragraph (8) of section 304(b) of the Employee Retirement Income Security Act of 1974, as amended by the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended by striking ''after August 31, 2008'' each place it appears in subparagraphs (A)(i), (B)(i)(I), and (B)(i)(II), and inserting ''on or after June 30, 2008''.

(b) AMENDMENT TO INTERNAL REVENUE CODE OF 1986 .—Paragraph (8) of section 431(b) of the Internal Revenue Code of 1986, as amended by the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended by striking ''after August 31, 2008'' each place it appears in subparagraphs (A)(i) and (B)(i)(I) and inserting ''on or after June 30, 2008''.

(c) EFFECTIVE DATE AND SPECIAL RULES.—The amendments made by this section shall take effect as of the first day of the first plan year beginning on or after June 30, 2008, except that any election a plan sponsor makes pursuant to this section or the amendments made thereby that affects the plan's funding standard account for any plan year beginning before October 1, 2009, shall be disregarded for purposes of applying the provisions of section 305 of the Employee Retirement Income Security Act of 1974 and section 432 of the Internal Revenue Code of 1986 to that plan year.

TITLE VIII—TEMPORARY EXTENSION OF CERTAIN PROVISIONS ENDING IN 2010 OR 2011

Subtitle A—Unemployment Benefits

SEC. 801. EXTENSION OF UNEMPLOYMENT INSURANCE PROVISIONS.

(a) IN GENERAL.—(1) Section 4007 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(A) by striking ''November 30, 2010'' each place it appears and inserting ''January 3, 2012'';

(B) in the heading for subsection (b)(2), by striking ''NOVEMBER 30, 2010'' and inserting ''JANUARY 3, 2012''; and

(C) in subsection (b)(3), by striking ''April 30, 2011'' and inserting ''June 9, 2012''.

(2) Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 444), is amended—

(A) by striking ''December 1, 2010'' each place it appears and inserting ''January 4, 2012''; and

(B) in subsection (c), by striking ''May 1, 2011'' and inserting ''June 11, 2012''.

(3) Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking ''April 30, 2011'' and inserting ''June 10, 2012''.

(b) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (E), by striking ''and'' at the end; and

(2) by inserting after subparagraph (F) the following:

''(G) the amendments made by section 2(a)(1) of the ; and''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Unemployment Compensation Extension Act of 2010 (Public Law 111–205).

SEC. 802. TEMPORARY MODIFICATION OF INDICATORS UNDER THE EXTENDED BENEFIT PROGRAM.

(a) INDICATOR.—Section 203(d) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended, in the flush matter following paragraph (2), by inserting after the first sentence the following sentence: ''Effective with respect to compensation for weeks of unemployment beginning after the date of enactment of the (or, if later, the date established pursuant to State law), and ending on or before December 31, 2011, the State may by law

provide that the determination of whether there has been a state 'on' or 'off' indicator beginning or ending any extended benefit period shall be made under this subsection as if the word 'two' were 'three' in subparagraph (1)(A).''.

(b) ALTERNATIVE TRIGGER.—Section 203(f) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph:

''(2) Effective with respect to compensation for weeks of unemployment beginning after the date of enactment of the (or, if later, the date established pursuant to State law), and ending on or before December 31, 2011, the State may by law provide that the determination of whether there has been a state 'on' or 'off' indicator beginning or ending any extended benefit period shall be made under this subsection as if the word 'either' were 'any', the word ''both'' were 'all', and the figure '2' were '3' in clause (1)(A)(ii).''.

Subtitle B—Small Business

SEC. 811. TEMPORARY EXCLUSION OF 100 PERCENT OF GAIN ON CERTAIN SMALL BUSINESS STOCK.

(a) IN GENERAL.—Paragraph (4) of section 1202(a) is amended—

(1) by striking ''January 1, 2011'' and inserting ''January 1, 2012'', and

(2) by inserting ''AND 2011'' after ''2010'' in the heading thereof.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to stock acquired after December 31, 2010.

SEC. 812. GENERAL BUSINESS CREDITS OF ELIGIBLE SMALL BUSINESSES CARRIED BACK 5 YEARS.

(a) IN GENERAL.—Subparagraph (A) of section 39(a)(4) is amended by inserting ''or 2011'' after ''2010''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to credits determined in taxable years beginning after December 31, 2010.

SEC. 813. GENERAL BUSINESS CREDITS OF ELIGIBLE SMALL BUSINESSES NOT SUBJECT TO ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Paragraph (5) of section 38(c) is amended—

(1) by inserting ''or 2011'' after ''2010'' in subparagraph (A), and

(2) by inserting ''OR 2011'' after ''2010'' in the heading thereof.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to credits determined in taxable years beginning after December 31, 2010, and to carrybacks of such credits.

SEC. 814. EXTENSION OF INCREASE IN AMOUNT ALLOWED AS DEDUCTION FOR START-UP EXPENDITURES.

(a) START-UP EXPENDITURES.—Paragraph (3) of section 195(b) is amended—

(1) by inserting ''or 2011'' after ''2010'', and

(2) by inserting ''OR 2011'' after ''2010'' in the heading thereof.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2010.

SEC. 815. EXTENSION OF DEDUCTION FOR HEALTH INSURANCE COSTS IN COMPUTING SELF-EMPLOYMENT TAXES.

(a) IN GENERAL.—Paragraph (4) of section 162(l) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2010.

Subtitle C—Energy

SEC. 821. ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.

(a) EXTENSION OF CREDIT.—Paragraph (2) of section 30C(g) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011.''.

(b) CLARIFICATION OF DEFINITION OF ELECTRIC REFUELING PROPERTY.—Subparagraph (B) of section 179A(d)(3) is amended to read as follows:

''(B) exclusively used for the recharging of motor vehicles propelled by electricity (other than property used for the generation of electricity).''.

(c) EFFECTIVE DATES.—

(1) EXTENSION.—The amendment made by subsection (a) shall apply to property placed in service after December 31, 2010.

(2) CLARIFICATION.—The amendment made by subsection (b) shall apply to property placed in service after the date of the enactment of this Act.

SEC. 822. ELECTIVE PAYMENT FOR SPECIFIED ENERGY PROPERTY.

(a) IN GENERAL.—Chapter 65 is amended by adding at the end the following new subchapter:

''Subchapter C—Direct Payment Provisions

''Sec. 6451. Elective payment for specified energy property.

''SEC. 6451. ELECTIVE PAYMENT FOR SPECIFIED ENERGY PROPERTY.

''(a) ELECTIVE PAYMENT.—

''(1) IN GENERAL.—Any eligible person electing the application of this section with respect to any specified energy property originally placed in service by such person during the taxable year shall be treated as making a payment against the tax imposed by subtitle A for the taxable year equal to the applicable percentage of the basis of such property. Such payment shall be treated as made on the later of the due date of the return of such tax or the date on which such return is filed.

''(2) ELIGIBILITY.—A person shall not be eligible to elect the application of this section unless such person has been certified as eligible by the Secretary, under such rules as the Secretary, in consultation with the Secretary of Energy, may prescribe.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section, the term 'applicable percentage' means—

''(1) 30 percent in the case of any property described in paragraph (2)(A)(i) or (5) of section 48(a), and

''(2) 10 percent in the case of any other property.

''(c) DOLLAR LIMITATIONS.—In the case of property described in paragraph (1), (2), or (3) of section 48(c), the payment otherwise treated as made under subsection (a) with respect to such property shall not exceed the limitation applicable to such property under such paragraph.

''(d) SPECIFIED ENERGY PROPERTY.—For purposes of this section—

''(1) IN GENERAL.—The term 'specified energy property' means energy property (within the meaning of section 48) which—

''(A) is originally placed in service before January 1, 2012, or

''(B) is originally placed in service on or after such date and before the credit termination date with respect to such property, but only if the construction of such property began before January 1, 2012.

''(2) CREDIT TERMINATION DATE.—The term 'credit termination date' means—

''(A) in the case of any energy property which is part of a facility described in paragraph (1) of section 45(d), January 1, 2013,

''(B) in the case of any energy property which is part of a facility described in paragraph (2), (3), (4), (6), (7), (9), or (11) of section 45(d), January 1, 2014, and

''(C) in the case of any energy property described in section 48(a)(3), January 1, 2017.

In the case of any property which is described in subparagraph (C) and also in another subparagraph of this paragraph, subparagraph (C) shall apply with respect to such property.

''(e) COORDINATION WITH PRODUCTION AND INVESTMENT CREDITS.—In the case of any property with respect to which an election is made under this section—

''(1) DENIAL OF PRODUCTION AND INVESTMENT CREDITS.—No credit shall be determined under section 45 or 48 with respect to such property for the taxable year in which such property is originally placed in service or any subsequent taxable year.

''(2) REDUCTION OF PAYMENT BY PROGRESS EXPENDITURES ALREADY TAKEN INTO ACCOUNT.—The amount of the payment treated as made under subsection (a) with respect to such property shall be reduced by the aggregate amount of credits determined under section 48 with respect to such property for all taxable years preceding the taxable year in which such property is originally placed in service.

''(f) SPECIAL RULES FOR CERTAIN NON-TAXPAYERS.—

''(1) DENIAL OF PAYMENT.—Subsection (a) shall not apply with respect to any property originally placed in service by—

''(A) any governmental entity other than a governmental unit which is a State utility with a service obligation (as such terms are defined in section 217 of the Federal Power Act), or

''(B) any organization described in section 501(c) (other than a mutual or cooperative electric company described in section 501(c)(12)) or 401(a) and exempt from tax under section 501(a).

''(2) EXCEPTION FOR PROPERTY USED IN UNRELATED TRADE OR BUSINESS.—Paragraph (1) shall not apply with respect to any property originally placed in service by an entity described in section 511(a)(2) if substantially all of the income derived from such property by such entity is unrelated business taxable income (as defined in section 512).

''(3) SPECIAL RULES FOR PARTNERSHIPS AND S CORPORATIONS.—In the case of property originally placed in service by a partnership or an S corporation—

''(A) the election under subsection (a) may be made only by such partnership or S corporation,

''(B) such partnership or S corporation shall be treated as making the payment referred to in subsection (a) only to the extent of the proportionate share of such partnership or S corporation as is owned by persons who would be treated as making such payment if the property were originally placed in service by such persons, and

''(C) the return required to be made by such partnership or S corporation under section 6031 or 6037 (as the case may be) shall be treated as a return of tax for purposes of subsection (a).

For purposes of subparagraph (B), rules similar to the rules of section 168(h)(6) (other than subparagraph (F) thereof) shall apply. For purposes of applying such rules, the term 'tax-exempt entity' shall not include any entity which is a governmental unit which is a State utility with a service obligation (as such terms are defined in section 217 of the Federal Power Act) or which is a mutual or cooperative electric company described in section 501(c)(12).

''(g) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) OTHER DEFINITIONS.—Terms used in this section which are also used in section 45 or 48 shall have the same meanings for purposes of this section as when used in such sections.

''(2) APPLICATION OF RECAPTURE RULES, ETC.—Except as otherwise provided by the Secretary, rules similar to the rules of section 50 (other than paragraphs (1) and (2) of subsection (d) thereof), and section 1603 of the American Recovery and Reinvestment Act of 2009, shall apply.

''(3) EXCLUSION FROM GROSS INCOME.—Any credit or refund allowed or made by reason of this section shall not be includible in gross income or alternative minimum taxable income.

''(4) EXCEPTION FOR CERTAIN PROJECTS.—Subsection (a) shall not apply to any governmental unit or cooperative electric company (as defined in section 54(j)(1)) with respect to any specified energy property which is described in section 48(a)(5)(D) if such entity has issued any bond—

''(A) which is designated as a clean renewable energy bond under section 54 of the Internal Revenue Code of 1986 or as a new clean renewable energy bond under section 54C of such Code, and

''(B) the proceeds of which are used for expenditures in connection with the same qualified facility with respect to which such specified energy property is a part.

''(5) COORDINATION WITH GRANT PROGRAM.—If a grant under section 1603 of the American Recovery and Reinvestment Tax Act of 2009 is made with respect to any specified energy property—

''(A) no election may be made under subsection (a) with respect to such property on or after the date of such grant, and

''(B) if such grant is made after such election, such property shall be treated as having ceased to be specified energy property immediately after such property was originally placed in service.''.

(b) TREATMENT OF GRANTS FOR COOPERATIVE ELECTRIC COMPANIES.—Section 501(c)(12) is amended by adding at the end the following new subparagraph:

''(I) In the case of a mutual or cooperative electric company described in this paragraph or an organization described in section 1381(a)(2)(C), subparagraph (A) shall be applied without taking into account any payment made by reason of section 6452.''.

(c) CONFORMING AMENDMENTS RELATED TO DIRECT PAYMENT.—

(1) Subparagraph (A) of section 6211(b)(4)(A) is amended by inserting ''and subchapter C of chapter 65 (including any payment treated as made under such subchapter)'' after ''6431''.

(2) Subparagraph (B) of section 6425(c)(1) is amended—

(A) by striking ''the credits'' and inserting ''the sum of—

''(i) the credits'',

(B) by striking the period at the end of clause (i) thereof (as amended by this paragraph) and inserting '', plus'', and

(C) by adding at the end the following new clause:

''(ii) the payments treated as made under subchapter C of chapter 65.''.

(3) Paragraph (3) of section 6654(f) is amended—

(A) by striking ''the credits'' and inserting ''the sum of—

''(A) the credits'',

(B) by striking the period at the end of subparagraph (A) thereof (as amended by this paragraph) and inserting '', and'', and

(C) by adding at the end the following new subparagraph:

''(B) the payments treated as made under subchapter C of chapter 65.''.

(4) Subparagraph (B) of section 6655(g)(1) is amended—

(A) by striking ''the credits'' and inserting ''the sum of—

''(i) the credits'',

(B) by striking the period at the end of clause (i) thereof (as amended by this paragraph) and inserting '', plus'', and

(C) by adding at the end the following new clause:

''(ii) the payments treated as made under subchapter C of chapter 65.''.

(5) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting '', or from the provisions of subchapter C of chapter 65 of such Code'' before the period at the end.

(6) The table of subchapters for chapter 65 is amended by adding at the end the following new item:

''SUBCHAPTER C. DIRECT PAYMENT PROVISIONS.''.

(d) CLARIFICATION OF APPLICATION OF GRANTS FOR SPECIFIED ENERGY PROPERTY TO CERTAIN REGULATED COMPANIES.—The first sentence of section 1603(f) of the American Recovery and Reinvestment Tax Act of 2009 is amended by inserting ''(other than subsection (d)(2) thereof)'' after ''section 50 of the Internal Revenue Code of 1986''.

(e) TECHNICAL AMENDMENTS.—

(1) Paragraphs (1) and (2) of section 1603(a) of the American Recovery and Reinvestment Tax Act of 2009 are each amended by striking ''is placed in service'' and inserting ''is originally placed in service by such person''.

(2) Paragraph (1) of section 1603(d) of such Act is amended—

(A) by striking ''(within the meaning of section 45 of such Code)'', and

(B) by inserting before the period at the end the following: ''which would (but for section 48(d)(1) of such Code) be eligible for credit under section 45 of such Code (determined without regard to subsection (a)(2)(B) thereof)''.

(3) Subsection (f) of section 1603 of such Act, as amended by subsection (d), is amended—

(A) by striking the second sentence and inserting the following: ''In applying such rules, any increase in tax under chapter 1 of such Code by reason of the property being disposed of (or otherwise ceasing to be specified energy property) shall be imposed on the person to whom the grant was made.'',

(B) by striking ''In making grants under'' and inserting the following:

''(1) IN GENERAL.—In making grants under'', and

(C) by adding at the end following new paragraph:

''(2) SPECIAL RULES.—

''(A) RECAPTURE OF EXCESSIVE GRANT AMOUNTS.—If the amount of a grant made under this section exceeds the amount allowable as a grant under this section, such excess shall be recaptured under paragraph (1) as if the property to which such grant relates were disposed of immediately after such grant was made.

''(B) GRANT INFORMATION NOT TREATED AS RETURN INFORMATION.—For purposes of section 6103 of the Internal Revenue Code of 1986, in no event shall any of the following be treated as return information:

''(i) The amount of a grant made under subsection (a).

''(ii) The identity of the person to whom the grant was made.

''(iii) A description of the property with respect to which the grant was made.

''(iv) The fact and amount of any recapture.

''(v) The content of any report required by the Secretary of the Treasury to be filed in connection with the grant.''.

(4) Subsection (g) of section 1603 of such Act is amended—

(A) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively,

(B) by moving such subparagraphs (as so redesignated) 2 ems to the right,

(C) by striking ''paragraph (1), (2), or (3)'' in subparagraph (D) (as so redesignated) and inserting ''subparagraphs (A), (B), or (C)'',

(D) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary'', and

(E) by adding at the end the following new paragraph:

''(2) EXCEPTION WHERE PROPERTY USED IN UNRELATED TRADE OR BUSINESS.—

''(A) IN GENERAL.—Paragraph (1) shall not apply to any person or entity described therein to the extent the grant is with respect to unrelated trade or business property.

''(B) UNRELATED TRADE OR BUSINESS PROPERTY.—For purposes of this paragraph, the term 'unrelated trade or business property' means any property with respect to which substantially all of the income derived therefrom by an organization described in section 511(a)(2) of the Internal Revenue Code of 1986 is subject to tax under section 511 of such Code.

''(C) INFORMATION WITH RESPECT TO PASS-THRUS.—In the case of a partnership or other pass-thru entity, partners or other holders of an equity or profits interest must provide to such partnership or entity such information as the Secretary may require to carry out the purposes of this subsection.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to property originally placed in service after the date of the enactment of this Act.

(2) CLARIFICATION AND TECHNICAL AMENDMENTS.—The amendments made by subsections (d) and (e) shall take effect as if included in section 1603 of the American Recovery and Reinvestment Tax Act of 2009.

SEC. 823. QUALIFYING ADVANCED ENERGY PROJECT CREDIT.

(a) IN GENERAL.—Section 48C(d)(1)(B) is amended by striking ''$2,300,000,000'' and inserting ''$4,800,000,000''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to allocations for applications submitted after December 31, 2010.

SEC. 824. NEW CLEAN RENEWABLE ENERGY BONDS.

(a) IN GENERAL.—Subsection (c) of section 54C is amended by adding at the end the following new paragraph:

''(5) SECOND ADDITIONAL LIMITATION.—Subject to paragraph (4), the national new clean renewable energy bond limitation shall be increased by $1,600,000,000. Such increase shall be allocated by the Secretary consistent with the rules of paragraphs (2) and (3).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to allocations after December 31, 2010.

SEC. 825. ALTERNATIVE MOTOR VEHICLE CREDIT FOR NEW QUALIFIED ALTERNATIVE FUEL VEHICLES.

(a) IN GENERAL.—Paragraph (4) of section 30B(k) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property purchased after December 31, 2010.

SEC. 826. EXTENSION OF PROVISIONS RELATED TO ALCOHOL USED AS FUEL.

(a) EXTENSION OF INCOME TAX CREDIT FOR ALCOHOL USED AS FUEL.—

(1) IN GENERAL.—Paragraph (1) of section 40(e) is amended—

(A) by striking ''December 31, 2010'' in subparagraph (A) and inserting ''December 31, 2011'', and

(B) by striking ''January 1, 2011'' in subparagraph (B) and inserting ''January 1, 2012''.

(2) REDUCED AMOUNT FOR ETHANOL BLENDERS.—Subsection (h) of section 40 is amended—

(A) by striking ''2010'' in paragraph (1) and inserting ''2011'', and

(B) by striking the period at the end of the table contained in paragraph (2) and adding the following new item:

''2011	36 cents	26.66 cents.''.

(3) REDUCED RATE FOR SMALL ETHANOL PRODUCERS.—Section 40(b)(4)(A) is amended by striking ''10 cents'' and inserting ''8 cents''.

(4) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to periods after December 31, 2010.

(B) RATE FOR SMALL ETHANOL PRODUCERS.—The amendment made by paragraph (3) shall apply to the sale or use of alcohol after December 31, 2010.

(b) EXTENSION OF EXCISE TAX CREDIT FOR ALCOHOL USED AS FUEL.—

(1) IN GENERAL.—Paragraph (6) of section 6426(b) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(2) REDUCED APPLICABLE AMOUNT FOR ETHANOL.—Subparagraph (A) of section 6426(b)(2) is amended—

(A) by striking ''and'' at the end of clause (i),

(B) in clause (ii)—

(i) by inserting ''and before 2011'' after ''after 2008'', and

(ii) by striking the period and inserting '', and'', and

(C) by adding at the end the following new clause:

''(iii) in the case of calendar years beginning after 2010, 36 cents.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods after December 31, 2010.

(c) EXTENSION OF PAYMENT FOR ALCOHOL FUEL MIXTURE.—

(1) IN GENERAL.—Subparagraph (A) of section 6427(e)(6) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to sales and uses after December 31, 2010.

(d) EXTENSION OF ADDITIONAL DUTIES ON ETHANOL.—

(1) IN GENERAL.—Headings 9901.00.50 and 9901.00.52 of the Harmonized Tariff Schedule of the United States are each amended in the effective period column by striking ''1/1/2011'' and inserting ''1/1/2012''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 2011.

SEC. 827. ENERGY EFFICIENT APPLIANCE CREDIT.

(a) DISHWASHERS.—Paragraph (1) of section 45M(b) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting a comma, and by adding at the end the following new subparagraphs:

''(C) $25 in the case of a dishwasher which is manufactured in calendar year 2011 and which uses no more than 307 kilowatt hours per year and 5.0 gallons per cycle (5.5 gallons per cycle for dishwashers designed for greater than 12 place settings),

''(D) $50 in the case of a dishwasher which is manufactured in calendar year 2011 and which uses no more than 295 kilowatt hours per year and 4.25 gallons per cycle (4.75 gallons per cycle for dishwashers designed for greater than 12 place settings), and

''(E) $75 in the case of a dishwasher which is manufactured in calendar year 2011 and which uses no more than 280 kilowatt hours per year and 4 gallons per cycle (4.5 gallons per cycle for dishwashers designed for greater than 12 place settings).''.

(b) CLOTHES WASHERS.—Paragraph (2) of section 45M(b) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting a comma, and by adding at the end the following new subparagraphs:

''(E) $175 in the case of a top-loading clothes washer manufactured in calendar year 2011 which meets or exceeds a 2.2 modified energy factor and does not exceed a 4.5 water consumption factor, and

''(F) $225 in the case of a clothes washer manufactured in calendar year 2011—

''(i) which is a top-loading clothes washer and which meets or exceeds a 2.4 modified energy factor and does not exceed a 4.2 water consumption factor, or

''(ii) which is a front-loading clothes washer and which meets or exceeds a 2.8 modified energy factor and does not exceed a 3.5 water consumption factor.''.

(c) REFRIGERATORS.—Paragraph (3) of section 45M(b) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting a comma, and by adding at the end the following new subparagraphs:

''(E) $150 in the case of a refrigerator manufactured in calendar year 2011 which consumes at least 30 percent less energy than the 2001 energy conservation standards, and

''(F) $200 in the case of a refrigerator manufactured in calendar year 2011 which consumes at least 35 percent less energy than the 2001 energy conservation standards.''.

(d) REBASING OF LIMITATIONS.—

(1) IN GENERAL.—Paragraph (1) of section 45M(e) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2010''.

(2) EXCEPTION FOR CERTAIN REFRIGERATORS AND CLOTHES WASHERS.—Paragraph (2) of section 45M(e) is amended—

(A) by striking ''subsection (b)(3)(D)'' and inserting ''subsection (b)(3)(F)'', and

(B) by striking ''subsection (b)(2)(D)'' and inserting ''subsection (b)(2)(F)''.

(3) GROSS RECEIPTS LIMITATION.—Paragraph (3) of section 45M(e) is amended by striking ''2 percent'' and inserting ''4 percent''.

(e) DIRECT PAYMENT OF ENERGY EFFICIENT APPLIANCES TAX CREDIT.—In the case of any taxable year which includes the last day of calendar year 2009 or calendar year 2010, a taxpayer who elects to waive the credit which would otherwise be determined with respect to the taxpayer under section 45M of the Internal Revenue Code of 1986 for such taxable year shall be treated as making a payment against the tax imposed under subtitle A of such Code for such taxable year in an amount equal to 85 percent of the amount of the credit which would otherwise be so determined. Such payment shall be treated as made on the later of the due date of the return of such tax or the date on which such return is filed. Elections under this section may be made separately for 2009 and 2010, but once made shall be irrevocable. No amount shall be includible in gross income or alternative minimum taxable income by reason of this section.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), and (c) shall apply to appliances produced after December 31, 2010.

(2) LIMITATIONS.—The amendments made by subsection (d) shall apply to taxable years beginning after December 31, 2010.

SEC. 828. REDUCED DEPRECIATION PERIOD FOR NATURAL GAS DISTRIBUTION FACILITIES.

(a) IN GENERAL.—Clause (viii) of section 168(e)(3)(E) is amended by striking ''January 1, 2011'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2010.

Subtitle D—Education

SEC. 831. QUALIFIED SCHOOL CONSTRUCTION BONDS.

(a) IN GENERAL.—Subsection (c) of section 54F is amended—

(1) by striking ''and'' at the end of paragraph (2),

(2) by redesignating paragraph (3) as paragraph (4),

(3) by inserting after paragraph (2) the following new paragraph:

''(3) $11,000,000,000 for 2011, and'', and

(4) by striking ''2010'' in paragraph (4) (as redesignated by paragraph (2)) and inserting ''2011''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2010.

Subtitle E—Other Employee and Housing Relief

SEC. 841. MAKING WORK PAY CREDIT.

(a) IN GENERAL.—Section 36A(e) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) TREATMENT OF POSSESSIONS.—Section 1001(b)(1) of the American Recovery and Reinvestment Tax Act of 2009 is amended by striking ''2009 and 2010'' both places it appears and inserting ''2009, 2010, and 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 842. WORK OPPORTUNITY CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 51(c)(4) is amended by striking ''August 31, 2011'' and inserting ''December 31, 2011''.

(b) UNEMPLOYED VETERANS AND DISCONNECTED YOUTH.—Paragraph (14) of section 51(d) is amended—

(1) by striking ''2009 or 2010'' in subparagraph (A) and inserting ''2009, 2010, or 2011'', and

(2) by striking ''2009 OR 2010'' in the heading thereof and inserting ''2009, 2010, OR 2011''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after the date of the enactment of this Act.

(2) UNEMPLOYED VETERANS AND DISCONNECTED YOUTH.—The amendments made by subsection (b) shall apply to individuals who begin work for the employer after December 31, 2010.

SEC. 843. EXCLUSION FROM INCOME FOR BENEFITS PROVIDED TO VOLUNTEER FIREFIGHTERS AND EMERGENCY MEDICAL RESPONDERS.

(a) IN GENERAL.—Subsection (d) of section 139B is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 844. PARITY FOR EXCLUSION FROM INCOME FOR EMPLOYER-PROVIDED MASS TRANSIT AND PARKING BENEFITS.

(a) IN GENERAL.—Paragraph (2) of section 132(f) is amended by striking ''January 1, 2011'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to months after December 31, 2010.

SEC. 845. QUALIFIED MORTGAGE BONDS FOR REFINANCING OF SUBPRIME LOANS.

(a) IN GENERAL.—Subparagraph (D) of section 143(k)(12) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2010.

TITLE IX—OTHER PROVISIONS

SEC. 901. REPEAL OF EXPANSION OF INFORMATION REPORTING REQUIREMENTS.

(a) REPEAL OF PAYMENTS FOR PROPERTY AND OTHER GROSS PROCEEDS.—Subsection (b) of section 9006 of the Patient Protection and Affordable Care Act, and the amendments made thereby, are hereby repealed; and the Internal Revenue Code of 1986 shall be applied as if such subsection, and amendments, had never been enacted.

(b) REPEAL OF APPLICATION TO CORPORATIONS; APPLICATION OF REGULATORY AUTHORITY.—

(1) IN GENERAL.—Section 6041 of the Internal Revenue Code of 1986, as amended by section 9006(a) of the Patient Protection and Affordable Care Act and section 2101 of the Small Business Jobs Act of 2010, is amended by striking subsections (i) and (j) and inserting the following new subsection:

''(i) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be appropriate or necessary to carry out the purposes of this section, including rules to prevent duplicative reporting of transactions.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after December 31, 2010.

SEC. 902. REPEAL OF SUNSET ON TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 671 of such Act (relating to tax treatment and information requirements of Alaska Native Settlement Trusts).

SEC. 903. REPEAL OF SUNSET ON EXPANSION OF AUTHORITY TO POSTPONE CERTAIN TAX-RELATED DEADLINES.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 802 of such Act (relating to expansion of authority to postpone certain tax-related deadlines by reason of Presidentially declared disaster).

SEC. 904. REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.

(a) IN GENERAL.—Subchapter A of chapter 65 is amended by adding at the end the following new section:

''SEC. 6409. REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.

''Notwithstanding any other provision of law, any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance (or the amount or extent of benefits or assistance) under any Federal program or under any State or local program financed in whole or in part with Federal funds.''.

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by adding at the end the following new item:

''Sec. 6409. Refunds disregarded in the administration of Federal programs and federally assisted programs.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after December 31, 2009.

SEC. 905. TREATMENT OF SECURITIES OF A CONTROLLED CORPORATION EXCHANGED FOR ASSETS IN CERTAIN REORGANIZATIONS.

(a) IN GENERAL.—Section 361 (relating to nonrecognition of gain or loss to corporations; treatment of distributions) is amended by adding at the end the following new subsection:

''(d) SPECIAL RULES FOR TRANSACTIONS INVOLVING SECTION 355 DISTRIBUTIONS.—In the case of a reorganization described in section 368(a)(1)(D) with respect to which stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under section 355—

''(1) this section shall be applied by substituting 'stock other than nonqualified preferred stock (as defined in section 351(g)(2))' for 'stock or securities' in subsections (a) and (b)(1), and

''(2) the first sentence of subsection (b)(3) shall apply only to the extent that the sum of the money and the fair market value of the other property transferred to such creditors does not exceed the adjusted bases of such assets transferred (reduced by the amount of the liabilities assumed (within the meaning of section 357(c))).''.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 361(b) is amended by striking the last sentence.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to exchanges after December 31, 2010.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any exchange pursuant to a transaction which is—

(A) made pursuant to a written agreement which was binding on December 31, 2010, and at all times thereafter,

(B) described in a ruling request submitted to the Internal Revenue Service on or before December 2, 2010, or

(C) described on or before December 31, 2010, in a public announcement or in a filing with the Securities and Exchange Commission.

TITLE X—BUDGETARY PROVISIONS

SEC. 1001. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled 'Budgetary Effects of PAYGO Legislation' for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SEC. 1002. EMERGENCY DESIGNATIONS.

(a) STATUTORY PAYGO.—The provisions of this Act other than those that qualify for the current policy adjustments under section 7 of the Statutory Pay-As-You-Go Act of 2010 (Public Law 111-139; 2 U.S.C. 933(g)) are designated as an emergency requirement pursuant to section 4(g) of such Act (Public Law 111-139; 2 U.S.C. 933(g)).

(b) HOUSE OF REPRESENTATIVES.—In the House of Representatives, this Act is designated as an emergency for purposes of pay-as-you-go principles.

(c) SENATE.—In the Senate, this Act is designated as an emergency requirement pursuant to section 403(a) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010.

SA 4728. Mr. REID (for Mr. SCHUMER (for himself, Ms. STABENOW, and Mr. MENENDEZ)) proposed an amendment to amendment SA 4727 proposed by Mr. BAUCUS (for Mr. REID (for himself, Mr. ROCKEFELLER, Mr. KERRY, Mr. CARPER, Ms. STABENOW, Mr. SCHUMER, and Mr. MENENDEZ)) to the bill H.R. 4853, to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority to the Airport and Airway Trust Fund to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes; as follows:

Strike all after the first word and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Middle Class Tax Cut Act of 2010''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act 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.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—PERMANENT MIDDLE CLASS TAX RELIEF

Sec. 101. Repeal of sunset on certain individual income tax rate relief.
Sec. 102. Reduced rates on capital gains and dividends made permanent.
Sec. 103. Repeal of sunset on expansion of child tax credit.
Sec. 104. Repeal of sunset on marriage penalty relief.
Sec. 105. Repeal of sunset on expansion of dependent care credit.
Sec. 106. Repeal of sunset on expansion of adoption credit and adoption assistance programs.
Sec. 107. Repeal of sunset on employer-provided child care credit.
Sec. 108. Repeal of sunset on expansion of earned income tax credit.

TITLE II—PERMANENT EDUCATION TAX RELIEF

Sec. 201. Repeal of sunset on education individual retirement accounts.
Sec. 202. Repeal of sunset on employer-provided educational assistance.
Sec. 203. Repeal of sunset on student loan interest deduction.
Sec. 204. Repeal of sunset on exclusion of certain scholarships.
Sec. 205. Repeal of sunset on arbitrage rebate exception for governmental bonds.
Sec. 206. Repeal of sunset on treatment of qualified public educational facility bonds.
Sec. 207. Repeal of sunset on American Opportunity Tax Credit.
Sec. 208. Repeal of sunset on allowance of computer technology and equipment as a qualified higher education expense for section 529 accounts.

TITLE III—PERMANENT ESTATE TAX RELIEF

Sec. 301. Repeal of EGTRRA sunset.
Sec. 302. Reinstatement of estate tax; repeal of carryover basis.
Sec. 303. Modifications to estate, gift, and generation-skipping transfer taxes.
Sec. 304. Applicable exclusion amount increased by unused exclusion amount of deceased spouse.

Sec. 305. Exclusion from gross estate of certain farmland so long as farmland use by family continues.
Sec. 306. Increase in limitations on the amount excluded from the gross estate with respect to land subject to a qualified conservation easement.
Sec. 307. Modification of rules for value of certain farm, etc., real property.
Sec. 308. Required minimum 10-year term, etc., for grantor retained annuity trusts.
Sec. 309. Consistent basis reporting between estate and person acquiring property from decedent.

TITLE IV—PERMANENT SMALL BUSINESS TAX RELIEF

Sec. 401. Repeal of sunset on increased limitations on small business expensing.

TITLE V—ALTERNATIVE MINIMUM TAX RELIEF

Sec. 501. Extension of increased alternative minimum tax exemption amount.
Sec. 502. Extension of alternative minimum tax relief for nonrefundable personal credits.

TITLE VI—TEMPORARY EXTENSION OF CERTAIN PROVISIONS EXPIRING IN 2009

Subtitle A—Infrastructure Incentives

Sec. 601. Extension of Build America Bonds.
Sec. 602. Exempt-facility bonds for sewage and water supply facilities.
Sec. 603. Extension of exemption from alternative minimum tax treatment for certain tax-exempt bonds.
Sec. 604. Extension and additional allocations of recovery zone bond authority.
Sec. 605. Allowance of new markets tax credit against alternative minimum tax.
Sec. 606. Extension of tax-exempt eligibility for loans guaranteed by Federal home loan banks.
Sec. 607. Extension of temporary small issuer rules for allocation of tax-exempt interest expense by financial institutions.

Subtitle B—Energy

Sec. 611. Alternative motor vehicle credit for new qualified hybrid motor vehicles other than passenger automobiles and light trucks.
Sec. 612. Incentives for biodiesel and renewable diesel.
Sec. 613. Credit for electricity produced at certain open-loop biomass facilities.
Sec. 614. Credit for steel industry fuel.
Sec. 615. Credit for producing fuel from coke or coke gas.
Sec. 616. New energy efficient home credit.
Sec. 617. Excise tax credits and outlay payments for alternative fuel and alternative fuel mixtures.
Sec. 618. Special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.
Sec. 619. Suspension of limitation on percentage depletion for oil and gas from marginal wells.
Sec. 620. Credit for nonbusiness energy property.

Subtitle C—Individual Tax Relief

PART I—MISCELLANEOUS PROVISIONS

Sec. 631. Deduction for certain expenses of elementary and secondary school teachers.
Sec. 632. Additional standard deduction for State and local real property taxes.
Sec. 633. Deduction of State and local sales taxes.
Sec. 634. Contributions of capital gain real property made for conservation purposes.
Sec. 635. Above-the-line deduction for qualified tuition and related expenses.
Sec. 636. Tax-free distributions from individual retirement plans for charitable purposes.
Sec. 637. Look-thru of certain regulated investment company stock in determining gross estate of nonresidents.

PART II—LOW-INCOME HOUSING CREDITS

Sec. 641. Election for direct payment of low-income housing credit for 2010.
Sec. 642. Low-income housing grant election.

Subtitle D—Business Tax Relief

Sec. 651. Research credit.
Sec. 652. Indian employment tax credit.
Sec. 653. New markets tax credit.
Sec. 654. Railroad track maintenance credit.
Sec. 655. Mine rescue team training credit.
Sec. 656. Employer wage credit for employees who are active duty members of the uniformed services.
Sec. 657. 5-year depreciation for farming business machinery and equipment.
Sec. 658. 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements.
Sec. 659. 7-year recovery period for motorsports entertainment complexes.
Sec. 660. Accelerated depreciation for business property on an Indian reservation.
Sec. 661. Enhanced charitable deduction for contributions of food inventory.
Sec. 662. Enhanced charitable deduction for contributions of book inventories to public schools.
Sec. 663. Enhanced charitable deduction for corporate contributions of computer inventory for educational purposes.
Sec. 664. Election to expense mine safety equipment.
Sec. 665. Special expensing rules for certain film and television productions.
Sec. 666. Expensing of environmental remediation costs.
Sec. 667. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
Sec. 668. Modification of tax treatment of certain payments to controlling exempt organizations.
Sec. 669. Exclusion of gain or loss on sale or exchange of certain brownfield sites from unrelated business income.
Sec. 670. Timber REIT modernization.
Sec. 671. Treatment of certain dividends of regulated investment companies.
Sec. 672. RIC qualified investment entity treatment under FIRPTA.
Sec. 673. Exceptions for active financing income.
Sec. 674. Look-thru treatment of payments between related controlled foreign corporations under foreign personal holding company rules.
Sec. 675. Basis adjustment to stock of S corps making charitable contributions of property.
Sec. 676. Empowerment zone tax incentives.
Sec. 677. Tax incentives for investment in the District of Columbia.
Sec. 678. Renewal community tax incentives.
Sec. 679. Temporary increase in limit on cover over of rum excise taxes to Puerto Rico and the Virgin Islands.
Sec. 680. American Samoa economic development credit.
Sec. 681. Election to temporarily utilize unused AMT credits determined by domestic investment.
Sec. 682. Reduction in corporate rate for qualified timber gain.
Sec. 683. Study of extended tax expenditures.

Subtitle E—Temporary Disaster Relief Provisions

PART I—NATIONAL DISASTER RELIEF

Sec. 691. Waiver of certain mortgage revenue bond requirements.
Sec. 692. Losses attributable to federally declared disasters.
Sec. 693. Special depreciation allowance for qualified disaster property.
Sec. 694. Net operating losses attributable to federally declared disasters.
Sec. 695. Expensing of qualified disaster expenses.

PART II—REGIONAL PROVISIONS

SUBPART A—NEW YORK LIBERTY ZONE

Sec. 696. Special depreciation allowance for nonresidential and residential real property.
Sec. 697. Tax-exempt bond financing.

SUBPART B—GO ZONE

Sec. 698. Increase in rehabilitation credit.
Sec. 699. Work opportunity tax credit with respect to certain individuals affected by Hurricane Katrina for employers inside disaster areas.
Sec. 700. Extension of low-income housing credit rules for buildings in GO zones.

TITLE VII—TECHNICAL CORRECTIONS TO PENSION FUNDING LEGISLATION

Sec. 701. Definition of eligible plan year.
Sec. 702. Eligible charity plans.
Sec. 703. Suspension of certain funding level limitations.
Sec. 704. Optional use of 30-year amortization periods.

TITLE VIII—TEMPORARY EXTENSION OF CERTAIN PROVISIONS ENDING IN 2010 OR 2011

Subtitle A—Unemployment Benefits

Sec. 801. Extension of unemployment insurance provisions.
Sec. 802. Temporary modification of indicators under the extended benefit program.

Subtitle B—Small Business

Sec. 811. Temporary exclusion of 100 percent of gain on certain small business stock.
Sec. 812. General business credits of eligible small businesses carried back 5 years.
Sec. 813. General business credits of eligible small businesses not subject to alternative minimum tax.
Sec. 814. Extension of increase in amount allowed as deduction for start-up expenditures.
Sec. 815. Extension of deduction for health insurance costs in computing self-employment taxes.

Subtitle C—Energy

Sec. 821. Alternative fuel vehicle refueling property.
Sec. 822. Elective payment for specified energy property.

Sec. 823. Qualifying advanced energy project credit.
Sec. 824. New clean renewable energy bonds.
Sec. 825. Alternative motor vehicle credit for new qualified alternative fuel vehicles.
Sec. 826. Extension of provisions related to alcohol used as fuel.
Sec. 827. Energy efficient appliance credit.
Sec. 828. Reduced depreciation period for natural gas distribution facilities.

Subtitle D—Education

Sec. 831. Qualified school construction bonds.

Subtitle E—Other Employee and Housing Relief

Sec. 841. Making work pay credit.
Sec. 842. Work opportunity credit.
Sec. 843. Exclusion from income for benefits provided to volunteer firefighters and emergency medical responders.
Sec. 844. Parity for exclusion from income for employer-provided mass transit and parking benefits.
Sec. 845. Qualified mortgage bonds for refinancing of subprime loans.

TITLE IX—OTHER PROVISIONS

Sec. 901. Repeal of expansion of information reporting requirements.
Sec. 902. Repeal of sunset on tax treatment of Alaska Native Settlement Trusts.
Sec. 903. Repeal of sunset on expansion of authority to postpone certain tax-related deadlines.
Sec. 904. Refunds disregarded in the administration of Federal programs and federally assisted programs.
Sec. 905. Treatment of securities of a controlled corporation exchanged for assets in certain reorganizations.

TITLE X—BUDGETARY PROVISIONS

Sec. 1001. Determination of budgetary effects.
Sec. 1002. Emergency designations.

TITLE I—PERMANENT MIDDLE CLASS TAX RELIEF

SEC. 101. REPEAL OF SUNSET ON CERTAIN INDIVIDUAL INCOME TAX RATE RELIEF.

(a) INDIVIDUAL INCOME TAX RATES.—

(1) REPEAL OF SUNSET.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to the amendments made by section 101 of such Act.

(2) 25-, 28-, AND 33-PERCENT RATE BRACKETS MADE PERMANENT.—Paragraph (2) of section 1(i) is amended to read as follows:

''(2) 25-, 28-, AND 33-PERCENT RATE BRACKETS.—The tables under subsections (a), (b), (c), (d), and (e) shall be applied—

''(A) by substituting '25%' for '28%' each place it appears (before the application of subparagraph (B)),

''(B) by substituting '28%' for '31%' each place it appears, and.

''(C) by substituting '33%' for '36%' each place it appears.''.

(3) 35-PERCENT RATE BRACKET.—Subsection (i) of section 1 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) 35-PERCENT RATE BRACKET.—

''(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2010—

''(i) the rate of tax under subsections (a), (b), (c), and (d) on a taxpayer's taxable income in the fifth rate bracket shall be 35 percent to the extent such income does not exceed an amount equal to the excess of—

''(I) the applicable amount, over

''(II) the dollar amount at which such bracket begins, and

''(ii) the 39.6 percent rate of tax under such subsections shall apply only to the taxpayer's taxable income in such bracket in excess of the amount to which clause (i) applies.

''(B) APPLICABLE AMOUNT.—For purposes of this paragraph, the term 'applicable amount' means the excess of—

''(i) the applicable threshold, over

''(ii) the sum of the following amounts in effect for the taxable year:

''(I) the basic standard deduction (within the meaning of section 63(c)(2)), and

''(II) the exemption amount (within the meaning of section 151(d)(1) (or, in the case of subsection (a), 2 such exemption amounts).

''(C) APPLICABLE THRESHOLD.—For purposes of this paragraph, the term 'applicable threshold' means—

''(i) $1,000,000 in the case of subsections (a), (b), and (c), and

''(ii) ½ the amount applicable under clause (i) (after adjustment, if any, under subparagraph (E)) in the case of subsection (d).

''(D) FIFTH RATE BRACKET.—For purposes of this paragraph, the term 'fifth rate bracket' means the bracket which would (determined without regard to this paragraph) be the 36-percent rate bracket.

''(E) INFLATION ADJUSTMENT.—For purposes of this paragraph, a rule similar to the rule of paragraph (1)(C) shall apply with respect to taxable years beginning in calendar years after 2010, applied by substituting '2008' for '1992' in subsection (f)(3)(B).''.

(b) PHASEOUT OF PERSONAL EXEMPTIONS AND ITEMIZED DEDUCTIONS.—

(1) OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.—Section 68 is amended—

(A) by striking ''the applicable amount'' the first place it appears in subsection (a) and inserting ''the applicable threshold in effect under section 1(i)(3)'',

(B) by striking ''the applicable amount'' in subsection (a)(1) and inserting ''such applicable threshold'',

(C) by striking subsection (b) and redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively, and

(D) by striking subsections (f) and (g).

(2) PHASEOUT OF DEDUCTIONS FOR PERSONAL EXEMPTIONS.—

(A) IN GENERAL.—Paragraph (3) of section 151(d) is amended—

(i) by striking ''the threshold amount'' in subparagraphs (A) and (B) and inserting ''the applicable threshold in effect under section 1(i)(3)'',

(ii) by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C), and

(iii) by striking subparagraphs (E) and (F).

(B) CONFORMING AMENDMENTS.—Paragraph (4) of section 151(d) is amended—

(i) by striking subparagraph (B),

(ii) by redesignating clauses (i) and (ii) of subparagraph (A) as subparagraphs (A) and (B), respectively, and by indenting such subparagraphs (as so redesignated) accordingly, and

(iii) by striking all that precedes ''in a calendar year after 1989,'' and inserting the following:

''(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning''.

(3) NONAPPLICATION OF EGTRRA SUNSET.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to any amendment made by section 102 or 103 of such Act.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 102. REDUCED RATES ON CAPITAL GAINS AND DIVIDENDS MADE PERMANENT.

(a) IN GENERAL.—Section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (relating to sunset of title) is hereby repealed.

(b) 20-PERCENT CAPITAL GAINS RATE FOR CERTAIN HIGH INCOME INDIVIDUALS.—

(1) IN GENERAL.—Paragraph (1) of section 1(h) is amended by striking subparagraph (C), by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F) and by inserting after subparagraph (B) the following new subparagraphs:

''(C) 15 percent of the lesser of—

''(i) so much of the adjusted net capital gain (or, if less, taxable income) as exceeds the amount on which a tax is determined under subparagraph (B), or

''(ii) the excess (if any) of—

''(I) the amount of taxable income which would (without regard to this paragraph) be taxed at a rate below 39.6 percent, over

''(II) the sum of the amounts on which a tax is determined under subparagraphs (A) and (B),

''(D) 20 percent of the adjusted net capital gain (or, if less, taxable income) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C),''.

(2) MINIMUM TAX.—Paragraph (3) of section 55(b) is amended by striking subparagraph (C), by redesignating subparagraph (D) as subparagraph (E), and by inserting after subparagraph (B) the following new subparagraphs:

''(C) 15 percent of the lesser of—

''(i) so much of the adjusted net capital gain (or, if less, taxable excess) as exceeds the amount on which tax is determined under subparagraph (B), or

''(ii) the excess described in section 1(h)(1)(C)(ii), plus

''(D) 20 percent of the adjusted net capital gain (or, if less, taxable excess) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C), plus''.

(c) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking ''15 percent'' and inserting ''20 percent'':

(A) Section 531.

(B) Section 541.

(C) Section 1445(e)(1).

(D) The second sentence of section 7518(g)(6)(A).

(E) Section 53511(f)(2) of title 46, United States Code.

(2) Sections 1(h)(1)(B) and 55(b)(3)(B) are each amended by striking ''5 percent (0 percent in the case of taxable years beginning after 2007)'' and inserting ''0 percent''.

(3) Section 1445(e)(6) is amended by striking ''15 percent (20 percent in the case of taxable years beginning after December 31, 2010)'' and inserting ''20 percent''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (b) and (c) shall apply to taxable years beginning after December 31, 2010.

(2) WITHHOLDING.—The amendments made by paragraphs (1)(C) and (3) of subsection (c) shall apply to amounts paid on or after January 1, 2011.

SEC. 103. REPEAL OF SUNSET ON EXPANSION OF CHILD TAX CREDIT.

(a) REPEAL OF SUNSET ON MODIFICATIONS TO CREDIT.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to sections 201 (relating to modifications to child tax credit) and 203 (relating to refunds disregarded in the administration of Federal programs and federally assisted programs) of such Act.

(b) PERMANENT INCREASE IN REFUNDABLE PORTION OF CREDIT.—

(1) IN GENERAL.—Clause (i) of section 24(d)(1)(B) is amended by striking ''$10,000'' and inserting ''$3,000''.

(2) CONFORMING AMENDMENT.—Subsection (d) of section 24 is amended by striking paragraph (4).

(3) ELIMINATION OF INFLATION ADJUSTMENT.—Subsection (d) of section 24 is amended by striking paragraph (3).

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2010.

SEC. 104. REPEAL OF SUNSET ON MARRIAGE PENALTY RELIEF.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to sections 301, 302, and 303(a) of such Act (relating to marriage penalty relief).

SEC. 105. REPEAL OF SUNSET ON EXPANSION OF DEPENDENT CARE CREDIT.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 204 of such Act (relating to dependent care credit).

SEC. 106. REPEAL OF SUNSET ON EXPANSION OF ADOPTION CREDIT AND ADOPTION ASSISTANCE PROGRAMS.

(a) REPEAL OF EGTRRA SUNSET.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 202 of such Act (relating to expansion of adoption credit and adoption assistance programs).

(b) TECHNICAL AMENDMENTS RELATING TO EXPANSION UNDER PPACA.—

(1) REPEAL OF SUNSET.—Notwithstanding section 10909(c) of the Patient Protection and Affordable Care Act, title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to the amendments made by section 10909 of the Patient Protection and Affordable Care Act.

(2) CODIFICATION OF SUNSET.—

(A) REFUNDABLE CREDIT.—Section 36C is amended by adding at the end the following new subsection:

''(j) TERMINATION.—This section shall not apply to expenses paid in taxable years beginning after December 31, 2011.''.

(B) ADOPTION ASSISTANCE PROGRAMS.—

(i) IN GENERAL.—Section 137(b) is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULE FOR 2010 AND 2011.—In the case of any taxable year beginning in 2010 or 2011, paragraph (1) and subsection (a)(2) shall each be applied by substituting '$13,170' for '$10,000'.''.

(ii) INFLATION ADJUSTMENT FOR YEARS TO WHICH SPECIAL RULE APPLIES.—Paragraph (1) of section 137(f) is amended—

(I) by inserting ''FOR 2011'' after ''LIMITATIONS'' in the heading, and

(II) by striking ''after December 31, 2010, each of the dollar amounts in subsections (a)(2) and (b)(1)'' inserting ''after December 31, 2010, and before January 1, 2012, the $13,170 dollar amount in subsection (b)(4)''.

(iii) INFLATION ADJUSTMENT FOR OTHER YEARS.—Paragraph (2) of section 137(f) is amended—

(I) by inserting ''AND DOLLAR LIMITATIONS FOR OTHER YEARS'' after ''LIMITATION'' in the heading,

(II) by striking ''the dollar amount in subsection (b)(2)(A)'' and inserting ''each of the dollar amounts in subsection (a)(2) and paragraphs (1) and (2)(A) of subsection (b)'', and

(III) by adding at the end the following new sentence: ''This paragraph shall not apply to the dollar amounts in subsections (a)(2) and (b)(1) for any taxable year to which paragraph (1) applies.''.

(iv) CONFORMING AMENDMENTS.—Subsections (a)(2) and (b)(1) of section 137 are each amended by striking ''$13,170'' each place it appears in the text and in the heading and inserting ''$10,000''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect as if included in section 10909 of the Patient Protection and Affordable Care Act.

(3) NON-REFUNDABLE ADOPTION CREDIT ALLOWED FOR YEARS TO WHICH REFUNDABLE CREDIT NOT APPLICABLE.—

(A) IN GENERAL.—Part IV of subchapter A of chapter 1 is amended by inserting after section 22 the following new section:

''SEC. 23. ADOPTION EXPENSES.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter the amount of the qualified adoption expenses paid or incurred by the taxpayer.

''(2) YEAR CREDIT ALLOWED.—The credit under paragraph (1) with respect to any expense shall be allowed—

''(A) in the case of any expense paid or incurred before the taxable year in which such adoption becomes final, for the taxable year following the taxable year during which such expense is paid or incurred, and

''(B) in the case of an expense paid or incurred during or after the taxable year in which such adoption becomes final, for the taxable year in which such expense is paid or incurred.

''(3) $10,000 CREDIT FOR ADOPTION OF CHILD WITH SPECIAL NEEDS REGARDLESS OF EXPENSES.—In the case of an adoption of a child with special needs which becomes final during a taxable year, the taxpayer shall be treated as having paid during such year qualified adoption expenses with respect to such adoption in an amount equal to the excess (if any) of $10,000 over the aggregate qualified adoption expenses actually paid or incurred by the taxpayer with respect to such adoption during such taxable year and all prior taxable years.

''(b) LIMITATIONS.—

''(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) for all taxable years with respect to the adoption of a child by the taxpayer shall not exceed $10,000.

''(2) INCOME LIMITATION.—

''(A) IN GENERAL.—The amount allowable as a credit under subsection (a) for any taxable year (determined without regard to subsection (c)) shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

''(i) the amount (if any) by which the taxpayer's adjusted gross income exceeds $150,000, bears to

''(ii) $40,000.

''(B) DETERMINATION OF ADJUSTED GROSS INCOME.—For purposes of subparagraph (A), adjusted gross income shall be determined without regard to sections 911, 931, and 933.

''(3) DENIAL OF DOUBLE BENEFIT.—

''(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowed under any other provision of this chapter.

''(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

''(4) LIMITATION BASED ON AMOUNT OF TAX.—In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this subpart (other than this section and section 25D) and section 27 for the taxable year.

''(c) CARRYFORWARD OF UNUSED CREDIT.—

''(1) RULE FOR YEARS IN WHICH ALL PERSONAL CREDITS ALLOWED AGAINST REGULAR AND ALTERNATIVE MINIMUM TAX.—In the case of a taxable year to which section 26(a)(2) applies, if the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a)(2) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section and sections 25D and 1400C), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(2) RULE FOR OTHER YEARS.—In the case of a taxable year to which section 26(a)(2) does not apply, if the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by subsection (b)(4) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(3) LIMITATION.—No credit may be carried forward under this subsection to a taxable year following the fifth taxable year after the taxable year in which the credit arose. For purposes of the preceding sentence, credits shall be treated as used on a first-in first-out basis.

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

''(1) QUALIFIED ADOPTION EXPENSES.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

''(A) which are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child by the taxpayer,

''(B) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement,

''(C) which are not expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse, and

''(D) which are not reimbursed under an employer program or otherwise.

''(2) ELIGIBLE CHILD.—The term 'eligible child' means any individual who—

''(A) has not attained age 18, or

''(B) is physically or mentally incapable of caring for himself.

''(3) CHILD WITH SPECIAL NEEDS.—The term 'child with special needs' means any child if—

''(A) a State has determined that the child cannot or should not be returned to the home of his parents,

''(B) such State has determined that there exists with respect to the child a specific factor or condition (such as his ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps) because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance, and

''(C) such child is a citizen or resident of the United States (as defined in section 217(h)(3)).

''(e) SPECIAL RULES FOR FOREIGN ADOPTIONS.—In the case of an adoption of a child who is not a citizen or resident of the United States (as defined in section 217(h)(3))—

''(1) subsection (a) shall not apply to any qualified adoption expense with respect to such adoption unless such adoption becomes final, and

''(2) any such expense which is paid or incurred before the taxable year in which such adoption becomes final shall be taken into account under this section as if such expense were paid or incurred during such year.

''(f) FILING REQUIREMENTS.—

''(1) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.

''(2) TAXPAYER MUST INCLUDE TIN.—

''(A) IN GENERAL.—No credit shall be allowed under this section with respect to any eligible child unless the taxpayer includes (if known) the name, age, and TIN of such child on the return of tax for the taxable year.

''(B) OTHER METHODS.—The Secretary may, in lieu of the information referred to in subparagraph (A), require other information meeting the purposes of subparagraph (A), including identification of an agent assisting with the adoption.

''(g) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

''(h) ADJUSTMENTS FOR INFLATION.—In the case of a taxable year beginning after December 31, 2002, each of the dollar amounts in subsections (a)(3) and paragraphs (1) and (2)(A)(i) of subsection (b) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as increased under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section and section 137, including regulations which treat unmarried individuals who pay or incur qualified adoption expenses with respect to the same child as 1 taxpayer for purposes of applying the dollar amounts in subsections (a)(3) and (b)(1) of this section and in section 137(b)(1).

''(j) APPLICABILITY.—No credit shall be allowed under subsection (a) for any taxable year in which a credit is allowed under subpart C with respect to qualified adoption expenses.''.

(B) CONFORMING AMENDMENTS.—

(i) Section 24(b)(3)(B) is amended by inserting ''23,'' before ''25A(i),''.

(ii) Section 25(e)(1)(C) is amended—

(I) by inserting ''23,'' before ''25D'' in clause (i), and

(II) by inserting ''23,'' before ''24'' in clause (ii).

(iii) Section 25A(i)(5)(B) is amended by striking ''25D'' and inserting ''23, 25D,''.

(iv) Section 25B(g)(2) is amended by inserting ''23,'' before ''25A(i)''.

(v) Section 26(a)(1) is amended by inserting ''23,'' before ''24''.

(vi) Section 30(c)(2)(B)(ii) is amended by striking ''25D'' and inserting ''23, 25D,''.

(vii) Section 30B(g)(2)(B)(ii) is amended by inserting ''23,'' before ''25D''.

(viii) Section 30D(c)(2)(B)(ii) is amended by striking ''sections 25D and'' and inserting ''sections 23 and 25D''.

(ix) Section 137 is amended by adding at the end the following new subsection:

''(g) TREATMENT OF REFERENCES TO SECTION 36C.—For purposes of this section, in the case of any taxable year with respect to which no credit is allowable under subpart C with respect to qualified adoption expenses, any reference to section 36C shall be treated as a reference to section 23.''.

(x) Section 904(i) is amended by inserting ''23,'' before ''24''.

(xi) Section 1016(a)(26) is amended by striking ''36C(g)'' and inserting ''23(g), 36C(g),''.

(xii) Section 1400C(d)(2) is amended by inserting ''23,'' before ''24''.

(xiii) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 22 the following new item:

''Sec. 23. Adoption expenses.''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the date of the enactment of this Act.

SEC. 107. REPEAL OF SUNSET ON EMPLOYER-PROVIDED CHILD CARE CREDIT.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 205 of such Act (relating to allowance of credit for employer expenses for child care assistance).

SEC. 108. REPEAL OF SUNSET ON EXPANSION OF EARNED INCOME TAX CREDIT.

(a) REPEAL OF EGTRRA SUNSET.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to subsections (b) through (h) of section 303 of such Act (relating to earned income tax credit).

(b) INCREASE IN CREDIT PERCENTAGE FOR FAMILIES WITH 3 OR MORE CHILDREN.—Paragraph (1) of section 32(b) is amended by striking subparagraphs (B) and (C) and inserting the following new subparagraph:

''(B) INCREASED CREDIT PERCENTAGE FOR FAMILIES WITH 3 OR MORE QUALIFYING CHILDREN.—In the case of an eligible individual with 3 or more qualifying children, the table in subparagraph (A) shall be applied by substituting '45' for '40' in the second column thereof.''.

(c) JOINT RETURNS.—

(1) IN GENERAL.—Subparagraph (B) of section 32(b)(2) is amended by striking ''increased by'' and all that follows and inserting ''increased by $5,000.''

(2) INFLATION ADJUSTMENTS.—Clause (ii) of section 32(j)(1)(B) is amended—

(A) by striking ''$3,000'' and inserting ''$5,000'', and

(B) by striking ''calendar year 2007'' and inserting ''calendar year 2008''.

(d) CONFORMING AMENDMENT.—Section 32(b) is amended by striking paragraph (3).

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

TITLE II—PERMANENT EDUCATION TAX RELIEF

SEC. 201. REPEAL OF SUNSET ON EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 401 of such Act (relating to modifications to education individual retirement accounts).

SEC. 202. REPEAL OF SUNSET ON EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 411 of such Act (relating to extension of exclusion for employer-provided educational assistance).

SEC. 203. REPEAL OF SUNSET ON STUDENT LOAN INTEREST DEDUCTION.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 412 of such Act (relating to elimination of 60-month limit and increase in income limitation on student loan interest deduction).

SEC. 204. REPEAL OF SUNSET ON EXCLUSION OF CERTAIN SCHOLARSHIPS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 413 of such Act (relating to exclusion of certain amounts received under the National Health Service Corps Scholarship Program and the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program).

SEC. 205. REPEAL OF SUNSET ON ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 421 of such Act (relating to additional increase in arbitrage rebate exception for governmental bonds used to finance educational facilities).

SEC. 206. REPEAL OF SUNSET ON TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 422 of such Act (relating to treatment of qualified public educational facility bonds as exempt facility bonds.

SEC. 207. REPEAL OF SUNSET ON AMERICAN OPPORTUNITY TAX CREDIT.

(a) PERMANENT EXTENSION OF CREDIT.—Section 25A is amended—

(1) by striking ''$1,000'' each place it appears in subsection (b)(1) and inserting ''$2,000'',

(2) by striking ''50 percent'' in subsection (b)(1)(B) and inserting ''25 percent'',

(3) by striking ''2 TAXABLE YEARS'' in the heading of subparagraph (A) of subsection (b)(2) and inserting ''4 TAXABLE YEARS'',

(4) by striking ''2 prior taxable years'' in subsection (b)(2)(A) and inserting ''4 prior taxable years'',

(5) by striking ''2 YEARS'' in the heading of subparagraph (C) of subsection (b)(2) and inserting ''4 YEARS'',

(6) by striking ''first 2 years'' in subsection (b)(2)(C) and inserting ''first 4 years'',

(7) by striking ''tuition and fees'' in subparagraph (A) of subsection (f)(1) and inserting ''tuition, fees, and course materials'',

(8) by striking paragraphs (1) and (2) of subsection (d) and inserting the following new paragraphs:

''(1) AMERICAN OPPORTUNITY CREDIT.—The amount which would (but for this paragraph) be taken into account under paragraph (1) of subsection (a) for the taxable year shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so taken into account as—

''(A) the excess of—

''(i) the taxpayer's modified adjusted gross income for such taxable year, over

''(ii) $80,000 ($160,000 in the case of a joint return), bears to

''(B) $10,000 ($20,000 in the case of a joint return).

''(2) LIFETIME LEARNING CREDIT.—The amount which would (but for this paragraph) be taken into account under paragraph (2) of subsection (a) for the taxable year shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so taken into account as—

''(A) the excess of—

''(i) the taxpayer's modified adjusted gross income for such taxable year, over

''(ii) $40,000 ($80,000 in the case of a joint return), bears to

''(B) $10,000 ($20,000 in the case of a joint return).'',

(9) by striking ''DOLLAR LIMITATION ON AMOUNT OF CREDIT'' in the heading of paragraph (1) of subsection (h) and inserting ''AMERICAN OPPORTUNITY CREDIT'',

(10) by striking ''2001'' in subsection (h)(1)(A) and inserting ''2011'',

(11) by striking ''the $1,000 amounts under subsection (b)(1)'' in subsection (h)(1)(A) and inserting ''the dollar amounts under subsections (b)(1) and (d)(1)'',

(12) by striking ''calendar year 2000'' in subsection (h)(1)(A)(ii) and inserting ''calendar year 2010'',

(13) by striking ''If any amount'' and all that follows in subparagraph (B) of subsection (h)(1) and inserting ''If any amount under subsection (b)(1) as adjusted under subparagraph (A) is not a multiple of $100, such amount shall be rounded to the next lowest multiple of $100. If any amount under subsection (d)(1) as adjusted under subparagraph (A) is not a multiple of $1,000, such amount shall be rounded to the next lowest multiple of $1,000.'',

(14) by inserting ''OF LIFETIME LEARNING CREDIT'' after ''INCOME LIMITS'' in the heading of paragraph (2) of subsection (h),

(15) by adding at the end of subsection (b) the following new paragraphs:

''(4) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—In the case of a taxable year to which section 26(a)(2) does not apply, so much of the credit allowed under subsection (a) as is attributable to the American Opportunity Credit shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this subpart (other than this subsection and sections 25D, 30, 30B, and 30D) and section 27 for the taxable year.

Any reference in this section or section 24, 25, 25B, 26, 904, or 1400C to a credit allowable under this subsection shall be treated as a reference to so much of the credit allowable under subsection (a) as is attributable to the American Opportunity Credit.

''(5) PORTION OF CREDIT MADE REFUNDABLE.—40 percent of so much of the credit allowed under subsection (a) as is attributable to the American Opportunity Credit (determined after the application of subsection (d)(1) and without regard to this paragraph and section 26(a)(2) or paragraph (4), as the case may be) shall be treated as a credit allowable under subpart C (and not allowed under subsection (a)). The preceding sentence shall not apply to any taxpayer for any taxable year if such taxpayer is a child to whom subsection (g) of section 1 applies for such taxable year.'', and

(16) by striking subsection (i) and redesignating subsection (j) as subsection (i).

(b) HOPE SCHOLARSHIP CREDIT RENAMED AMERICAN OPPORTUNITY CREDIT.—

(1) IN GENERAL.—Section 25A, as amended by subsection (a), is amended by striking ''Hope Scholarship'' each place it appears in the text and in the headings and inserting ''American Opportunity''.

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 25A is amendment by striking ''**HOPE**'' and inserting ''**AMERICAN OPPORTUNITY**''.

(B) The heading for clause (v) of section 529(c)(3)(B) is amended by striking ''HOPE'' and inserting ''AMERICAN OPPORTUNITY''.

(C) The heading for subparagraph (C) of section 530(d)(2) is amended by striking ''HOPE'' and inserting ''AMERICAN OPPORTUNITY''.

(D) The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking ''Hope'' and inserting ''American Opportunity''.

(c) CONFORMING AMENDMENTS.—

(1) Section 24(b)(3)(B) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(2) Section 25(e)(1)(C)(ii) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(3) Section 26(a)(1) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(4) Section 25B(g)(2) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(5) Section 904(i) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(6) Section 1400C(d)(2) is amended by striking ''25A(i)'' and inserting ''25A(b)''.

(7) Section 6211(b)(4)(A) is amended by striking ''25A by reason of subsection (i)(6) thereof'' and inserting ''25A by reason of subsection (b)(5) thereof''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

(e) TREATMENT OF POSSESSIONS.—Section 1004(c)(1) of the American Recovery and Reinvestment Tax Act of 2009 is amended by striking ''in 2009 and 2010'' each place it appears and inserting ''after 2008''.

SEC. 208. REPEAL OF SUNSET ON ALLOWANCE OF COMPUTER TECHNOLOGY AND EQUIPMENT AS A QUALIFIED HIGHER EDUCATION EXPENSE FOR SECTION 529 ACCOUNTS.

(a) IN GENERAL.—Clause (iii) of section 529(e)(3)(A) is amended by striking ''in 2009 or 2010''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenses paid or incurred after December 31, 2010.

TITLE III—PERMANENT ESTATE TAX RELIEF

SEC. 301. REPEAL OF EGTRRA SUNSET.

Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to title V of such Act.

SEC. 302. REINSTATEMENT OF ESTATE TAX; REPEAL OF CARRYOVER BASIS.

(a) IN GENERAL.—Each provision of law amended by subtitle A or E of title V of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended to read as such provision would read if such subtitle had never been enacted.

(b) CONFORMING AMENDMENT.—On and after the date of the introduction of this Act, paragraph (1) of section 2505(a) of the Internal Revenue Code of 1986 is amended to read as if such paragraph would read if section 521(b)(2) of the Economic Growth and Tax Relief Reconciliation Act of 2001 had never been enacted.

(c) SPECIAL ELECTION WITH RESPECT TO ESTATES OF DECEDENTS DYING BEFORE DATE OF ENACTMENT.—Notwithstanding subsection (a), in the case of an estate of a decedent dying after December 31, 2009, and before the date of the enactment of this Act, the executor (within the meaning of section 2203 of the Internal Revenue Code of 1986) may elect to apply such Code as though the amendments made by this section do not apply with respect to such estate and with respect to property acquired or passing from such decedent (within the meaning of section 1014(b) of such Code). Such election shall be made at such time and in such manner as the Secretary of the Treasury or the Secretary's delegate shall provide. Such an election once made shall be revocable only with the consent of the Secretary of the Treasury or the Secretary's delegate.

(d) EXTENSION OF TIME FOR PERFORMING CERTAIN ACTS.—

(1) ESTATE TAX.—In the case of the estate of a decedent dying after December 31, 2009, and before the date of the enactment of this Act, the due date for—

(A) filing any return under section 6018 of the Internal Revenue Code of 1986 (including any election required to be made on such a return) as such section is in effect after the date of the enactment of this Act without regard to any election under subsection (c),

(B) making any payment of tax under chapter 11 of such Code, and

(C) receiving any disclaimer described in section 2518(b) of such Code,

shall not be earlier than the date which is 4 months after the date of the enactment of this Act.

(2) GENERATION-SKIPPING TAX.—In the case of any generation-skipping tax made after December 31, 2009, and before the date of the enactment of this Act, the due date for filing any return under section 2662 of the Internal Revenue Code of 1986 (including any election required to be made on such a return) shall not be earlier than the date which is 4 months after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall apply to estates of decedents dying, and transfers, after December 31, 2009.

SEC. 303. MODIFICATIONS TO ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAXES.

(a) MODIFICATIONS TO ESTATE TAX.—

(1) $3,500,000 APPLICABLE EXCLUSION AMOUNT.—Subsection (c) of section 2010 is amended to read as follows:

''(c) APPLICABLE CREDIT AMOUNT.—

''(1) IN GENERAL.—For purposes of this section, the applicable credit amount is the amount of the tentative tax which would be determined under section 2001(c) if the amount with respect to which such tentative tax is to be computed were equal to the applicable exclusion amount.

''(2) APPLICABLE EXCLUSION AMOUNT.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable exclusion amount is $3,500,000.

''(B) INFLATION ADJUSTMENT.—In the case of any decedent dying in a calendar year after 2010, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2009' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''.

(2) MAXIMUM ESTATE TAX RATE EQUAL TO 45 PERCENT.—Subsection (c) of section 2001 is amended—

(A) by striking ''but not over $2,000,000'' in the table contained in paragraph (1),

(B) by striking the last 2 items in such table,

(C) by striking ''(1) IN GENERAL.—'', and

(D) by striking paragraph (2).

(b) MODIFICATIONS TO GIFT TAX.—

(1) INFLATION ADJUSTMENT FOR APPLICABLE EXCLUSION AMOUNT FOR GIFT TAX.—Section 2505 is amended by adding at the end the following new subsection:

''(d) INFLATION ADJUSTMENT.—In the case of any calendar year after 2010, the dollar amount in subsection (a)(1) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2009' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''.

(2) MODIFICATION OF GIFT TAX RATE.—On and after the date of the introduction of this Act, subsection (a) of section 2502 of the Internal Revenue Code of 1986 is amended to read as such subsection would read if section 511(d) of the Economic Growth and Tax Relief Reconciliation Act of 2001 had never been enacted.

(3) CONFORMING AMENDMENT.—Section 2511 of the Internal Revenue Code of 1986 is amended by striking subsection (c).

(4) PERIOD OF REPEAL TREATED AS SEPARATE CALENDAR YEAR.—

(A) IN GENERAL.—For purposes of applying sections 1015, 2502, and 2505 of the Internal Revenue Code of 1986, calendar year 2010 shall be treated as 2 separate calendar years one of which ends on the day before the date of the introduction of this Act and the other of which begins on such date of introduction.

(B) APPLICATION OF SECTION 2504(b).—For purposes of applying section 2504(b) of the Internal Revenue Code of 1986, calendar year 2010 shall be treated as one preceding calendar period.

(c) MODIFICATION OF GENERATION-SKIPPING TRANSFER TAX.—In the case of any generation-skipping transfer made after December 31, 2009, and before the date of the introduction of this Act, the applicable rate determined under section 2641(a) of the Internal Revenue Code of 1986 shall be zero.

(d) MODIFICATIONS OF ESTATE AND GIFT TAXES TO REFLECT DIFFERENCES IN CREDIT RESULTING FROM DIFFERENT TAX RATES.—

(1) ESTATE TAX.—

(A) IN GENERAL.—Section 2001(b)(2) is amended by striking ''if the provisions of subsection (c) (as in effect at the decedent's death)'' and inserting ''if the modifications described in subsection (g)''.

(B) MODIFICATIONS.—Section 2001 is amended by adding at the end the following new subsection:

''(g) MODIFICATIONS TO GIFT TAX PAYABLE TO REFLECT DIFFERENT TAX RATES.—For purposes of applying subsection (b)(2) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the decedent's death shall, in lieu of the rates of tax in effect at the time of such gifts, be used both to compute—

''(1) the tax imposed by chapter 12 with respect to such gifts, and

''(2) the credit allowed against such tax under section 2505, including in computing—

''(A) the applicable credit amount under section 2505(a)(1), and

''(B) the sum of the amounts allowed as a credit for all preceding periods under section 2505(a)(2).''.

(2) GIFT TAX.—Section 2505(a) is amended by adding at the end the following new flush sentence:

''For purposes of applying paragraph (2) for any calendar year, the rates of tax in effect under section 2502(a)(2) for such calendar year shall, in lieu of the rates of tax in effect for preceding calendar periods, be used in determining the amounts allowable as a credit under this section for all preceding calendar periods.''.

(e) EFFECTIVE DATE.—Except as otherwise provided, the amendments made by this section shall apply to estates of decedents dying, generation-skipping transfers, and gifts made, after December 31, 2009.

SEC. 304. APPLICABLE EXCLUSION AMOUNT INCREASED BY UNUSED EXCLUSION AMOUNT OF DECEASED SPOUSE.

(a) IN GENERAL.—Section 2010(c), as amended by section 303(a), is amended by striking paragraph (2) and inserting the following new paragraphs:

''(2) APPLICABLE EXCLUSION AMOUNT.—For purposes of this subsection, the applicable exclusion amount is the sum of—

''(A) the basic exclusion amount, and

''(B) in the case of a surviving spouse, the deceased spousal unused exclusion amount.

''(3) BASIC EXCLUSION AMOUNT.—

''(A) IN GENERAL.—For purposes of this subsection, the basic exclusion amount is $3,500,000.

''(B) INFLATION ADJUSTMENT.—In the case of any decedent dying in a calendar year after 2010, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2009' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.

''(4) DECEASED SPOUSAL UNUSED EXCLUSION AMOUNT.—For purposes of this subsection, with respect to a surviving spouse of a deceased spouse dying on or after the date of the enactment of theMiddle Class Tax Cut Act of 2010, the term 'deceased spousal unused exclusion amount' means the lesser of—

''(A) the basic exclusion amount, or

''(B) the excess of—

''(i) the basic exclusion amount of the last such deceased spouse of such surviving spouse, over

''(ii) the amount with respect to which the tentative tax is determined under section 2001(b)(1) on the estate of such deceased spouse.

''(5) SPECIAL RULES.—

''(A) ELECTION REQUIRED.—A deceased spousal unused exclusion amount may not be taken into account by a surviving spouse under paragraph (2) unless the executor of the estate of the deceased spouse files an estate tax return on which such amount is computed and makes an election on such return that such amount may be so taken into account. Such election, once made, shall be irrevocable. No election may be made under this subparagraph if such return is filed after the time prescribed by law (including extensions) for filing such return.

''(B) EXAMINATION OF PRIOR RETURNS AFTER EXPIRATION OF PERIOD OF LIMITATIONS WITH RESPECT TO DECEASED SPOUSAL UNUSED EXCLUSION AMOUNT.—Notwithstanding any period of limitation in section 6501, after the time has expired under section 6501 within which a tax may be assessed under chapter 11 or 12 with respect to a deceased spousal unused exclusion amount, the Secretary may examine a return of the deceased spouse to make determinations with respect to such amount for purposes of carrying out this subsection.

''(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 2505(a) is amended to read as follows:

''(1) the applicable credit amount in effect under section 2010(c) (determined as if the applicable exclusion amount were $1,000,000) which would apply if the donor died as of the end of the calendar year, reduced by''.

(2) Section 2631(c) is amended by striking ''the applicable exclusion amount'' and inserting ''the basic exclusion amount''.

(3) Section 6018(a)(1) is amended by striking ''applicable exclusion amount'' and inserting ''basic exclusion amount''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, generation-skipping transfers, and gifts made, on and after the date of the enactment of this Act.

SEC. 305. EXCLUSION FROM GROSS ESTATE OF CERTAIN FARMLAND SO LONG AS FARMLAND USE BY FAMILY CONTINUES.

(a) IN GENERAL.—Part III of subchapter A of chapter 11 is amended by inserting after section 2033 the following new section:

''SEC. 2033A. EXCLUSION OF CERTAIN FARMLAND SO LONG AS FARMLAND USE BY FAMILY CONTINUES.

''(a) IN GENERAL.—In the case of an estate of a decedent to which this section applies, the value of the gross estate shall not include the adjusted value of qualified farmland included in the estate.

''(b) ESTATES TO WHICH SECTION APPLIES.—This section shall apply to an estate if—

''(1) the executor—

''(A) elects the application of this section,

''(B) files an agreement referred to in section 2032A(d)(2), and

''(C) obtains a qualified appraisal (as defined in section 170(f)(11)(E)(i)) of the qualified farmland to which the election applies and attaches such appraisal to the return of the tax imposed by section 2001,

''(2) the decedent was (at the date of the decedent's death) a citizen or resident of the United States,

''(3) the decedent for the 3-taxable-year period (10-taxable-year period in the case of any qualified farmland which is qualified woodland described in section 2032A(c)(2)(F)(i)) preceding the date of the decedent's death had an average modified adjusted gross income (as defined in section 86(b)(2)) not exceeding $750,000,

''(4) 60 percent or more of the adjusted value of the gross estate at the date of the decedent's death consists of the adjusted value of real or personal property which is used as a farm for farming purposes (within the meaning of section 2032A(e)),

''(5) 50 percent or more of the adjusted value of the gross estate consists of the adjusted value of qualified farmland which is real property, and

''(6) during the 10-year period ending on the date of the decedent's death—

''(A) the qualified farmland which is such real property was owned by the decedent or a member of the decedent's family, and

''(B) there was material participation (within the meaning of section 469(h)) by the decedent or a member of the decedent's family in the operation of such farmland.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED FARMLAND.—The term 'qualified farmland' means any real property—

''(A) which is located in the United States,

''(B) which is used as a farm for farming purposes (within the meaning of section 2032A(e)),

''(C) such use of which is not an activity not engaged in for profit (within the meaning of section 183),

''(D) which was acquired from or passed from the decedent to a qualified heir of the decedent and which, on the date of the decedent's death, was being so used by the decedent or a member of the decedent's family, and

''(E) which is property designated in the agreement filed under subsection (b)(1).

''(2) ADJUSTED VALUE.—The term 'adjusted value' means the value of farmland for purposes of this chapter (determined without regard to this section), reduced by any amounts allowable as a deduction in respect to such farmland under paragraph (3) or (4) of section 2053(a).

''(3) OTHER TERMS.—Any other term used in this section which is also used in section 2032A shall have the same meaning given such term by section 2032A.

''(d) ANNUAL INFORMATION RETURN TO THE SECRETARY.—

''(1) IN GENERAL.—The qualified heir of any qualified farmland shall file an information return (at such time and in such form and manner as the Secretary prescribes) for each calendar year.

''(2) CONTENTS OF RETURN.—The information return required under paragraph (1) shall set forth any disposition of any interest in such farmland or any cessation of use of such farmland as a farm for farming purposes and such other information as the Secretary may require.

''(e) IMPOSITION OF RECAPTURE TAX.—

''(1) IN GENERAL.—If—

''(A) at any time after the decedent's death and before the death of the qualified heir—

''(i) the qualified heir disposes of any interest in qualified farmland (other than by a disposition to a member of the qualified heir's family),

''(ii) the qualified heir or member ceases to use the qualified farmland as a farm for farming purposes,

''(iii) the qualified heir or member incurs a nonrecourse indebtedness secured in whole or in part by a portion of the qualified farmland, or

''(iv) the qualified heir or member fails to file the information return with respect to the qualified farmland required under subsection (d) for 3 successive calendar years, or

''(B) upon the death of the qualified heir or member, the executor of the estate of such heir or member does not elect the application of this section with respect to the qualified farmland,

then, there is hereby imposed a recapture tax with respect to such qualified farmland or such interest in or portion of such qualified farmland.

''(2) APPLICATION OF RECAPTURE TAX TO EARLIER GENERATIONS.—Upon the imposition of a recapture tax under paragraph (1) with respect to such qualified farmland or such interest in or portion of such qualified farmland, there is also imposed an aggregate amount of any recapture tax which would have been determined under this subsection with respect to such farmland, interest, or portion if the such tax had been imposed and paid on the date of death of the decedent and on the date of death of any qualified heir (or member) of such farmland, interest, or portion in any intervening generation.

''(3) AMOUNT OF RECAPTURE TAX, ETC.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), rules similar to the rules of section 2032A(c) (other than paragraphs (1) and (2)(E) thereof) with respect to the additional estate tax shall apply for purposes of this subsection with respect to each recapture tax.

''(B) ADJUSTMENTS TO RECAPTURE TAX.—

''(i) ADJUSTMENT TO REFLECT INCREASE IN VALUE OF INTEREST.—Subject to clause (ii), the amount of the recapture tax otherwise determined under rules described in subparagraph (A) shall be increased by the percentage (if any) by which the value of the interest in the qualified farmland at the time of the imposition of such tax is greater than the adjusted value of such farmland at the time such farmland would have been included in the estate if no election under this section had been made.

''(ii) ADJUSTMENTS TO VALUE OF INTEREST AT TIME OF TAX IMPOSITION.—For purposes of determining the value of the interest in the qualified farmland at the time of the imposition of such tax, such value shall be reduced (under rules prescribed by the Secretary) by—

''(I) the basis of any substantial improvements made with respect to such interest by the qualified heir or member, and

''(II) the aggregate amount of any recapture tax imposed under paragraph (2).

''(f) APPLICATION OF OTHER RULES.—Rules similar to the rules of subsections (d), (e) (other than paragraphs (6) and (13) thereof), (f), (g), (h), and (i) of section 2032A shall apply for purposes of this section.

''(g) REGULATIONS.—The Secretary may issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including the application of this section in the case of multiple interests in qualified farmland, and to prevent fraud and abuse under this section.''.

(b) BASIS OF QUALIFIED FARMLAND FOR PURPOSES OF DEPRECIATION OR DEPLETION BY QUALIFIED HEIR.—Section 1014 is amended by adding at the end the following new subsection:

''(f) BASIS OF QUALIFIED FARMLAND FOR PURPOSES OF DEPRECIATION OR DEPLETION BY QUALIFIED HEIR.—For purposes of the allowance to any qualified heir of any depreciation or depletion deduction with respect to any interest in property acquired from a decedent and subject to an election under section 2033A, the basis of such property in the hands of such qualified heir (or member of the qualified heir's family after a disposition described in section 2033A(e)(1)(A)(i)) shall be the adjusted basis of such property in the hands of the decedent immediately before the death of such decedent.''.

(c) PENALTY FOR FAILURE TO FILE ANNUAL INFORMATION RETURN.—Section 6652 is amended by redesignating subsection (m) as subsection (n) and by adding at the end the following new subsection:

''(m) FAILURE TO FILE ANNUAL INFORMATION RETURN.—In the case of each failure to provide an information return as required under section 2033A(d) at the time prescribed therefor, unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid, on notice and demand of the Secretary and in the same manner as tax, by the person failing to provide such return, an amount equal to $250 for each such failure.''.

(d) WOODLANDS SUBJECT TO MANAGEMENT PLAN.—Paragraph (2) of section 2032A(c) is amended by adding at the end the following new subparagraph:

''(F) EXCEPTION FOR WOODLANDS SUBJECT TO FOREST STEWARDSHIP PLAN.—

''(i) IN GENERAL.—Subparagraph (E) shall not apply to any disposition or severance of standing timber on a qualified woodland that is made pursuant to a forest stewardship plan developed under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a) or an equivalent plan approved by the State Forester.

''(ii) COMPLIANCE WITH FOREST STEWARDSHIP PLAN.—Clause (i) shall not apply if, during the 10-year period under paragraph (1), the qualified heir fails to comply with such forest stewardship plan or equivalent plan.''.

(e) CERTAIN CONSERVATION TRANSACTIONS NOT TREATED AS DISPOSITIONS.—Paragraph (8) of section 2032A(c) is amended to read as follows:

''(8) CERTAIN CONSERVATION TRANSACTIONS NOT TREATED AS DISPOSITIONS.—

''(A) QUALIFIED CONSERVATION CONTRIBUTIONS.—A qualified conservation contribution by gift or otherwise shall not be deemed a disposition under subsection (c)(1)(A).

''(B) QUALIFIED CONSERVATION EASEMENT SOLD TO QUALIFIED ORGANIZATION.—A sale of a qualified conservation easement to a qualified organization shall not be deemed a disposition under subsection (c)(1)(A).

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) the terms 'qualified conservation contribution' and 'qualified organization' have the meanings given such terms by section 170(h), and

''(ii) the term 'qualified conservation easement' has the meaning given such term by section 2031(c)(8).''.

(f) CLERICAL AMENDMENT.—The table of sections for part III of subchapter A of chapter 11 is amended by inserting after the item relating to section 2033 the following new item:

''Sec. 2033A. Exclusion of certain farmland so long as use as farmland continues.''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after the date of the enactment of this Act.

SEC. 306. INCREASE IN LIMITATIONS ON THE AMOUNT EXCLUDED FROM THE GROSS ESTATE WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.

(a) INCREASE IN DOLLAR LIMITATION ON EXCLUSION.—Paragraph (3) of section 2031(c) is amended by striking ''the exclusion limitation is'' and all that follows and inserting ''the exclusion limitation is $5,000,000.''.

(b) INCREASE IN PERCENTAGE OF VALUE OF LAND WHICH IS EXCLUDABLE.—Paragraph (2) of section 2031(c) is amended—

(1) by striking ''40 percent'' and inserting ''50 percent'', and

(2) by striking ''2 percentage points'' and inserting ''2.5 percentage points''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after the date of the enactment of this Act.

SEC. 307. MODIFICATION OF RULES FOR VALUE OF CERTAIN FARM, ETC., REAL PROPERTY.

(a) IN GENERAL.—Paragraph (2) of section 2032A(a) is amended by striking ''$750,000'' and inserting ''$3,500,000''.

(b) INFLATION ADJUSTMENT.—Paragraph (3) of section 2032A(a) is amended—

(1) by striking ''1998'' and inserting ''2010'',

(2) by striking ''$750,000'' and inserting ''$3,500,000'' in subparagraph (A), and

(3) by striking ''calendar year 1997'' and inserting ''calendar year 2009'' in subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2009.

SEC. 308. REQUIRED MINIMUM 10-YEAR TERM, ETC., FOR GRANTOR RETAINED ANNUITY TRUSTS.

(a) IN GENERAL.—Subsection (b) of section 2702 is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively, and by moving such subparagraphs (as so redesignated) 2 ems to the right;

(2) by striking ''For purposes of'' and inserting the following:

''(1) IN GENERAL.—For purposes of'';

(3) by striking ''paragraph (1) or (2)'' in paragraph (1)(C) (as so redesignated) and inserting ''subparagraph (A) or (B)''; and

(4) by adding at the end the following new paragraph:

''(2) ADDITIONAL REQUIREMENTS WITH RESPECT TO GRANTOR RETAINED ANNUITIES.—For purposes of subsection (a), in the case of an interest described in paragraph (1)(A) (determined without regard to this paragraph) which is retained by the transferor, such interest shall be treated as described in such paragraph only if—

''(A) the right to receive the fixed amounts referred to in such paragraph is for a term of not less than 10 years,

''(B) such fixed amounts, when determined on an annual basis, do not decrease relative to any prior year during the first 10 years of the term referred to in subparagraph (A), and

''(C) the remainder interest has a value greater than zero determined as of the time of the transfer.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers made after the date of the enactment of this Act.

SEC. 309. CONSISTENT BASIS REPORTING BETWEEN ESTATE AND PERSON ACQUIRING PROPERTY FROM DECEDENT.

(a) CONSISTENT USE OF BASIS.—

(1) PROPERTY ACQUIRED FROM A DECEDENT.—Section 1014 is amended by adding at the end the following new subsection:

''(f) BASIS MUST BE CONSISTENT WITH ESTATE TAX VALUE.—

''(1) IN GENERAL.—For purposes of this section, the value used to determine the basis of any interest in property in the hands of the person acquiring such property shall not exceed the value of such interest as finally determined for purposes of chapter 11.

''(2) SPECIAL RULE WHERE NO FINAL DETERMINATION.—In any case in which the value of property has not been finally determined under chapter 11 and there has been a statement furnished under section 6035(a), the value used to determine the basis of any interest in property in the hands of the person acquiring such property shall not exceed the amount reported on the statement furnished under section 6035(a).

''(3) REGULATIONS.—The Secretary may by regulations provide exceptions to the application of this subsection.''.

(2) PROPERTY ACQUIRED BY GIFTS AND TRANSFERS IN TRUST.—Section 1015 is amended by adding at the end the following new subsection:

''(f) BASIS MUST BE CONSISTENT WITH GIFT TAX VALUE.—

''(1) IN GENERAL.—For purposes of this section, the fair market value of any interest in property at the time of the gift of that interest shall not exceed the value of such interest as finally determined for purposes of chapter 12.

''(2) SPECIAL RULE WHERE NO FINAL DETERMINATION.—In any case in which the value of property has not been finally determined under chapter 12 and there has been a statement furnished under section 6035(b), the fair market value of any interest in property at the time of the gift of that interest shall not exceed the amount reported on the statement furnished under section 6035(b).

''(3) REGULATIONS.—The Secretary may by regulations provide exceptions to the application of this subsection.''.

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6034A the following new section:

''SEC. 6035. BASIS INFORMATION TO PERSONS ACQUIRING PROPERTY FROM DECEDENT OR BY GIFT.

''(a) INFORMATION WITH RESPECT TO PROPERTY ACQUIRED FROM DECEDENTS.—

''(1) IN GENERAL.—The executor of any estate required to file a return under section 6018(a) shall furnish to the Secretary and to each person acquiring any interest in property included in the decedent's gross estate for Federal estate tax purposes a statement identifying the value of each interest in such property as reported on such return and such other information with respect to such interest as the Secretary may prescribe.

''(2) STATEMENTS BY BENEFICIARIES.—Each person required to file a return under section 6018(b) shall furnish to the Secretary and to each other person who holds a legal or beneficial interest in the property to which such return relates a statement identifying the information described in paragraph (1).

''(3) TIME FOR FURNISHING STATEMENT.—

''(A) IN GENERAL.—Each statement required to be furnished under paragraph (1) or (2) shall be furnished at such time as the Secretary may prescribe, but in no case at a time later than the earlier of—

''(i) the date which is 30 days after the date on which the return under section 6018 was required to be filed (including extensions, if any), or

''(ii) the date which is 30 days after the date such return is filed.

''(B) ADJUSTMENTS.—In any case in which there is an adjustment to the information required to be included on a statement filed under paragraph (1) or (2) after such statement has been filed, a supplemental statement under such paragraph shall be filed not later than the date which is 30 days after such adjustment is made.

''(b) INFORMATION WITH RESPECT TO PROPERTY ACQUIRED BY GIFT.—

''(1) IN GENERAL.—Each person making a transfer by gift who is required to file a return under section 6019 with respect to such transfer shall furnish to the Secretary and to each person acquiring any interest in property by reason of such transfer a statement identifying the fair market value of each interest in such property as reported on such return and such other information with respect to such interest as the Secretary may prescribe.

''(2) TIME FOR FURNISHING STATEMENT.—

''(A) IN GENERAL.—Each statement required to be furnished under paragraph (1) shall be furnished at such time as the Secretary may prescribe, but in no case at a time later than the earlier of—

''(i) the date which is 30 days after the date on which the return under section 6019 was required to be filed (including extensions, if any), or

''(ii) the date which is 30 days after the date such return is filed.

''(B) ADJUSTMENTS.—In any case in which there is an adjustment to the information required to be included on a statement filed under paragraph (1) after such statement has been filed, a supplemental statement under such paragraph shall be filed not later than the date which is 30 days after such adjustment is made.

''(c) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to carry out this section, including regulations relating to—

''(1) applying this section to property with regard to which no estate or gift tax return is required to be filed, and

''(2) situations in which the surviving joint tenant or other recipient may have better information than the executor regarding the basis or fair market value of the property.''.

(2) PENALTY FOR FAILURE TO FILE.—

(A) RETURN.—Section 6724(d)(1) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) any statement required to be filed with the Secretary under section 6035.''.

(B) STATEMENT.—Section 6724(d)(2) is amended by striking ''or'' at the end of subparagraph (GG), by striking the period at the end of subparagraph (HH) and inserting '', or'', and by adding at the end the following new subparagraph:

''(II) section 6035 (other than a statement described in paragraph (1)(D)).''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6034A the following new item:

''Sec. 6035. Basis information to persons acquiring property from decedent or by gift.''.

(c) PENALTY FOR INCONSISTENT REPORTING.—

(1) IN GENERAL.—Subsection (b) of section 6662 is amended by inserting after paragraph (7) the following new paragraph:

''(8) Any inconsistent estate or gift basis.''.

(2) INCONSISTENT BASIS REPORTING.—Section 6662 is amended by adding at the end the following new subsection:

''(k) INCONSISTENT ESTATE OR GIFT BASIS REPORTING.—For purposes of this section, the term 'inconsistent estate or gift basis' means—

''(1) in the case of property acquired from a decedent, a basis determination with respect to such property which is not consistent with the requirements of section 1014(f), and

''(2) in the case of property acquired by gift, a basis determination with respect to such property which is not consistent with the requirements of section 1015(f).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers for which returns are filed after the date of the enactment of this Act.

TITLE IV—PERMANENT SMALL BUSINESS TAX RELIEF

SEC. 401. REPEAL OF SUNSET ON INCREASED LIMITATIONS ON SMALL BUSINESS EXPENSING.

(a) IN GENERAL.—Subsection (b) of section 179, as amended by the Small Business Jobs Act of 2010, is amended—

(1) by striking ''$25,000'' in paragraph (1)(C) and inserting ''$125,000.'', and

(2) by striking ''$200,000'' in paragraph (2)(C) and inserting ''$500,000.''.

(b) INFLATION ADJUSTMENT.—Section 179(b) is amended by adding at the end the following new paragraph:

''(6) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning after 2011, the $125,000 amount in paragraph (1)(C) and the $500,000 amount in paragraph (2)(C) shall each be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2006' for 'calendar year 1992' in subparagraph (B) thereof.

''(B) ROUNDING.—

''(i) DOLLAR LIMITATION.—If the amount in paragraph (1) as increased under subparagraph (A) is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.

''(ii) PHASEOUT AMOUNT.—If the amount in paragraph (2) as increased under subparagraph (A) is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''.

(c) PERMANENT EXPENSING OF COMPUTER SOFTWARE.—Section 179(d)(1)(A)(ii), as amended by the Small Business Jobs Act of 2010, is amended by striking ''and before 2012''.

(d) REVOCATION OF ELECTION MADE PERMANENT.—Section 179(c)(2), as amended by the Small Business Jobs Act of 2010, is amended to read as follows:

''(2) REVOCATION OF ELECTION.—Any election made under this section, and any specification contained in any such election, may be revoked by the taxpayer with respect to any property, and such revocation, once made, shall be irrevocable.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

TITLE V—ALTERNATIVE MINIMUM TAX RELIEF

SEC. 501. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) is amended—

(1) by striking ''$70,950'' and all that follows through ''2009'' in subparagraph (A) and inserting ''$72,450 in the case of taxable years beginning in 2010 and $74,450 in the case of taxable years beginning in 2011'', and

(2) by striking ''$46,700'' and all that follows through ''2009'' in subparagraph (B) and inserting ''$47,450 in the case of taxable years beginning in 2010 and $48,450 in the case of taxable years beginning in 2011''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 502. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''or 2009'' and inserting ''2009, 2010, or 2011'', and

(2) by striking ''2009'' in the heading thereof and inserting ''2011''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

TITLE VI—TEMPORARY EXTENSION OF CERTAIN PROVISIONS EXPIRING IN 2009

Subtitle A—Infrastructure Incentives

SEC. 601. EXTENSION OF BUILD AMERICA BONDS.

(a) IN GENERAL.—Subparagraph (B) of section 54AA(d)(1) is amended by striking ''January 1, 2011'' and inserting ''January 1, 2012''.

(b) EXTENSION OF PAYMENTS TO ISSUERS.—

(1) IN GENERAL.—Section 6431 is amended—

(A) by striking ''January 1, 2011'' in subsection (a) and inserting ''January 1, 2012''; and

(B) by striking ''January 1, 2011'' in subsection (f)(1)(B) and inserting ''a particular date''.

(2) CONFORMING AMENDMENTS.—Subsection (g) of section 54AA is amended—

(A) by striking ''January 1, 2011'' and inserting ''January 1, 2012''; and

(B) by striking ''QUALIFIED BONDS ISSUED BEFORE 2011'' in the heading and inserting ''CERTAIN QUALIFIED BONDS''.

(c) REDUCTION IN PERCENTAGE OF PAYMENTS TO ISSUERS.—Subsection (b) of section 6431 is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'';

(2) by striking ''35 percent'' and inserting ''the applicable percentage''; and

(3) by adding at the end the following new paragraph:

''(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means the percentage determined in accordance with the following table:

''In the case of a qualified bond issued during calendar year:	The applicable percentage is:
2009 or 2010	35 percent
2011	32 percent.''.

(d) CURRENT REFUNDINGS PERMITTED.—Subsection (g) of section 54AA is amended by adding at the end the following new paragraph:

''(3) TREATMENT OF CURRENT REFUNDING BONDS.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualified bond' includes any bond (or series of bonds) issued to refund a qualified bond if—

''(i) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

''(ii) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

''(iii) the refunded bond is redeemed not later than 90 days after the date of the issuance of the refunding bond.

''(B) APPLICABLE PERCENTAGE.—In the case of a refunding bond referred to in subparagraph (A), the applicable percentage with respect to such bond under section 6431(b) shall be the lowest percentage specified in paragraph (2) of such section.

''(C) DETERMINATION OF AVERAGE MATURITY.—For purposes of subparagraph (A)(i), average maturity shall be determined in accordance with section 147(b)(2)(A).''.

SEC. 602. EXEMPT-FACILITY BONDS FOR SEWAGE AND WATER SUPPLY FACILITIES.

(a) BONDS FOR WATER AND SEWAGE FACILITIES EXEMPT FROM VOLUME CAP ON PRIVATE ACTIVITY BONDS.—

(1) IN GENERAL.—Paragraph (3) of section 146(g) is amended by inserting ''(4), (5),'' after ''(2),''.

(2) CONFORMING AMENDMENT.—Paragraphs (2) and (3)(B) of section 146(k) are both amended by striking ''(4), (5), (6),'' and inserting ''(6)''.

(b) TAX-EXEMPT ISSUANCE BY INDIAN TRIBAL GOVERNMENTS.—

(1) IN GENERAL.—Subsection (c) of section 7871 is amended by adding at the end the following new paragraph:

''(4) EXCEPTION FOR BONDS FOR WATER AND SEWAGE FACILITIES.—Paragraph (2) shall not apply to an exempt facility bond 95 percent or more of the net proceeds (as defined in section 150(a)(3)) of which are to be used to provide facilities described in paragraph (4) or (5) of section 142(a).''.

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 7871(c) is amended by striking ''paragraph (3)'' and inserting ''paragraphs (3) and (4)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 603. EXTENSION OF EXEMPTION FROM ALTERNATIVE MINIMUM TAX TREATMENT FOR CERTAIN TAX-EXEMPT BONDS.

(a) IN GENERAL.—Clause (vi) of section 57(a)(5)(C) is amended—

(1) by striking ''January 1, 2011'' in subclause (I) and inserting ''January 1, 2012''; and

(2) by striking ''AND 2010'' in the heading and inserting '', 2010, AND 2011''.

(b) ADJUSTED CURRENT EARNINGS.—Clause (iv) of section 56(g)(4)(B) is amended—

(1) by striking ''January 1, 2011'' in subclause (I) and inserting ''January 1, 2012''; and

(2) by striking ''AND 2010'' in the heading and inserting '', 2010, AND 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2010.

SEC. 604. EXTENSION AND ADDITIONAL ALLOCATIONS OF RECOVERY ZONE BOND AUTHORITY.

(a) EXTENSION OF RECOVERY ZONE BOND AUTHORITY.—Section 1400U–2(b)(1) and section 1400U–3(b)(1)(B) are each amended by striking ''January 1, 2011'' and inserting ''January 1, 2012''.

(b) ADDITIONAL ALLOCATIONS OF RECOVERY ZONE BOND AUTHORITY BASED ON UNEMPLOYMENT.—Section 1400U–1 is amended by adding at the end the following new subsection:

''(c) ALLOCATION OF 2010 RECOVERY ZONE BOND LIMITATIONS BASED ON UNEMPLOYMENT.—

''(1) IN GENERAL.—The Secretary shall allocate the 2010 national recovery zone economic development bond limitation and the 2010 national recovery zone facility bond limitation among the States in the proportion that each such State's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all of the States.

''(2) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under paragraph (1) for each State to the extent necessary to ensure that no State (prior to any reduction under paragraph (3)) receives less than 0.9 percent of the 2010 national recovery zone economic development bond limitation and 0.9 percent of the 2010 national recovery zone facility bond limitation.

''(3) ALLOCATIONS BY STATES.—

''(A) IN GENERAL.—Each State with respect to which an allocation is made under paragraph (1) shall reallocate such allocation among the counties and large municipalities (as defined in subsection (a)(3)(B)) in such State in the proportion that each such county's or municipality's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all the counties and large municipalities (as so defined) in such State.

''(B) 2010 ALLOCATION REDUCED BY AMOUNT OF PREVIOUS ALLOCATION.—Each State shall reduce (but not below zero)—

''(i) the amount of the 2010 national recovery zone economic development bond limitation allocated to each county or large municipality (as so defined) in such State by the amount of the national recovery zone economic development bond limitation allocated to such county or large municipality under subsection (a)(3)(A) (determined without regard to any waiver thereof), and

''(ii) the amount of the 2010 national recovery zone facility bond limitation allocated to each county or large municipality (as so defined) in such State by the amount of the national recovery zone facility bond limitation allocated to such county or large municipality under subsection (a)(3)(A) (determined without regard to any waiver thereof).

''(C) WAIVER OF SUBALLOCATIONS.—A county or municipality may waive any portion of an allocation made under this paragraph. A county or municipality shall be treated as having waived any portion of an allocation made under this paragraph which has not been allocated to a bond issued before May 1, 2011. Any allocation waived (or treated as waived) under this subparagraph may be used or reallocated by the State.

''(D) SPECIAL RULE FOR A MUNICIPALITY IN A COUNTY.—In the case of any large municipality any portion of which is in a county, such portion shall be treated as part of such municipality and not part of such county.

''(4) 2009 UNEMPLOYMENT NUMBER.—For purposes of this subsection, the term '2009 unemployment number' means, with respect to any State, county or municipality, the number of individuals in such State, county, or municipality who were determined to be unemployed by the Bureau of Labor Statistics for December 2009.

''(5) 2010 NATIONAL LIMITATIONS.—

''(A) RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS.—The 2010 national recovery zone economic development bond limitation is $10,000,000,000. Any allocation of such limitation under this subsection shall be treated for purposes of section 1400U–2 in the same manner as an allocation of national recovery zone economic development bond limitation.

''(B) RECOVERY ZONE FACILITY BONDS.—The 2010 national recovery zone facility bond limitation is $15,000,000,000. Any allocation of such limitation under this subsection shall be treated for purposes of section 1400U–3 in the same manner as an allocation of national recovery zone facility bond limitation.''.

(c) AUTHORITY OF STATE TO WAIVE CERTAIN 2009 ALLOCATIONS.—Subparagraph (A) of section 1400U–1(a)(3) is amended by adding at the end the following: ''A county or municipality shall be treated as having waived any portion of an allocation made under this subparagraph which has not been allocated to a bond issued before May 1, 2011. Any allocation waived (or treated as waived) under this

subparagraph may be used or reallocated by the State.''.

SEC. 605. ALLOWANCE OF NEW MARKETS TAX CREDIT AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subparagraph (B) of section 38(c)(4), as amended by the Patient Protection and Affordable Care Act, is amended by redesignating clauses (v) through (ix) as clauses (vi) through (x), respectively, and by inserting after clause (iv) the following new clause:

''(v) the credit determined under section 45D, but only with respect to credits determined with respect to qualified equity investments (as defined in section 45D(b)) initially made before January 1, 2013,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to credits determined with respect to qualified equity investments (as defined in section 45D(b) of the Internal Revenue Code of 1986) initially made after March 15, 2010.

SEC. 606. EXTENSION OF TAX-EXEMPT ELIGIBILITY FOR LOANS GUARANTEED BY FEDERAL HOME LOAN BANKS.

Clause (iv) of section 149(b)(3)(A) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

SEC. 607. EXTENSION OF TEMPORARY SMALL ISSUER RULES FOR ALLOCATION OF TAX-EXEMPT INTEREST EXPENSE BY FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Clauses (i), (ii), and (iii) of section 265(b)(3)(G) are each amended by striking ''or 2010'' and inserting '', 2010, or 2011''.

(b) CONFORMING AMENDMENT.—Subparagraph (G) of section 265(b)(3) is amended by striking ''AND 2010'' in the heading and inserting '', 2010, AND 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2010.

Subtitle B—Energy

SEC. 611. ALTERNATIVE MOTOR VEHICLE CREDIT FOR NEW QUALIFIED HYBRID MOTOR VEHICLES OTHER THAN PASSENGER AUTOMOBILES AND LIGHT TRUCKS.

(a) IN GENERAL.—Paragraph (3) of section 30B(k) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property purchased after December 31, 2009.

SEC. 612. INCENTIVES FOR BIODIESEL AND RENEWABLE DIESEL.

(a) CREDITS FOR BIODIESEL AND RENEWABLE DIESEL USED AS FUEL.—Subsection (g) of section 40A is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EXCISE TAX CREDITS AND OUTLAY PAYMENTS FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIXTURES.—

(1) Paragraph (6) of section 6426(c) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(2) Subparagraph (B) of section 6427(e)(6) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2009.

SEC. 613. CREDIT FOR ELECTRICITY PRODUCED AT CERTAIN OPEN-LOOP BIOMASS FACILITIES.

(a) IN GENERAL.—Clause (ii) of section 45(b)(4)(B) is amended—

(1) by striking ''5-year period'' and inserting ''7-year period''; and

(2) by adding at the end the following: ''In the case of the next-to-last year of the 7-year period described in the preceding sentence, the credit determined under subsection (a) with respect to electricity produced during such year shall not exceed 80 percent of such credit determined without regard to this sentence. In the case of the last year of such 7-year period, the credit determined under subsection (a) with respect to electricity produced during such year shall not exceed 60 percent of such credit determined without regard to this sentence.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to electricity produced and sold after December 31, 2009.

SEC. 614. CREDIT FOR STEEL INDUSTRY FUEL.

(a) CREDIT PERIOD.—

(1) IN GENERAL.—Subclause (II) of section 45(e)(8)(D)(ii) is amended to read as follows:

''(II) CREDIT PERIOD.—In lieu of the 10-year period referred to in clauses (i) and (ii)(II) of subparagraph (A), the credit period shall be the period beginning on the date that the facility first produces steel industry fuel that is sold to an unrelated person after September 30, 2008, and ending 3 years after such date.''.

(2) CONFORMING AMENDMENT.—Section 45(e)(8)(D) is amended by striking clause (iii) and by redesignating clause (iv) as clause (iii).

(b) EXTENSION OF PLACED-IN-SERVICE DATE.—Subparagraph (A) of section 45(d)(8) is amended—

(1) by striking ''(or any modification to a facility)''; and

(2) by striking ''2010'' and inserting ''2012''.

(c) CLARIFICATIONS.—

(1) STEEL INDUSTRY FUEL.—Subclause (I) of section 45(c)(7)(C)(i) is amended by inserting '', a blend of coal and petroleum coke, or other coke feedstock'' after ''on coal''.

(2) OWNERSHIP INTEREST.—Section 45(d)(8) is amended by adding at the end the following new flush sentence:

''With respect to a facility producing steel industry fuel, no person (including a ground lessor, customer, supplier, or technology licensor) shall be treated as having an ownership interest in the facility or as otherwise entitled to the credit allowable under subsection (a) with respect to such facility if such person's rent, license fee, or other entitlement to net payments from the owner of such facility is measured by a fixed dollar amount or a fixed amount per ton, or otherwise determined without regard to the profit or loss of such facility.''.

(3) PRODUCTION AND SALE.—Subparagraph (D) of section 45(e)(8), as amended by subsection (a)(2), is amended by redesignating clause (iii) as clause (iv) and by inserting after clause (ii) the following new clause:

''(iii) PRODUCTION AND SALE.—The owner of a facility producing steel industry fuel shall be treated as producing and selling steel industry fuel where that owner manufactures such steel industry fuel from coal, a blend of coal and petroleum coke, or other coke feedstock to which it has title. The sale of such steel industry fuel by the owner of the facility to a person who is not the owner of the facility shall not fail to qualify as a sale to an unrelated person solely because such purchaser may also be a ground lessor, supplier, or customer.''.

(d) SPECIFIED CREDIT FOR PURPOSES OF ALTERNATIVE MINIMUM TAX EXCLUSION.—Subclause (II) of section 38(c)(4)(B)(iii) is amended by inserting ''(in the case of a refined coal production facility producing steel industry fuel, during the credit period set forth in section 45(e)(8)(D)(ii)(II))'' after ''service''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), and (d) shall apply to fuel produced and sold after September 30, 2008.

(2) CLARIFICATIONS.—The amendments made by subsection (c) shall take effect as if included in the amendments made by the Energy Improvement and Extension Act of 2008.

SEC. 615. CREDIT FOR PRODUCING FUEL FROM COKE OR COKE GAS.

(a) IN GENERAL.—Paragraph (1) of section 45K(g) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to facilities placed in service after December 31, 2009.

SEC. 616. NEW ENERGY EFFICIENT HOME CREDIT.

(a) IN GENERAL.—Subsection (g) of section 45L is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to homes acquired after December 31, 2009.

SEC. 617. EXCISE TAX CREDITS AND OUTLAY PAYMENTS FOR ALTERNATIVE FUEL AND ALTERNATIVE FUEL MIXTURES.

(a) ALTERNATIVE FUEL CREDIT.—Paragraph (5) of section 6426(d) is amended by striking ''after December 31, 2009'' and all that follows and inserting ''after—

''(A) September 30, 2014, in the case of liquefied hydrogen,

''(B) December 31, 2011, in the case of fuels described in subparagraph (A), (C), (F), or (G) of paragraph (2), and

''(C) December 31, 2009, in any other case.''.

(b) ALTERNATIVE FUEL MIXTURE CREDIT.—Paragraph (3) of section 6426(e) is amended by striking ''after December 31, 2009'' and all that follows and inserting ''after—

''(A) September 30, 2014, in the case of liquefied hydrogen,

''(B) December 31, 2011, in the case of fuels described in subparagraph (A), (C), (F), or (G) of subsection (d)(2), and

''(C) December 31, 2009, in any other case.''.

(c) PAYMENT AUTHORITY.—

(1) IN GENERAL.—Paragraph (6) of section 6427(e) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(E) any alternative fuel or alternative fuel mixture (as so defined) involving fuel described in subparagraph (A), (C), (F), or (G) of section 6426(d)(2) sold or used after December 31, 2011.''.

(2) CONFORMING AMENDMENT.—Subparagraph (C) of section 6427(e)(6) is amended by inserting ''or (E)'' after ''subparagraph (D)''.

(d) EXCLUSION OF BLACK LIQUOR FROM CREDIT ELIGIBILITY.—The last sentence of section 6426(d)(2) is amended by striking ''or biodiesel'' and inserting ''biodiesel, or any fuel (including lignin, wood residues, or spent pulping liquors) derived from the production of paper or pulp''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2009.

SEC. 618. SPECIAL RULE FOR SALES OR DISPOSITIONS TO IMPLEMENT FERC OR STATE ELECTRIC RESTRUCTURING POLICY FOR QUALIFIED ELECTRIC UTILITIES.

(a) IN GENERAL.—Paragraph (3) of section 451(i) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) MODIFICATION OF DEFINITION OF INDEPENDENT TRANSMISSION COMPANY.—

(1) IN GENERAL.—Clause (i) of section 451(i)(4)(B) is amended to read as follows:

''(i) who the Federal Energy Regulatory Commission determines in its authorization of the transaction under section 203 of the Federal Power Act (16 U.S.C. 824b) or by declaratory order—

''(I) is not itself a market participant as determined by the Commission, and also is not controlled by any such market participant, or

''(II) to be independent from market participants or to be an independent transmission company within the meaning of such Commission's rules applicable to independent transmission providers, and''.

(2) RELATED PERSONS.—Paragraph (4) of section 451(i) is amended by adding at the end the following flush sentence:

''For purposes of subparagraph (B)(i)(I), a person shall be treated as controlled by another person if such persons would be treated as a single employer under section 52.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to dispositions after December 31, 2009.

(2) MODIFICATIONS.—The amendments made by subsection (b) shall apply to dispositions after the date of the enactment of this Act.

SEC. 619. SUSPENSION OF LIMITATION ON PERCENTAGE DEPLETION FOR OIL AND GAS FROM MARGINAL WELLS.

(a) IN GENERAL.—Clause (ii) of section 613A(c)(6)(H) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 620. CREDIT FOR NONBUSINESS ENERGY PROPERTY.

(a) EXTENSION.—

(1) IN GENERAL.—Section 25C(g)(2) is amended by striking ''2010'' and inserting ''2011''.

(2) LIMITATION.—Section 25C(b) is amended by striking ''and 2010'' and inserting '', 2010, and 2011''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after December 31, 2010.

(b) MODIFICATION OF STANDARDS FOR WINDOWS, DOORS, AND SKYLIGHTS.—

(1) IN GENERAL.—Paragraph (4) of section 25C(c) is amended by striking ''unless'' and all that follows and inserting ''unless—

''(A) such component meets the criteria for such components established by the 2010 Energy Star Program Requirements for Residential Windows, Doors, and Skylights, Version 5.0 (or any subsequent version of such requirements which is in effect after January 4, 2010), and

''(B) in the case of any component which is a garage door, such component is equal to or below a U factor of 0.30 and SHGC of 0.30.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after December 31, 2010.

Subtitle C—Individual Tax Relief

PART I—MISCELLANEOUS PROVISIONS

SEC. 631. DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) is amended by striking ''or 2009'' and inserting ''2009, 2010, or 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 632. ADDITIONAL STANDARD DEDUCTION FOR STATE AND LOCAL REAL PROPERTY TAXES.

(a) IN GENERAL.—Subparagraph (C) of section 63(c)(1) is amended by striking ''or 2009'' and inserting ''2009, 2010, or 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 633. DEDUCTION OF STATE AND LOCAL SALES TAXES.

(a) IN GENERAL.—Subparagraph (I) of section 164(b)(5) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 634. CONTRIBUTIONS OF CAPITAL GAIN REAL PROPERTY MADE FOR CONSERVATION PURPOSES.

(a) IN GENERAL.—Clause (vi) of section 170(b)(1)(E) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) CONTRIBUTIONS BY CERTAIN CORPORATE FARMERS AND RANCHERS.—Clause (iii) of section 170(b)(2)(B) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2009.

SEC. 635. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.

(a) IN GENERAL.—Subsection (e) of section 222 is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) APPLICATION AND EXTENSION OF EGTRRA SUNSET.—Notwithstanding section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001, such section shall apply to the amendments made by this section and the amendments made by section 431 of such Act by substituting ''December 31, 2011'' for ''December 31, 2010'' in subsection (a)(1) thereof.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

(d) TEMPORARY COORDINATION WITH SECTION 25A.—In the case of any taxpayer for any taxable year beginning in 2010 or 2011, no deduction shall be allowed under section 222 of the Internal Revenue Code of 1986 if—

(1) the taxpayer's net Federal income tax reduction which would be attributable to such deduction for such taxable year, is less than

(2) the credit which would be allowed to the taxpayer for such taxable year under section 25A of such Code (determined without regard to sections 25A(e) and 26 of such Code).

SEC. 636. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subparagraph (F) of section 408(d)(8) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2009.

(2) SPECIAL RULE.—For purposes of qualified charitable distributions under section 408(d)(8) of the Internal Revenue Code of 1986 with respect to taxable years beginning in 2010, a taxpayer shall be deemed to have made such a distribution on the last day of such taxable year if the distribution is made not later than January 31, 2011.

SEC. 637. LOOK-THRU OF CERTAIN REGULATED INVESTMENT COMPANY STOCK IN DETERMINING GROSS ESTATE OF NONRESIDENTS.

(a) IN GENERAL.—Paragraph (3) of section 2105(d) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying after December 31, 2009.

PART II—LOW-INCOME HOUSING CREDITS

SEC. 641. ELECTION FOR DIRECT PAYMENT OF LOW-INCOME HOUSING CREDIT FOR 2010.

(a) IN GENERAL.—Section 42 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) ELECTION FOR DIRECT PAYMENT OF CREDIT.—

''(1) IN GENERAL.—The housing credit agency of each State shall be allowed a credit in an amount equal to such State's low-income housing refundable credit election amount for the applicable calendar year, which shall be payable by the Secretary as provided in paragraph (5).

''(2) LOW-INCOME HOUSING GRANT ELECTION AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'low-income housing grant election amount' means, with respect to any State for any applicable calendar year, such amount as the State may elect which does not exceed 85 percent of the product of—

''(i) the sum of—

''(I) 100 percent of the State housing credit ceiling for such applicable calendar year which is attributable to amounts described in clauses (i) and (iii) of subsection (h)(3)(C), plus any increase for such applicable calendar year attributable to section 1400N(c) (including credits made available under such section as applied by reason of sections 702(d)(2) and 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008), and

''(II) 40 percent of the State housing credit ceiling for such applicable calendar year which is attributable to amounts described in clauses (ii) and (iv) of such subsection, plus any credits for the calendar year preceding such applicable calendar year attributable to the application of such section 702(d)(2) and 704(b), multiplied by

''(ii) 10.

For purposes of subparagraph (A)(ii), in the case of any area to which section 702(d)(2) or 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 applies, section 1400N(c)(1)(A) of such Code shall be applied without regard to clause (i).

''(B) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means calendar years 2010 and 2011.

''(3) COORDINATION WITH NON-REFUNDABLE CREDIT.—For purposes of this section, the amounts described in clauses (i) through (iv) of subsection (h)(3)(C) with respect to any State for 2010 shall each be reduced by so much of such amount as is taken into account in determining the amount of the credit allowed with respect to such State under paragraph (1).

''(4) SPECIAL RULE FOR BASIS.—Basis of a qualified low-income building shall not be reduced by the amount of any payment made under this subsection.

''(5) PAYMENT OF CREDIT; USE TO FINANCE LOW-INCOME BUILDINGS.—The Secretary shall pay to the housing credit agency of each State an amount equal to the credit allowed under paragraph (1). Rules similar to the rules of subsections (c) and (d) of section 1602 of the American Recovery and Reinvestment Tax Act of 2009 shall apply with respect to any payment made under this paragraph, except that such subsection (d) shall be applied by substituting 'January 1 of the second calendar year after the applicable calendar year' for 'January 1, 2011'.''.

(b) CONFORMING AMENDMENT.—Section 1324(b)(2) of title 31, United States Code, is amended by inserting ''42(n),'' after ''36C,''.

SEC. 642. LOW-INCOME HOUSING GRANT ELECTION.

(a) CLARIFICATION OF ELIGIBILITY OF LOW-INCOME HOUSING CREDITS FOR LOW-INCOME HOUSING GRANT ELECTION.—Paragraph (1) of section 1602(b) of the American Recovery and Reinvestment Tax Act of 2009 is amended—

(1) by inserting '', plus any increase for 2009 or 2010 attributable to section 1400N(c) of such Code (including credits made available under such section as applied by reason of sections 702(d)(2) and 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008)'' after ''1986'' in subparagraph (A), and

(2) by inserting '', plus any credits for 2009 attributable to the application of such section 702(d)(2) and 704(b)'' after ''such section'' in subparagraph (B).

(b) APPLICATION OF ADDITIONAL HOUSING CREDIT AMOUNT FOR PURPOSES OF 2009 GRANT ELECTION.—Subsection (b) of section 1602 of the American Recovery and Reinvestment Tax Act of 2009, as amended by subsection (a), is amended by adding at the end the following flush sentence:

''For purposes of paragraph (1)(B), in the case of any area to which section 702(d)(2) or 704(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 applies, section 1400N(c)(1)(A) of such Code shall be applied without regard to clause (i).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply as if included in the enactment of section 1602 of the American Recovery and Reinvestment Tax Act of 2009.

Subtitle D—Business Tax Relief

SEC. 651. RESEARCH CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 41(h)(1) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) CONFORMING AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2009.

SEC. 652. INDIAN EMPLOYMENT TAX CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45A is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 653. NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Subparagraph (F) of section 45D(f)(1) is amended by inserting '', 2010, and 2011'' after ''2009''.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 45D(f) is amended by striking ''2014'' and inserting ''2016''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after 2009.

SEC. 654. RAILROAD TRACK MAINTENANCE CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45G is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2009.

SEC. 655. MINE RESCUE TEAM TRAINING CREDIT.

(a) IN GENERAL.—Subsection (e) of section 45N is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) CREDIT ALLOWABLE AGAINST AMT.—Subparagraph (B) of section 38(c)(4), as amended by section 105, is amended—

(1) by redesignating clauses (vii) through (x) as clauses (viii) through (xi), respectively; and

(2) by inserting after clause (vi) the following new clause:

''(vii) the credit determined under section 45N,''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2009.

(2) ALLOWANCE AGAINST AMT.—The amendments made by subsection (b) shall apply to credits determined for taxable years beginning after December 31, 2009, and to carrybacks of such credits.

SEC. 656. EMPLOYER WAGE CREDIT FOR EMPLOYEES WHO ARE ACTIVE DUTY MEMBERS OF THE UNIFORMED SERVICES.

(a) IN GENERAL.—Subsection (f) of section 45P is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2009.

SEC. 657. 5-YEAR DEPRECIATION FOR FARMING BUSINESS MACHINERY AND EQUIPMENT.

(a) IN GENERAL.—Clause (vii) of section 168(e)(3)(B) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 658. 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS, QUALIFIED RESTAURANT BUILDINGS AND IMPROVEMENTS, AND QUALIFIED RETAIL IMPROVEMENTS.

(a) IN GENERAL.—Clauses (iv), (v), and (ix) of section 168(e)(3)(E) are each amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) CONFORMING AMENDMENTS.—

(1) Clause (i) of section 168(e)(7)(A) is amended by striking ''if such building is placed in service after December 31, 2008, and before January 1, 2010,''.

(2) Paragraph (8) of section 168(e) is amended by striking subparagraph (E).

(3) Section 179(f)(2) is amended—

(A) by striking ''(without regard to the dates specified in subparagraph (A)(i) thereof)'' in subparagraph (B), and

(B) by striking ''(without regard to subparagraph (E) thereof)'' in subparagraph (C).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2009.

SEC. 659. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS ENTERTAINMENT COMPLEXES.

(a) IN GENERAL.—Subparagraph (D) of section 168(i)(15) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 660. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON AN INDIAN RESERVATION.

(a) IN GENERAL.—Paragraph (8) of section 168(j) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 661. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(C) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2009.

SEC. 662. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORIES TO PUBLIC SCHOOLS.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(D) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2009.

SEC. 663. ENHANCED CHARITABLE DEDUCTION FOR CORPORATE CONTRIBUTIONS OF COMPUTER INVENTORY FOR EDUCATIONAL PURPOSES.

(a) IN GENERAL.—Subparagraph (G) of section 170(e)(6) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2009.

SEC. 664. ELECTION TO EXPENSE MINE SAFETY EQUIPMENT.

(a) IN GENERAL.—Subsection (g) of section 179E is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 665. SPECIAL EXPENSING RULES FOR CERTAIN FILM AND TELEVISION PRODUCTIONS.

(a) IN GENERAL.—Subsection (f) of section 181 is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to productions commencing after December 31, 2009.

SEC. 666. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) IN GENERAL.—Subsection (h) of section 198 is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 2009.

SEC. 667. DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.

(a) IN GENERAL.—Subparagraph (C) of section 199(d)(8) is amended—

(1) by striking ''first 4 taxable years'' and inserting ''first 6 taxable years''; and

(2) by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 668. MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Clause (iv) of section 512(b)(13)(E) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments received or accrued after December 31, 2009.

SEC. 669. EXCLUSION OF GAIN OR LOSS ON SALE OR EXCHANGE OF CERTAIN BROWNFIELD SITES FROM UNRELATED BUSINESS INCOME.

(a) IN GENERAL.—Subparagraph (K) of section 512(b)(19) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property acquired after December 31, 2009.

SEC. 670. TIMBER REIT MODERNIZATION.

(a) IN GENERAL.—Paragraph (8) of section 856(c) is amended by striking ''means'' and all that follows and inserting ''means December 31, 2011.''.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (I) of section 856(c)(2) is amended by striking ''the first taxable year beginning after the date of the enactment of this subparagraph'' and inserting ''a taxable year beginning on or before the termination date''.

(2) Clause (iii) of section 856(c)(5)(H) is amended by inserting ''in taxable years beginning'' after ''dispositions''.

(3) Clause (v) of section 857(b)(6)(D) is amended by inserting ''in a taxable year beginning'' after ''sale''.

(4) Subparagraph (G) of section 857(b)(6) is amended by inserting ''in a taxable year beginning'' after ''In the case of a sale''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after May 22, 2009.

SEC. 671. TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.

(a) IN GENERAL.—Paragraphs (1)(C) and (2)(C) of section 871(k) are each amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 672. RIC QUALIFIED INVESTMENT ENTITY TREATMENT UNDER FIRPTA.

(a) IN GENERAL.—Clause (ii) of section 897(h)(4)(A) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on January 1, 2010. Notwithstanding the preceding sentence, such amendment shall not apply with respect to the withholding requirement under section 1445 of the Internal Revenue Code of 1986 for any payment made before the date of the enactment of this Act.

(2) AMOUNTS WITHHELD ON OR BEFORE DATE OF ENACTMENT.—In the case of a regulated investment company—

(A) which makes a distribution after December 31, 2009, and before the date of the enactment of this Act; and

(B) which would (but for the second sentence of paragraph (1)) have been required to withhold with respect to such distribution under section 1445 of such Code,

such investment company shall not be liable to any person to whom such distribution was made for any amount so withheld and paid over to the Secretary of the Treasury.

SEC. 673. EXCEPTIONS FOR ACTIVE FINANCING INCOME.

(a) IN GENERAL.—Sections 953(e)(10) and 954(h)(9) are each amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) CONFORMING AMENDMENT.—Section 953(e)(10) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2009, and to taxable years of United States shareholders with or within which any such taxable year of such foreign corporation ends.

SEC. 674. LOOK-THRU TREATMENT OF PAYMENTS BETWEEN RELATED CONTROLLED FOREIGN CORPORATIONS UNDER FOREIGN PERSONAL HOLDING COMPANY RULES.

(a) IN GENERAL.—Subparagraph (C) of section 954(c)(6) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2009, and to taxable years of United States shareholders with or within which any such taxable year of such foreign corporation ends.

SEC. 675. BASIS ADJUSTMENT TO STOCK OF S CORPS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) IN GENERAL.—Paragraph (2) of section 1367(a) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2009.

SEC. 676. EMPOWERMENT ZONE TAX INCENTIVES.

(a) IN GENERAL.—Section 1391 is amended—

(1) by striking ''December 31, 2009'' in subsection (d)(1)(A)(i) and inserting ''December 31, 2011''; and

(2) by striking the last sentence of subsection (h)(2).

(b) INCREASED EXCLUSION OF GAIN ON STOCK OF EMPOWERMENT ZONE BUSINESSES.—Subparagraph (C) of section 1202(a)(2) is amended—

(1) by striking ''December 31, 2014'' and inserting ''December 31, 2016''; and

(2) by striking ''2014'' in the heading and inserting ''2016''.

(c) TREATMENT OF CERTAIN TERMINATION DATES SPECIFIED IN NOMINATIONS.—In the case of a designation of an empowerment zone the nomination for which included a termination date which is contemporaneous with the date specified in subparagraph (A)(i) of section 1391(d)(1) of the Internal Revenue Code of 1986 (as in effect before the enactment of this Act), subparagraph (B) of such section shall not apply with respect to such designation unless, after the date of the enactment of this section, the entity which made such nomination reconfirms such termination date, or amends the nomination to provide for a new termination date, in such manner as the Secretary of the Treasury (or the Secretary's designee) may provide.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2009.

SEC. 677. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) IN GENERAL.—Subsection (f) of section 1400 is amended by striking ''December 31, 2009'' each place it appears and inserting ''December 31, 2011''.

(b) TAX-EXEMPT DC EMPOWERMENT ZONE BONDS.—Subsection (b) of section 1400A is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) ZERO-PERCENT CAPITAL GAINS RATE.—

(1) ACQUISITION DATE.—Paragraphs (2)(A)(i), (3)(A), (4)(A)(i), and (4)(B)(i)(I) of section 1400B(b) are each amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(2) LIMITATION ON PERIOD OF GAINS.—

(A) IN GENERAL.—Paragraph (2) of section 1400B(e) is amended—

(i) by striking ''December 31, 2014'' and inserting ''December 31, 2016''; and

(ii) by striking ''2014'' in the heading and inserting ''2016''.

(B) PARTNERSHIPS AND S-CORPS.—Paragraph (2) of section 1400B(g) is amended by striking ''December 31, 2014'' and inserting ''December 31, 2016''.

(d) FIRST-TIME HOMEBUYER CREDIT.—Subsection (i) of section 1400C is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to periods after December 31, 2009.

(2) TAX-EXEMPT DC EMPOWERMENT ZONE BONDS.—The amendment made by subsection (b) shall apply to bonds issued after December 31, 2009.

(3) ACQUISITION DATES FOR ZERO-PERCENT CAPITAL GAINS RATE.—The amendments made by subsection (c) shall apply to property acquired or substantially improved after December 31, 2009.

(4) HOMEBUYER CREDIT.—The amendment made by subsection (d) shall apply to homes purchased after December 31, 2009.

SEC. 678. RENEWAL COMMUNITY TAX INCENTIVES.

(a) IN GENERAL.—Subsection (b) of section 1400E is amended—

(1) by striking ''December 31, 2009'' in paragraphs (1)(A) and (3) and inserting ''December 31, 2011''; and

(2) by striking ''January 1, 2010'' in paragraph (3) and inserting ''January 1, 2012''.

(b) ZERO-PERCENT CAPITAL GAINS RATE.—

(1) ACQUISITION DATE.—Paragraphs (2)(A)(i), (3)(A), (4)(A)(i), and (4)(B)(i) of section 1400F(b) are each amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(2) LIMITATION ON PERIOD OF GAINS.—Paragraph (2) of section 1400F(c) is amended—

(A) by striking ''December 31, 2014'' and inserting ''December 31, 2016''; and

(B) by striking ''2014'' in the heading and inserting ''2016''.

(3) CLERICAL AMENDMENT.—Subsection (d) of section 1400F is amended by striking ''and 'December 31, 2014' for 'December 31, 2014' ''.

(c) COMMERCIAL REVITALIZATION DEDUCTION.—

(1) IN GENERAL.—Subsection (g) of section 1400I is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 1400I(d)(2) is amended by striking ''after 2001 and before 2010'' and inserting ''which begins after 2001 and before the date referred to in subsection (g)''.

(d) INCREASED EXPENSING UNDER SECTION 179.—Subparagraph (A) of section 1400J(b)(1) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(e) TREATMENT OF CERTAIN TERMINATION DATES SPECIFIED IN NOMINATIONS.—In the case of a designation of a renewal community the nomination for which included a termination date which is contemporaneous with the date specified in subparagraph (A) of section 1400E(b)(1) of the Internal Revenue Code of 1986 (as in effect before the enactment of this Act), subparagraph (B) of such section shall not apply with respect to such designation unless, after the date of the enactment of this section, the entity which made such nomination reconfirms such termination date, or amends the nomination to provide for a new termination date, in such manner as the Secretary of the Treasury (or the Secretary's designee) may provide.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to periods after December 31, 2009.

(2) ACQUISITIONS.—The amendments made by subsections (b)(1) and (d) shall apply to acquisitions after December 31, 2009.

(3) COMMERCIAL REVITALIZATION DEDUCTION.—

(A) IN GENERAL.—The amendment made by subsection (c)(1) shall apply to buildings placed in service after December 31, 2009.

(B) CONFORMING AMENDMENT.—The amendment made by subsection (c)(2) shall apply to calendar years beginning after December 31, 2009.

SEC. 679. TEMPORARY INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAXES TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2009.

SEC. 680. AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) IN GENERAL.—Subsection (d) of section 119 of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking ''first 4 taxable years'' and inserting ''first 6 taxable years'', and

(2) by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 681. ELECTION TO TEMPORARILY UTILIZE UNUSED AMT CREDITS DETERMINED BY DOMESTIC INVESTMENT.

(a) IN GENERAL.—Section 53 is amended by adding at the end the following new subsection:

''(g) ELECTION FOR CORPORATIONS WITH NEW DOMESTIC INVESTMENTS.—

''(1) IN GENERAL.—If a corporation elects to have this subsection apply for its first taxable year beginning after December 31, 2009, the limitation imposed by subsection (c) for such taxable year shall be increased by the AMT credit adjustment amount.

''(2) AMT CREDIT ADJUSTMENT AMOUNT.—For purposes of paragraph (1), the term 'AMT credit adjustment amount' means, the lesser of—

''(A) 50 percent of a corporation's minimum tax credit for its first taxable year beginning after December 31, 2009, determined under subsection (b), or

''(B) 10 percent of new domestic investments made during such taxable year.

''(3) NEW DOMESTIC INVESTMENTS.—For purposes of this subsection, the term 'new domestic investments' means the cost of qualified property (as defined in section 168(k)(2)(A)(i))—

''(A) the original use of which commences with the taxpayer during the taxable year, and

''(B) which is placed in service in the United States by the taxpayer during such taxable year.

''(4) CREDIT REFUNDABLE.—For purposes of subsection (b) of section 6401, the aggregate increase in the credits allowable under this part for any taxable year resulting from the application of this subsection shall be treated as allowed under subpart C (and not under any other subpart). For purposes of section 6425, any amount treated as so allowed shall be treated as a payment of estimated income tax for the taxable year.

''(5) ELECTION.—An election under this subsection shall be made at such time and in such manner as prescribed by the Secretary, and once made, may be revoked only with the consent of the Secretary. Not later than 90 days after the date of the enactment of this subsection, the Secretary shall issue guidance specifying such time and manner.

''(6) TREATMENT OF CERTAIN PARTNERSHIP INVESTMENTS.—For purposes of this subsection, a corporation shall take into account its allocable share of any new domestic investments by a partnership for any taxable year if, and only if, more than 90 percent of the capital and profits interests in such partnership are owned by such corporation (directly or indirectly) at all times during such taxable year.

''(7) NO DOUBLE BENEFIT.—

''(A) IN GENERAL.—A corporation making an election under this subsection may not make an election under subparagraph (H) of section 172(b)(1).

''(B) SPECIAL RULES WITH RESPECT TO TAXPAYERS PREVIOUSLY ELECTING APPLICABLE NET OPERATING LOSSES.—In the case of a corporation which made an election under subparagraph (H) of section 172(b)(1) and elects the application of this subsection—

''(i) ELECTION OF APPLICABLE NET OPERATING LOSS TREATED AS REVOKED.—The election under such subparagraph (H) shall (notwithstanding clause (iii)(II) of such subparagraph) be treated as having been revoked by the taxpayer.

''(ii) COORDINATION WITH PROVISION FOR EXPEDITED REFUND.—The amount otherwise treated as a payment of estimated income tax under the last sentence of paragraph (4) shall be reduced (but not below zero) by the aggregate increase in unpaid tax liability determined under this chapter by reason of the revocation of the election under clause (i).

''(iii) APPLICATION OF STATUTE OF LIMITATIONS.—With respect to the revocation of an election under clause (i)—

''(I) the statutory period for the assessment of any deficiency attributable to such revocation shall not expire before the end of the 3-year period beginning on the date of the election to have this subsection apply, and

''(II) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.

''(C) EXCEPTION FOR ELIGIBLE SMALL BUSINESSES.—Subparagraphs (A) and (B) shall not apply to an eligible small business as defined in section 172(b)(1)(H)(v)(II).

''(8) REGULATIONS.—The Secretary may issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this subsection, including to prevent fraud and abuse under this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A) is amended by inserting ''53(g),'' after ''53(e),''.

(2) Section 1324(b)(2) of title 31, United States Code, is amended by inserting ''53(g),'' after ''53(e),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 682. REDUCTION IN CORPORATE RATE FOR QUALIFIED TIMBER GAIN.

(a) IN GENERAL.—Paragraph (1) of section 1201(b) is amended by striking '''ending''' and all that follows through '''such date'''.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 1201(b) is amended to read as follows:

''(3) APPLICATION OF SUBSECTION.—The qualified timber gain for any taxable year shall not exceed the qualified timber gain which would be determined by not taking into account any portion of such taxable year after December 31, 2011.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after May 22, 2009.

SEC. 683. STUDY OF EXTENDED TAX EXPENDITURES.

(a) FINDINGS.—Congress finds the following:

(1) Currently, the aggregate cost of Federal tax expenditures rivals, or even exceeds, the amount of total Federal discretionary spending.

(2) Given the escalating public debt, a critical examination of this use of taxpayer dollars is essential.

(3) Additionally, tax expenditures can complicate the Internal Revenue Code of 1986 for taxpayers and complicate tax administration for the Internal Revenue Service.

(4) To facilitate a better understanding of tax expenditures in the future, it is constructive for legislation extending these provisions to include a study of such provisions.

(b) REQUIREMENT TO REPORT.—Not later than December 15, 2011, the Chief of Staff of the Joint Committee on Taxation, in consultation with the Comptroller General of the United States, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on each tax expenditure (as defined in section 3(3) of the Congressional Budget Impoundment Control Act of 1974 (2 U.S.C. 622(3)) extended by this title.

(c) ROLLING SUBMISSION OF REPORTS.—The Chief of Staff of the Joint Committee on Taxation shall initially submit the reports for each such tax expenditure enacted in this subtitle (relating to business tax relief) and subtitle A (relating to energy) in order of the tax expenditure incurring the least aggregate cost to the greatest aggregate cost (determined by reference to the cost estimate of this Act by the Joint Committee on Taxation). Thereafter, such reports may be submitted in such order as the Chief of Staff determines appropriate.

(d) CONTENTS OF REPORT.—Such reports shall contain the following:

(1) An explanation of the tax expenditure and any relevant economic, social, or other context under which it was first enacted.

(2) A description of the intended purpose of the tax expenditure.

(3) An analysis of the overall success of the tax expenditure in achieving such purpose, and evidence supporting such analysis.

(4) An analysis of the extent to which further extending the tax expenditure, or making it permanent, would contribute to achieving such purpose.

(5) A description of the direct and indirect beneficiaries of the tax expenditure, including identifying any unintended beneficiaries.

(6) An analysis of whether the tax expenditure is the most cost-effective method for achieving the purpose for which it was intended, and a description of any more cost-effective methods through which such purpose could be accomplished.

(7) A description of any unintended effects of the tax expenditure that are useful in understanding the tax expenditure's overall value.

(8) An analysis of how the tax expenditure could be modified to better achieve its original purpose.

(9) A brief description of any interactions (actual or potential) with other tax expenditures or direct spending programs in the same or related budget function worthy of further study.

(10) A description of any unavailable information the staff of the Joint Committee on Taxation may need to complete a more thorough examination and analysis of the tax expenditure, and what must be done to make such information available.

(e) MINIMUM ANALYSIS BY DEADLINE.—In the event the Chief of Staff of the Joint Committee on Taxation concludes it will not be feasible to complete all reports by the date specified in subsection (a), at a minimum, the reports for each tax expenditure enacted in this subtitle (relating to business tax relief) and subtitle A (relating to energy) shall be completed by such date.

Subtitle E—Temporary Disaster Relief Provisions

PART I—NATIONAL DISASTER RELIEF

SEC. 691. WAIVER OF CERTAIN MORTGAGE REVENUE BOND REQUIREMENTS.

(a) IN GENERAL.—Paragraph (11) of section 143(k) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) SPECIAL RULE FOR RESIDENCES DESTROYED IN FEDERALLY DECLARED DISASTERS.—Paragraph (13) of section 143(k), as redesignated by subsection (c), is amended by striking ''January 1, 2010'' in subparagraphs (A)(i) and (B)(i) and inserting ''January 1, 2012''.

(c) TECHNICAL AMENDMENT.—Subsection (k) of section 143 is amended by redesignating the second paragraph (12) (relating to special rules for residences destroyed in federally declared disasters) as paragraph (13).

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendment made by this section shall apply to bonds issued after December 31, 2009.

(2) RESIDENCES DESTROYED IN FEDERALLY DECLARED DISASTERS.—The amendments made by subsection (b) shall apply with respect to disasters occurring after December 31, 2009.

(3) TECHNICAL AMENDMENT.—The amendment made by subsection (c) shall take effect as if included in section 709 of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008.

SEC. 692. LOSSES ATTRIBUTABLE TO FEDERALLY DECLARED DISASTERS.

(a) IN GENERAL.—Subclause (I) of section 165(h)(3)(B)(i) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) $500 LIMITATION.—Paragraph (1) of section 165(h) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2011''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to federally declared disasters occurring after December 31, 2009.

(2) $500 LIMITATION.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2009.

SEC. 693. SPECIAL DEPRECIATION ALLOWANCE FOR QUALIFIED DISASTER PROPERTY.

(a) IN GENERAL.—Subclause (I) of section 168(n)(2)(A)(ii) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disasters occurring after December 31, 2009.

SEC. 694. NET OPERATING LOSSES ATTRIBUTABLE TO FEDERALLY DECLARED DISASTERS.

(a) IN GENERAL.—Subclause (I) of section 172(j)(1)(A)(i) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to losses attributable to disasters occurring after December 31, 2009.

SEC. 695. EXPENSING OF QUALIFIED DISASTER EXPENSES.

(a) IN GENERAL.—Subparagraph (A) of section 198A(b)(2) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures on account of disasters occurring after December 31, 2009.

PART II—REGIONAL PROVISIONS

Subpart A—New York Liberty Zone

SEC. 696. SPECIAL DEPRECIATION ALLOWANCE FOR NONRESIDENTIAL AND RESIDENTIAL REAL PROPERTY.

(a) IN GENERAL.—Subparagraph (A) of section 1400L(b)(2) is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2009.

SEC. 697. TAX-EXEMPT BOND FINANCING.

(a) IN GENERAL.—Subparagraph (D) of section 1400L(d)(2) is amended by striking ''January 1, 2010'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2009.

Subpart B—GO Zone

SEC. 698. INCREASE IN REHABILITATION CREDIT.

(a) IN GENERAL.—Subsection (h) of section 1400N is amended by striking ''December 31, 2009'' and inserting ''December 31, 2010''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2009.

SEC. 699. WORK OPPORTUNITY TAX CREDIT WITH RESPECT TO CERTAIN INDIVIDUALS AFFECTED BY HURRICANE KATRINA FOR EMPLOYERS INSIDE DISASTER AREAS.

(a) IN GENERAL.—Paragraph (1) of section 201(b) of the Katrina Emergency Tax Relief Act of 2005 is amended by striking ''4-year'' and inserting ''5-year''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals hired after August 27, 2009.

SEC. 700. EXTENSION OF LOW-INCOME HOUSING CREDIT RULES FOR BUILDINGS IN GO ZONES.

Section 1400N(c)(5) is amended by striking ''January 1, 2011'' and inserting ''January 1, 2013''.

TITLE VII—TECHNICAL CORRECTIONS TO PENSION FUNDING LEGISLATION

SEC. 701. DEFINITION OF ELIGIBLE PLAN YEAR.

(a) AMENDMENT TO ERISA.—Clause (v) of section 303(c)(2)(D) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(c)(2)(D)), as added by section 201(a)(1) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended—

(1) by striking ''on or after the date of the enactment of this subparagraph'' and inserting ''on or after June 25, 2010 (March 10, 2010, in the case of an eligible plan)'', and

(2) by adding at the end the following new sentence: ''For purposes of the preceding sentence, a plan shall be treated as an eligible plan only if, as of the date of the election with respect to the plan under clause (i)—

''(A) the plan sponsor is not a debtor in a case under title 11, United States Code, or similar Federal or State law,

''(B) there are no unpaid minimum required contributions with respect to the plan for purposes of section 4971 of the Internal Revenue Code of 1986 (imposing an excise tax when minimum required contributions are not paid by the due date for the plan year),

''(C) there are no outstanding liens in favor of the plan under subsection (k), and

''(D) the plan sponsor has not initiated a distress termination of the plan under section 4041.''.

(b) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Clause (v) of section 430(c)(2)(D) of the Internal Revenue Code of 1986, as added by section 201(b)(1) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended—

(1) by striking ''on or after the date of the enactment of this subparagraph'' and inserting ''on or after June 25, 2010 (March 10, 2010, in the case of an eligible plan)'', and

(2) by adding at the end the following new sentence: ''For purposes of the preceding sentence, a plan shall be treated as an eligible plan only if, as of the date of the election with respect to the plan under clause (i)—

''(A) the plan sponsor is not a debtor in a case under title 11, United States Code, or similar Federal or State law,

''(B) there are no unpaid minimum required contributions with respect to the plan for purposes of section 4971 (imposing an excise tax when minimum required contributions are not paid by the due date for the plan year),

''(C) there are no outstanding liens in favor of the plan under subsection (k), and

''(D) the plan sponsor has not initiated a distress termination of the plan under section 4041 of the Employee Retirement Income Security Act of 1974.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by the provisions of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 to which the amendments relate.

SEC. 702. ELIGIBLE CHARITY PLANS.

(a) DEFINITION OF ELIGIBLE CHARITY PLANS.—

(1) IN GENERAL.—Section 104(d) of the Pension Protection Act of 2006, as added by section 202(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended to read as follows:

''(d) ELIGIBLE CHARITY PLAN DEFINED.—For purposes of this section, a plan shall be treated as an eligible charity plan for a plan year if—

''(1) the plan is maintained by one or more employers employing employees who are accruing benefits based on service for the plan year,

''(2) such employees are employed in at least 20 States,

''(3) more than 98 percent of such employees are employed by an employer described in section 501(c)(3) of such Code and the primary exempt purpose of each such employer is to provide services with respect to children, and

''(4) the plan sponsor elects (at such time and in such form and manner as shall be prescribed by the Secretary of the Treasury) to be so treated.

Any election under this subsection may be revoked only with the consent of the Secretary of the Treasury.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the amendment made by the provision of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 to which the amendment relates (determined after application of the amendment made by subsection (c)), except that a plan sponsor may elect to apply such amendment to plan years beginning on or after January 1, 2011.

(b) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations as may be necessary to carry out the purposes of the amendments made by section 202(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 and the amendment made by subsection (a).

(c) APPLICATION OF NEW RULES TO ELIGIBLE CHARITY PLANS.—

(1) IN GENERAL.—Paragraph (2) of section 202(c) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 is amended to read as follows:

''(2) ELIGIBLE CHARITY PLANS.—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2010, except that a plan sponsor may elect to apply such amendments to plan years beginning after an earlier date.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the amendment made by the provision of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 to which the amendment relates.

SEC. 703. SUSPENSION OF CERTAIN FUNDING LEVEL LIMITATIONS.

(a) LIMITATIONS ON BENEFIT ACCRUALS.—Section 203 of the Worker, Retiree, and Employer Recovery Act of 2008 (Public Law 110–458; 122 Stat. 5118) is amended—

(1) by striking ''the first plan year beginning during the period beginning on October 1, 2008, and ending on September 30, 2009'' and inserting ''any plan year beginning during the period beginning on October 1, 2008, and ending on December 31, 2011'';

(2) by striking ''substituting'' and all that follows through ''for such plan year'' and inserting ''substituting for such percentage the plan's adjusted funding target attainment percentage for the last plan year ending before September 30, 2009,''; and

(3) by striking ''for the preceding plan year is greater'' and inserting ''for such last plan year is greater''.

(b) SOCIAL SECURITY LEVEL-INCOME OPTIONS.—

(1) ERISA AMENDMENT.—Section 206(g)(3)(E) of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new sentence:

''For purposes of applying clause (i) in the case of payments the annuity starting date for which occurs on or before December 31, 2011, payments under a social security leveling option shall be treated as not in excess of the monthly amount paid under a single life annuity (plus an amount not in excess of a social security supplement described in the last sentence of section 204(b)(1)(G)).''.

(2) IRC AMENDMENT.—Section 436(d)(5) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: ''For purposes of applying subparagraph (A) in the case of payments the annuity starting date for which occurs on or before December 31, 2011, payments under a social security leveling option shall be treated as not in excess of the monthly amount paid under a single life annuity (plus an amount not in excess of a social security supplement described in the last sentence of section 411(a)(9)).''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this subsection shall apply to annuity payments the annuity starting date for which occurs on or after January 1, 2011.

(B) PERMITTED APPLICATION.—A plan shall not be treated as failing to meet the requirements of sections 206(g) of the Employee Retirement Income Security Act of 1974 (as amended by this subsection) and section 436(d) of the Internal Revenue Code of 1986 (as so amended) if the plan sponsor elects to apply the amendments made by this subsection to payments the annuity starting date for which occurs before January 1, 2011.

(c) REPEAL OF RELATED PROVISIONS.—The provisions of, and the amendments made by, section 203 of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 are repealed and the Employee Retirement Income Security Act of 1974, the Internal Revenue Code of 1986, and the Worker, Retiree, and Employer Recovery Act of 2008 (Public Law 110–458; 122 Stat. 5118) shall be applied as if such section had never been enacted.

SEC. 704. OPTIONAL USE OF 30-YEAR AMORTIZATION PERIODS.

(a) AMENDMENT TO ERISA.—Paragraph (8) of section 304(b) of the Employee Retirement Income Security Act of 1974, as amended by the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended by striking ''after August 31, 2008'' each place it appears in subparagraphs (A)(i), (B)(i)(I), and (B)(i)(II), and inserting ''on or after June 30, 2008''.

(b) AMENDMENT TO INTERNAL REVENUE CODE OF 1986 .—Paragraph (8) of section 431(b) of the Internal Revenue Code of 1986, as amended by the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, is amended by striking ''after August 31, 2008'' each place it appears in subparagraphs (A)(i) and (B)(i)(I) and inserting ''on or after June 30, 2008''.

(c) EFFECTIVE DATE AND SPECIAL RULES.—The amendments made by this section shall take effect as of the first day of the first plan year beginning on or after June 30, 2008, except that any election a plan sponsor makes pursuant to this section or the amendments made thereby that affects the plan's funding standard account for any plan year beginning before October 1, 2009, shall be disregarded for purposes of applying the provisions of section 305 of the Employee Retirement Income Security Act of 1974 and section 432 of the Internal Revenue Code of 1986 to that plan year.

TITLE VIII—TEMPORARY EXTENSION OF CERTAIN PROVISIONS ENDING IN 2010 OR 2011

Subtitle A—Unemployment Benefits

SEC. 801. EXTENSION OF UNEMPLOYMENT INSURANCE PROVISIONS.

(a) IN GENERAL.—(1) Section 4007 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(A) by striking ''November 30, 2010'' each place it appears and inserting ''January 3, 2012'';

(B) in the heading for subsection (b)(2), by striking ''NOVEMBER 30, 2010'' and inserting ''JANUARY 3, 2012''; and

(C) in subsection (b)(3), by striking ''April 30, 2011'' and inserting ''June 9, 2012''.

(2) Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 444), is amended—

(A) by striking ''December 1, 2010'' each place it appears and inserting ''January 4, 2012''; and

(B) in subsection (c), by striking ''May 1, 2011'' and inserting ''June 11, 2012''.

(3) Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking ''April 30, 2011'' and inserting ''June 10, 2012''.

(b) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (E), by striking ''and'' at the end; and

(2) by inserting after subparagraph (F) the following:

''(G) the amendments made by section 2(a)(1) of the ; and''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Unemployment Compensation Extension Act of 2010 (Public Law 111–205).

SEC. 802. TEMPORARY MODIFICATION OF INDICATORS UNDER THE EXTENDED BENEFIT PROGRAM.

(a) INDICATOR.—Section 203(d) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended, in the flush matter following paragraph (2), by inserting after the first sentence the following sentence: ''Effective with respect to compensation for weeks of unemployment beginning after the date of enactment of the (or, if later, the date established pursuant to State law), and ending on or before December 31, 2011, the State may by law provide that the determination of whether there has been a state 'on' or 'off' indicator beginning or ending any extended benefit period shall be made under this subsection as if the word 'two' were 'three' in subparagraph (1)(A).''.

(b) ALTERNATIVE TRIGGER.—Section 203(f) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph:

''(2) Effective with respect to compensation for weeks of unemployment beginning after the date of enactment of the (or, if later, the date established pursuant to State law), and ending on or before December 31, 2011, the State may by law provide that the determination of whether there has been a state 'on' or 'off' indicator beginning or ending any extended benefit period shall be made under this subsection as if the word 'either' were 'any', the word ''both'' were 'all', and the figure '2' were '3' in clause (1)(A)(ii).''.

Subtitle B—Small Business

SEC. 811. TEMPORARY EXCLUSION OF 100 PERCENT OF GAIN ON CERTAIN SMALL BUSINESS STOCK.

(a) IN GENERAL.—Paragraph (4) of section 1202(a) is amended—

(1) by striking ''January 1, 2011'' and inserting ''January 1, 2012'', and

(2) by inserting ''AND 2011'' after ''2010'' in the heading thereof.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to stock acquired after December 31, 2010.

SEC. 812. GENERAL BUSINESS CREDITS OF ELIGIBLE SMALL BUSINESSES CARRIED BACK 5 YEARS.

(a) IN GENERAL.—Subparagraph (A) of section 39(a)(4) is amended by inserting ''or 2011'' after ''2010''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to credits determined in taxable years beginning after December 31, 2010.

SEC. 813. GENERAL BUSINESS CREDITS OF ELIGIBLE SMALL BUSINESSES NOT SUBJECT TO ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Paragraph (5) of section 38(c) is amended—

(1) by inserting ''or 2011'' after ''2010'' in subparagraph (A), and

(2) by inserting ''OR 2011'' after ''2010'' in the heading thereof.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to credits determined in taxable years beginning after December 31, 2010, and to carrybacks of such credits.

SEC. 814. EXTENSION OF INCREASE IN AMOUNT ALLOWED AS DEDUCTION FOR START-UP EXPENDITURES.

(a) START-UP EXPENDITURES.—Paragraph (3) of section 195(b) is amended—

(1) by inserting ''or 2011'' after ''2010'', and

(2) by inserting ''OR 2011'' after ''2010'' in the heading thereof.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2010.

SEC. 815. EXTENSION OF DEDUCTION FOR HEALTH INSURANCE COSTS IN COMPUTING SELF-EMPLOYMENT TAXES.

(a) IN GENERAL.—Paragraph (4) of section 162(l) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2010.

Subtitle C—Energy

SEC. 821. ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.

(a) EXTENSION OF CREDIT.—Paragraph (2) of section 30C(g) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011.''.

(b) CLARIFICATION OF DEFINITION OF ELECTRIC REFUELING PROPERTY.—Subparagraph (B) of section 179A(d)(3) is amended to read as follows:

''(B) exclusively used for the recharging of motor vehicles propelled by electricity (other than property used for the generation of electricity).''.

(c) EFFECTIVE DATES.—

(1) EXTENSION.—The amendment made by subsection (a) shall apply to property placed in service after December 31, 2010.

(2) CLARIFICATION.—The amendment made by subsection (b) shall apply to property placed in service after the date of the enactment of this Act.

SEC. 822. ELECTIVE PAYMENT FOR SPECIFIED ENERGY PROPERTY.

(a) IN GENERAL.—Chapter 65 is amended by adding at the end the following new subchapter:

"Subchapter C—Direct Payment Provisions

"Sec. 6451. Elective payment for specified energy property.

"SEC. 6451. ELECTIVE PAYMENT FOR SPECIFIED ENERGY PROPERTY.

"(a) ELECTIVE PAYMENT.—

"(1) IN GENERAL.—Any eligible person electing the application of this section with respect to any specified energy property originally placed in service by such person during the taxable year shall be treated as making a payment against the tax imposed by subtitle A for the taxable year equal to the applicable percentage of the basis of such property. Such payment shall be treated as made on the later of the due date of the return of such tax or the date on which such return is filed.

"(2) ELIGIBILITY.—A person shall not be eligible to elect the application of this section unless such person has been certified as eligible by the Secretary, under such rules as the Secretary, in consultation with the Secretary of Energy, may prescribe.

"(b) APPLICABLE PERCENTAGE.—For purposes of this section, the term 'applicable percentage' means—

"(1) 30 percent in the case of any property described in paragraph (2)(A)(i) or (5) of section 48(a), and

"(2) 10 percent in the case of any other property.

"(c) DOLLAR LIMITATIONS.—In the case of property described in paragraph (1), (2), or (3) of section 48(c), the payment otherwise treated as made under subsection (a) with respect to such property shall not exceed the limitation applicable to such property under such paragraph.

"(d) SPECIFIED ENERGY PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'specified energy property' means energy property (within the meaning of section 48) which—

"(A) is originally placed in service before January 1, 2012, or

"(B) is originally placed in service on or after such date and before the credit termination date with respect to such property, but only if the construction of such property began before January 1, 2012.

"(2) CREDIT TERMINATION DATE.—The term 'credit termination date' means—

"(A) in the case of any energy property which is part of a facility described in paragraph (1) of section 45(d), January 1, 2013,

"(B) in the case of any energy property which is part of a facility described in paragraph (2), (3), (4), (6), (7), (9), or (11) of section 45(d), January 1, 2014, and

"(C) in the case of any energy property described in section 48(a)(3), January 1, 2017.

In the case of any property which is described in subparagraph (C) and also in another subparagraph of this paragraph, subparagraph (C) shall apply with respect to such property.

"(e) COORDINATION WITH PRODUCTION AND INVESTMENT CREDITS.—In the case of any property with respect to which an election is made under this section—

"(1) DENIAL OF PRODUCTION AND INVESTMENT CREDITS.—No credit shall be determined under section 45 or 48 with respect to such property for the taxable year in which such property is originally placed in service or any subsequent taxable year.

"(2) REDUCTION OF PAYMENT BY PROGRESS EXPENDITURES ALREADY TAKEN INTO ACCOUNT.—The amount of the payment treated as made under subsection (a) with respect to such property shall be reduced by the aggregate amount of credits determined under section 48 with respect to such property for all taxable years preceding the taxable year in which such property is originally placed in service.

"(f) SPECIAL RULES FOR CERTAIN NON-TAXPAYERS.—

"(1) DENIAL OF PAYMENT.—Subsection (a) shall not apply with respect to any property originally placed in service by—

"(A) any governmental entity other than a governmental unit which is a State utility with a service obligation (as such terms are defined in section 217 of the Federal Power Act), or

"(B) any organization described in section 501(c) (other than a mutual or cooperative electric company described in section 501(c)(12)) or 401(a) and exempt from tax under section 501(a).

"(2) EXCEPTION FOR PROPERTY USED IN UNRELATED TRADE OR BUSINESS.—Paragraph (1) shall not apply with respect to any property originally placed in service by an entity described in section 511(a)(2) if substantially all of the income derived from such property by such entity is unrelated business taxable income (as defined in section 512).

"(3) SPECIAL RULES FOR PARTNERSHIPS AND S CORPORATIONS.—In the case of property originally placed in service by a partnership or an S corporation—

"(A) the election under subsection (a) may be made only by such partnership or S corporation,

"(B) such partnership or S corporation shall be treated as making the payment referred to in subsection (a) only to the extent of the proportionate share of such partnership or S corporation as is owned by persons who would be treated as making such payment if the property were originally placed in service by such persons, and

"(C) the return required to be made by such partnership or S corporation under section 6031 or 6037 (as the case may be) shall be treated as a return of tax for purposes of subsection (a).

For purposes of subparagraph (B), rules similar to the rules of section 168(h)(6) (other than subparagraph (F) thereof) shall apply. For purposes of applying such rules, the term 'tax-exempt entity' shall not include any entity which is a governmental unit which is a State utility with a service obligation (as such terms are defined in section 217 of the Federal Power Act) or which is a mutual or cooperative electric company described in section 501(c)(12).

"(g) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) OTHER DEFINITIONS.—Terms used in this section which are also used in section 45 or 48 shall have the same meanings for purposes of this section as when used in such sections.

"(2) APPLICATION OF RECAPTURE RULES, ETC.—Except as otherwise provided by the Secretary, rules similar to the rules of section 50 (other than paragraphs (1) and (2) of subsection (d) thereof), and section 1603 of the American Recovery and Reinvestment Act of 2009, shall apply.

"(3) EXCLUSION FROM GROSS INCOME.—Any credit or refund allowed or made by reason of this section shall not be includible in gross income or alternative minimum taxable income.

"(4) EXCEPTION FOR CERTAIN PROJECTS.—Subsection (a) shall not apply to any governmental unit or cooperative electric company (as defined in section 54(j)(1)) with respect to any specified energy property which is described in section 48(a)(5)(D) if such entity has issued any bond—

"(A) which is designated as a clean renewable energy bond under section 54 of the Internal Revenue Code of 1986 or as a new clean renewable energy bond under section 54C of such Code, and

"(B) the proceeds of which are used for expenditures in connection with the same qualified facility with respect to which such specified energy property is a part.

"(5) COORDINATION WITH GRANT PROGRAM.—If a grant under section 1603 of the American Recovery and Reinvestment Tax Act of 2009 is made with respect to any specified energy property—

"(A) no election may be made under subsection (a) with respect to such property on or after the date of such grant, and

"(B) if such grant is made after such election, such property shall be treated as having ceased to be specified energy property immediately after such property was originally placed in service.".

(b) TREATMENT OF GRANTS FOR COOPERATIVE ELECTRIC COMPANIES.—Section 501(c)(12) is amended by adding at the end the following new subparagraph:

"(I) In the case of a mutual or cooperative electric company described in this paragraph or an organization described in section 1381(a)(2)(C), subparagraph (A) shall be applied without taking into account any payment made by reason of section 6452.".

(c) CONFORMING AMENDMENTS RELATED TO DIRECT PAYMENT.—

(1) Subparagraph (A) of section 6211(b)(4)(A) is amended by inserting "and subchapter C of chapter 65 (including any payment treated as made under such subchapter)" after "6431".

(2) Subparagraph (B) of section 6425(c)(1) is amended—

(A) by striking "the credits" and inserting "the sum of—

"(i) the credits",

(B) by striking the period at the end of clause (i) thereof (as amended by this paragraph) and inserting ", plus", and

(C) by adding at the end the following new clause:

"(ii) the payments treated as made under subchapter C of chapter 65.".

(3) Paragraph (3) of section 6654(f) is amended—

(A) by striking "the credits" and inserting "the sum of—

"(A) the credits",

(B) by striking the period at the end of subparagraph (A) thereof (as amended by this paragraph) and inserting ", and", and

(C) by adding at the end the following new subparagraph:

"(B) the payments treated as made under subchapter C of chapter 65.".

(4) Subparagraph (B) of section 6655(g)(1) is amended—

(A) by striking "the credits" and inserting "the sum of—

"(i) the credits",

(B) by striking the period at the end of clause (i) thereof (as amended by this paragraph) and inserting ", plus", and

(C) by adding at the end the following new clause:

"(ii) the payments treated as made under subchapter C of chapter 65.".

(5) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting ", or from the provisions of subchapter C of chapter 65 of such Code" before the period at the end.

(6) The table of subchapters for chapter 65 is amended by adding at the end the following new item:

"SUBCHAPTER C. DIRECT PAYMENT PROVISIONS.".

(d) CLARIFICATION OF APPLICATION OF GRANTS FOR SPECIFIED ENERGY PROPERTY TO CERTAIN REGULATED COMPANIES.—The first sentence of section 1603(f) of the American Recovery and Reinvestment Tax Act of 2009 is amended by inserting "(other than subsection (d)(2) thereof)" after "section 50 of the Internal Revenue Code of 1986".

(e) TECHNICAL AMENDMENTS.—

(1) Paragraphs (1) and (2) of section 1603(a) of the American Recovery and Reinvestment Tax Act of 2009 are each amended by striking ''is placed in service'' and inserting ''is originally placed in service by such person''.

(2) Paragraph (1) of section 1603(d) of such Act is amended—

(A) by striking ''(within the meaning of section 45 of such Code)'', and

(B) by inserting before the period at the end the following: ''which would (but for section 48(d)(1) of such Code) be eligible for credit under section 45 of such Code (determined without regard to subsection (a)(2)(B) thereof)''.

(3) Subsection (f) of section 1603 of such Act, as amended by subsection (d), is amended—

(A) by striking the second sentence and inserting the following: ''In applying such rules, any increase in tax under chapter 1 of such Code by reason of the property being disposed of (or otherwise ceasing to be specified energy property) shall be imposed on the person to whom the grant was made.'',

(B) by striking ''In making grants under'' and inserting the following:

''(1) IN GENERAL.—In making grants under'', and

(C) by adding at the end following new paragraph:

''(2) SPECIAL RULES.—

''(A) RECAPTURE OF EXCESSIVE GRANT AMOUNTS.—If the amount of a grant made under this section exceeds the amount allowable as a grant under this section, such excess shall be recaptured under paragraph (1) as if the property to which such grant relates were disposed of immediately after such grant was made.

''(B) GRANT INFORMATION NOT TREATED AS RETURN INFORMATION.—For purposes of section 6103 of the Internal Revenue Code of 1986, in no event shall any of the following be treated as return information:

''(i) The amount of a grant made under subsection (a).

''(ii) The identity of the person to whom the grant was made.

''(iii) A description of the property with respect to which the grant was made.

''(iv) The fact and amount of any recapture.

''(v) The content of any report required by the Secretary of the Treasury to be filed in connection with the grant.''.

(4) Subsection (g) of section 1603 of such Act is amended—

(A) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively,

(B) by moving such subparagraphs (as so redesignated) 2 ems to the right,

(C) by striking ''paragraph (1), (2), or (3)'' in subparagraph (D) (as so redesignated) and inserting ''subparagraphs (A), (B), or (C)'',

(D) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary'', and

(E) by adding at the end the following new paragraph:

''(2) EXCEPTION WHERE PROPERTY USED IN UNRELATED TRADE OR BUSINESS.—

''(A) IN GENERAL.—Paragraph (1) shall not apply to any person or entity described therein to the extent the grant is with respect to unrelated trade or business property.

''(B) UNRELATED TRADE OR BUSINESS PROPERTY.—For purposes of this paragraph, the term 'unrelated trade or business property' means any property with respect to which substantially all of the income derived therefrom by an organization described in section 511(a)(2) of the Internal Revenue Code of 1986 is subject to tax under section 511 of such Code.

''(C) INFORMATION WITH RESPECT TO PASS-THRUS.—In the case of a partnership or other pass-thru entity, partners or other holders of an equity or profits interest must provide to such partnership or entity such information as the Secretary may require to carry out the purposes of this subsection.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to property originally placed in service after the date of the enactment of this Act.

(2) CLARIFICATION AND TECHNICAL AMENDMENTS.—The amendments made by subsections (d) and (e) shall take effect as if included in section 1603 of the American Recovery and Reinvestment Tax Act of 2009.

SEC. 823. QUALIFYING ADVANCED ENERGY PROJECT CREDIT.

(a) IN GENERAL.—Section 48C(d)(1)(B) is amended by striking ''$2,300,000,000'' and inserting ''$4,800,000,000''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to allocations for applications submitted after December 31, 2010.

SEC. 824. NEW CLEAN RENEWABLE ENERGY BONDS.

(a) IN GENERAL.—Subsection (c) of section 54C is amended by adding at the end the following new paragraph:

''(5) SECOND ADDITIONAL LIMITATION.—Subject to paragraph (4), the national new clean renewable energy bond limitation shall be increased by $1,600,000,000. Such increase shall be allocated by the Secretary consistent with the rules of paragraphs (2) and (3).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to allocations after December 31, 2010.

SEC. 825. ALTERNATIVE MOTOR VEHICLE CREDIT FOR NEW QUALIFIED ALTERNATIVE FUEL VEHICLES.

(a) IN GENERAL.—Paragraph (4) of section 30B(k) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property purchased after December 31, 2010.

SEC. 826. EXTENSION OF PROVISIONS RELATED TO ALCOHOL USED AS FUEL.

(a) EXTENSION OF INCOME TAX CREDIT FOR ALCOHOL USED AS FUEL.—

(1) IN GENERAL.—Paragraph (1) of section 40(e) is amended—

(A) by striking ''December 31, 2010'' in subparagraph (A) and inserting ''December 31, 2011'', and

(B) by striking ''January 1, 2011'' in subparagraph (B) and inserting ''January 1, 2012''.

(2) REDUCED AMOUNT FOR ETHANOL BLENDERS.—Subsection (h) of section 40 is amended—

(A) by striking ''2010'' in paragraph (1) and inserting ''2011'', and

(B) by striking the period at the end of the table contained in paragraph (2) and adding the following new item:

''2011	36 cents	26.66 cents.''.

(3) REDUCED RATE FOR SMALL ETHANOL PRODUCERS.—Section 40(b)(4)(A) is amended by striking ''10 cents'' and inserting ''8 cents''.

(4) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to periods after December 31, 2010.

(B) RATE FOR SMALL ETHANOL PRODUCERS.—The amendment made by paragraph (3) shall apply to the sale or use of alcohol after December 31, 2010.

(b) EXTENSION OF EXCISE TAX CREDIT FOR ALCOHOL USED AS FUEL.—

(1) IN GENERAL.—Paragraph (6) of section 6426(b) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(2) REDUCED APPLICABLE AMOUNT FOR ETHANOL.—Subparagraph (A) of section 6426(b)(2) is amended—

(A) by striking ''and'' at the end of clause (i),

(B) in clause (ii)—

(i) by inserting ''and before 2011'' after ''after 2008'', and

(ii) by striking the period and inserting '', and'', and

(C) by adding at the end the following new clause:

''(iii) in the case of calendar years beginning after 2010, 36 cents.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods after December 31, 2010.

(c) EXTENSION OF PAYMENT FOR ALCOHOL FUEL MIXTURE.—

(1) IN GENERAL.—Subparagraph (A) of section 6427(e)(6) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to sales and uses after December 31, 2010.

(d) EXTENSION OF ADDITIONAL DUTIES ON ETHANOL.—

(1) IN GENERAL.—Headings 9901.00.50 and 9901.00.52 of the Harmonized Tariff Schedule of the United States are each amended in the effective period column by striking ''1/1/2011'' and inserting ''1/1/2012''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 2011.

SEC. 827. ENERGY EFFICIENT APPLIANCE CREDIT.

(a) DISHWASHERS.—Paragraph (1) of section 45M(b) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting a comma, and by adding at the end the following new subparagraphs:

''(C) $25 in the case of a dishwasher which is manufactured in calendar year 2011 and which uses no more than 307 kilowatt hours per year and 5.0 gallons per cycle (5.5 gallons per cycle for dishwashers designed for greater than 12 place settings),

''(D) $50 in the case of a dishwasher which is manufactured in calendar year 2011 and which uses no more than 295 kilowatt hours per year and 4.25 gallons per cycle (4.75 gallons per cycle for dishwashers designed for greater than 12 place settings), and

''(E) $75 in the case of a dishwasher which is manufactured in calendar year 2011 and which uses no more than 280 kilowatt hours per year and 4 gallons per cycle (4.5 gallons per cycle for dishwashers designed for greater than 12 place settings).''.

(b) CLOTHES WASHERS.—Paragraph (2) of section 45M(b) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting a comma, and by adding at the end the following new subparagraphs:

''(E) $175 in the case of a top-loading clothes washer manufactured in calendar year 2011 which meets or exceeds a 2.2 modified energy factor and does not exceed a 4.5 water consumption factor, and

''(F) $225 in the case of a clothes washer manufactured in calendar year 2011—

''(i) which is a top-loading clothes washer and which meets or exceeds a 2.4 modified energy factor and does not exceed a 4.2 water consumption factor, or

''(ii) which is a front-loading clothes washer and which meets or exceeds a 2.8 modified energy factor and does not exceed a 3.5 water consumption factor.''.

(c) REFRIGERATORS.—Paragraph (3) of section 45M(b) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting a comma, and by adding at the end the following new subparagraphs:

''(E) $150 in the case of a refrigerator manufactured in calendar year 2011 which consumes at least 30 percent less energy than the 2001 energy conservation standards, and

''(F) $200 in the case of a refrigerator manufactured in calendar year 2011 which consumes at least 35 percent less energy than the 2001 energy conservation standards.''.

(d) REBASING OF LIMITATIONS.—

(1) IN GENERAL.—Paragraph (1) of section 45M(e) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2010''.

(2) EXCEPTION FOR CERTAIN REFRIGERATORS AND CLOTHES WASHERS.—Paragraph (2) of section 45M(e) is amended—

(A) by striking ''subsection (b)(3)(D)'' and inserting ''subsection (b)(3)(F)'', and

(B) by striking ''subsection (b)(2)(D)'' and inserting ''subsection (b)(2)(F)''.

(3) GROSS RECEIPTS LIMITATION.—Paragraph (3) of section 45M(e) is amended by striking ''2 percent'' and inserting ''4 percent''.

(e) DIRECT PAYMENT OF ENERGY EFFICIENT APPLIANCES TAX CREDIT.—In the case of any taxable year which includes the last day of calendar year 2009 or calendar year 2010, a taxpayer who elects to waive the credit which would otherwise be determined with respect to the taxpayer under section 45M of the Internal Revenue Code of 1986 for such taxable year shall be treated as making a payment against the tax imposed under subtitle A of such Code for such taxable year in an amount equal to 85 percent of the amount of the credit which would otherwise be so determined. Such payment shall be treated as made on the later of the due date of the return of such tax or the date on which such return is filed. Elections under this section may be made separately for 2009 and 2010, but once made shall be irrevocable. No amount shall be includible in gross income or alternative minimum taxable income by reason of this section.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), and (c) shall apply to appliances produced after December 31, 2010.

(2) LIMITATIONS.—The amendments made by subsection (d) shall apply to taxable years beginning after December 31, 2010.

SEC. 828. REDUCED DEPRECIATION PERIOD FOR NATURAL GAS DISTRIBUTION FACILITIES.

(a) IN GENERAL.—Clause (viii) of section 168(e)(3)(E) is amended by striking ''January 1, 2011'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2010.

Subtitle D—Education

SEC. 831. QUALIFIED SCHOOL CONSTRUCTION BONDS.

(a) IN GENERAL.—Subsection (c) of section 54F is amended—

(1) by striking ''and'' at the end of paragraph (2),

(2) by redesignating paragraph (3) as paragraph (4),

(3) by inserting after paragraph (2) the following new paragraph:

''(3) $11,000,000,000 for 2011, and'', and

(4) by striking ''2010'' in paragraph (4) (as redesignated by paragraph (2)) and inserting ''2011''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2010.

Subtitle E—Other Employee and Housing Relief

SEC. 841. MAKING WORK PAY CREDIT.

(a) IN GENERAL.—Section 36A(e) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) TREATMENT OF POSSESSIONS.—Section 1001(b)(1) of the American Recovery and Reinvestment Tax Act of 2009 is amended by striking ''2009 and 2010'' both places it appears and inserting ''2009, 2010, and 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 842. WORK OPPORTUNITY CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 51(c)(4) is amended by striking ''August 31, 2011'' and inserting ''December 31, 2011''.

(b) UNEMPLOYED VETERANS AND DISCONNECTED YOUTH.—Paragraph (14) of section 51(d) is amended—

(1) by striking ''2009 or 2010'' in subparagraph (A) and inserting ''2009, 2010, or 2011'', and

(2) by striking ''2009 OR 2010'' in the heading thereof and inserting ''2009, 2010, OR 2011''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after the date of the enactment of this Act.

(2) UNEMPLOYED VETERANS AND DISCONNECTED YOUTH.—The amendments made by subsection (b) shall apply to individuals who begin work for the employer after December 31, 2010.

SEC. 843. EXCLUSION FROM INCOME FOR BENEFITS PROVIDED TO VOLUNTEER FIREFIGHTERS AND EMERGENCY MEDICAL RESPONDERS.

(a) IN GENERAL.—Subsection (d) of section 139B is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 844. PARITY FOR EXCLUSION FROM INCOME FOR EMPLOYER-PROVIDED MASS TRANSIT AND PARKING BENEFITS.

(a) IN GENERAL.—Paragraph (2) of section 132(f) is amended by striking ''January 1, 2011'' and inserting ''January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to months after December 31, 2010.

SEC. 845. QUALIFIED MORTGAGE BONDS FOR REFINANCING OF SUBPRIME LOANS.

(a) IN GENERAL.—Subparagraph (D) of section 143(k)(12) is amended by striking ''December 31, 2010'' and inserting ''December 31, 2011''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2010.

TITLE IX—OTHER PROVISIONS

SEC. 901. REPEAL OF EXPANSION OF INFORMATION REPORTING REQUIREMENTS.

(a) REPEAL OF PAYMENTS FOR PROPERTY AND OTHER GROSS PROCEEDS.—Subsection (b) of section 9006 of the Patient Protection and Affordable Care Act, and the amendments made thereby, are hereby repealed; and the Internal Revenue Code of 1986 shall be applied as if such subsection, and amendments, had never been enacted.

(b) REPEAL OF APPLICATION TO CORPORATIONS; APPLICATION OF REGULATORY AUTHORITY.—

(1) IN GENERAL.—Section 6041 of the Internal Revenue Code of 1986, as amended by section 9006(a) of the Patient Protection and Affordable Care Act and section 2101 of the Small Business Jobs Act of 2010, is amended by striking subsections (i) and (j) and inserting the following new subsection:

''(i) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be appropriate or necessary to carry out the purposes of this section, including rules to prevent duplicative reporting of transactions.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after December 31, 2010.

SEC. 902. REPEAL OF SUNSET ON TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 671 of such Act (relating to tax treatment and information requirements of Alaska Native Settlement Trusts).

SEC. 903. REPEAL OF SUNSET ON EXPANSION OF AUTHORITY TO POSTPONE CERTAIN TAX-RELATED DEADLINES.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 802 of such Act (relating to expansion of authority to postpone certain tax-related deadlines by reason of Presidentially declared disaster).

SEC. 904. REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.

(a) IN GENERAL.—Subchapter A of chapter 65 is amended by adding at the end the following new section:

''SEC. 6409. REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.

''Notwithstanding any other provision of law, any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance (or the amount or extent of benefits or assistance) under any Federal program or under any State or local program financed in whole or in part with Federal funds.''.

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by adding at the end the following new item:

''Sec. 6409. Refunds disregarded in the administration of Federal programs and federally assisted programs.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after December 31, 2009.

SEC. 905. TREATMENT OF SECURITIES OF A CONTROLLED CORPORATION EXCHANGED FOR ASSETS IN CERTAIN REORGANIZATIONS.

(a) IN GENERAL.—Section 361 (relating to nonrecognition of gain or loss to corporations; treatment of distributions) is amended by adding at the end the following new subsection:

''(d) SPECIAL RULES FOR TRANSACTIONS INVOLVING SECTION 355 DISTRIBUTIONS.—In the case of a reorganization described in section 368(a)(1)(D) with respect to which stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under section 355—

''(1) this section shall be applied by substituting 'stock other than nonqualified preferred stock (as defined in section 351(g)(2))' for 'stock or securities' in subsections (a) and (b)(1), and

''(2) the first sentence of subsection (b)(3) shall apply only to the extent that the sum of the money and the fair market value of the other property transferred to such creditors does not exceed the adjusted bases of such assets transferred (reduced by the

amount of the liabilities assumed (within the meaning of section 357(c))).''.

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 361(b) is amended by striking the last sentence.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to exchanges after December 31, 2010.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any exchange pursuant to a transaction which is—

(A) made pursuant to a written agreement which was binding on December 31, 2010, and at all times thereafter,

(B) described in a ruling request submitted to the Internal Revenue Service on or before December 2, 2010, or

(C) described on or before December 31, 2010, in a public announcement or in a filing with the Securities and Exchange Commission.

TITLE X—BUDGETARY PROVISIONS

SEC. 1001. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled 'Budgetary Effects of PAYGO Legislation' for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SEC. 1002. EMERGENCY DESIGNATIONS.

(a) STATUTORY PAYGO.—The provisions of this Act other than those that qualify for the current policy adjustments under section 7 of the Statutory Pay-As-You-Go Act of 2010 (Public Law 111-139; 2 U.S.C. 933(g)) are designated as an emergency requirement pursuant to section 4(g) of such Act (Public Law 111-139; 2 U.S.C. 933(g)).

(b) HOUSE OF REPRESENTATIVES.—In the House of Representatives, this Act is designated as an emergency for purposes of pay-as-you-go principles.

(c) SENATE.—In the Senate, this Act is designated as an emergency requirement pursuant to section 403(a) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010.

SA 4729. Mr. REID proposed an amendment to the bill H.R. 4853, to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes; as follows:

At the end, add the following:

The Senate Finance Committee is requested to study the impact of any delay in extending tax cuts to middle income Americans with incomes up to $250,000.

SA 4730. Mr. REID proposed an amendment to amendment SA 4729 proposed by Mr. REID to the bill H.R. 4853, to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes; as follows:

At the end, insert the following:

''including specific information on the impact of the delay in extending the tax cuts''

SA 4731. Mr. REID prposed an amendment to amendment SA 4730 proposed by Mr. REID to the amendment SA 4729 proposed by Mr. REID to the bill H.R. 4853, to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the aiport improvement program, and for other purposes; as follows:

At the end, insert the following:

''and include statistics which reflect regional differences''

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on December 2, 2010, at 9 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on December 2, 2010, at 10 a.m., in room 215 of the Dirksen Senate Office Building, to conduct a hearing entitled ''Tax Reform: Historical Trends in Income and revenue.''

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. LEAHY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on December 2, 2010 at 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION OPERATIONS, SAFETY, AND SECURITY

Mr. LEAHY. Mr. President, I ask unanimous consent that the Subcommittee on Aviation Operations, Safety, and Security of the Committee on Commerce, Science, and Transportation be authorized to hold a meeting during the session of the Senate on December 2, 2010, at 2:15 p.m. in room 253 of the Russell Senate Office Building. The Subcommittee will hold a hearing entitled ''International Aviation Screening Standards.''

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSUMER PROTECTION, PRODUCT SAFETY, AND INSURANCE

Mr. LEAHY. Mr. President, I ask unanimous consent that the Subcommittee on Consumer Protection, Product Safety, and Insurance of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on December 2, 2010, at 10 a.m., in room 253 of the Russell Senate Office Building. The Committee will hold a hearing entitled, ''Oversight of the Consumer Product Safety Commission: Product Safety in the Holiday Season.''

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT INFORMATION, FEDERAL SERVICES, AND INTERNATIONAL SECURITY

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs' Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security be authorized to meet during the session of the Senate on December 2, 2010, at 10 a.m. to conduct a hearing entitled, ''Finding Solutions to the Challenges Facing the U.S. Postal Service.''

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent that Erin Bibo, Dillon Kiel, and Susan Dixon of my staff be granted floor privileges for the duration of today's proceedings.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENACTING CERTAIN LAWS RELATING TO PUBLIC CONTRACTS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of H.R. 1107 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1107) to enact certain laws relating to public contracts as title 41, United States Code, ''Public Contracts.''

There being no objection, the Senate proceeded to consider the bill.

Mr. DURBIN. Mr. President, I ask unanimous consent that a Sessions amendment, which is at the desk, be agreed to, the bill, as amended, be read a third time and passed, the motions to reconsider be laid upon the table, with no intervening action or debate, and any statements related to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4726) was agreed to, as follows:

On page 2, in the item related to chapter 35 in the subtitle analysis, strike

''and''

and insert

''or''.

On page 7, strike lines 14 through 20 and insert ''In this subtitle, the term 'supplies' has the same meaning as the terms 'item' and 'item of supply' ''.

On page 9, line 20, strike ''**suppport**'' and insert ''**support**''.

On page 25, lines 11 and 12, strike ''under section 5376 of title 5'' and insert ''for level IV of the Executive Schedule''.

On page 48, line 34, strike ''employee from State or local governments'' and insert ''individual''.

On page 55, line 36, strike ''$2,500'' and insert ''$3,000''.

On page 56, line 15, strike ''$2,500'' and insert ''$3,000''.

On page 56, line 19, strike ''$2,500'' and insert ''$3,000''.

On page 77, line 1, strike ''his representatives'' and insert ''representatives of the Comptroller General''.

On page 93, lines 18 and 19, strike ''under section 5376 of title 5'' and insert ''for level IV of the Executive Schedule''.

On page 110, line 21, strike ''**AND**'' and insert ''**OR**''.

Beginning on page 131, strike line 8 and all that follows through page 132, line 19, and insert the following:

(c) CONTRACT PERIOD.—The period of a task order contract entered into under this section, including all periods of extensions of the contract under options, modifications, or otherwise, may not exceed 5 years unless a longer period is specifically authorized in a law that is applicable to the contract.

On page 185, line 39, strike ''AMOUNT'' and insert ''AMOUNTS''.

On page 185, line 40, strike ''amount'' and insert ''amounts''.

On page 186, line 1, strike ''amount'' and insert ''amounts''.

On page 201, line 13, strike ''under section 5376 of title 5'' and insert ''for level IV of the Executive Schedule''.

On page 204, between lines 10 and 11, insert the following:

(3) PERSON.—The term ''person'' means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

On page 204, line 11, strike ''(3)'' and insert ''(4)''.

On page 204, line 14, strike ''(4)'' and insert ''(5)''.

On page 204, line 17, strike ''(5)'' and insert ''(6)''.

On page 204, line 20, strike ''(6)'' and insert ''(7)''.

On page 204, line 24, strike ''(7)'' and insert ''(8)''.

On page 204, line 31, strike ''(8)'' and insert ''(9)''.

On page 208, line 6, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 209, line 3, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 213, line 36, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 213, line 39, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 8, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 13, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 16, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 19, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 24, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 27, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 214, line 39, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 3, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 6, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 10, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 13, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 16, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 215, line 19, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 217, line 28, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 219, line 30, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 219, line 33, strike ''(except section 3302)'' and insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)''.

On page 219, line 38, insert ''**(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)**'' after ''**division C**''.

On page 220, line 5, insert ''(EXCEPT SECTIONS 1704 AND 2303)'' after ''DIVISION B''.

On page 220, line 8, insert ''(except sections 1704 and 2303)'' after ''division B''.

On page 220, line 13, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 220, line 16, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 220, line 18, insert ''(except sections 1704 and 2303)'' after ''division B''.

On page 220, line 36, insert ''(except sections 1704 and 2303)'' after ''division B''.

On page 221, line 5, insert ''(except sections 1704 and 2303)'' after ''division B''.

On page 221, line 13, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 221, line 16, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 221, line 26, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 221, line 29, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 222, line 18, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 222, line 22, insert ''**(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)**'' after ''**division C**''.

On page 222, line 37, insert ''(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)'' after ''division C''.

On page 223, line 25, insert ''(EXCEPT SECTIONS 1704 AND 2303)'' after ''DIVISION B''.

On page 236, strike ''2006'' in the column relating to ''Date''.

On page 236, strike the item related to Public Law 109–364.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The bill (H.R. 1107), as amended, was passed, as follows:

H.R. 1107

Resolved, That the bill from the House of Representatives (H.R. 1107) entitled ''An Act to enact certain laws relating to public contracts as title 41, United States Code, ''Public Contracts.'', do pass with the following amendments:

(1) On page 2, in the item related to chapter 35 in the subtitle analysis, strike

[and]

and insert

or

(2) On page 7, strike lines 14 through 20 and insert *In this subtitle, the term ''supplies'' has the same meaning as the terms ''item'' and ''item of supply''*

(3) On page 9, line 20, strike **[suppport]** and insert ***support***

(4) On page 25, lines 11 and 12, strike **[**under section 5376 of title 5**]** and insert *for level IV of the Executive Schedule*

(5) On page 48, line 34, strike **[**employee from State or local governments**]** and insert *individual*

(6) On page 55, line 36, strike **[**$2,500**]** and insert *$3,000*

(7) On page 56, line 15, strike **[**$2,500**]** and insert *$3,000*

(8) On page 56, line 19, strike **[**$2,500**]** and insert *$3,000*

(9) On page 77, line 1, strike **[**his representatives**]** and insert *representatives of the Comptroller General*

(10) On page 93, lines 18 and 19, strike **[**under section 5376 of title 5**]** and insert *for level IV of the Executive Schedule*

(11) On page 110, line 21, strike **[AND]** and insert ***OR***

(12) Beginning on page 131, strike line 8 and all that follows through page 132, line 19, and insert the following:

(c) CONTRACT PERIOD.—The period of a task order contract entered into under this section, including all periods of extensions of the contract under options, modifications, or otherwise, may not exceed 5 years unless a longer period is specifically authorized in a law that is applicable to the contract.

(13) On page 185, line 39, strike **[**AMOUNT**]** and insert ***AMOUNTS***

(14) On page 185, line 40, strike **[**amount**]** and insert *amounts*

(15) On page 186, line 1, strike **[**amount**]** and insert *amounts*

(16) On page 201, line 13, strike **[**under section 5376 of title 5**]** and insert *for level IV of the Executive Schedule*

(17) On page 204, between lines 10 and 11, insert the following:

(3) PERSON.—The term ''person'' means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

(18) On page 204, line 11, strike **[**(3)**]** and insert *(4)*

(19) On page 204, line 14, strike **[**(4)**]** and insert *(5)*

(20) On page 204, line 17, strike **[**(5)**]** and insert *(6)*

(21) On page 204, line 20, strike **[**(6)**]** and insert *(7)*

(22) On page 204, line 24, strike **[**(7)**]** and insert *(8)*

(23) On page 204, line 31, strike **[**(8)**]** and insert *(9)*

(24) On page 208, line 6, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''

(25) On page 209, line 3, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''

(26) On page 213, line 36, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''

(27) On page 213, line 39, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''

(28) On page 214, line 8, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''

(29) On page 214, line 13, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''

(30) On page 214, line 16, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''

(31)On page 214, line 19, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(32)On page 214, line 24, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(33)On page 214, line 27, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(34)On page 214, line 39, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(35)On page 215, line 3, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
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(37)On page 215, line 10, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(38)On page 215, line 13, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(39)On page 215, line 16, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(40)On page 215, line 19, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(41)On page 217, line 28, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(42)On page 219, line 30, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(43)On page 219, line 33, strike 【(except section 3302)】 and insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)*
(44)On page 219, line 38, insert ***(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)*** after **division C**
(45)On page 220, line 5, insert *(EXCEPT SECTIONS 1704 AND 2303)* after DIVISION B
(46)On page 220, line 8, insert *(except sections 1704 and 2303)* after ''division B''
(47)On page 220, line 13, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(48)On page 220, line 16, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(49)On page 220, line 18, insert *(except sections 1704 and 2303)* after ''division B''
(50)On page 220, line 36, insert *(except sections 1704 and 2303)* after ''division B''
(51)On page 221, line 5, insert *(except sections 1704 and 2303)* after ''division B''
(52)On page 221, line 13, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(53)On page 221, line 16, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(54)On page 221, line 26, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(55)On page 221, line 29, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(56)On page 222, line 18, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(57)On page 222, line 22, insert ***(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)*** after ''**division C**''
(58)On page 222, line 37, insert *(except sections 3302, 3501(b), 3509, 3906, 4710, and 4711)* after ''division C''
(59)On page 223, line 25, insert *(EXCEPT SECTIONS 1704 AND 2303)* after ''DIVISION B''
(60)On page 236, strike 【2006】 in the column relating to ''Date''
(61)On page 236, strike the item related to Public Law 109–364.

THE CALENDAR

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate proceed en bloc to the following postal-naming bills, Calendar Nos. 665 through 669, S. 3784, H.R. 5758, H.R. 6118, H.R. 6237, and H.R. 6387.

There being no objection, the Senate proceeded to consider the bills en bloc.

Mr. DURBIN. Mr. President, I ask unanimous consent that the bills be read a third time and passed en bloc, the motions to reconsider be laid upon the table en bloc, with no intervening action or debate, and any statements relating to the bills be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

MARINE SGT. JEREMY E. MURRAY POST OFFICE

The bill (S. 3784) to designate the facility of the United States Postal Service located at 4865 Tallmadge Road in Rootstown, Ohio, as the ''Marine Sgt. Jeremy E. Murray Post Office'' was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3784

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MARINE SGT. JEREMY E. MURRAY POST OFFICE.

(a) DESIGNATION.—The facility of the United States Postal Service located at 4865 Tallmadge Road in Rootstown, Ohio, shall be known and designated as the ''Marine Sgt. Jeremy E. Murray Post Office''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the ''Marine Sgt. Jeremy E. Murray Post Office''.

SERGEANT ROBERT BARRETT POST OFFICE BUILDING

The bill (H.R. 5758) to designate the facility of the United States Postal Service located at 2 Government Center in Fall River Massachusetts, as the ''Sergeant Robert Barrett Post Office Building,'' was ordered to a third reading, was read the third time, and passed.

DOROTHY I. HEIGHT POST OFFICE

The bill (H.R. 6118) to designate the facility of the United States Postal Service located at 2 Massachusetts Avenue, NE., in Washington, D.C., as the ''Dorothy I. Height Post Office,'' was ordered to a third reading, was read the third time, and passed.

TOM KONGSGAARD POST OFFICE BUILDING

The bill (H.R. 6237) to designate the facility of the United States Postal Service located at 1351 2nd Street in Napa, California, as the ''Tom Kongsgaard Post Office Building,'' was ordered to a third reading, was read the third time, and passed.

SAM SACCO POST OFFICE BUILDING

The bill (H.R. 6387) to designate the facility of the United States Postal Service located at 337 West Clark Street in Eureka, California, as the ''Sam Sacco Post Office Building,'' was ordered to a third reading, was read the third time, and passed.

CONDEMNING THE ATTACK BY THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AGAINST THE REPUBLIC OF KOREA

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 693, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 693) condemning the attack by the Democratic People's Republic of Korea against the Republic of Korea, and affirming support for the United States-Republic of Korea Alliance.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DURBIN. I ask unanimous consent to have my name added as a cosponsor of that measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate, and that any statements relating to this matter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 693) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 693

Whereas Yeonpyeong Island is located in the Yellow Sea (West Sea) about 50 miles west of the city of Incheon and is inhabited by more than 1,000 citizens and military personnel from the Republic of Korea;

Whereas the United Nations Command established the Northern Limit Line in 1953, marking the line of military control between the Democratic People's Republic of Korea and the Republic of Korea;

Whereas, on November 23, 2010, the Republic of Korea military conducted military exercises in the Yellow Sea (West Sea) on the southern side of the Northern Limit Line;

Whereas, on that day, North Korea military forces fired approximately 170 artillery shells at Yeonpyeong Island, resulting in military and civilian casualties, including the death of 2 marines and 2 civilians from the Republic of Korea;

Whereas North Korea's shelling caused widespread damage to military installations and civilian property;

Whereas North Korea's attack against South Korea infringes upon the commitments made in the Korean War Armistice Agreement of 1953 that oblige military commanders to ''order and enforce a complete cessation of all hostilities in Korea by all armed forces under their control'';

Whereas this attack also violates United Nations Security Council Resolution 1695 (2006), which emphasizes the need for North Korea ''to show restraint and refrain from any action that might aggravate tension, and to continue to work on the resolution of non-proliferation concerns through political and diplomatic efforts'';

Whereas this brazen attack is one in a series of actions by the Government of North Korea that undermine regional peace and security, especially on the Korean peninsula;

Whereas this attack follows the March 26, 2010, torpedo attack by the Government of North Korea against the Republic of Korea ship CHEONAN, which resulted in the death of 46 sailors from the Republic of Korea Navy;

Whereas this attack also follows the revelation that the Government of North Korea has constructed a uranium enrichment facility at the Yongbyon nuclear site in clear violation of United Nations Security Council Resolutions 1718 (2006) and 1874 (2009);

Whereas this attack and the trend of continued provocation by the Government of North Korea reinforces the importance of the alliance between the United States and the Republic of Korea and the need for the United States to maintain a strong military presence in East Asia; and

Whereas this attack also signifies the importance of maintaining a strong bilateral economic, security, and cultural relationship with the Republic of Korea: Now, therefore, be it

Resolved, That the Senate—

(1) condemns the attack by the Government of North Korea against the Republic of Korea in violation of the 1953 Korean War Armistice Agreement;

(2) expresses its deep condolences to the government and people of the Republic of Korea, especially the families on Yeonpyeong Island who suffered from this attack and lost their loved ones;

(3) recognizes that maintaining peace on the Korean peninsula requires constant vigilance, and continues to stand with the people and the Government of the Republic of Korea in this time of crisis;

(4) calls on the international community, especially North Korea's ally, China, to condemn this attack and enjoin the Government of North Korea to halt all nuclear activities in accord with United Nations Security Council resolutions 1718 (2006) and 1874 (2009) and refrain from any further actions that may destabilize the Korean Peninsula;

(5) calls on the President to work with the Government of the Republic of Korea to take all necessary steps to deter further aggression by the Government of North Korea, in keeping with the security alliance between the United States and the Republic of Korea;

(6) urges the Administration to continue a bilateral economic relationship with the Republic of Korea; and

(7) reaffirms the commitment of the United States to its alliance with the Republic of Korea for the preservation of peace and stability on the Korean Peninsula and throughout the region.

ORDERS FOR FRIDAY, DECEMBER 3, 2010

Mr. DURBIN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m. on Friday, December 3; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. DURBIN. If there is no further business to come before the Senate, I ask unanimous consent that it adjourn under the previous order.

There being no objection, the Senate, at 9:50 p.m., adjourned until Friday, December 3, 2010, at 9:30 a.m.